

PROSPECTUS dated 23 September 2015



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

Up to EUR 20,000,000 Zero Coupon Zero Recovery Linear Basket Credit Linked Notes with Mutual Fund Linked Payment due 2021 linked to the credit of iTraxx® Europe Crossover Series 24 (the “Notes”)

This Prospectus (the “**Prospectus**”) has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under Directive 2003/71/EC, as amended (the “**Prospectus Directive**”). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange (the “**Irish Stock Exchange**”) for the Notes to be admitted to the official list and trading on its regulated market. Such market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC.

This document constitutes a Prospectus for the purposes of the Prospectus Directive.

This Prospectus is available on the Irish Stock Exchange's website (www.ise.ie).

The Notes are credit-linked and fund-linked. Certain risks relating to the Notes and an explanation as to the nature of such credit-linkage and fund-linkage are set out below, in particular in the sections of this Prospectus entitled “*Risk Factors*”, “*Transaction Description*” and “*Questions and Answers*”.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Any websites referred to in this document do not form part of this Prospectus.

Prospective investors should be aware of the risks involved in investing in the Notes (see “*Risk Factors*” on page 22).

Dealer

UBS Limited

The date of this Prospectus is 23 September 2015.

This Prospectus constitutes a Prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (as amended by Directive 2010/73/EU) (the “**Prospectus Directive**”). This Prospectus has been prepared on the basis that offers that are not made within an exemption from the requirement to publish a prospectus under Article 3.2 of the Prospectus Directive are permitted in Finland. Any person making or intending to make a Non-exempt Offer of Notes on the basis of this Prospectus must do so only with the Issuer’s consent – see “*Consent given in accordance with Article 3.2 of the Prospectus Directive*” below.

Consent given in accordance with Article 3.2 of the Prospectus Directive

This Prospectus has been prepared for the purpose of providing information with regard to the Issuer and the Notes. The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. In addition, in the context of any Non-exempt Offer of Notes, the Issuer accepts responsibility in Finland (the “**Public Offer Jurisdiction**”), for the content of this Prospectus in relation to any person (an “**Investor**”) who purchases any Notes in a Non-exempt Offer made by the “**Authorised Offeror**” (as defined below), where that offer is made during the Offer Period (as defined below).

Except in the circumstances described below, the Issuer has not authorised the making of any offer by any offeror and the Issuer has not consented to the use of this Prospectus by any other person in connection with any offer of the Notes in any jurisdiction. Any offer made without the consent of the Issuer is unauthorised and neither the Issuer nor, for the avoidance of doubt the Dealer accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Non-exempt Offer, an Investor is offered Notes by a person which is not the Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Prospectus for the purpose of the relevant Non-exempt Offer and, if so, who that person is. If an Investor is in any doubt about whether it can rely on this Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

The Issuer consents to the use of this Prospectus in connection with any Non-exempt Offer of Notes in the Public Offer Jurisdiction during the period commencing from 28 September 2015 to 19 October 2015 (the “**Offer Period**”) by FIM Sijoituspalvelut Oy (an “**Authorised Offeror**”).

The Issuer may after the date of this Prospectus appoint a further financial intermediary as Authorised Offeror in respect of the Non-exempt Offer which is the subject of this Prospectus. On such cases, the name of any such further financial intermediary appointed as an Authorised Offeror will be published on the website of the Irish Stock Exchange (www.ise.ie) by way of an announcement identifying such financial intermediary as an Authorised Offeror.

Arrangements between an Investor and the Authorised Offeror who will distribute the Notes

Neither the Issuer nor, for the avoidance of doubt, the Dealer has any responsibility for any of the actions of an Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO SUCH INVESTOR BY AN AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN THAT AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS (THE “TERMS AND CONDITIONS OF THE NON-EXEMPT OFFER”). THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTOR AND, ACCORDINGLY, THIS PROSPECTUS DOES NOT CONTAIN SUCH INFORMATION. THE TERMS AND CONDITIONS OF THE NON-EXEMPT OFFER SHALL BE PROVIDED TO SUCH INVESTOR BY THE RELEVANT AUTHORISED OFFEROR AT THE TIME THE OFFER IS MADE. NEITHER THE ISSUER NOR THE DEALER HAS ANY RESPONSIBILITY OR LIABILITY FOR SUCH INFORMATION.

ANY AUTHORISED OFFEROR USING THIS PROSPECTUS WILL STATE ON ITS WEBSITE THAT IT HAS USED THIS PROSPECTUS IN ACCORDANCE WITH THE TERMS OF THE CONSENT GRANTED TO IT BY THE ISSUER.

The Dealer has not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is or will be made and no responsibility or liability is or will be accepted by the Dealer as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes or their distribution.

No person is or has been authorised by the Issuer or the Dealer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer.

Neither this Prospectus nor any other information supplied in connection with the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Dealer that any recipient of this Prospectus or any other information supplied in connection with the Notes, should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the Reference Entities and the Funds. Neither this Prospectus nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Dealer to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus, nor the offering, sale or delivery of Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealer expressly does not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to its attention.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealer do not and will not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been or will be taken by the Issuer or the Dealer (save as specified in “*Subscription and Sale and Transfer Restrictions – Public Offer Selling Restriction under the Prospectus Directive*” below) which is intended to permit a public offering of the Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or 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 Prospectus or any Notes come must inform themselves about, and observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, Ireland and Finland) and Switzerland (see the section entitled “*Selling Restrictions*” on page 173 of the Base Prospectus and the section of this Prospectus entitled “*Subscription and Sale and Transfer Restrictions*” below).

All references in this Prospectus to “euro”, “EUR” and “€” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

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SUMMARY

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

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

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

This summary relates to the up to EUR 20,000,000 Zero Coupon Zero Recovery Linear Basket Credit Linked Notes with Mutual Fund Linked Payment due 2021 linked to the credit of iTraxx® Europe Crossover Series 24 (the “Notes”)

Section A – Introduction and Warnings		
A.1	Introduction:	<p>Warning that:</p> <ul style="list-style-type: none"> • this summary should be read as an introduction to this Prospectus; • any decision to invest in the Notes should be based on consideration of this Prospectus (including documents incorporated herein) as a whole by the investor; • where a claim relating to the information contained in this Prospectus is brought before a court, the claimant investor might, under the national legislation of the Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated; and • civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such Notes.
A.2	Consent:	<p>The Issuer consents to the use of this Prospectus in connection with a public offer of the Notes (a “Public Offer”) by FIM Sijoituspalvelut Oy (an “Authorised Offeror”) on the basis that the relevant Public Offer must occur during the period from and including 28 September 2015 to but excluding 19 October 2015 (the “Offer Period”).</p>
		<p>An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation, settlement arrangements and any expenses or taxes to be charged to the Investor (the “Terms and Conditions of the Public Offer”). The Issuer will not be a party to any such arrangements with Investors (other than the Dealer) in connection with the offer or sale of the Notes and, accordingly, this Prospectus will not contain such information. The Terms and Conditions of the Public Offer shall be published by the relevant Authorised Offeror on its website at the relevant time. Neither the Issuer nor the Dealer has any responsibility or liability for</p>

		such information.
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Section B – Issuer		
B.1	Legal name of the Issuer: Commercial name of the Issuer:	UBS AG (acting through its London branch) (the “ Issuer ”). UBS AG
B.2	Domicile, legal form, legislation and country of incorporation of the Issuer:	The Issuer is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations as an Aktiengesellschaft, a stock corporation.
B.4b	Trends:	As stated in the Second Quarter 2015 Financial Report of UBS Group AG issued on 28 July 2015 and as in previous years, seasonal impacts are likely to affect revenues and profits in the third quarter. In addition, many of the underlying macroeconomic challenges and geopolitical issues that UBS has previously highlighted remain and are unlikely to be resolved in the foreseeable future. Despite ongoing and new challenges, UBS continues to be committed to the disciplined execution of its strategy in order to ensure the firm’s long-term success and to deliver sustainable returns for shareholders.
B.5	The Group:	<p>UBS AG is a Swiss bank. It is the sole subsidiary of UBS Group AG. It is also the parent company of the UBS AG Group. The UBS Group operates as a group with five business divisions and a Corporate Center.</p> <p>In June 2015, UBS AG transferred its Retail & Corporate and Wealth Management business booked in Switzerland to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. As of the transfer date, 14 June 2015, UBS Switzerland AG had over CHF 300 billion in assets, 2.7 million customers and 11,000 employees. Under the terms of the asset transfer agreement, UBS Switzerland AG is jointly liable for the contractual obligations of UBS AG existing on the asset transfer date. Under the Swiss Merger Act, UBS AG is jointly liable for obligations existing on the asset transfer date that have been transferred to UBS Switzerland AG. Neither UBS AG nor UBS Switzerland AG has any liability for new obligations incurred by the other entity after the asset transfer date. Accordingly, any new contractual obligations of UBS AG, including in connection with debt instruments of any kind with a settlement date occurring only after the asset transfer date, are not covered by UBS Switzerland AG's contractual joint liability.</p> <p>In the UK, UBS completed the implementation of a more self-sufficient business and operating model for UBS Limited under which UBS Limited bears and retains a larger proportion of the risk and reward in its business activities.</p> <p>In the US, to comply with new rules for foreign banks under the Dodd-Frank Wall Street Reform and Consumer Protection Act, by 1 July 2016 UBS will designate an intermediate holding company that will own all of UBS's US operations except US branches of UBS AG.</p> <p>In the third quarter of 2015, UBS intends to establish a Group service company as a subsidiary of UBS Group AG. UBS expects that the transfer</p>

		<p>of shared service and support functions to the service company structure will start in 2015 and will be implemented in a staged approach through 2018.</p> <p>UBS continues to consider further changes to the Group's legal structure in response to capital and other regulatory requirements and in order to obtain any reduction in capital requirements for which the Group may be eligible. Such changes may include the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG and adjustments to the booking entity or location of products and services. These structural changes are being discussed on an ongoing basis with the FINMA and other regulatory authorities and remain subject to a number of uncertainties that may affect their feasibility, scope or timing.</p>
B.9	Profit Estimate:	Not Applicable. The Issuer has not made any profit estimates or forecasts in this Prospectus.
B.10	Audit Report Qualifications:	Not Applicable. There are no qualifications in the auditors' reports on the consolidated financial statements of UBS AG and the standalone financial statements of UBS AG for the years ended on 31 December 2013 and 31 December 2014.
B.12	Selected Key Financial Information:	<p>Selected consolidated financial information</p> <p>UBS AG derived the selected consolidated financial information included in the table below for the years ended 31 December 2012, 2013 and 2014 from its annual report 2014, which contains the audited consolidated financial statements of UBS AG, as well as additional unaudited consolidated financial information, for the year ended 31 December 2014 and comparative figures for the years ended 31 December 2013 and 2012. The selected consolidated financial information included in the table below for the six months ended 30 June 2015 and 30 June 2014 was derived from the second quarter 2015 report, which contains the unaudited consolidated financial statements of UBS AG, as well as additional unaudited consolidated financial information, for the six months ended 30 June 2015 and comparative figures for the six months ended 30 June 2014. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and stated in Swiss francs (CHF). The annual report 2014 and the second quarter 2015 report are incorporated by reference herein. In the opinion of management, all necessary adjustments were made for a fair presentation of the UBS AG consolidated financial position and results of operations. Information for the years ended 31 December 2012, 2013 and 2014 which is indicated as being unaudited in the below table was included in the annual report 2014 but has not been audited on the basis that the respective disclosures are not required under IFRS, and therefore are not part of the audited financial statements. As described in more detail in Note 1b to the consolidated financial statements contained in the annual report 2014, certain information which was included in the consolidated financial statements to the annual report 2013 was restated in the annual report 2014. The figures contained in the below table in respect of the year ended 31 December 2013 reflect the restated figures as contained in the annual report 2014. Prospective investors should read the whole of this Prospectus and the documents incorporated by reference herein and should not rely solely on the summarized information set out below:</p>

	As of or for the six months ended		As of or for the year ended		
<i>CHF million, except where indicated</i>	30.6.15	30.6.14	31.12.14	31.12.13	31.12.12
	<i>unaudited</i>		<i>audited, except where indicated</i>		
Results					
Operating income	16,644	14,405	28,026	27,732	25,423
Operating expenses	12,254	11,794	25,557	24,461	27,216
Operating profit / (loss) before tax	4,391	2,611	2,469	3,272	(1,794)
Net profit / (loss) attributable to UBS AG shareholders	3,201	1,846	3,502	3,172	(2,480)
Diluted earnings per share (CHF)	0.83	0.48	0.91	0.83	(0.66)
Key performance indicators					
Profitability					
Return on tangible equity (%) ¹	14.1	8.8	8.2*	8.0*	1.6*
Return on assets, gross (%) ²	3.2	2.9	2.8*	2.5*	1.9*
Cost / income ratio (%) ³	73.5	82.0	90.9*	88.0*	106.6*
Growth					
Net profit growth (%) ⁴	73.4	10.0	10.4*	-	-
Net new money growth for combined wealth management businesses (%) ⁵	2.6	2.4	2.5*	3.4*	3.2*
Resources					
Common equity tier 1 capital ratio (fully applied, %) ^{6,7}	15.6	13.5	14.2*	12.8*	9.8*
Leverage ratio (phase-in, %) ^{8,9}	5.1	5.3	5.4*	4.7*	3.6*
Additional information					
Profitability					
Return on equity (RoE) (%) ¹⁰	12.1	7.6	7.0*	6.7*	(5.1)*
Return on risk-weighted assets, gross (%) ¹¹	15.3	12.5	12.4*	11.4*	12.0*
Resources					
Total assets	951,528	982,605	1,062,327	1,013,355	1,259,797
Equity attributable to UBS AG shareholders	51,685	49,532	52,108	48,002	45,949
Common equity tier 1 capital (fully applied) ⁷	32,834	30,590	30,805	28,908	25,182*
Common equity tier 1 capital (phase-in) ⁷	39,169	41,858	44,090	42,179	40,032*
Risk-weighted assets (fully applied) ⁷	210,400	226,736	217,158*	225,153*	258,113*
Risk-weighted assets (phase-in) ⁷	212,173	229,908	221,150*	228,557*	261,800*
Common equity tier 1 capital ratio (phase-in, %) ^{6,7}	18.5	18.2	19.9*	18.5*	15.3*

Total capital ratio (fully applied, %) ⁷	20.2	18.1	19.0*	15.4*	11.4*
Total capital ratio (phase-in, %) ⁷	23.8	23.9	25.6*	22.2*	18.9*
Leverage ratio (fully applied, %) ^{8,9}	4.5	4.2	4.1*	3.4*	2.4*
Leverage ratio denominator (fully applied) ⁹	946,457	980,552	999,124*	1,015,306*	1,206,214*
Leverage ratio denominator (phase-in) ⁹	950,953	986,577	1,006,001*	1,022,924*	1,216,561*
Other					
Invested assets (CHF billion) ¹²	2,628	2,507	2,734	2,390	2,230
Personnel (full-time equivalents)	59,648	60,087	60,155*	60,205*	62,628*
Market capitalization	76,589	62,542	63,243*	65,007*	54,729*
Total book value per share (CHF)	13.40	13.20	13.56*	12.74*	12.26*
Tangible book value per share (CHF)	11.78	11.54	11.80*	11.07*	10.54*

* unaudited

¹ Net profit / loss attributable to UBS AG shareholders before amortization and impairment of goodwill and intangible assets (annualized as applicable) / average equity attributable to UBS AG shareholders less average goodwill and intangible assets. ² Operating income before credit loss (expense) or recovery (annualized as applicable) / average total assets. ³ Operating expenses / operating income before credit loss (expense) or recovery. ⁴ Change in net profit attributable to UBS AG shareholders from continuing operations between current and comparison periods / net profit attributable to UBS AG shareholders from continuing operations of comparison period. Not meaningful and not included if either the reporting period or the comparison period is a loss period. ⁵ Combined Wealth Management's and Wealth Management Americas' net new money for the period (annualized as applicable) / invested assets at the beginning of the period. Based on adjusted net new money which excludes the negative effect on net new money of CHF 6.6 billion in Wealth Management from UBS's balance sheet and capital optimization efforts in the second quarter of 2015. ⁶ Common equity tier 1 capital / risk-weighted assets. ⁷ Based on the Basel III framework as applicable to Swiss systemically relevant banks (SRB), which became effective in Switzerland on 1 January 2013. The information provided on a fully applied basis entirely reflects the effects of the new capital deductions and the phase out of ineligible capital instruments. The information provided on a phase-in basis gradually reflects those effects during the transition period. Numbers for 31 December 2012 are calculated on an estimated basis described below and are referred to as "pro-forma". Some of the models applied when calculating 31 December 2012 pro-forma information required regulatory approval and included estimates (as discussed with UBS's primary regulator) of the effect of new capital charges. These figures are not required to be presented, because Basel III requirements were not in effect on 31 December 2012. They are nevertheless included for comparison reasons. ⁸ Common equity tier 1 capital and loss-absorbing capital / total adjusted exposure (leverage ratio denominator). ⁹ In accordance with Swiss SRB rules. The Swiss SRB leverage ratio came into force on 1 January 2013. Numbers for 31 December 2012 are on a pro-forma basis (see footnote 7 above). ¹⁰ Net profit / loss attributable to UBS AG shareholders (annualized as applicable) / average equity attributable to UBS AG shareholders. ¹¹ Based on Basel III risk-weighted assets (phase-in) for 2015, 2014 and 2013, and on Basel 2.5 risk-weighted assets for 2012. ¹² Includes invested assets for Retail & Corporate.

There has been no material adverse change in the prospects of the Issuer since 31 December 2014.

There has been no significant change in the financial or trading position of the UBS AG Group since 30 June 2015.

B.13	Recent Events:	Not Applicable. There have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.
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B.14	Dependence upon other entities within the Group:	UBS AG is the parent company of the UBS AG Group. As such, to a certain extent, it is dependent on certain of its subsidiaries.
B.15	The Issuer's Principal Activities:	<p>UBS is committed to providing private, institutional and corporate clients worldwide, as well as retail clients in Switzerland with superior financial advice and solutions while generating attractive and sustainable returns for shareholders. UBS's strategy centers on its Wealth Management and Wealth Management Americas businesses and its leading (in its own opinion) universal bank in Switzerland, complemented by its Global Asset Management business and its Investment Bank. In UBS's opinion, these businesses share three key characteristics: they benefit from a strong competitive position in their targeted markets, are capital-efficient, and offer a superior structural growth and profitability outlook. UBS's strategy builds on the strengths of all of its businesses and focuses its efforts on areas in which UBS excels, while seeking to capitalize on the compelling growth prospects in the businesses and regions in which it operates. Capital strength is the foundation of UBS's success. The operational structure of the Group is comprised of the Corporate Center and five business divisions: Wealth Management, Wealth Management Americas, Retail & Corporate, Global Asset Management and the Investment Bank.</p> <p>According to article 2 of the Articles of Association of UBS AG, dated 7 May 2015 ("Articles of Association"), the purpose of UBS AG is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad. UBS AG may establish branches and representative offices as well as banks, finance companies and other enterprise of any kind in Switzerland and abroad, hold equity interests in these companies, and conduct their management. UBS AG is authorized to acquire, mortgage and sell real estate and building rights in Switzerland and abroad. UBS AG may provide loans, guarantees and other kinds of financing and security for Group companies and borrow and invest money on the money and capital markets.</p>
B.16	Controlling Persons:	Following the successful completion of the 2014 exchange offer by UBS Group AG to acquire all issued shares of UBS AG, UBS Group AG filed a request with the Commercial Court of the Canton of Zurich for a procedure under article 33 of the Swiss Stock Exchange Act (the " SESTA procedure "), pursuant to which all UBS AG shares that remained publicly held would be cancelled and UBS Group AG shares would be delivered as compensation. In August 2015 the Commercial Court of the Canton of Zurich declared the UBS AG shares of the remaining minority shareholders to be invalid. As a result holders of UBS AG shares have been compensated through the delivery on 1 September 2015 of UBS Group AG shares on a share-for-share exchange basis in accordance with the exchange ratio of the 2014 exchange offer. UBS Group AG now holds 100% of the issued shares of UBS AG.

Section C – The Notes		
C.1	Type and Class of Securities:	<p>The Notes are up to EUR 20,000,000 Zero Coupon Zero Recovery Linear Basket Credit Linked Notes with Mutual Fund Linked Payment due 2021 linked to the credit of iTraxx® Europe Crossover Series 24, Tranche number 1.</p> <p>ISIN Code: FI4000167325</p> <p>Common Code: 400016732</p>
C.2	Currency of the Securities Issue:	The Notes are denominated in Euro.
C.5	Restrictions on Free Transferability:	Selling restrictions apply to offers, sales and transfers of the Notes in certain jurisdictions. In particular, there are restrictions on the offer and sale of the Notes in the United States, the European Economic Area (including the United Kingdom, Ireland and Finland) and Switzerland. The Notes may not be offered to the public in any jurisdiction other than Finland. The Notes may only be transferred in accordance with the then outstanding rules and regulations of Euroclear Finland and no holder of the Notes may transfer the Notes in contravention of such rules and regulations. A holder of the Notes is not permitted to require the transfer of its Notes during any closed period as will be determined pursuant to the prevailing rules of Euroclear Finland.
C.8	The Rights Attaching to the Securities, including Ranking and Limitations to those Rights:	<p>Status of the Notes: The Notes will be issued on a senior basis. The Notes are unsecured obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves. Except as may be provided by any law, the payment obligations of the Issuer under the Notes will at all times rank equally with all other outstanding unsecured and unsubordinated obligations of the Issuer.</p> <p>Taxation: Payments in respect of Notes will be made free and clear of withholdings or deductions for, or on account of, any present or future taxes, duties, assessments or other government charges by or in (i) the United Kingdom, (ii) Switzerland and (iii) any other jurisdiction in which the Issuer is or becomes subject to tax unless such withholding or deduction is required by law (the “Relevant Jurisdictions”). If such taxes are required to be withheld, the Issuer will pay additional amounts in respect of the Notes subject to the customary exceptions. If the Issuer is obliged to pay any such additional amounts, the Issuer may elect to redeem the Notes.</p> <p>Governing Law: The Notes are governed by English law. Finnish law and jurisdiction will be applicable with regard to the registration of the Notes in Euroclear Finland and the Notes must comply with the Finnish Act on the Book-Entry Securities System and Clearing Activity (<i>Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta</i> (749/2012)), as amended, and the Finnish Act on Book-Entry Accounts (<i>Laki arvo-osuustileistä</i>) (827/1991), as amended, as well as the rules and regulations of Euroclear Finland.</p> <p>Substitution of the Issuer and Issuing Branch Substitution: The Issuer may, at its option and having given notice to the holders of the Notes (the “Noteholders”), designate, without the consent of any Noteholders, an affiliate to assume liability for the due and punctual payment of all payments on the Notes then outstanding and the performance of all the Issuer's other obligations under all the Notes.</p> <p>Prior to any such substitution of the Issuer, the Issuer may, at its option and having given notice to the Noteholders, (i) cease to make payments of principal and any other amounts due under all Notes then outstanding and fulfil any of its other obligations and exercise any of its rights and powers in respect of, or arising under, the Notes then outstanding through its London</p>

		<p>Branch, and (ii) commence making such payments, fulfilling such other obligations and exercising such powers and rights through another branch or the UBS Head Office.</p> <p>Events of Default: The Notes contain the following events of default (the “Events of Default”):</p> <ul style="list-style-type: none"> (i) there is a default for more than 30 days in the payment of any principal due in respect of the Notes; or (ii) there is a default in the performance by the Issuer of any other obligation under the Notes which is incapable of remedy or which, being a default capable of remedy, continues for 60 days after written notice of such default has been given by any Noteholder to the Issuer; or (iii) any order shall be made by any competent court or other authority or resolution passed by the Issuer for the dissolution or winding-up of the Issuer or for the appointment of a liquidator, receiver, administrator or manager of the Issuer or of all or a substantial part of their respective assets, or anything analogous occurs, in any jurisdiction, to the Issuer, other than in connection with a solvent reorganisation, reconstruction, amalgamation or merger; or (iv) the Issuer shall stop payment or shall be unable to, or shall admit to creditors generally its inability to, pay its debts as they fall due, or shall be adjudicated or found bankrupt or insolvent, or shall enter into any composition or other arrangements with its creditors generally. <p>Meetings of Noteholders: The conditions of the Notes contain provisions relating to meetings of Noteholders. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p>Adjustments to the Terms and Conditions: In certain circumstances UBS AG, London Branch as calculation agent (the “Calculation Agent”) may make adjustments to the terms and conditions of the Notes. This includes certain circumstances where the 2014 ISDA Credit Derivatives Definitions published by ISDA are amended or supplemented or where certain disruption or adjustment events occur in relation to the Funds.</p>
C.11	Trading:	Application will be made for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange.
C.15	Description of how the value of your investment is affected by the value of the underlying assets:	<p>The Notes are credit-linked notes (“Credit-Linked Notes”) and fund linked notes (“Fund-Linked Notes”).</p> <p>Under the terms of the Notes, if a Credit Event occurs in respect of a Reference Entity included in the Relevant Annex and a Credit Event Determination Date is determined, the Issuer is entitled to redeem a portion of the Notes equal to the Reference Entity Aggregate Nominal Amount of such Affected Reference Entity at zero on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date, as further described in C.18 below.</p> <p>In addition, an additional payment amount will be calculated based on the performance of a reference portfolio during the term of the Notes. This means that Noteholders will be dependent on the performance of such reference portfolio for any return on their Notes above par as further</p>

		described in C.18 below.
C.16	The expiration or Maturity Date of the Notes:	<p>Maturity Date: The Maturity Date of the Notes will be the later of (i) 20 December 2020 (the “Scheduled Maturity Date”), subject to postponement as described in “<i>Scheduled Maturity Date Postponement</i>” below, (ii) the date on which the Additional Payment Amount is payable (as such date may be postponed), (as to which see item C.18 below) and (iii) such date designated by the Calculation Agent as it may determine necessary to account for the effects of any extraordinary events (an “Extraordinary Event”) which have occurred in relation to one or more of the Funds.</p> <p>Scheduled Maturity Date Postponement</p> <p>The Scheduled Maturity Date may be postponed in certain circumstances if the Calculation Agent determines that a Credit Event (as defined in item C.18 below) may have occurred on or before the Scheduled Maturity Date (a “Potential Credit Event”).</p> <p>If a Potential Credit Event (being an event which the Calculation Agent determines may be a Credit Event) occurs, the Scheduled Maturity Date will be the date which is the later of (i) the 21st calendar day following the original Scheduled Maturity Date, (ii) the date on which it is announced by the relevant ISDA Credit Derivatives Determinations Committee that a Credit Event has occurred or (iii) the second Business Day following the date on which it is announced by the relevant ISDA Credit Derivatives Determinations Committee that no Credit Event has occurred (such date the “Postponed Scheduled Maturity Date”).</p> <p>Redemption: The principal on the Notes will be redeemable on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date as described in items C.18 and C.19 below. An Additional Payment Amount may be payable on the Maturity Date of the Notes (as described in items C.18 and C.19 below).</p> <p>Early Redemption Events: In addition to early redemption pursuant to the occurrence of an Event of Default, the Notes may be redeemed prior to their Scheduled Maturity Date in the following circumstances (each an “Early Redemption Event”):</p> <p><i>Redemption for breach of selling restrictions:</i> If the Notes are sold or otherwise transferred to any person in breach of the selling restrictions, the Issuer may, in its sole and absolute discretion, choose to redeem the Notes sold to that person.</p> <p><i>Tax Redemption:</i> The Issuer may elect to redeem the Notes if it has or will become obliged to pay certain additional amounts in respect of the Notes as a result of any change in the tax laws of a Relevant Jurisdiction, which cannot be avoided by the Issuer taking reasonable measures.</p>
C.17	A description of the settlement procedures of the Notes:	The Notes will be delivered on (or as soon as practicable after) the issue date against payment of the Issue Price. The Notes are cleared through Euroclear Finland.
C.18	A description of how the procedure on return on the Notes takes place:	<p>Interest: The Notes are zero coupon Notes (“Zero Coupon Notes”) and do not bear interest.</p> <p>The Notes are credit-linked notes (“Credit-Linked Notes”) and fund linked notes (“Fund-Linked Notes”).</p> <p>Credit-Linked Notes</p>

The “**Reference Entities**” (and each a “**Reference Entity**”) comprise the components of the Markit iTraxx® Europe Crossover Series 24 Index (the “**Reference Index**”) as of the Annex Date (being 17 September 2015 or such later date that the Reference Index Sponsor publishes an updated annex relating to the iTraxx® Europe Crossover Series 24 Index on or prior to the Trade Date) and as listed on the following website: <https://www.markit.com/Documentation/Product/ITraxx> (such list being the “**Relevant Annex**”).

The Relevant Annex apportions a percentage weighting to each Reference Entity. The “**Reference Entity Weighting**” of each Reference Entity is an amount equal to the percentage set out opposite such Reference Entity under the “**Weighting**” column in the Relevant Annex, divided by the sum of the Weightings as set out in the Relevant Annex. The “**Reference Entity Aggregate Nominal Amount**” in respect of each Reference Entity (being the portion of the aggregate nominal amount of the Notes which is linked to such Reference Entity) is equal to the aggregate nominal amount of the Notes multiplied by the applicable Reference Entity Weighting provided that if the aggregate nominal amount of the Notes increases due to a further issue of Notes or decreases due to a repurchase and cancellation of Notes, the Reference Entity Aggregate Nominal Amount shall be increased or reduced proportionately.

Under the terms of the Notes, if a Credit Event occurs in respect of a Reference Entity (such Reference Entity an “**Affected Reference Entity**”) included in the Relevant Annex and a Credit Event Determination Date is determined, the Issuer is entitled to redeem a portion of the Notes equal to the Reference Entity Aggregate Nominal Amount of such Affected Reference Entity at zero on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date.

As of the date of this Prospectus, each of the following events is a “**Credit Event**” which could occur with respect to a Reference Entity: Bankruptcy, Failure to Pay or Restructuring.

Investors should therefore note that each Credit Event will have the effect of reducing the amount they can expect to receive on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date, as the redemption amount of the Notes will be an amount equal to the aggregate nominal amount of the Notes minus the aggregate of the Reference Entity Aggregate Nominal Amounts in respect of all Reference Entities for which a Credit Event has occurred.

If a Potential Credit Event is determined by the Calculation Agent to have occurred prior to the Scheduled Maturity Date, redemption proceeds in respect of principal (if any) will be payable on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date. The redemption proceeds that investors will receive (if any) on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date will be an amount equal to the Reference Entity Aggregate Nominal Amounts of all Reference Entities in respect of which no Credit Event has occurred.

If a Credit Event occurs with respect to each Reference Entity included in the Relevant Annex, investors will not receive any payment in respect of principal on their Notes.

Fund Linked Notes

The additional payment amount (the “**Additional Payment Amount**”) will be calculated based on the performance of a reference portfolio during the term of the Notes. The reference portfolio consists of an allocation to the

		<p>Funds (as defined in item C.20 below) and an allocation to cash, the return of which is linked to the EURIBOR 3-month rate. The allocations to cash and to the Funds within the reference portfolio are adjusted on the basis of a volatility linked formula with a target volatility of 13 per cent..</p> <p>The Additional Payment Amount is expected to be paid on 7 January 2021 (the “Scheduled Additional Payment Date”) (being the date on which a Notional Investor in the Funds could expect to receive the full redemption proceeds for the Funds, provided that the Notional Investor had by giving appropriate notice, requested redemption as at the Expiration Date (being the Scheduled Maturity Date of the Notes)). A “Notional Investor” is a hypothetical investor holding the same investment position as the Issuer in the relevant shares of the relevant Fund.</p> <p><i>Postponement of Additional Payment Date</i></p> <p>In certain circumstances the payment of the Additional Payment Amount may be postponed (such postponed payment date being the “Additional Payment Date”). In addition to when there is an Extraordinary Event, this will be the case where a Notional Investor in the Funds would not have received the full redemption proceeds on the Scheduled Additional Payment Date. In such circumstances the Scheduled Additional Payment Date and the Maturity Date of the Notes will be postponed until the later of the date on which a Notional Investor would have received in full the redemption proceeds for the Funds and 7 January 2023 (the “Long-stop Date”). It is possible that the payment due on such Long-stop Date is significantly lower than the amount that would have been payable on the Scheduled Additional Payment Date and such amount may even be zero.</p> <p>The Additional Payment Amount cannot be less than zero. However, the issue price of the Notes is 110% and the principal repayment on the Notes will at most in relation to each Note be equal to 100% of the nominal amount of such Note. This means that Noteholders will be dependent on the performance of the Fund Basket for any return on their Notes above par and to recover an amount at least equal to their investment in the Notes.</p>
<p>C.19</p>	<p>Final reference price of the underlying:</p>	<p>If a Credit Event occurs in respect of a Reference Entity, an aggregate nominal amount of the Notes equal to the Reference Entity Aggregate Nominal Amount for such Reference Entity will be redeemed at zero on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date.</p> <p>The Additional Payment Amount is an amount per Note equal to the product of (i) the Calculation Amount and (ii) (a) the Participation (being a percentage set by the Issuer on the trade date of the Notes) multiplied by (b) the maximum of zero and the portfolio return.</p> <p>The portfolio return will be an amount equal to (i) the final portfolio value (the “Final Portfolio Value”) minus the initial portfolio value (the “Initial Portfolio Value”) divided by (ii) the Initial Portfolio Value.</p> <p>The Initial Portfolio Value will be the arithmetic average of the portfolio value on each Averaging-In Date (such dates being 27 October 2015, 27 November 2015, 28 December 2015, 27 January 2016, 28 February 2016, 28 March 2016 and 27 April 2016).</p> <p>The Final Portfolio Value will be the arithmetic average of the portfolio value on each Averaging-Out Date (such dates being 20 December 2019, 20 January 2020, 20 February 2020, 20 March 2020, 20 April 2020, 20 May 2020, 22 June 2020, 20 July 2020, 20 August 2020, 21 September 2020, 20 October 2020, 20 November 2020 and 21 December 2020).</p>

		<p>If any Averaging-In Date or Averaging-Out Date (as applicable) is not a Portfolio Business Day, then the relevant Averaging-In Date or Averaging-Out Date (as the case may be) will be the next following day that is a Portfolio Business Day.</p> <p>Please also see item C.18 above.</p>
C.20	A description of the type of underlying and where information on the underlying can be found:	<p>The Reference Entities comprise the components of the Markit iTraxx® Europe Crossover Series 24 Index as of the Annex Date (being 17 September 2015 or such later date that the Reference Index Sponsor publishes an updated annex relating to the iTraxx® Europe Crossover Series 24 Index on or prior to the Trade Date) and as listed on the following website: https://www.markit.com/Documentation/Product/ITraxx.</p> <p>Information on the past and future performance of the Reference Index is available on http://www.markit.com/markit.jsp?jsppage=indices.jsp.</p> <p>The “Funds” and the components of the “Fund Basket” are:</p> <p>FIM Sahara A share class Fund (Bloomberg code: FIMSAHA FH);</p> <p>FIM Frontier A share class Fund (Bloomberg code: FIMFROA FH); and</p> <p>FIM Emerging Yield Fund (Bloomberg code: FIMEMYA FH).</p> <p>The Funds are registered in Finland and quoted in euros. The Funds are managed by FIM Asset Management Ltd. Information on the past and future performance of the Funds can be found on the following website: https://www.fim.com/.</p>

Section D - Risks		
D.2	Risks Specific to the Issuer:	<ul style="list-style-type: none"> • Fluctuations in foreign exchange rates and continuing low or negative interest rates may have a detrimental effect on UBS's capital strength, liquidity, funding position and profitability. • Regulatory and legislative changes may adversely affect UBS's business and the ability to execute its strategic plans. • UBS's capital strength is important in supporting its strategy, client franchise and competitive position. • UBS may not be successful in completing its announced strategic plans or in implementing changes in its businesses to meet changing market, regulatory and other conditions. • Material legal and regulatory risks arise in the conduct of UBS's business. • Operational risk may affect UBS's business. • UBS's reputation is critical to the success of its business. • Performance in the financial services industries is affected by market conditions and macroeconomic climate. • UBS holds legacy and other risk positions that may be adversely affected by conditions in the financial markets; legacy risk positions may be difficult to liquidate. • UBS's global presence subjects it to risk from currency fluctuations.

		<ul style="list-style-type: none"> • UBS is dependent upon its risk management and control processes to avoid or limit potential losses in its counterparty credit and trading businesses. • Valuations of certain positions rely on models; models have inherent limitations and may use inputs which have no observable source. • Liquidity and funding management are critical to UBS's ongoing performance. • UBS might be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees. • UBS's financial results may be negatively affected by changes to accounting standards. • UBS's financial results may be negatively affected by changes to assumptions supporting the value of its goodwill. • The effect of taxes on UBS's financial results is significantly influenced by reassessments of its deferred tax assets. • UBS's stated capital returns objective is based, in part, on capital ratios that are subject to regulatory change and may fluctuate significantly. • UBS AG's operating results, financial condition and ability to pay obligations in the future may be affected by funding, dividends and other distributions received from UBS Switzerland AG or any other direct subsidiary, which may be subject to restrictions. • Anticipated benefits of the exchange offer may not be realised. • There are risks associated with a squeeze-out merger. • The introduction of a financial transactions tax could make dealings in financial instruments and derivatives more costly and could adversely affect the business of the Issuer.
D.3	Risks Specific to the Notes:	<p>No active trading market for the Notes: The Notes may not be actively traded creating a lack of liquidity and resulting in the Notes trading at a discount to their initial offering price.</p> <p>The Notes may be redeemed prior to maturity: The Notes may be redeemed prior to the Scheduled Maturity Date or the Postponed Scheduled Maturity Date (if applicable) following the occurrence of an Event of Default or an Early Redemption Event (as set out in item C.8).</p> <p>Meetings of Noteholders and modification: The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and permit defined majorities to bind all Noteholders.</p> <p>FINMA's powers may have a material adverse effect: If the Issuer experiences financial difficulties, FINMA has the authority to open restructuring proceedings or liquidation proceedings in respect of, and/or impose protective measures in relation to, the Issuer, which proceedings or measures may have a material adverse effect on the terms and market value</p>

	<p>of the Notes and/or the ability of the Issuer to make payments thereunder. FINMA is granted significant discretion in connection with such proceedings and measures, including, in particular, in the case of restructuring proceedings, the discretion to force the conversion of the Issuer's debt (including the Issuer's obligations under the Notes) into equity and/or a full or partial write-off of the obligations owed by the Issuer (including the Issuer's obligations under the Notes), in each case, subject to certain limitations.</p> <p>Reliance on the procedures of the clearing systems: As payments in respect of the Notes will be made through Euroclear Finland, the beneficial holders of such Notes will need to rely on the procedures of Euroclear Finland in respect of payments relating to the Notes, as well as the exercise of voting rights.</p> <p>Changes to the group structure: UBS has implemented certain changes to its legal structure, and is considering further changes, in response to capital and other regulatory requirements and in order to obtain any reduction in capital requirements for which UBS may be eligible. The terms and conditions of the Notes contain no restrictions on change of control events or structural changes, and no event of default, requirement to repurchase the Notes or other event will be triggered under the terms and conditions as a result of such changes. There can be no assurance that such changes, should they occur, would not adversely affect the credit rating of the Issuer and/or increase the likelihood of the occurrence of an event of default. Such changes, should they occur, may adversely affect the Issuer's ability to redeem the Notes.</p> <p>Market Value of Notes: The market value of the Notes will be volatile.</p> <p>Offer Period: The Issuer reserves the right to refrain from commencing the offer of the Notes prior to the commencement of the Offer Period or withdrawing the offer of Notes at any time during the Offer Period.</p> <p>Nature of the Notes: The Notes are highly complex investments that involve a high level of risk. Prospective investors may lose their entire investment.</p> <p>Possibility of U.S. withholding tax on payments: The application of U.S. withholding tax to payments by the Issuer is not clear on the date of this Prospectus, which has a consequential impact on liquidity, credit, increased regulation and nationalisation and systematic risk.</p> <p>Recent Global Events: Since mid-2007, the global economy and financial markets have experienced extreme levels of instability.</p> <p>No disclosure of information; disclosure of confidential information: The Issuer and/or the Dealer may from time to time acquire information in relation to the Reference Entities or the Funds, but neither the Issuer nor the Dealer will be obliged to disclose such information to the Noteholders (whether or not such information is confidential).</p> <p>Credit-Linkage: The Notes are credit-linked and may be affected by factors including:</p> <ul style="list-style-type: none"> (i) credit risk in respect of the Reference Entity; (ii) variation of any Reference Entity as the result of the
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		<p>determination of one or more successor Reference Entities;</p> <p>(iii) an extension of the Scheduled Maturity Date of the Notes as a result of Potential Credit Events;</p> <p>(iv) conflicts of interest relating to the Issuer, the Calculation Agent and the Reference Entities; and</p> <p>(v) factors influencing the risk of a Credit Event.</p> <p>The Funds: Certain events may occur in relation to the Funds or the units or shares of the Fund which may result in adjustments to the terms of the Notes which may not be favourable to Noteholders and could have a material adverse impact on the market value of the Notes. In certain circumstances one or more of the Funds may be replaced. The value of a Fund at any specific date may not reflect the prior or future performance of such Fund.</p> <p>Any delay in the Additional Payment Date as described in item C.18 will result in the Maturity Date of the Notes being postponed.</p> <p>The Funds will not be held by the Issuer for the benefit of the Noteholders and as such, Noteholders will have no right of ownership in the Funds.</p> <p>Conflicts of Interest: UBS AG, London Branch is both the Issuer and the Calculation Agent under the Notes. UBS may make determinations under the terms and conditions of the Notes that are not favourable to the Noteholders. UBS has no obligation to consider the interests of the Noteholders when exercising discretion under the terms of the Notes.</p>
D.6	Risk warning that investors may lose value of entire investment or part of it.	<p>The capital invested in the Notes is at risk. Consequently, the amount a potential investor may receive on redemption of its Notes may be less than the amount invested by it and may be zero.</p> <p>Investors may lose up to the entire value of their investment if (a) a Credit Event occurs in respect of each Reference Entity and a corresponding Credit Event Determination Date occurs in each case; (b) the investor sells their Notes prior to the scheduled redemption in the secondary market at an amount that is less than the initial purchase price; (c) the Issuer is subject to insolvency or bankruptcy proceedings or some other event which negatively affects the Issuer's ability to repay amounts due under the Notes; (d) the Notes are redeemed early for reasons beyond the control of the Issuer and the amount paid is less than the initial purchase price; (e) the Notes are subject to certain adjustments or alternative valuations following certain disruptive market events that result in the amount to be paid being reduced to an amount or value that is less than the initial purchase price; (f) the payout conditions do not provide for full repayment of the initial purchase price and/or (g) the Additional Payment Amount per Noteholder is not at least equal to the amount invested by such Noteholder above 100 per cent. of the issue price of the Notes.</p>

Section E - Offer		
E.2b	Reasons for the Offer and Use of Proceeds:	The net proceeds of the issue of the Notes will be used by the Issuer for its general corporate purposes or towards meeting the general financing requirements of the UBS AG Group, in each case outside Switzerland unless use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a

		consequence of such use of proceeds in Switzerland.
E.3	Terms and Conditions of the Offer:	<p>Offer Period</p> <p>Applications to subscribe for the Notes may be made during the Offer Period (from 28 September 2015 to 19 October 2015).</p> <p>Early Closing of the Subscription of the Notes or other adjustment of Offer Period</p> <p>The Offer Period is subject to adjustment by or on behalf of the Issuer for any reason. Any adjustment to the Offer Period will be published on the Irish Stock Exchange's website (www.ise.ie).</p> <p>Description of the application and settlement process</p> <p>A prospective investor should contact the relevant Distributor (FIM Sijoituspalvelut Oy) during the Offer Period. A prospective investor will acquire the Notes in accordance with the arrangements existing between the relevant Distributor and its customers relating to the subscription of securities generally and not directly with the Issuer or the Dealer.</p> <p>Persons interested in purchasing Notes should contact their financial adviser. If an investor in any jurisdiction other than Finland wishes to purchase Notes, such investor should (a) be aware that sales in the relevant jurisdiction may not be permitted due to selling restrictions and thus that the application may be rejected by the Distributor; and (b) contact its financial adviser, bank or financial intermediary for more information.</p> <p>The Notes will be issued on 6 November 2015 (the “Issue Date”). Payment to the Issuer of the net subscription moneys will be by debit of a cash account on or before the Issue Date or in accordance with other procedures specified by the Distributor. Allotted Notes will be delivered to a securities account of each Noteholder on (or as soon as practicable after) the Issue Date.</p> <p>Offer Price</p> <p>The Issue Price is 110 per cent. of the nominal amount of the Notes.</p> <p>The Re-offer Price will be not less than 105 per cent. of the nominal amount of the Notes. The Re-Offer Price is the amount paid by the Distributor to the Dealer in consideration for the purchase of the Notes.</p> <p>Conditions to which the offer is subject and results of the offer</p> <p>Offers of the Notes are conditional upon their issue. The Issuer will in its sole discretion determine the final amount of Notes issued up to a limit of EUR 20,000,000. Notes will be allotted subject to availability in the order of receipt of investors' applications. The final aggregate nominal amount of Notes issued will be determined by the Issuer in light of prevailing market conditions, and in its sole and absolute discretion depending on the number of Notes which have been agreed to be purchased as of 19 October 2015. The precise aggregate nominal amount of Notes to be issued will be published on the Irish Stock Exchange's website (www.ise.ie) and filed with the Central Bank of Ireland.</p> <p>The terms and conditions of the Public Offer shall be published by the relevant Authorised Offeror on its website.</p>
E.4	Interests Material to the Issue:	<p>The Dealer will sell the Notes to the Distributor at the Re-Offer price (being not less than 105 per cent. of the nominal amount of the Notes) and the Distributor will distribute the Notes to investors at the Issue Price (being 110 per cent. of the nominal amount of the Notes).</p>

		The Issuer has appointed UBS Limited (the “ Dealer ”) as Dealer in respect of the Notes. The arrangements under which the Notes are sold by the Issuer to, and purchased by, the Dealer are set out in the dealer agreement between the Issuer and the Dealer.
E.7	Estimated Expenses:	No expenses will be chargeable by the Issuer to a Noteholder in connection with any offer of Notes.

RISK FACTORS

The purchase of the Notes may involve substantial risks and is suitable only for sophisticated purchasers who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. The Issuer believes that the following factors may affect either its ability to fulfil its obligations under the Notes or the performance of the Notes. Some of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The Issuer believes that the factors described below, together with the risk factors set out in the Base Prospectus (which are incorporated herein by reference), represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay principal and any Additional Payment Amount or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

Prospective investors should also read the Base Prospectus (including the section entitled “Risk Factors” on page 17 thereof) and the detailed information set out elsewhere in this Prospectus, including, without limitation:

- (a) the section entitled “Transaction Description”;*
- (b) the section entitled “Questions and Answers”;*
- (c) the section entitled “Description of the Issuer”;*
- (d) the section entitled “Description of the Reference Entities”; and*
- (e) the section entitled “Description of the Funds”,*

and, in the light of their own financial circumstances and investment objectives, reach their own views prior to making any investment decision.

GENERAL

Offer Period

The Issuer reserves the right to refrain from commencing the offer of the Notes prior to the commencement of the Offer Period or withdrawing the offer of the Notes at any time during the Offer Period. If the offer of such Notes is withdrawn, such offer will be null and void. In such case, any amounts paid by an investor to the Distributor in relation to the purchase of any Notes will be returned to such investor by the Distributor but, depending on the agreement(s) in place between the investor and the Distributor and/or the Distributor’s distribution policies, interest may or may not accrue on such amounts. There may also be a time lag between the cancellation or withdrawal of the offer as applicable, and the return of any such amounts and, unless otherwise agreed with, and paid by, the Distributor, no amount will be payable to investors as compensation in respect thereof and investors may be subject to reinvestment risk.

In addition, the Issuer may close the offer of Notes early, whether or not subscriptions have reached the maximum size of the offer, by immediately suspending the acceptance of further subscription requests and by giving notice thereof. In such circumstances, the early closing of the offer will have an impact on the aggregate amount of the Notes issued and therefore may have an effect on the liquidity of the Notes.

Furthermore, in certain circumstances, the Issuer may have the right to postpone the originally designated issue date of the Notes. In the event that the issue date is so delayed, no compensation or other amount in respect of interest shall accrue and be payable in relation to the Notes, unless otherwise agreed with the Distributor and/or specified in its distribution policies, and paid by the Distributor. Investors will have the right, within a prescribed time period, to withdraw their acceptance of the offer as a result of such postponement.

The Notes

The Notes are complex instruments that involve substantial risks and are suitable only for sophisticated investors who have sufficient knowledge and experience and access to such professional advisers as they consider necessary in order to make their own evaluation of the risks and the merits of such an investment (including the tax, accounting, credit, legal, regulatory and financial implications for them of such an investment) and who have considered the suitability of such Notes in light of their own circumstances and financial condition. Prospective investors should ensure that they understand the nature of the risks posed by an investment in the Notes, and the extent of their exposure as a result of such investment in the Notes and, before making their investment decision, should consider carefully all of the information set forth in this Prospectus and, in particular, the considerations set forth below. Owing to the structured nature of the Notes, their price may be more volatile than that of unstructured securities. **Investors should note that they may lose up to all of their investment in the Notes.**

Investors

Each prospective investor in Notes should have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or other amounts due may reduce as a result of the occurrence of different events whether related to the creditworthiness of any entity or otherwise or changes in particular rates, prices, values or funds, or where the currency for principal or other payments is different from the prospective investor's currency.

Investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its professional advisers to determine whether and to what extent the Notes are legal investments for it, and/or other restrictions apply to its purchase of any Notes. Financial institutions should consult their professional advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

For the purposes of these risk factors, references to “Noteholders” or “holders” of Notes should generally be read as including holders of beneficial interests in such Notes, except where the context otherwise requires.

No Fiduciary Role

None of the Issuer, the Dealer nor the Calculation Agent is acting as an investment adviser or as adviser in any other capacity, and none of them assumes any fiduciary obligation to any purchaser of Notes or any other party, including the Issuer.

Investors may not rely on the views of the Issuer, the Dealer, the Calculation Agent nor any of their affiliates for any information in relation to any person.

No reliance

A prospective purchaser may not rely on the Issuer, the Dealer, the Calculation Agent nor any of their affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to any of the other matters referred to above.

RISKS RELATING TO THE ISSUER

Investors should read and carefully consider the risk factors in the Base Prospectus under the title “*Risks Relating to UBS*” beginning on page 17 of the Base Prospectus. UBS AG, London Branch is the Issuer of the Notes and such risk factors set out a number of factors and circumstances which could have a material effect on the ability of the Issuer to meet its obligations under the Notes.

RISKS RELATING TO THE NOTES

Neither the Issuer nor any of its affiliates makes any representation as to the performance of the Notes either in absolute terms or relative to other investments. Prospective investors must note that they may lose their entire

investment in the Notes and must only invest in the Notes if they fully understand the nature and risks of the Notes and also are prepared to risk such loss. The payouts relating to the Notes are set out in more detail in the section of this Prospectus entitled “*Transaction Description*”.

The Notes are highly complex investments and involve a high level of risk. The performance of, and return under, the Notes will depend on a variety of different factors (in addition to those set out in the risk factors set out in the Base Prospectus) specific to the Notes including, but not limited to:

- (a) the performance and financial condition of the Reference Entities and the obligations of each Reference Entity as described below and in the section entitled “*Transaction Description*”, the exposure to which extends, for the purposes of these Notes, back to 22 October 2015, as described in more detail below;
- (b) the performance of the Fund Basket and certain determinations made or not made by the Calculation Agent which relate to the Funds as described in more detail below; and
- (c) certain determinations made, or not made, by any Credit Derivatives Determinations Committee (a “**CDDC**”) or the Calculation Agent which relate to a Reference Entity, Reference Obligation and/or other Obligations to which the Notes are linked, as described in more detail below.

The occurrence of certain events or other developments occurring in respect of one, some or all of the above may have an effect on the liquidity of the Notes and may have a material adverse effect on the value of the Notes and the value of the Notes may fall to zero. Furthermore, the occurrence of any such events or developments may also reduce the amount payable under the Notes, potentially to zero.

The Issuer’s ability to meet its obligations under the Notes will also be dependent on the Finnish Agent performing its obligations under the Finnish Agency Agreement, including the making of relevant payments when received.

More detail in respect of certain risks relating to the factors outlined above, along with other risks associated with the Notes are set out below, and elsewhere in this Prospectus and in the risk factors outlined in the Base Prospectus. Accordingly, prospective investors who consider purchasing the Notes should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances. Investment in the Notes may only be suitable for investors who:

- (a) have substantial knowledge and experience in financial, business matters and expertise in assessing credit risk which enable them to evaluate the merits and risks of an investment in the Notes and the rights attaching to the Notes;
- (b) are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time;
- (c) are acquiring the Notes for their own account (as principal and not as agent) for investment, not with a view to resale, distribution or other disposition of the Notes (subject to any applicable law requiring that the disposition of the investor’s property be within its control);
- (d) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all; and
- (e) are prepared to risk a loss of their entire investment in the Notes as a result of events that occur in respect of the Reference Entities not just from the Issue Date but from 22 October 2015.

RISKS RELATING TO CREDIT-LINKAGE OF THE NOTES

The Notes are securities which are credit-linked to the Reference Entities and the obligations of each such Reference Entity. Investors should note that the Notes differ from ordinary debt securities issued by the Issuer in that the payment of principal by the Issuer is dependent on whether a Credit Event Determination Date has occurred in respect of a Reference Entity. If the Calculation Agent determines that a Credit Event has occurred, the Issuer will be entitled to redeem the Notes in accordance with the Credit Event Related Redemption

Provisions and the Credit Event Redemption Method set out in the Issue Terms, and the Credit-Linked Note Terms annexed thereto (as more fully described in the risk factor entitled “*Credit Event Redemption*” below).

Prospective investors should note that the Credit-Linked Note Terms are complex and bespoke. Investors must not invest in any of the Notes unless they are able to fully understand the Credit-Linked Note Terms and assess the risks associated with the Notes being credit linked.

The Reference Entities and the Reference Obligation and other Obligations

Noteholders will be exposed to the credit and insolvency risk of the Reference Entities (as the same may change prior to the Issue Date (1) as a result of the determination of one or more successor Reference Entities on or after the Successor Backstop Date (or, in the case of a “Universal Successor”, on or after 1 January 2014), or (2) if the Reference Index Sponsor publishes an updated annex relating to the iTraxx® Europe Crossover Series 24 Index on or prior to the Trade Date, each as described below) and also to failures to make payment and restructurings in respect of any Obligations of the Reference Entities and not just to the Reference Obligation of the Reference Entities. Noteholders will be exposed to such risk with respect to each Reference Entity for the period from and including the Successor Backstop Date (or, in the case of a “Universal Successor”, 1 January 2014) to the Issue Date as well as after the Issue Date.

The Reference Entities as at the date of this Prospectus are described in the section of this Prospectus entitled “*Description of the Reference Entities*”, as the same may change prior to the Issue Date (1) as a result of the determination of one or more successor Reference Entities on or after the Successor Backstop Date (or, in the case of a “Universal Successor”, on or after 1 January 2014), or (2) if the Reference Index Sponsor publishes an updated annex relating to the iTraxx® Europe Crossover Series 24 Index on or prior to the Trade Date, each as described below.

Prospective investors must note that, the Issuer is under no obligation to monitor whether or not a Credit Event or Credit Event Resolution Request Date has occurred in respect of a Reference Entity and nor has it any responsibility for monitoring any other developments, announcements or publications relating to a Reference Entity and shall have no liability or responsibility to any Noteholder or any other person in the event of the occurrence of any Credit Event or Credit Event Resolution Request Date in respect of a Reference Entity. Furthermore the Issuer shall not have any liability to any Noteholder in respect of any loss suffered as a result of the Notes being linked to the Reference Entities.

None of the Issuer, the Dealer nor the Calculation Agent shall provide any information in respect of the Reference Entities to any prospective investor save for the information provided in this Prospectus. Information on the Markit iTraxx® Europe Crossover Series 24 Index is available on Markit’s website: <https://www.markit.com/Product/ITraxx>.

As a result of Credit Events occurring in respect of the Reference Entities prior to the Issue Date (as well as after the Issue Date), it is possible that an investor’s investment in the Notes may be reduced to zero. Prospective investors should only make an investment in the Notes if they fully understand and are prepared to accept this risk, as well as the other risks relating to the Notes.

The Reference Entities may change as a result of the determination of a successor Reference Entity

Prospective investors should note that the Reference Entities to which the Notes are referenced may change from time to time as a result of the determination of one or more successor Reference Entities. The Calculation Agent is responsible for making determinations as to whether there is a successor Reference Entity, provided that the Calculation Agent is not required to make any such determination if ISDA has announced that a CDDC has been convened for such purpose and such CDDC has resolved to make such determination. Accordingly, the Issuer and Noteholders will be bound by any such determination of the relevant CDDC, whether or not their views may differ from that of the relevant CDDC. Following a determination by the CDDC of one or more successor Reference Entities, the identity of the relevant Reference Entity will be amended accordingly and Noteholders will be exposed to the credit risk of such successor Reference Entity or Reference Entities in place of the original Reference Entity.

Absent a resolution of the CDDC, the Calculation Agent may, but will not be obliged to, make a determination that a different entity has become successor to the original Reference Entity. The effect of such amendment may be a material increase in the risk associated with an investment in the Notes, for example where the successor Reference Entity is more indebted than the original Reference Entity or is exposed to different business risks.

If a Reference Entity is determined to have more than one successor entity, then Noteholders will be exposed to the creditworthiness of multiple Reference Entities instead of, or in addition to, the original Reference Entity and it is possible that in such circumstances the Notes will be linked to a Reference Entity not described in this Prospectus. Prospective investors should note that the determination of the respective Reference Entity Weighting applicable to each such successor Reference Entity shall be made by the Reference Index Sponsor (currently being Markit Indices Limited). Such determination shall affect the level of exposure the Noteholders will have to each successor Reference Entity. The effect of multiple successor Reference Entities may be to materially increase the likelihood of a loss of principal under the Notes as a result of a Credit Event occurring with respect to a number of Reference Entities rather than just one Reference Entity. Any such determination may increase the likelihood of a Credit Event occurring and accordingly increase the possibility of investors suffering a loss, potentially of their entire investment, on the Notes. Noteholders should note that if more than one successor Reference Entity is determined, the Notes may be required to be amended without the consent of the Noteholders so as to reflect the fact that a Reference Entity has been replaced by multiple Reference Entities.

The Reference Entities may change on or prior to the Trade Date as a result of the Reference Index Sponsor publishing an updated annex relating to the iTraxx® Europe Crossover Series 24 Index on or prior to the Trade Date

Prospective investors should note that the Reference Entities to which the Notes are referenced and/or the Reference Entity Weighting attributable to any Reference Entity may change on or prior to the Trade Date as a result of the Reference Index Sponsor publishing an updated annex relating to the iTraxx® Europe Crossover Series 24 Index (the “**Updated Annex**”) on or prior to the Trade Date. Prospective investors should note any such changes will be made by the Reference Index Sponsor (being Markit Indices Limited) and will be binding on investors.

Any Updated Annex will be published by the Reference Index Sponsor on the following website: <https://www.markit.com/Documentation/Product/iTraxx>.

Credit Event and Successor Backstop Dates

Prospective investors should note that the exposure to the risks associated with the Reference Entities includes exposure in the period from and including 22 October 2015 (being the Credit Event Backstop Date) to the Issue Date. As a result, the aggregate amount payable in respect of the Notes will be reduced, as described below, as a result of the occurrence of one or more Credit Events notwithstanding that any such Credit Event, or the events leading thereto, occurred prior to the Issue Date of the Notes.

Similarly, with respect to whether there is a successor Reference Entity to any Reference Entity, the look-back period runs from the date falling 90 calendar days before the Trade Date (being the Successor Backstop Date) (or, in the case of a “Universal Successor”, on or after 1 January 2014) and it is therefore possible that the Notes could be affected by one or more successions that take place prior to the Issue Date and, accordingly, may increase the risk of loss to investors notwithstanding that the relevant succession occurred prior to the Issue Date of the Notes.

The “Universal Successor” exception to the Successor Backstop Date applies to an entity which assumes all obligations (including at least one relevant Bond or Loan Obligation) of a non-sovereign Reference Entity in circumstances where such Reference Entity ceases to exist or is in the process of being dissolved and has not issued or incurred any Borrowed Money obligation since the date of such assumption. Such entity will be the sole successor to the Reference Entity provided that the succession occurred on or after a single lookback date of 1 January 2014.

No representations; no guarantee of performance

None of the Issuer nor any of its affiliates has made any representation whatsoever with respect to the Reference Entities, any Reference Obligation, any Obligation, any Deliverable Obligation, any Underlying Obligor or any Underlying Obligation on which any Noteholder is relying or is entitled to rely. The Issuer and its affiliates are not responsible for a Reference Entity's public disclosure of information.

There is no guarantee, protection or assurance for purchasers of the Notes in respect of the credit or performance of any Reference Entity, Reference Obligation or Obligations. Neither the Issuer nor any of its affiliates makes any representation as to the future performance of the Notes either in absolute terms or relative to other investments.

Credit Event Redemption

The Reference Entities comprise the components of the Markit iTraxx® Europe Crossover Series 24 Index (the "**Reference Index**") as of the Annex Date (being 17 September 2015 or such later date that the Reference Index Sponsor publishes an updated annex relating to the iTraxx® Europe Crossover Series 24 Index on or prior to the Trade Date) and as listed on the following website: <https://www.markit.com/Documentation/Product/ITraxx> (such list being the "**Relevant Annex**").

The Relevant Annex apportions a percentage weighting to each Reference Entity. The Reference Entity Weighting of each Reference Entity is an amount equal to the percentage set out opposite such Reference Entity under the "Weighting" column in the Relevant Annex, divided by the sum of the Weightings as set out in the Relevant Annex. The Reference Entity Aggregate Nominal Amount in respect of each Reference Entity (being the portion of the Aggregate Nominal Amount of the Notes which is linked to such Reference Entity) is equal to the Aggregate Nominal Amount of the Notes multiplied by the applicable Reference Entity Weighting, provided that if the Aggregate Nominal Amount of the Notes increases due to a further issue of Notes or decreases due to a repurchase and cancellation of Notes, the Reference Entity Aggregate Nominal Amount shall be increased or reduced proportionately.

Under the terms of the Notes, if a Credit Event occurs in respect of a Reference Entity (such Reference Entity an "**Affected Reference Entity**") included in the Relevant Annex and a Credit Event Determination Date is determined, the Issuer is entitled to redeem a portion of the Notes equal to the Reference Entity Aggregate Nominal Amount of such Affected Reference Entity at zero on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date as described under "*Extension of the Scheduled Maturity Date of the Notes as a result of Potential Credit Events*" below.

Assuming that no Early Redemption Event or Event of Default has occurred in respect of the Notes on or prior to the Scheduled Maturity Date or Postponed Scheduled Maturity Date as the case may be, each Noteholder will be entitled to receive a payment per Note on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date equal to the Outstanding Calculation Amount. If no Credit Event or Potential Credit Event occurs prior to the Scheduled Maturity Date or Postponed Scheduled Maturity Date as the case may be, it is expected that each Note will be redeemed at par. Following the occurrence of a Credit Event Determination Date however, the Outstanding Calculation Amount will be reduced by an amount equal to (i) the Calculation Amount multiplied by (ii) the Reference Entity Weighting of the Affected Reference Entity.

Investors should therefore note that each Credit Event will have the effect of reducing the amount they can expect to receive on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date. **If a Credit Event occurs with respect to each Reference Entity included in the Relevant Annex, investors will not receive any payment in respect of principal on their Notes as the Outstanding Calculation Amount will be reduced to zero.** Therefore investors should note that in such circumstances they may lose their entire investment in the Notes and will be dependent on the performance of the Funds for any return on their investment.

Extension of the Scheduled Maturity Date of the Notes as a result of Potential Credit Events

If a Potential Credit Event is determined by the Calculation Agent to have occurred (being an event which the Calculation Agent determines may be a Credit Event), prior to the Scheduled Maturity Date, the Issuer may elect to extend the Scheduled Maturity Date. In such circumstances, on the later of the Postponed Scheduled Maturity Date or the Scheduled Additional Payment Date (as the case may be), the redemption proceeds that investors will receive (if any) will be an amount equal to the Reference Entity Aggregate Nominal Amounts of all Reference Entities in respect of which no Credit Event has occurred. This means that per Note each Noteholder would receive an amount equal to the product of (i) the Calculation Amount and (ii) (a) one minus (b) the aggregate Reference Entity Weightings of all Reference Entities in respect of which a Credit Event has occurred.

The Postponed Scheduled Maturity Date will be the date which is the later of either (i) the 21st calendar day following the original Scheduled Maturity Date, or (ii) if a DC Credit Event Question with respect to the Potential Credit Event has occurred on or prior to the original Scheduled Maturity Date, the date on which the related DC Credit Event Announcement occurs or the date two Business Days following the date on which the related DC No Credit Event Announcement occurs, as applicable.

Accordingly, prospective investors must note that in the event that there is any Potential Credit Event as at the Scheduled Maturity Date, the payment of principal on the Notes may be significantly postponed and Noteholders may not receive the full amount (if any) due to them until a significant time after the Scheduled Maturity Date. In such circumstances, the market value of the Notes may be significantly reduced, and may even be zero. Furthermore, to the extent that any secondary market for the Notes existed, any liquidity provided by such secondary market may be significantly reduced and Noteholders may not be able to sell their Notes or realise any value for them.

Conflicts of interest relating to the Reference Entities

The Issuer, the Calculation Agent and any of their affiliates may deal in each Reference Obligation, Obligation, Deliverable Obligation or Underlying Obligation and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, a Reference Entity, any Underlying Obligor or any affiliate of a Reference Entity or an Underlying Obligor, or any other person or entity having obligations relating to a Reference Entity or any Underlying Obligor, and may act with respect to such business in the same manner as each of them would if the Notes did not exist, regardless of whether any such action might have an adverse effect on a Reference Entity, any Underlying Obligor or the position of any Noteholder or otherwise (including, without limitation, any action which might constitute or give rise to a Credit Event).

The Issuer, the Calculation Agent and any of their affiliates may, whether by virtue of the types of relationships described herein or otherwise, at any time, be in possession of information in relation to a Reference Entity or any Underlying Obligor that is or may be material in the context of the issue of the Notes and that may or may not be publicly available or known to the Noteholder, and the Notes do not create any obligation on the part of the Issuer, the Calculation Agent or any of their affiliates to disclose to any Noteholder any such relationship or information (whether or not confidential).

There is no guarantee, protection or assurance for purchasers of the Notes in respect of the credit or performance of any Reference Entity, Reference Obligation or Obligations. Neither the Issuer nor any of its affiliates makes any representation as to the future performance of the Notes either in absolute terms or relative to other investments.

Noteholders should also note that the Issuer and/or its affiliates may be a member of the relevant CDDC and no assurance can be given as to how the Issuer and/or its affiliates will vote in connection with any matter to be determined by the CDDC and the Issuer and/or its affiliates are not required to vote in a manner which is consistent with the interests of the Noteholders and they may vote in a manner which is adverse to the interests of the Noteholders. Noteholders should note that the relevant CDDC has the power to make binding decisions on critical issues such as whether a Credit Event has occurred as more fully described in the Credit Derivatives Determinations Committees Rules, as amended from time to time and available on ISDA's website at

www.isda.org (or any successor website thereto) (the “**DC Rules**”). Consequently, Noteholders will be bound by any CDDC decisions as to whether or not a Credit Event has occurred. **Noteholders should note and understand that the Notes are zero recovery and any Auction Final Price determined in accordance with the DC Rules may be substantially different from zero. The Auction Final Price is not relevant for any calculation or determination for the Notes.**

None of the Issuer, the Dealer, the Calculation Agent nor any other party is required to provide any information to Noteholders at any time or from time to time regarding a Reference Entity or its obligations or as to the prospect or likelihood of the occurrence of a Credit Event or a successor Reference Entity being determined or to notify Noteholders of any resolution of any CDDC that a Credit Event has occurred or a successor Reference Entity has been determined. However, it is expected that certain resolutions of the relevant CDDC pertaining to the determination of such events will be announced on ISDA’s website at www.isda.org (or any successor website thereto) from time to time in accordance with the DC Rules, as amended from time to time.

Noteholders will not be able to refer questions to the CDDCs

Noteholders, in their capacity as holders of the Notes, will not have the ability to refer questions to a CDDC. As a result, Noteholders will be dependent on other market participants to refer specific questions to the CDDCs that may be relevant to the Noteholders. UBS, in any capacity, has no duty to the Noteholders to refer specific questions to the CDDCs.

Noteholders will have no role in the composition of the CDDCs

Separate criteria will apply to the selection of dealer and non-dealer institutions to serve on the CDDCs, and Noteholders will have no role in establishing such criteria. In addition, the composition of the CDDCs will change from time to time in accordance with the DC Rules, as the term of a member institution may expire or a member institution may be required to be replaced. Noteholders will have no control over the process for selecting institutions to participate on the CDDCs and, to the extent provided for in the Notes, will be subject to the determinations made by such selected institutions in accordance with the DC Rules.

Noteholders will have no recourse against either the institutions serving on the CDDCs or the external reviewers

Institutions serving on the CDDCs and the external reviewers, among others, disclaim any duty of care or liability arising in connection with the performance of duties or the provision of advice under the DC Rules, except in the case of gross negligence, fraud or wilful misconduct. Furthermore, the member institutions of the CDDCs from time to time will not owe any duty to the Noteholders, and the Noteholders will be prevented from pursuing legal claims with respect to actions taken by such member institutions under the DC Rules.

Noteholders should also be aware that member institutions of the CDDCs have no duty to research or verify the veracity of information on which a specific determination is based. In addition, the CDDCs are not obligated to follow previous determinations and, therefore, could reach a conflicting determination for a similar set of facts.

Noteholders will be responsible for obtaining information relating to deliberations of the CDDCs

Notices of questions referred to the CDDCs, meetings convened to deliberate such questions and the results of binding votes of the CDDCs will be published on the website of ISDA and neither the Issuer nor the Calculation Agent shall be obliged to inform Noteholders of such information, other than as expressly provided in the terms of the Notes. Any failure by Noteholders to be aware of information relating to determinations of a CDDC will have no effect under the Notes and Noteholders are solely responsible for obtaining any such information.

Reference Entity not liable for the Notes

The Reference Entities are not involved in the issuance of the Notes in any way and have no obligation to consider the interests of the Noteholders in taking any corporate actions that might affect the value of the Notes. A Reference Entity may, and is entitled to, take actions that will adversely affect the value of the Notes. The purchase price paid for the Notes is paid to the Issuer and not to a Reference Entity, and the Notes do not

represent a direct investment in any Obligation of a Reference Entity or otherwise give the Noteholders any rights in the debt obligations of a Reference Entity. As an owner of Notes, a Noteholder will not have special voting rights or rights to receive distributions or any other rights that holders of debt obligations of a Reference Entity may have.

Factors influencing the risk of a Credit Event

A Noteholder is exposed to the credit risk and general risks of the Reference Entities. The likelihood of a Credit Event Determination Date occurring with respect to the Reference Entities may be affected by a number of factors and accordingly investors should have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of investing in credit linked notes as well as access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation. The likelihood of a Credit Event occurring in respect of a Reference Entity will fluctuate with, among other things, the financial condition and other characteristics of such Reference Entity, general economic conditions, the condition of certain financial markets, political events, developments or trends in particular industry and changes in prevailing interest rates.

Amendment to Credit-Linked Note Terms

Noteholders should note that the Issuer has the right to amend the terms of the Notes without the consent of the Noteholders, as more fully described in the Issue Terms of the Notes, if the 2014 ISDA Credit Derivatives Definitions published by ISDA are amended or supplemented with the effect that any of the Issuer's hedging activities are impacted.

RISK FACTORS RELATING TO THE FUND-LINKAGE

Effect of Issue Price on exposure to Fund Basket

Noteholders should note that the Issue Price of the Notes is an amount equal to 110 per cent. of their notional amount. The economic terms of the Notes are such that the amount paid by Noteholders in respect of the Issue Price over and above 100 per cent. of the notional amount of the Notes is used to provide exposure to the Fund Basket. As a result, Noteholders' exposure to the Fund Basket is significant. The performance of the Fund Basket is not guaranteed and there is no assurance that it will be positive. The Notes are only suitable for investors who are capable of understanding and accepting the risks associated therewith and whose financial needs and objectives are aligned to such an investment.

Investors should also note that although the Issue Price of the Notes is 110 per cent., the principal repayment on the Notes will at most in relation to each Note be equal to 100 per cent. of the nominal amount of such Note. Holders of the Notes will therefore be dependent on the performance of the Fund Basket for any further return on their Notes and to recover an amount at least equal to their investment in the Notes. In order to receive any Additional Payment Amount on the Notes, Noteholders are dependent on the Final Portfolio Value being in excess of the Initial Portfolio Value. Investors should note that if the Final Portfolio Value is less than the Initial Portfolio Value they will not receive any Additional Payment Amount on the Notes. Worked examples relating to the Additional Payment Amount are included under the heading "*Additional Payment Amount*" in the section of this Prospectus entitled "*Transaction Description*".

Target Volatility Strategy

The Additional Payment Amount is calculated by reference to the Portfolio. The Portfolio represents a synthetic exposure to the Fund Basket. Such exposure is managed according to a target volatility strategy ("**Target Volatility Strategy**"). It is possible therefore that the Portfolio is less than 100 per cent.. Investors should therefore note that an investment in the Notes is not equivalent to an investment in notes which are linked solely to the performance of the Fund Basket without any adjustment for volatility, or a direct investment in the Fund.

Investors that do not have knowledge and experience of the Target Volatility Strategy acquired through a previous investment should receive advice before making an investment decision. The application of the Target Volatility Strategy may result in a loss of investment in the Notes.

Exposure to the Performance of the Fund Basket

Potential investors should note that any Additional Payment Amount payable on the Notes will depend upon the performance of the Funds comprising the Fund Basket. The price, performance or investment return of the Funds may be subject to sudden and large unpredictable changes over time and this degree of change is known as “volatility”. The volatility of the Funds may be affected by national and international financial, political, military or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of the Notes.

The performance of the Funds is dependent upon a number of factors, including supply and demand on the international money markets, which are influenced by measures taken by governments and central banks, as well as speculations and other macroeconomic factors.

Potential investors in the Notes should be familiar with the behaviour of the Funds and thoroughly understand how the performance of the Funds may affect payments under, or the market value of, the Notes. The past performance of the Funds is not indicative of future performance. The market value of the Notes may be adversely affected by postponement or alternative provisions for the valuation of the level of the Funds.

For certain reasons, including compliance for tax, regulation constraints, or fees extracted at the constituent level, the performance of any Fund component may not precisely track or replicate the performance of the relevant Fund class or the underlying of such Fund component.

Fund linked Notes

The Notes are offered to investors at the relevant price and on the relevant terms on the basis that the Issuer can effectively and continuously hedge and manage its risks under or in connection with the Notes. Therefore, the terms and conditions of the Notes provide that, following the occurrence of certain events outside of the Issuer's control that may result in additional risks or costs for the Issuer, the Calculation Agent may exercise its discretion to take one of the actions available to it in order to deal with the impact of such event on the Issuer's hedging arrangements. Such discretions could have a material adverse impact on the value of the Notes.

Events affecting subscription or redemption

The Notes will expose investors in the Notes to risks which are comparable with the risks to which a direct investor in the Funds is exposed. The Additional Payment Amount on the Notes (if any) will depend on the official net asset value of the shares or units of the Funds on one or more specified dates. However, not all the risks of an investment in the Funds will be reflected in its official net asset value. In particular, unlike an ordinary share or bond traded on a stock exchange, Fund units are non-transferable and the subscription or redemption of Fund units may be subject to certain restrictions, including, without limitation, the requirement to obtain the consent of the relevant Fund manager. The subscription and redemption process to which an investor in the Funds is subject is determined by the relevant Fund and/or the relevant Fund manager, and this presents additional risks to investors. An investor in Fund units may be prevented from subscribing and redeeming such Fund units, either at the official net asset value or at all, or the prescribed notice period, timing cut-offs and minimum/maximum amounts in respect of subscriptions and redemptions for Fund units may be changed. There is also a risk that Fund units cannot be subscribed for and redeemed at the official net asset value, for example, as a result of the imposition of any charges by the relevant Fund.

The Notes are offered to investors on the basis that the Issuer will be able to fully and continuously hedge certain payment obligations under the Notes throughout the term of the Notes. The hedging arrangements may include the Issuer subscribing for, redeeming and holding the relevant Fund units during the term of the Notes to ensure that the Issuer's obligations in relation to the Additional Payment Amount under the Notes are at all times matched by its holdings of Fund units or the entering into a financial instrument that provides a similar exposure. As a result of these hedging arrangements, the Issuer will be exposed to the risks described above and therefore the terms and conditions of the Notes provide that the Calculation Agent may make certain discretionary determinations following the occurrence of any Extraordinary Event (as described further below), which may have the effect of transferring certain risks of holding such Fund units to the Noteholders.

Fee rebate arrangements

In calculating the NAV of an underlying Fund, the manager of the Fund will have deducted fees for the payment of management services and other expenses. The manager of a Fund may rebate part of these fees to the Issuer for the Issuer's own account. The termination and/or material modification of such arrangement may result in losses or increased costs to the Issuer. If such an event occurs, the Calculation Agent may make certain discretionary determinations which may have the effect of transferring the adverse financial impact on the Issuer to the Noteholders.

Events affecting the characteristics of a Fund

The Notes are offered to investors on the basis that the key characteristics of the Funds as at the Issue Date remain the same throughout the life of the Notes. Such characteristics include the investment objective and strategy of the Funds. If there is a change to any of these key characteristics of the Funds, the Calculation Agent may make certain discretionary determinations which may have the effect of transferring any adverse financial impact in relation to such change from the Issuer to the Noteholders.

The Funds are subject to their own unique risks

The Funds are subject to their own unique risks and investors should conduct their own investigations into the Funds prior to making an investment decision regarding the Notes. None of the Issuer nor any of its affiliates has made any representation whatsoever with respect to the Funds on which any Noteholder is relying or is entitled to rely. The Issuer and its affiliates are not responsible for a Fund's public disclosure of information.

The performance of a Fund is subject to many factors

The performance of a Fund is subject to many factors, including the Fund strategies and underlying Fund investments.

Funds, and any underlying Fund components in which a Fund may invest, may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for positions therein to be opened or liquidated. The performance of a Fund and any underlying Fund component in which it may invest is dependent on the performance of the Fund manager in selecting underlying Fund components and the management of the relevant underlying Fund components. No assurance can be given that these persons will succeed in meeting the investment objectives of the Fund.

No assurance can be given relating to the present or future performance of a Fund and any underlying Fund component in which it may invest, that any analytical model used by the Fund will prove to be correct or that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which a Fund has or may invest will prove accurate.

The following is a summary description of certain particular risks in relation to Funds which may have an adverse effect on their performance and/or delay or reduce distribution thereunder which, in turn, could have a material adverse effect on the value and the amount and timing of the Additional Payment Amount (if any) on the Notes:

(a) Illiquidity of fund investments

The net asset value of a Fund will fluctuate with, among other changes, changes in market rates of interest, general economic conditions, economic conditions in particular industries, the condition of financial markets and the performance of a Fund's underlying component(s). Investments by a Fund in certain underlying assets may provide limited liquidity. Interests in a Fund may be subject to certain transfer restrictions, including, without limitation, the requirement to obtain the Fund Manager's consent (which may be given or withheld in its discretion). Furthermore, the relevant Fund offering documents typically provide that interests therein may be voluntarily redeemed only on specific dates of certain calendar months, quarters or years and only if an investor has given the requisite number of days' prior notice to the Fund manager. A Fund may also reserve the right to suspend redemption rights or make in kind distributions in the event of market disruptions. A Fund

is likely to retain a portion of the redemption proceeds pending the completion of the annual audit of the financial statements of such Fund, resulting in considerable delay before the full redemption proceeds are received. Such illiquidity may adversely affect the price and timing of any liquidation of a Fund investment entered into by the Issuer for the purposes of hedging. Also, limited liquidity increases the risk that a lower Additional Payment Amount (if any) will be payable during periods of adverse general economic conditions. Insufficient liquidity during the final liquidation of assets of a Fund could result in an Additional Payment Delay Event (as described below).

(b) *Reliance on Trading Models*

Some of the strategies and techniques used by the Fund manager may employ a high degree of reliance on statistical trading models developed from historical analysis of the performance or correlations of certain companies, securities, industries, countries, or markets. There can be no assurance that historical performance that is used to determine such statistical trading models will be a good indication of future performance of a Fund. If future performance or such correlations vary significantly from the assumptions in such statistical models, then the Fund manager may not achieve its intended results or investment performance.

(c) *Diversification*

The number and diversity of investments held by a Fund may be limited, even where such Fund holds investments in other funds – particularly where such underlying funds hold similar investments or follow similar investment strategies.

(d) *Fund leverage*

The Fund manager may utilise leverage techniques, including the use of borrowed funds, repurchase agreements, swaps and options and other derivative transactions. While such strategies and techniques may increase the opportunity to achieve higher returns on the amounts invested, they will generally also increase the risk of loss.

(e) *Trading limitations and frequency*

Suspensions or limits for securities listed on a public exchange could render certain strategies followed by a Fund difficult to complete or continue. The frequency of a Fund's trading may result in portfolio turnover and brokerage commissions that are greater than other investment entities of similar size.

(f) *Valuations*

The valuation of a Fund is generally controlled by the Fund manager. Valuations are performed in accordance with the terms and conditions governing the Fund. Such valuations may be based upon the unaudited financial records of the Fund and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset values of the Fund and accounts. The Fund may hold a significant number of investments which are illiquid or otherwise not actively traded and in respect of which reliable prices may be difficult to obtain. In consequence, the Fund manager may vary certain quotations for such investments held by the Fund in order to reflect its judgement as to the fair value thereof. Therefore, valuations may be subject to subsequent adjustments upward or downward. Uncertainties as to the valuation of the Fund assets and/or accounts may have an adverse effect on the net asset value of the Fund where such judgements regarding valuations prove to be incorrect.

(g) *Dependence on the expertise of key persons*

The performance of a Fund will depend greatly on the experience of the investment professionals associated with the Fund manager. The loss of one or more of such individuals could have a material adverse effect on the performance of a Fund.

Risks related to the Fund Basket

Potential investors should note that the Additional Payment Amount is linked to the performance of the Fund Basket which comprises three Funds. One poorly performing Fund could have an adverse impact on the Additional Payment Amount even where the other two Funds perform strongly.

Determinations made by the Calculation Agent in respect Extraordinary Events

An Extraordinary Event will be deemed to have occurred if the Calculation Agent determines that certain events, including one or more of the following has occurred or is likely to occur with respect to a Fund: (a) all or substantially all of its assets are nationalised, (b) by reason of voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up or any analogous proceedings (i) all of the shares or units in a Fund are required to be transferred to a trustee, liquidator, or other similar official or (ii) holders of shares or units in a Fund become legally prohibited from transferring or redeeming them, (c) a violation or change of any material terms of a Fund's offer documents or constitutional documents, (d) the main investment objective of a Fund changes, (e) any change in the currency of denomination of the NAV of a Fund, (f) the NAV of a Fund, not being calculated or announced for any scheduled Fund Business Day, (g) any restriction or limitation or suspension or deferral of, redemptions of or subscription for shares/units in a Fund or any mandatory redemption of shares of a Fund, (h) a change in the tax or regulatory environment of the Issuer, a Fund, or of the manager, investment manager or the investment advisor of a Fund, (i) any review or investigation of the activities of a Fund or any of its managers or any disciplinary action taken in consequence thereof, which, in each case, will have a material adverse effect on a Fund, (j) the Issuer is the beneficial owner of 25% or more of the shares of a Fund or a relevant class of the Fund, (k) any winding-up, liquidation of, or any termination or any loss of material regulatory approval, license or registration of, a Fund's manager, or any merger, demerger, winding-up or liquidation of or affecting a Fund, (l) any arrangement between the Issuer and a Fund being materially changed or terminated, (m) any change in any applicable law or regulation (including any tax law) that (i) makes it illegal for the Issuer to hold, acquire or dispose of interests in a Fund or (ii) means it will incur a materially increased cost in performing its obligations in respect of the Notes and/or (n) any event which prevents, hinders or materially impairs the Issuer's ability to conduct its hedging activities, or increases any tax, duty, expense, fee or other cost to the Issuer of conducting its hedging activities, in relation to its exposure under the Notes or adversely affects the economic basis on which the Issuer issued the Notes.

Upon the occurrence of an Extraordinary Event the Calculation Agent may make such reasonable adjustments as it determines to be appropriate to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Notes to account for the effect of such Extraordinary Event on the Issuer and/or the Fund and/or replace the affected Fund by selecting one or more suitable alternative funds with reasonably similar investment mandates as the affected Fund. Any such action by the Calculation Agent may have an adverse impact on the value of the Notes and could result in a lower (or no) Additional Payment Amount being paid in respect of the Notes than if the Calculation Agent had not made such adjustment (or had made a different adjustment).

Additional Payment Delay Event

If an Additional Payment Delay Event occurs, the Scheduled Additional Payment Date and the Maturity Date will be postponed. Such postponement may be for a significant period of time and will impact the timing of the Additional Payment Amount (if any) payable under the Notes. Investors should not invest unless they are in a position to accept such a delay in payment.

The occurrence of an Additional Payment Delay Event may also affect the amounts payable in respect of the Notes. In particular, such event may result in an Additional Payment Amount being significantly less than anticipated, and possibly zero. Investors should not invest in the Notes unless they are in a position to accept the relevant risks. The occurrence of an Additional Payment Delay Event and the payment that may be due following an Additional Payment Delay Event is described further under the heading "*Delayed payment of Additional Payment Amount*" in the section of this Prospectus entitled "*Transaction Description*".

EARLY REDEMPTION OF THE NOTES

The Notes may be redeemed early in the circumstances set out in Part 6 of the Credit-Linked Note Terms. This includes circumstances where the Notes have been sold to a Noteholder in breach of the Selling Restrictions, where certain Reference Entities becomes a Noteholder and where the Issuer would be required to pay additional amounts to account for tax in respect of payments on the Notes. In such cases the Notes will be redeemed at an amount equal to their fair market value less any loss of bargain or cost of funding incurred by the Issuer. Where an Event of Default has occurred, the Early Redemption Amount in respect of the Notes will be an amount equal to their fair market value on the date of redemption; provided that the creditworthiness of the Issuer shall not be taken into account in relation to any determination of the fair market value of the Notes. Investors should be aware that in the case of an early redemption the Early Redemption Amount may be substantially lower than the amount of such investor's investment in the Notes and may even be zero. Further information on early redemption of the Notes is set out in the section of this Prospectus entitled "*Transaction Description*" under the heading "*Early Redemption*".

CONFLICT OF INTERESTS

UBS AG, London Branch is the Issuer and the Calculation Agent under the Notes. In certain circumstances as described above, the Calculation Agent will have discretion to make decisions relating to the Notes. In such circumstances the Calculation Agent may make decisions that are beneficial to the Issuer to the detriment of Noteholders. In such circumstances the Calculation Agent has no obligation to consider the interests of the Noteholders and it is possible that its actions (or inactions as the case may be) may have an adverse impact on the value of the Notes.

TRANSACTION DESCRIPTION

This Transaction Description must be read as a description only of certain features of the Notes. Any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference herein. This Transaction Description does not contain all the information which may be important to prospective investors. Prospective investors should read the entirety of this Prospectus and the documents incorporated by reference herein. In addition, prospective investors should consult with their investment, legal, accounting, tax and other advisors with respect to any investment in the Notes.

The information contained in this section is subject in its entirety to the Issue Terms of the Notes.

This section is not intended as a description of the risks an investment in any of the Notes may involve. Risks specifically relating to the Notes are set out in the section of this Prospectus entitled “Risk Factors”.

For so long as the Notes remain outstanding, copies of the documentation (including the Base Prospectus, sections of which are incorporated by reference herein, and this Prospectus) will be available for inspection in printed form free of charge, during the hours between 9.00 a.m. and 5.00 p.m. (with respect to the location of the relevant offices) on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and at the Specified Offices of the Finnish Agent and the Authorised Offeror.

Issuer

The Notes are issued by UBS AG acting through its London Branch. The Issuer is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations as an Aktiengesellschaft, a stock corporation.

Status of the Notes

The Notes are unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. Except as may be provided by any law, the payment obligations of the Issuer under the Notes will at all times rank equally with all other outstanding unsecured and unsubordinated obligations of the Issuer.

Aggregate Nominal Amount of the Notes

The Aggregate Nominal Amount of the Series on the Issue Date will be up to EUR 20,000,000 and will be issued by the Issuer on the Issue Date.

The precise Aggregate Nominal Amount of the Notes to be issued will be published on the website of the Irish Stock Exchange (www.ise.ie) and filed with the Central Bank of Ireland in accordance with Article 8 of the Prospectus Directive, in each case, on or around the Issue Date.

Interest on the Notes

No amount of interest will be payable on the Notes.

Maturity

The Maturity Date of the Notes will be the later of (i) 20 December 2020 (the “**Scheduled Maturity Date**”), subject to postponement as described under “*Consequence of Credit Events and Potential Credit Events, including redemption of the Notes*” below, (ii) the date on which the Additional Payment Amount is payable (expected to be 7 January 2021), subject to postponement as described under “*Delayed payment of Additional Payment Amount*” below, and (iii) such date designated by the Calculation Agent as it may determine necessary to account for the effects of any extraordinary events which have occurred in relation to one or more of the Funds (as described under “*Extraordinary Events*” below).

Impact of the Credit-Linked Note Terms

Overview

The Notes are credit-linked to the Reference Entities by the application of the UBS Standard Linear Basket Credit-Linked Note Terms dated 08 September 2015 (the “**Credit-Linked Note Terms**”). If no Credit Event has occurred by, and no Potential Credit Events (as defined in the Credit-Linked Note Terms) are outstanding on the Scheduled Maturity Date, the Notes will be redeemed at par on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date. The consequences of the occurrence of a Credit Event or the existence of any Potential Credit Events as at the Scheduled Maturity Date are described in more detail below.

Reference Entities and Reference Obligations

The Reference Entities as at the Issue Date will be the entities listed in the Relevant Annex as at the Annex Date. The Relevant Annex is available on the following website: www.markit.com/Product/ITraxx. The Reference Obligation in respect of each Reference Entity is the “Standard Reference Obligation” if any, of the relevant Reference Entity. This means that the Reference Obligation will be the Reference Obligation of such entity included by ISDA on its list of Standard Reference Obligations on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time. If a Reference Entity does not have a Standard Reference Obligation, the Reference Obligation in respect of each Reference Entity will be the Non-Standard Reference Obligation, if any, of the relevant Reference Entity specified opposite its name in the Relevant Annex.

If the Reference Index Sponsor (being Markit Indices Limited, or any successor thereto) publishes a replacement Reference Obligation for a Reference Entity or one or more Reference Obligation(s) for a Reference Entity changes in connection with a successor Reference Entity being determined, the Calculation Agent shall select such Reference Obligation(s) as the Reference Obligation(s) hereunder for such Reference Entity.

A proportion of the Aggregate Nominal Amount of the Notes is apportioned to each Reference Entity according to such Reference Entity’s Reference Entity Weighting. This portion of the Aggregate Nominal Amount of the Notes linked to a Reference Entity will be equal to such Reference Entity’s Reference Entity Aggregate Nominal Amount which is determined as set out below.

The Reference Entity Weighting of each Reference Entity is an amount equal to the percentage set out opposite such Reference Entity under the “Weighting” column in the Relevant Annex, divided by the sum of the Weightings column set out in the Relevant Annex. The Reference Entity Weighting of a Reference Entity may change if more than one successor Reference Entity is determined in relation to a Reference Entity.

The Reference Entity Aggregate Nominal Amount in respect of each Reference Entity is equal to the Aggregate Nominal Amount of the Notes multiplied by the applicable Reference Entity Weighting provided that if the Aggregate Nominal Amount of the Notes increases due to a further issue of Notes or decreases due to a repurchase and cancellation of Notes, the Reference Entity Aggregate Nominal Amount shall be increased or reduced proportionately

Further information on the Reference Entities is included in the section of this Prospectus entitled “*Description of the Reference Entities*” below.

Credit Events

As at the date of this Prospectus each Reference Entity referenced in the Relevant Annex has the Transaction Type “Standard European Corporate” and as such, a Reference Entity referenced in the Relevant Annex (or certain Obligations of any such Reference Entity) may be subject to the occurrence of any of the following Credit Events occurring on and after 22 October 2015 (being the Credit Event Backstop Date) and on or prior to the Scheduled Maturity Date:

- (a) Failure to Pay;
- (b) Bankruptcy; and
- (c) Restructuring;

Bankruptcy

“Bankruptcy” includes where a Reference Entity:

- (i) is dissolved (other than where this is as a result of such Reference Entity merging or otherwise combining with another entity);
- (ii) becomes insolvent or is unable to pay its debts as they become due or admits its inability to do so;
- (iii) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (iv) institutes, or has instituted against it, a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition results in a judgment of insolvency or bankruptcy or is not dismissed within 30 calendar days of such institution;
- (v) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator or equivalent official for it or for all or substantially all of its assets; or
- (vii) has a secured party take possession of all or substantially all of its assets, or such assets are subject to attachment by a creditor.

Failure to Pay

A “Failure to Pay” will occur where a Reference Entity fails to make, when and where due and after the expiration of any applicable time period (a “**Grace Period**”) during which such failure may be cured by such Reference Entity (and after the satisfaction of any conditions precedent to such Grace Period), any payments in an aggregate amount of not less than a specified amount under one or more Obligations (as defined below) in accordance with the terms of such Obligations at the time of such failure. The Grace Period, if any, will be as set out in the terms of the Obligation; if no such Grace Period is specified, a minimum Grace Period will be assumed to apply.

Restructuring

“Restructuring” is, generally speaking, a process whereby a company or a sovereign entity facing cash flow problems or which is otherwise in financial distress, renegotiates its debts. A “Restructuring” for the purposes of the Credit-Linked Note Terms will, subject to certain exemptions, occur if:

- (i) any of the following events occurs in relation to a particular obligation of a Reference Entity;
 - (A) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
 - (B) a reduction in the amount of principal or premium payable;

- (C) a postponement or other deferral of a date or dates for payment or accrual of interest, or the payment of principal or premium;
 - (D) a change in the ranking in priority of payment of such obligation resulting in such obligation becoming subordinated in its right to receive payment to one or more other obligations; or
 - (E) a redenomination of an obligation (other than to certain permitted currencies, and excluding a redenomination into Euro where the relevant currency jurisdiction joins the Euro-zone); and
- (ii) such event occurs in a form which binds all of the holders of that obligation, is agreed between the Reference Entity or a governmental authority and a sufficient number of holders of such obligation to bind all holders of the obligation (including, in each case, in respect of Bonds only, by way of an exchange) and where such event is not expressly provided for under the original terms of that obligation; and
- (iii) any such event results from a deterioration in the creditworthiness or financial condition of the relevant Reference Entity.

If a Bond exchange has occurred, the determination as to whether one of the events described under subparagraphs (i)(A) to (E) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange. A Restructuring will have occurred only if the event in question relates to an Obligation held by more than three non-affiliated holders and, where, for Obligations other than bonds, the consent of at least two-thirds of the holders of the relevant Obligation is required.

Obligations

The occurrence of a Credit Event such as a Failure to Pay or a Restructuring will be determined by reference to eligible obligations of the relevant Reference Entity, referred to as “Obligations”, which may be loans, bonds or other obligations issued directly by such Reference Entity or obligations in respect of which such Reference Entity acts as guarantor. Obligations are defined by reference to the “Obligation Category” and “Obligation Characteristics” (if any) specified for the Transaction Type in the Credit Derivatives Physical Settlement Matrix.

Credit Derivatives Physical Settlement Matrix

Many key terms of the Notes are determined by reference to a matrix of market standard terms published by ISDA (referred to in this Prospectus as the “**Credit Derivatives Physical Settlement Matrix**”). The Credit Derivatives Physical Settlement Matrix recognises a variety of standard terms based on the Transaction Type of the Reference Entity and its location. The Credit Derivatives Physical Settlement Matrix is updated by ISDA from time to time. The standard terms in the Credit Derivatives Physical Settlement Matrix applicable to the Reference Entities as at the date of this Prospectus are “Standard European Corporate”. The terms of the Notes are based on these key terms. As at the date of this Prospectus, the Credit Derivatives Physical Settlement Matrix is available free of charge on ISDA's website at <http://www2.isda.org/>.

Role of the Credit Derivatives Determinations Committees

Pursuant to the Credit-Linked Note Terms, certain determinations relating to, and affecting, the Notes may be made by a relevant CDDC, which has the power to make binding decisions on critical issues such as whether a Credit Event has occurred or whether there is a successor Reference Entity in accordance with and as more fully described in the Credit Derivatives Determinations Committees Rules.

Composition of the CDDC

Each CDDC is composed of fifteen voting members and three non-voting consultative members. Ten of the voting members are dealer institutions, with eight serving across all regions and two potentially varying by region. The other five voting members are non-dealer institutions that serve across all regions. The three non-

voting consultative members consist of one dealer institution and one non-dealer institution that serve across all regions and one dealer institution that could potentially vary by region. Noteholders will have no role in the composition of the CDDC.

As at the date of this Prospectus, the Issuer and certain of its affiliates are members of one or more CDDCs. In reaching decisions, neither the Issuer nor any other member of the CDDC will take account of the interests of the Noteholders and for such purpose the Issuer may ignore any conflict of interest arising from the Issuer's rights and obligations under the Notes. Noteholders will not have any recourse against ISDA or the members of any CDDC in relation to resolutions passed or not passed by any such CDDC.

A Reference Entity may change as a result of the determination of a successor Reference Entity

The Reference Entities referenced in the Reference Index (and to which the Notes are therefore exposed) may change from time to time as a result of the determination of one or more successor Reference Entities and, if more than one successor Reference Entity is determined, the proportion of the Aggregate Nominal Amount apportioned to such Reference Entity that was subject to such succession will be divided amongst each of the new successor Reference Entities. UBS, as Calculation Agent is responsible for making determinations as to any successor Reference Entity, provided that the Calculation Agent is not required to, and will not, make any such determination if ISDA has announced that a CDDC has been convened for such purpose and if such CDDC has resolved to make such determination.

Consequence of Credit Events and Potential Credit Events, including redemption of the Notes

If a Credit Event has occurred in respect of a Reference Entity (such Reference Entity an “**Affected Reference Entity**”) and a Credit Event Determination Date has been determined, a portion of the Notes equal to the Reference Entity Aggregate Nominal Amount of the Reference Entity in respect of which the Credit Event has occurred will be redeemed on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date at zero. If a Credit Event Determination Date occurs in respect of every Reference Entity, the Notes will redeem at zero on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date.

Assuming that no Early Redemption Event or Event of Default has occurred in respect of the Notes on or prior to the Scheduled Maturity Date or the Postponed Scheduled Maturity Date (as the case may be) each Noteholder will be entitled to receive a payment per Note on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date equal to the Outstanding Calculation Amount. Following the occurrence of a Credit Event Determination Date the Outstanding Calculation Amount will be reduced by an amount equal to (i) the Calculation Amount multiplied by (ii) the Reference Entity Weighting of the Affected Reference Entity. If a Credit Event occurs with respect to each Reference Entity included in the Relevant Annex the Outstanding Calculation Amount will be reduced to zero.

The reduction of the Outstanding Calculation Amount to zero prior to the Maturity Date will not cause the Notes to redeem early, absent the occurrence of an Early Redemption Event or an Event of Default in respect of the Notes.

If a Potential Credit Event is determined by the Calculation Agent to have occurred (being an event which the Calculation Agent determines may be a Credit Event), prior to the Scheduled Maturity Date, the Issuer may elect to extend the Scheduled Maturity Date. In such circumstances, on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date, the redemption proceeds that investors will receive (if any) will be an amount equal to the Reference Entity Aggregate Nominal Amounts of all Reference Entities in respect of which no Credit Event has occurred. This means that per Note each Noteholder would receive an amount equal to (i) the Calculation Amount per Note multiplied by (ii) (a) one minus (b) the aggregate Reference Entity Weightings of all Reference Entities in respect of which a Credit Event has occurred.

The Postponed Scheduled Maturity Date will be the date which is the later of either (i) the 21st calendar day following the original Scheduled Maturity Date, or (ii) if a DC Credit Event Question with respect to the Potential Credit Event has occurred on or prior to the original Scheduled Maturity Date, the date on which the

related DC Credit Event Announcement occurs or the date two Business Days following the date on which the related DC No Credit Event Announcement occurs, as applicable.

Worked example of the impact of a Credit Event

The following sets out an example of the impact of a Credit Event on the Notes. The figures and events used for the purposes of the example are indicative only and are not intended as a guide as to the actual or expected performance of the Notes. The performance of the Notes may be better or worse than as set out in the following example:

The example assumes the following:

- (a) the Aggregate Nominal Amount of the Notes is EUR 20,000,000;
- (b) the denomination of each Note is EUR 20,000 and therefore the Calculation Amount for each Note is EUR 20,000;
- (c) the Outstanding Calculation Amount is EUR 20,000;
- (c) there are 75 Reference Entities, each with a Reference Entity weighting of 1.333% and a Reference Entity Aggregate Nominal Amount of EUR 266,666.67; and
- (d) no Early Redemption Event or Event of Default occurs in respect of the Notes and the Issuer, the Calculation Agent and the Finnish Agent comply with their obligations in respect of the Notes.

Based on this:

If a Credit Event occurs in respect of a Reference Entity (the “**Affected Reference Entity**”) prior to 20 December 2020 (and therefore prior to the Scheduled Maturity Date), then:

- (i) following the occurrence of the Credit Event Determination Date in respect of such Reference Entity the Outstanding Calculation Amount will be reduced to EUR 19,733.34 (being (A) the Calculation Amount multiplied by (B) (x) one minus (y) the Reference Entity Weighting of the Affected Reference Entity

and, assuming no further Credit Event or Potential Credit Event occurs prior to the Scheduled Maturity Date:

- (ii) on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date, the Notes will be redeemed at EUR 19,733,333.34 (being the Aggregate Nominal Amount minus the Reference Entity Aggregate Nominal Amount of the Affected Reference Entity); and
- (iii) on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date, each Note will be redeemed at EUR 19,733.34 (being the Outstanding Calculation Amount).

Impact of the Fund-Linkage

Additional Payment Amount

The Additional Payment Amount (if any) will be payable to Noteholders on the later of (i) the Scheduled Additional Payment Date (intended to be 7 January 2021) and (ii) the Additional Payment Date (if any). The Additional Payment Amount consists of the increase, if any, in the value of a hypothetical investment portfolio comprised of the Fund Basket and an EUR cash investment (such value, the “**Portfolio Value**”) with a weighting as between them determined on the basis of the formula described under “*Formula*” below.

Fund Basket

“**Fund Basket**” means the following funds (each a “**Fund**”):

FIM Sahara A share class Fund

FIM Frontier A share class Fund

FIM Emerging Yield Fund

Each Fund may be substituted in certain circumstances as described below.

The Funds are described in more detail in the section of this Prospectus entitled “*Description of the Funds*”.

Formula

The formula is a volatility linked algorithm which is applied to determine the relative weighting within the hypothetical investment portfolio of an investment in the Fund Basket and an investment in EUR cash. As of the Issue Date, the weighting to the Fund Basket is 100%. Thereafter, a target weighting with respect to the Fund Basket investment is determined on a periodic basis. The target weighting is determined by dividing a specified target volatility by the volatility value calculated with respect to the official net asset value of the Fund Basket for the relevant date of determination. The specified target volatility is 13%.

If the then-current weighting of the Fund investment in the hypothetical investment portfolio is greater than the Cap or less than the Floor (each as specified in the Issue Terms), then the relative weightings of the Fund Basket investment and the investment in EUR cash will be adjusted so that the former is equal to the target weighting. The weighting to the Fund Basket investment may not exceed 150%.

Additional Payment Amount

Worked Examples of impact on Additional Payment Amount

The figures and events used for the purposes of the examples are indicative only and are not intended as a guide as to the actual or expected performance of the Notes. The performance of the Notes may be better or worse than set out in the following examples.

The examples assume the following:

- (a) the denomination of each Note is EUR 20,000 and therefore the Calculation Amount per Note is EUR 20,000;
- (b) the Initial Portfolio Value is 100 per cent.;
- (c) the Participation is 190 per cent.; and
- (d) the Issuer complies with its obligations relating to the Notes.

The Portfolio Return is an amount equal to (i) the final Portfolio Value (the “**Final Portfolio Value**”) minus the initial Portfolio Value (the “**Initial Portfolio Value**”) divided by (ii) the Initial Portfolio Value.

The Initial Portfolio Value will be the arithmetic average of the portfolio value on each Averaging-In Date (such dates being 27 October 2015, 27 November 2015, 28 December 2015, 27 January 2016, 28 February 2016, 28 March 2016 and 27 April 2016).

The Final Portfolio Value will be the arithmetic average of the portfolio value on each Averaging-Out Date (such dates being 20 December 2019, 20 January 2020, 20 February 2020, 20 March 2020, 20 April 2020, 20 May 2020, 22 June 2020, 20 July 2020, 20 August 2020, 21 September 2020, 20 October 2020, 20 November 2020 and 21 December 2020).

If any Averaging-In Date or Averaging-Out Date (as applicable) is not a Portfolio Business Day, then the relevant Averaging-In Date or Averaging-Out Date (as the case may be) will be the next following day that is a Portfolio Business Day.

Example 1:

This example assumes that the Final Portfolio Value is 105 per cent.. In this example, on the later of (i) the Scheduled Additional Payment Date; and (ii) the Additional Payment Date (if any), the Additional Payment Amount will be an amount per Note equal to EUR 1,900 (being the product of (i) the Calculation Amount, (ii) the Participation and (iii) (a) the Final Portfolio Value minus the Initial Portfolio Value divided by (b) the Initial Portfolio Value.

Example 2:

This example assumes that the Final Portfolio Value is 70 per cent.. In this example, on the later of (i) the Scheduled Additional Payment Date; and (ii) the Additional Payment Date, the Additional Payment Amount will equal to zero. The Additional Payment Amount is floored at zero. Accordingly, no further payment will be made to the Noteholders in these circumstances.

Delayed payment of Additional Payment Amount

The date for payment of the Additional Payment Amount is expected to be 7 January 2021 (the “**Scheduled Additional Payment Date**”) (being the date on which a Notional Investor in the Funds could expect to receive the full redemption proceeds for the Funds, provided that the Notional Investor had by giving appropriate notice, requested redemption as at the Expiration Date (being the Scheduled Maturity Date of the Notes)). A “**Notional Investor**” is a hypothetical investor holding the same investment position as the Issuer in the relevant shares of the relevant Fund.

In addition to following an Extraordinary Event, in certain circumstances the payment of the Additional Payment Amount may be postponed (such postponed payment date being the “**Additional Payment Date**”). This will be the case where a Notional Investor in the Funds would not have received the full redemption proceeds on the Scheduled Additional Payment Date. In such circumstances, the Additional Payment Date (and the Maturity Date of the Notes) will be postponed until the later of the date on which a Notional Investor would have received in full the redemption proceeds for the Funds and 7 January 2023 (the “**Long-stop Date**”). Where the Additional Payment Date falls on the Long-stop Date, the Additional Payment Amount will be an amount per Calculation Amount equal to the fund redemption proceeds that a Notional Investor would have received up until two Business Days prior to the Long-stop Date in respect of the redemption requested at the Expiration Date. It is possible that the payment due on such Long-stop Date will be significantly lower than the amount that would have been payable on the Scheduled Additional Payment Date and such amount may even be zero.

Extraordinary Events

Prospective investors must note that certain adjustments may be made to the terms of the Notes or one or all of the Funds may be replaced, following the occurrence of an Extraordinary Event. Such adjustment could result in an extension of the Scheduled Maturity Date of the Notes.

The Extraordinary Events which may occur in relation to a Fund are:

- (a) all or substantially all of the assets of a Fund being nationalised, expropriated, or otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (b) by reason of voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up or any analogous proceedings (a) all of the shares or units in a Fund are required to be transferred to a trustee, liquidator, or other similar official or (b) holders of shares or units in a Fund become legally prohibited from transferring or redeeming them;
- (c) a violation or change of any material terms of a Fund’s offer documents or other constitutional

documents;

- (d) the main investment objective of a Fund changes;
- (e) any change in the currency of denomination of the NAV of the relevant class of shares/units of a Fund;
- (f) the NAV of a Fund, as calculated by its administrator, not being calculated or announced for any scheduled Fund Business Day within the time period when the Calculation Agent would ordinarily expect such NAV to be available;
- (g) any restriction or limitation or suspension or deferral of, redemptions of or subscription for shares/units in a Fund (including the introduction or increase of any associated fee, cost or expense), or any mandatory redemption of shares of a Fund;
- (h) a change in the tax or regulatory environment of the Issuer, a Fund, or of the manager, investment manager or the investment advisor (each a “**Manager**”) of a Fund;
- (i) any review or investigation of the activities of a Fund or any of its Managers, by a relevant regulator, in connection with suspected or alleged wrongdoing or breach of any rule or regulation, or other similar reason, or any disciplinary action taken by such regulator in consequence thereof, which, in each case, will have a material adverse effect on a Fund;
- (j) the Issuer is the beneficial owner of 25% or more of the shares of a Fund or a relevant class of the Fund;
- (k) any winding-up, liquidation of, or any termination or any loss of material regulatory approval, license or registration of, a Fund’s Manager, or any merger, de-merger, winding-up or liquidation of or affecting a Fund;
- (l) any arrangement between the Issuer and a Fund and/or one or more of its Managers, including arrangements relating to subscriptions and redemptions, being materially changed or terminated;
- (m) any change in any applicable law or regulation (including any tax law) or the promulgation of or any change in interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority) that (a) makes it illegal for the Issuer to hold, acquire or dispose of interests in a Fund or (b) means it will incur a materially increased cost in performing its obligations in respect of the Notes; and/or
- (n) any event which prevents, hinders or materially impairs the Issuer’s ability to conduct its hedging activities, or increases any tax, duty, expense, fee or other cost to the Issuer of conducting its hedging activities, in relation to its exposure under the Notes or adversely affects the economic basis on which the Issuer issued the Notes.

Following the occurrence of an Extraordinary Event, the Calculation Agent may, acting in its sole and absolute discretion:

- (1) make such reasonable adjustment(s) as it determines to be appropriate to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Notes to account for the effect of such Extraordinary Event on the Issuer and/or the Fund; and/or
- (2) replace the affected Fund by using reasonable efforts for a period of no longer than 5 Business Days to select one or more suitable alternative funds with reasonably similar investment mandates (each a “**Replacement Fund**”) to replace the affected Fund.

Any Replacement Fund chosen by the Calculation Agent must meet certain suitability criteria, including:

- (i) the relevant Replacement Fund management company and Replacement Fund manager(s) are willing to allow the fund to be referenced in the Notes;
- (ii) a Notional Investor can trade at net asset value or at bid price in the Replacement Fund with no direct or indirect fee, levy or other charge whatsoever, including subscription or redemption penalties applicable, or potentially applicable, to any such trading or any interest so acquired;
- (iii) the Replacement Fund is constituted as an open-ended investment company incorporated in an OECD country;
- (iv) the Replacement Fund (or a relevant manager) publishes the Replacement Fund's net asset value or bid price on a daily basis;
- (v) a Notional Investor is able to fully hedge its position with respect to the Replacement Fund(s) as at the replacement fund(s) selection date; and
- (vi) the Replacement Fund has similar historical volatility as the affected Fund, as determined in a commercially reasonable manner by the Calculation Agent.

Early Redemption

Overview

In certain circumstances, the Notes will be redeemed prior to the Scheduled Maturity Date. Upon Redemption following Breach of Selling Restrictions, Tax Redemption or following an Event of Default the amount receivable by holders of the Notes will depend on the market value of the Notes. Investors should therefore be aware that the factors described in the section “*Risk Factors*” as having a potential impact on the market value of the Notes may have a significant impact in determining the amount payable to investors following the occurrence of an Early Redemption Event.

Early Redemption Events

The Notes may be redeemed early and as described below if any of the following events happen:

(a) Redemption following Breach of Selling Restrictions

If the Notes are sold or otherwise transferred to any person in breach of the selling restrictions, the Issuer may, in its sole and absolute discretion, choose to redeem the Notes sold to that person at the Sale Restriction Redemption Amount at any time upon notice to the relevant Noteholders (the “**Sale Restriction Redemption Date**”) and no further amounts will be due to such Noteholders after payment of the Sale Restriction Redemption Amount. The “**Sale Restriction Redemption Amount**” is the fair market value of the relevant Notes on the fifth Business Day before the Sale Restriction Redemption Date, less any loss of bargain and cost of funding incurred by the Issuer, all as determined by the Calculation Agent in its sole and absolute discretion.

(b) Tax Redemption

If the Issuer is required to pay certain additional amounts in respect of tax on the Notes, the Issuer may redeem the Notes at the Tax Redemption Amount at any time upon notice to the Noteholders (the “**Tax Redemption Date**”) and no further amounts will be due to Noteholders after payment of the Tax Redemption Amount. The “**Tax Redemption Amount**” is the fair market value of the Notes on the fifth Business Day before the Tax Redemption Date, less any loss of bargain and cost of funding incurred by the Issuer, all as determined by the Calculation Agent in its sole and absolute discretion.

(c) Early Redemption Amount following an Event of Default

For the purpose of Condition 11 (*Events of Default*), the Early Redemption Amount shall be equal to the fair market value of the Notes on the date of redemption; provided that the creditworthiness of the Issuer shall not be taken into account in relation to any determination of the fair market value of the Notes. An Event of Default will occur in relation to the Notes where:

- (i) there is a default for more than 30 days in the payment of principal due in respect of the Notes; or
- (ii) there is a default in the performance by the Issuer of any other obligation under the Notes which is incapable of remedy or which, being a default capable of remedy, continues for 60 days after written notice of such default has been given by any Noteholder to the Issuer; or
- (iii) any order shall be made by any competent court or other authority or resolution passed by the Issuer for the dissolution or winding-up of the Issuer or for the appointment of a liquidator, receiver, administrator or manager of the Issuer or of all or a substantial part of their respective assets, or anything analogous occurs, in any jurisdiction, to the Issuer, other than in connection with a solvent reorganisation, reconstruction, amalgamation or merger; or
- (iv) the Issuer shall stop payment or shall be unable to, or shall admit to creditors generally its inability to, pay its debts as they fall due, or shall be adjudicated or found bankrupt or insolvent, or shall enter into any composition or other arrangements with its creditors generally.

If an Event of Default in relation to the Notes has occurred and is continuing, any Noteholder may declare the Note held by it to be due and payable at the Early Redemption Amount.

QUESTIONS AND ANSWERS

The following section answers some questions that prospective investors might have regarding the Notes, in general terms only. It does not contain all the information which may be important to prospective investors. Prospective investors should read the Issue Terms of the Notes, the Summary, the Risk Factors, the Transaction Description and the more detailed information that is contained elsewhere in this Prospectus and in the Base Prospectus or is incorporated by reference in such documents. In addition, prospective investors should consult with their investment, legal, accounting, tax and other advisors with respect to any investment in the Notes.

The information contained in this section is subject in its entirety to the Issue Terms of the Notes.

What are the Notes? The Notes are investment instruments issued by UBS AG, London Branch in the form of notes. They are credit-linked and linked to the performance of the Fund Basket.

Is any interest payable on the Notes? No. Interest is not payable on the Notes.

What should I read before investing? You should carefully read and understand the parts of the Base Prospectus which are incorporated by reference in this Prospectus (see “*Documents Incorporated by Reference*” below) and this Prospectus.

The Base Prospectus contains information about the Issuer, the general terms and conditions of the Notes and general information about the offer and issue of the Notes.

This Prospectus contains information specific to these Notes together with information about how investors can purchase the Notes, product specific risk factors and other product specific information.

Investors may request copies of the Base Prospectus and this Prospectus free of charge from the Issuer.

Where is my money invested? The net proceeds will be used by the Issuer for its general corporate purposes or towards meeting the general financing requirements of the UBS AG Group.

When are the Notes scheduled to mature if not redeemed early? The Scheduled Maturity Date of the Notes is 20 December 2020.

However, if a Potential Credit Event is determined by the Calculation Agent to have occurred (being an event which the Calculation Agent determines may be a Credit Event), prior to the Scheduled Maturity Date, the Issuer may elect to extend the Scheduled Maturity Date. In such circumstances, on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date, the redemption proceeds that investors will receive (if any) will be an amount equal to the Reference Entity Aggregate Nominal Amounts of all Reference Entities in respect of which no Credit Event has occurred.

The Postponed Scheduled Maturity Date will be the date which is the later of either (i) the 21st calendar day following the original Scheduled Maturity Date, or (ii) if a DC Credit Event Question with respect to the Potential Credit Event has occurred on or prior to the original Scheduled Maturity Date, the date on which the related DC Credit Event Announcement occurs or the date two Business Days following the date on which the related DC No Credit Event Announcement occurs, as applicable.

The Maturity Date of the Notes will be the later of (i) the Scheduled Maturity Date (as

may be postponed), (ii) the later of the Scheduled Additional Payment Date and the Additional Payment Date (if any) and (iii) such date designated by the Calculation Agent as it may determine necessary to account for the effects of any extraordinary events which have occurred in relation to one or more of the Funds.

Do the Notes redeem at par on the Maturity Date? Each Note will redeem on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date at the Outstanding Calculation Amount. If no Credit Events occur with respect to the Notes the Outstanding Calculation Amount will be equal to the par amount of each Note on the Scheduled Maturity Date (or the Postponed Scheduled Maturity Date if applicable). If however one or more Credit Events have occurred, the Outstanding Calculation Amount will be an amount equal to (i) the Calculation Amount multiplied by (ii) (a) one minus (b) the aggregate of the Reference Entity Weightings of all Reference Entities in respect of which a Credit Event has occurred. Noteholders may be entitled to an Additional Payment Amount on the Maturity Date of the Notes as described further under “*How is the Additional Payment Amount calculated?*” below.

What Reference Entities to which the Notes are linked? The Reference Entities comprise the components of the Markit iTraxx® Europe Crossover Series 24 Index (the “**Reference Index**”) as of the Annex Date (being 17 September 2015 or such later date that the Reference Index Sponsor publishes an updated annex relating to the iTraxx® Europe Crossover Series 24 Index on or prior to the Trade Date) and as listed on the following website: <https://www.markit.com/Documentation/Product/ITraxx> (such list being the “**Relevant Annex**”).

What is a Credit Event? As at the date of this Prospectus a Credit Event which could occur in relation to a Reference Entity is the occurrence of one of the following:

- (a) Failure to Pay;
- (b) Bankruptcy; and
- (c) Restructuring.

More detailed information on the various Credit Events can be found in the section of this Prospectus entitled “*Transaction Description*” under the heading “*Credit Events*”.

What happens if a Credit Event occurs in respect of a Reference Entity? If a Credit Event occurs in respect of a Reference Entity, with effect from the Credit Event Determination Date relating to such Reference Entity, the Outstanding Calculation Amount is reduced by an amount equal to:

- (i) the Calculation Amount, multiplied by
- (ii) the Reference Entity Weighting for such Reference Entity,

and a portion of the Aggregate Nominal Amount equal to the Reference Entity Aggregate Nominal Amount for such Reference Entity is redeemed on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date at zero.

If a Credit Event occurs with respect to every Reference Entity, the Notes will redeem at zero.

More detailed descriptions of the amounts payable following the occurrence of a Credit Event are set out in the section of this Prospectus entitled “*Transaction Description*” under the headings “*Consequence of Credit Events and Potential Credit Events, including redemption of the Notes*” and “*Worked example of the impact of a Credit Event*”.

Can a Credit Event occur prior to the Issue Date? Yes. The Credit Event Backstop Date may fall before the Issue Date and therefore a Credit Event may have occurred prior to the Issue Date.

Noteholders should conduct their own review of any recent developments with respect to the Reference Index by consulting publicly available information. If a request has been delivered to ISDA prior to the Issue Date to determine whether a Credit Event has occurred with respect to a constituent Reference Entity, details of such request may be found on the ISDA website at <http://www.isda.org/credit>.

Is it possible to change a Reference Entity? The Reference Entities may not be changed at the election of the Noteholders or the Issuer, although the determination of one or more successor Reference Entities with respect to a Reference Entity on or after the Successor Backstop Date (or, in the case of a “Universal Successor”, on or after 1 January 2014) may result in its replacement.

A “**Universal Successor**” means, with respect to a Reference Entity, the single entity which assumes all of the obligations (including at least one relevant bond or loan) of the relevant Reference Entity and at the time of the determination either (i) the Reference Entity has ceased to exist, or (ii) the Reference Entity is in the process of being dissolved (however described) and the Reference Entity has not issued or incurred any borrowed money obligation at any time since the legally effective date of the assumption.

Additionally, if the Reference Index Sponsor publishes an updated annex relating to the iTraxx® Europe Crossover Series 24 Index on or prior to the Trade Date, the Reference Entities may be different to those comprising the Reference Index as at the date of this Prospectus.

What is a “Successor” to a Reference Entity and how can succession affect the Notes?

If ISDA publicly announces that a CDDC has resolved that a different entity or entities has or have become successor(s) to the original Reference Entity or the Calculation Agent identifies a “Successor” to the original Reference Entity (in circumstances where ISDA is not convening a CDDC for such purposes), for example where such successor assumes obligations of the original Reference Entity under the latter’s bonds or loan, or issues bonds or incurs loans in exchange for bonds or loans of the original Reference Entity, including in certain circumstances as part of a pre-determined series of steps, to which the Notes are linked, then such entity will be deemed to be a “Successor” to the original Reference Entity.

The identity of an original Reference Entity will be treated as having been amended accordingly for the purposes of the Notes so that, following the determination or announcement of a “Successor”, the Notes will be linked to the credit risk of the Successor. The credit risk associated with a Successor or Successors may be different from and could be greater than the credit risk associated with the original Reference Entity.

The Successor Backstop Date is a rolling date which is:

- (a) if a CDDC receives a request to resolve whether or not there is one or more Successors to the Reference Entity, 90 calendar days prior to the date of such request (regardless of whether the CDDC resolves to determine such matter or not); or
- (b) otherwise, 90 calendar days prior to the date on which the notice identifying the Successor sent by the Issuer is effective.

Can a succession occur prior to the Issue Date? Yes. The Successor Backstop Date may be prior to the Issue Date and therefore a succession may occur prior to the Issue Date.

Noteholders should conduct their own review of any recent developments with respect to the Reference Index by consulting publicly available information. If a request has been delivered to convene a CDDC prior to the Issue Date to determine whether a succession has occurred with respect to a constituent Reference Entity, details of such request may be found on the ISDA website <http://www.isda.org/credit>.

What is the difference between the Notes and a bond issued by the Reference Entity?

The Notes give the investor exposure to the credit risk of the Reference Entities without having to own a bond or other type of debt obligation of any Reference Entity. Each Reference Entity is not itself a party to the Notes nor does any Reference Entity have a direct involvement in the issue of the Notes and an investor will not be able to claim against any Reference Entity for any losses it suffers from a Credit Event of such Reference Entity.

The Issuer is not obliged to hold any obligation of any Reference Entity or otherwise have any credit risk exposure to any Reference Entity.

What is ISDA?

The International Swaps and Derivatives Association, Inc. (“**ISDA**”) is a trade organisation of participants in the market for over-the-counter (“**OTC**”) derivatives. It is headquartered in New York, and is responsible for creating standardised contracts and standardised asset class provisions such as the 2014 ISDA Credit Derivatives Definitions and a wide range of related documentation, that are used to enter into derivatives transactions.

Definitions, confirmations and other documents and information published by ISDA are available on ISDA's website: <http://www2.isda.org/>. Certain publications are available free of charge while others are available to subscribers of the website only.

As at the date of this Prospectus, ISDA has more than 830 member institutions from 59 countries on six continents. These members include a broad range of OTC derivatives market participants: global, international and regional banks, asset managers, energy and commodities firms, government and supra-national entities, insurers and diversified financial institutions, corporations, law firms, exchanges, clearing houses and other service providers.

How is the Additional Payment Amount calculated?

The Additional Payment Amount is calculated by UBS AG, London Branch in its capacity as Calculation Agent for the Notes. The Additional Payment Amount represents the increase in value from a specified date falling prior to the issue of the Notes of a hypothetical investment portfolio comprising an investment in the Fund Basket and an investment in EUR cash.

The increase in the value of the Fund Basket, if any, will represent an increase in the official net asset value of the Fund Basket (as calculated and reported by the administrator of the Funds). There may be no increase in the value of the Fund Basket. The increase in value of the EUR cash investment, if any, will represent accrued interest at the Euro Interbank Offered Rate 3 Month (as determined by reference to a specified electronic pricing source or, if that source is not available, by the Calculation Agent). Returns on EUR cash may be low or negative.

At inception, the hypothetical investment portfolio is assumed to be invested entirely in the Fund Basket. However, the allocation of the portfolio as between investments in the Fund Basket and EUR cash is subject to alteration during the life of the transaction in accordance with a specified algorithm. The objective of the algorithm is to increase the

assumed allocation to the cash investment when the volatility in the value of the fund investment exceeds specified parameters, with the aim of protecting previous positive performance.

The algorithm described above may not be effective to protect previous positive performance of the Fund Basket. The algorithm does not prevent negative performance of the Fund Basket or the hypothetical investment portfolio. Where positive performance of the Fund Basket coincides with periods of high volatility in the value of the Fund Basket, the operation of the algorithm may result in relative under-performance of the hypothetical investment portfolio. As the algorithm is based on historical volatility of the value of the Fund Basket over a specified time period, the volatility of the hypothetical investment portfolio at a given time may not be equal to the target volatility level. Due to the time lag in re-allocating the investment of the hypothetical portfolio as between the Fund Basket and EUR cash, the volatility of the hypothetical investment portfolio may not be equal to the target volatility level.

What are the Funds to which the Additional Payment Amount is linked?

The Fund Basket comprises the following Funds (each a “Fund”):

FIM Sahara A share class Fund

FIM Frontier A share class Fund

FIM Emerging Yield Fund

Information on the Funds can be obtained from the following website: www.fim.com

The Funds may be replaced for the purposes of the calculation of the Additional Payment Amount in certain circumstances as described in the sections of this Prospectus entitled “*Transaction Description*” under the heading “*Extraordinary Events*” and under “*What is the potential effect of extraordinary or similar events in respect of a Fund?*” below.

Further information on the Funds is set out in the section of this Prospectus entitled “*Description of the Funds*”.

What is the potential effect of extraordinary or similar events in respect of a Fund?

Upon the occurrence of an Extraordinary Event the Calculation Agent may make such adjustments as it determines to be appropriate to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Notes to account for the effect of such Extraordinary Event on the Issuer and/or the Fund and/or replace the affected Fund by using reasonable efforts for a period of no longer than five Business Days to select one or more suitable alternative funds with reasonably similar investment mandates as the affected Fund. The effect of any such determination by the Calculation Agent in accordance with these provisions could be the extension of the Scheduled Maturity Date and the postponement of amounts payable on the Notes.

Extraordinary Events include (but are not limited to):

- (a) all or substantially all of the assets of a Fund being nationalised, expropriated, or otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (b) a violation or change of any material terms of a Fund’s offer documents or other constitutional documents;
- (c) the main investment objective of a Fund changes;

- (d) any change in the currency of denomination of the NAV of the relevant class of shares/units of a Fund;
- (e) a change in the tax or regulatory environment of the Issuer, a Fund, or of the manager, investment manager or the investment advisor (each a “**Manager**”) of a Fund;
- (f) the Issuer is the beneficial owner of 25% or more of the shares of a Fund or a relevant class of the Fund;
- (g) any event which prevents, hinders or materially impairs the Issuer’s ability to conduct its hedging activities, or increases any tax, duty, expense, fee or other cost to the Issuer of conducting its hedging activities, in relation to its exposure under the Notes or adversely affects the economic basis on which the Issuer issued the Notes.

Further details on Extraordinary Events and their effects are set out in more detail in the section of this Prospectus entitled “*Transaction Description*” under the heading “*Extraordinary Events*”.

Are there any circumstances in which the payment of the Additional Payment Amount will be delayed?

The Additional Payment Amount is due to be paid on 7 January 2021 but such payment may be delayed in certain circumstances. This will be the case where (i) the Calculation Agent determines that an Extraordinary Event has occurred, or (ii) a Notional Investor in the Funds would not have received the full redemption proceeds on the Scheduled Additional Payment Date. In such circumstances the Additional Payment Date will be postponed until the later of the date on which a Notional Investor would have received in full the redemption proceeds for the Funds and 7 January 2023 (the “**Long-stop Date**”).

Further details on when the Additional Payment Amount may be delayed and the amounts payable in such circumstances are set out in the section of this Prospectus entitled “*Transaction Description*” under the heading “*Delayed payment of Additional Payment Amount*”.

Who is the Calculation Agent?

The Calculation Agent is UBS AG acting through its London Branch.

What is the role of the Calculation Agent in deciding certain issues related to the Notes?

The Calculation Agent may exercise certain discretions that may have an impact on the market value of the Notes. Such discretions include (but are not limited to):

- (a) determining whether or not a Credit Event has occurred;
- (b) determining whether or not there is a successor Reference Entity;
- (c) determining whether or not an Extraordinary Event has occurred in respect of a Fund;
- (d) the ability to make certain adjustments to the terms and conditions of the Notes following the occurrence of an Extraordinary Event;
- (e) the ability to replace a Fund following the occurrence of an Extraordinary Event; and
- (f) the ability to make certain amendments to the terms and conditions of the Notes if there are amendments or supplements to the 2014 ISDA Credit Derivative Definitions which could impact the Issuer’s hedging activities.

In what circumstances will the Notes redeem in full prior to their stated Maturity Date?	<p>The Notes may be redeemed in full prior to the Scheduled Maturity Date or Postponed Scheduled Maturity Date (as the case may be) following the occurrence of an Event of Default or where the Issuer would be required to pay additional amounts in respect of tax on the Notes.</p> <p>In certain other circumstances the Notes of certain Noteholders (but not necessarily all of the Notes) may be redeemed early. This will be the case where the Notes have been sold or otherwise transferred to such Noteholder in breach of the Selling Restrictions.</p> <p>If the Notes are redeemed as a consequence of an Event of Default, the Early Redemption Amount will be the fair market value of the Notes on the date of redemption; provided that the creditworthiness of the Issuer shall not be taken into account in relation to any determination of the fair market value of the Notes. In all other cases, the Early Redemption Amount will be the fair market value of the relevant Notes less any loss of bargain and cost of funding incurred by the Issuer, all as determined by the Calculation Agent in its sole and absolute discretion.</p> <p>Further details on the early redemption of the Notes and the amounts payable in such circumstances are set out in more detail in the section of this Prospectus entitled “<i>Transaction Description</i>” under the heading “<i>Early Redemption</i>”.</p>
Will the Notes be listed?	Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List and traded on its regulated market.
Will the Notes be rated?	The Notes will not be rated by any rating agency.
What are the terms of the offer of the Notes?	The terms of the offer of the Notes are set out in the section of this Prospectus entitled “ <i>Issue Terms</i> ”.
How are interests in the Notes transferred?	<p>Title to the Notes will pass by registration in the computerised register maintained by or on behalf of Euroclear Finland.</p> <p>No Holder may require the transfer of a Note to be registered during any closed period pursuant to the then applicable Euroclear Finland Rules.</p> <p>All transfers of the Notes are subject to any cut-off dates applicable to such Notes and are subject to any other rules and procedures for the time being of Euroclear Finland. Euroclear Finland’s rules and regulations can be downloaded from its website https://www.euroclear.com/en/about/our-rules.html.</p>
Will there be a secondary market in the Notes?	No assurance can be given that a secondary market for the Notes will develop. Investors should be prepared to retain the Notes until their maturity.
Are there any restrictions on the transfer of the Notes?	Investors should note the restrictions in the sections of the Base Prospectus entitled “ <i>Selling Restrictions</i> ” on page 173 of the Base Prospectus and “ <i>Transfer Restrictions</i> ” on page 182 of the Base Prospectus which are incorporated by reference into this Prospectus. Investors should also review the section of this Prospectus entitled “ <i>Subscription and Sale and Transfer Restrictions</i> ”.

What tax will I have to pay and how will tax affect payments made to me?

For general information on taxation investors should read the section of the Base Prospectus entitled “*Taxation*” on page 144 of the Base Prospectus which is incorporated by reference into this Prospectus. Investors should also read the section of this Prospectus entitled “*Finnish Taxation*”.

Payments in respect of Notes will be made free and clear of withholdings or deductions for, or on account of, any present or future taxes, duties, assessments or other government charges by or in (i) the United Kingdom, (ii) Switzerland and (iii) any other jurisdiction in which the Issuer is or becomes subject to tax unless such withholding or deduction is required by law (the “**Relevant Jurisdictions**”). If such taxes are required to be withheld, the Issuer will pay additional amounts in respect of the Notes subject to the customary exceptions.

Notwithstanding the foregoing, where the Issuer is, or would be obliged to pay such additional amounts, it may instead elect to redeem the Notes prior to the Maturity Date. Further details are set out in the section of this Prospectus entitled “*Transaction Description*” under the heading “*Early Redemption Events - Tax Redemption*”.

The tax treatment of the Notes for individual Noteholders may vary significantly. The information regarding taxation set out in this Prospectus and in the Base Prospectus does not consider the implications of a holding of the Notes for individual Noteholders based upon their specific circumstances. Accordingly, you must consult with your tax advisers (along with your legal and financial advisers) prior to making an investment in any of the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated in and taken to form part of this Prospectus:

- (a) The UBS AG Euro Note Programme Base Prospectus dated 22 June 2015 (the “**Base Prospectus**”) (accessible at: http://www.ise.ie/debt_documents/Base%20Prospectus_ad668981-d2fc-4f61-96f2-4218ab83c5fd.PDF?v=1382015);
- (b) The supplement to the Base Prospectus dated 14 August 2015 (the “**Base Prospectus Supplement**”) (accessible at: http://www.ise.ie/debt_documents/Supplements_fcbff49e-43ca-4288-9906-b053b3d7037e.PDF?v=2182015);
- (c) UBS Group AG's and UBS AG's annual report for the year ended 31 December 2014 (“**Annual Report 2014**”), which the Issuer filed on Form 20-F with the United States Securities and Exchange Commission (the “**SEC**”) on 13 March 2015 (accessible at http://www.ubs.com/global/en/about_ubs/investor_relations/other_filings/sec.html), and UBS AG's annual report for the year ended 31 December 2013 (“**Annual Report 2013**”), which the Issuer filed on Form 20-F with the SEC on 14 March 2014 (accessible at http://www.ubs.com/global/en/about_ubs/investor_relations/other_filings/sec.html); and
- (d) UBS Group AG's and UBS AG's submissions on Form 6-K dated 28 July 2015, containing the Second Quarter 2015 Financial Report of UBS Group AG, the Presentation Materials including Speaker Notes and UBS Group AG (consolidated) BIS Basel III leverage ratio information (accessible at http://www.ubs.com/global/en/about_ubs/investor_relations/other_filings/sec.html); UBS Group AG's and UBS AG's submission on Form 6-K dated 31 July 2015 containing the Second Quarter 2015 Basel III Pillar 3 Update (accessible at http://www.ubs.com/global/en/about_ubs/investor_relations/other_filings/sec.html); the Issuer's submission dated 28 July 2015, containing the Second Quarter 2015 Financial Report of UBS AG (accessible at: http://www.ubs.com/global/en/about_ubs/investor_relations/other_filings/sec.html); UBS Group AG's and UBS AG's submissions dated 31 July 2015, containing the Capitalization Table and Ratio of Earnings to Fixed Charges and the UBS AG (standalone) regulatory information (accessible at: http://www.ubs.com/global/en/about_ubs/investor_relations/other_filings/sec.html); and the amended and restated articles of association of UBS AG dated 7 May 2015 (accessible at: http://www.ubs.com/global/en/about_ubs/corporate-governance/aofassociation.html).

These documents have been filed with the Central Bank of Ireland in accordance with the Prospectus Directive.

The non-incorporated parts of the documents referred to above are either not relevant for the investor or covered elsewhere in this Prospectus.

Any statement contained in this Prospectus or in a document incorporated or deemed incorporated by reference into this Prospectus will be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained in any subsequent document modifies or supersedes that statement. Any statement that is modified or superseded in this manner will no longer be a part of this Prospectus, except as modified or superseded.

The financial statements and auditor's report thereon from the Issuer's Annual Report 2013 are incorporated by reference herein to comply with certain requirements of the Prospectus Directive and the Irish Stock Exchange. However, as described in the Annual Report 2014 (Note 1b to the UBS AG consolidated financial statements) UBS AG has made certain adjustments in 2014 to the consolidated historical financial statements for the year ended 31 December 2013 due to (i) the adoption of Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32, Financial Instruments: Presentation) and (ii) removing exchange-traded derivative client cash balances from UBS AG's balance sheet. The comparative balance sheet as of 31 December 2013 was restated to reflect the effects of adopting these changes. These restatements had no impact on total equity, net profit, earnings per share or on UBS AG's Basel III capital. Additionally, as described in the First Quarter 2015 Financial Report of UBS AG (Note 1 to the UBS AG consolidated financial statements), UBS AG has made certain adjustments in 2015 to the consolidated historical financial statements for the year ended 31 December

2014 and 31 December 2013 due to the refinement of the definition of cash and cash equivalents presented in the statement of cash flows to exclude cash collateral receivables on derivative instruments with bank counterparties.

The reports filed with the SEC can be reviewed and copied at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 (in the United States) or at 1-202-942-8088 (outside the United States) for further information on the operation of its public reference room. Reports filed with the SEC can also be accessed at <http://www.sec.gov> via the internet.

TERMS AND CONDITIONS OF THE NOTES

ISSUE TERMS

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

Issue of up to EUR 20,000,000 Zero Coupon Zero Recovery Linear Basket Credit Linked Notes with Mutual Fund Linked Payment due 2021 linked to the credit of iTraxx® Europe Crossover Series 24

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 22 June 2015 and the supplement to it dated 14 August 2015 which together constitute a base prospectus (the “**Base Prospectus**”). These issue terms (including the Schedules hereto) constitute the Issue Terms of the Notes and must be read in conjunction with the Base Prospectus. If there is any inconsistency between these Issue Terms and the Schedules hereto, these Issue Terms will prevail.

References in the Conditions to the “Final Terms” shall be deemed to refer to the Issue Terms set out below together with the Schedules and the Relevant Annex.

1. Issuer: UBS AG, acting through its London branch
2. (i) Series Number: Not Applicable
- (ii) Tranche Number: 1
- (iii) Date on which the Notes become fungible: Not Applicable
3. Currency or Currencies: Euro (“**EUR**”)
4. Aggregate Nominal Amount: Up to EUR 20,000,000
5. Issue Price: 110.00 per cent. of the Aggregate Nominal Amount
6. (i) Specified Denominations: EUR 20,000 with multiples of EUR 1,000 thereafter.
- (ii) Calculation Amount: For each Note, an amount equal to the Specified Denomination of that Note.
- (iii) Outstanding Calculation Amount: As of any calendar day t :
 - (i) the Calculation Amount, *multiplied* by;
 - (ii) 1 minus the aggregate of the Reference Entity Weightings of all Reference Entities in respect of which a Credit Event Determination Date has occurred on or prior to day t .
7. (i) Issue Date: 6 November 2015
- (ii) Interest Commencement Date: Not Applicable
- (iii) Fixing Date: 27 October 2015
- (iv) Business Day Convention: Not Applicable.
8. Maturity Date: The later of (i) 20 December 2020 (the “**Scheduled Maturity Date**”), subject if applicable to Potential Credit Event Extension (any such postponed date the “**Postponed Scheduled Maturity Date**”), (ii) the later of (a) the Scheduled Additional Payment Date and (b) the Additional Payment Date (if any) (for the avoidance of doubt if an Additional Payment Delay Event occurs, the applicable Additional Payment Date shall be as postponed in accordance with the Additional Payment Provisions set out in Schedule 2 (*Additional Payment Amount Provisions*) to these Issue Terms), and (iii) such date as may be determined by the Calculation Agent in accordance with the provisions of “Consequences of Extraordinary Events” below.

For the avoidance of doubt, notwithstanding the Maturity Date may be a date following the Scheduled Maturity Date, the Credit-Linked Note Terms shall only apply up to and

including the Scheduled Maturity Date or the Postponed Scheduled Maturity Date, as the case may be.

9. Interest Basis: Zero Coupon
(further particulars specified below)
10. Redemption/Payment Basis: As specified in item 21 (*Provisions relating to Redemption*) of these Issue Terms.
11. Change of Interest or Redemption/Payment Basis: Not Applicable
12. Put/Call Options: Not Applicable
13. Status of the Notes: Senior
14. Method of distribution: Non syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions: Not Applicable
16. Floating Rate Note Provisions: Not Applicable
17. Zero Coupon Note Provisions: The Notes are Zero Coupon Notes, but Condition 7(i)(iii) shall not apply. See item 30 (*Early Redemption Amount*) of these Issue Terms.
18. Index/Credit-Linked Note Provisions: Not Applicable
19. Dual Currency Note Provisions: Not Applicable

CREDIT EVENT RELATED PROVISIONS

20. *As set out in Schedule 1 hereto entitled the UBS Standard Linear Basket Credit-Linked Note Terms dated 08 September 2015 (the “Credit-Linked Note Terms”), Noteholders should refer to the terms set out in the Credit Derivatives Physical Settlement Matrix with respect to the relevant “Transaction Type”. The following items do not comprise an exhaustive list of the terms in the Credit Derivatives Physical Settlement Matrix which shall apply to the relevant “Transaction Type”.*

- (i) Reference Entity: Each entity contained in the Reference Index and listed in the Relevant Annex and any Successor(s) to any Reference Entity thereof determined pursuant to and subject as provided in Part 3 of the Credit-Linked Note Terms.

As set out in the Credit-Linked Note Terms, if more than one Successor is determined, then the Notes (including these Terms) will be amended as set out in and subject to Part 3 of the Credit-Linked Note Terms. The consent of Noteholders will not be required for any such amendment.

- (ii) Reference Obligation: With respect to each Reference Entity, the Standard Reference Obligation, if any, of the relevant Reference Entity.

Non-Standard Reference Obligation: with respect to each

Reference Entity, the Non-Standard Reference Obligation, if any, of the relevant Reference Entity specified opposite its name in the Relevant Annex.

If the Reference Index Sponsor publishes a replacement Reference Obligation for a Reference Entity or one or more Reference Obligation(s) for a successor Reference Entity, the Calculation Agent shall select such Reference Obligation(s) as the Reference Obligation(s) hereunder for such Reference Entity.

- (iii) Annex Date: 17 September 2015 or, if the Reference Index Sponsor publishes an updated annex relating to the iTraxx® Europe Crossover Series 24 Index (the “**Updated Annex**”) on or prior to the Trade Date, the Annex Date shall be the date of the Updated Annex.
- (iv) Reference Index: iTraxx® Europe Crossover Series 24
- (v) Reference Index Publisher: Markit Group Limited, or any replacement therefor appointed by the Reference Index Sponsor for the purposes of officially publishing the Index.
- (vi) Reference Index Sponsor: Markit Indices Limited, or any successor thereto.
- (vii) Relevant Annex: The list of Reference Entities comprising the Reference Index with the relevant Annex Date, as published by the Reference Index Publisher (which can be accessed currently at: <https://www.markit.com/Documentation/Product/ITraxx>).
- (viii) Reference Entity Weighting: With respect to each Reference Entity, an amount equal to the percentage set out opposite such Reference Entity under the Weighting column in the Relevant Annex, divided by the sum of the Weightings as set out in the Relevant Annex.
- (ix) Inconsistency between Relevant Annex and Reference Index: In the event of any inconsistency between a Relevant Annex and the corresponding Reference Index published by the Reference Index Sponsor, the Relevant Annex shall prevail.
- (x) Transaction Type: With respect to each Reference Entity, as specified in the Relevant Annex.
- (xi) Credit Event: In relation to each Reference Entity, as specified as being applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.
- (xii) All Guarantees: In relation to each Reference Entity, as specified as being applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.
- (xiii) Financial Reference Entity Terms: In relation to each Reference Entity, as specified as being applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.

- (xiv) Obligation Category: In relation to each Reference Entity, as specified as being applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.
- (xv) Obligation Characteristics: In relation to each Reference Entity, as specified as being applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.
- (xvi) Deliverable Obligation Category: In relation to each Reference Entity, as specified as being applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.
- (xvii) Deliverable Obligation Characteristics: In relation to each Reference Entity, as specified as being applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.
- (xviii) Publicly Available Information: Applicable unless specified as being Not Applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.
- (xix) Trade Date: 22 October 2015
- (xx) Amendments to Credit-Linked Note Terms: If (i) any Credit Derivatives Determinations Committee or any other governing ISDA committee (or successor thereto) amends or supplements the 2014 ISDA Credit Derivatives Definitions as published by ISDA or any ancillary documents thereto (including, without limitation, the Credit Derivatives Physical Settlement Matrix) (such definitions together with any ancillary documents, as may be amended or supplemented from time to time, the “**2014 ISDA Credit Derivatives Definitions**”) or (ii) the Issuer or any affiliated entity that is hedging the Issuer’s obligations under the Notes adheres to a protocol published by ISDA amending or supplementing the 2014 ISDA Credit Derivative Definitions, that the Calculation Agent reasonably determines in good faith, in the case of either (i) or (ii), has impact on credit default swaps and other transactions customarily governed by the 2014 ISDA Credit Derivatives Definitions (“**Customary Credit Derivative Transactions**”) and are omitted from, or inconsistent with, the terms and conditions of the Notes (any such amendment, an “**ISDA Amendment**”), the Calculation Agent shall arrange for documentation to be prepared in order to make such amendments to the terms and conditions of the Notes that it determines in good faith are necessary in order to give effect to the ISDA Amendment in a manner that is consistent with changes incorporated into, or made to, Customary Credit Derivative Transactions as a consequence of such ISDA Amendment. The Calculation Agent will give prompt written notice to the Issuer of such amendments to the terms and conditions of the Notes and the Issuer will amend the terms of the Notes to be effective as of the date specified by the Calculation Agent. The Issuer shall give notice of such amendments to the Finnish Agent for onward transmission to the Noteholders in accordance with Condition 13.

PROVISIONS RELATING TO REDEMPTION

21. Maturity Date:

- (i) Redemption Amount per Calculation Amount: An amount equal to the Outstanding Calculation Amount payable on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date (if applicable).

If a Credit Event Determination Date has occurred with respect to a Reference Entity, a portion of the Notes equal to such Reference Entity's Reference Entity Aggregate Nominal Amount shall be redeemed in accordance with the method specified under Credit Event Redemption Method below.

- (ii) Reference Entity Aggregate Nominal Amount: With respect to each Reference Entity, an amount equal to the relevant Reference Entity Weighting multiplied by the Aggregate Nominal Amount (the "**Initial Reference Entity Aggregate Nominal Amount**"); provided that if the Aggregate Nominal Amount increases due to a further issue of Notes or decreases due to a repurchase and cancellation of Notes, the Reference Entity Aggregate Nominal Amount shall be increased or reduced proportionately.

- (iii) Credit Event Redemption Method: In respect of a Reference Entity for which a Credit Event Determination Date has occurred, an amount of the Notes, equal to the Reference Entity Aggregate Nominal Amount for the relevant affected Reference Entity, shall be redeemed at zero on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date. The Outstanding Calculation Amount shall be reduced accordingly on the relevant Credit Event Determination Date.

If a Credit Event Determination Date occurs in respect of every Reference Entity, the Notes will redeem at zero on the later of the Scheduled Additional Payment Date and the Postponed Scheduled Maturity Date (if applicable).

For the avoidance of doubt, following the occurrence of one or more Credit Event Determination Dates, the Additional Payment Amount shall still be payable on the later of (i) the Scheduled Additional Payment Date and (ii) the Additional Payment Date as determined in accordance with Schedule 2 (*Additional Payment Amount Provisions*) to these Issue Terms.

- (iv) Break Costs: Not Applicable.

22. Redemption at the option of the Issuer: Not Applicable.

23. Redemption at the option of the Noteholders: Not Applicable.

24. Tax Redemption: Applicable. See Part 6 of the Credit-Linked Note Terms.

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| 25. | Redemption following Reference Entity becoming Noteholder: | Not Applicable. |
| 26. | Redemption following Breach of Selling Restrictions: | Applicable. See Part 6 of the Credit-Linked Note Terms. |
| 27. | Notice period for notice to the Noteholders in the case of redemption at the option of the Issuer: | Not Applicable. |
| 28. | Notice period for redemption at the option of the Noteholders: | Not Applicable. |
| 29. | Other Redemption details: | See Schedule 2 (<i>Additional Payment Amount Provisions</i>) to these Issue Terms. |
| 30. | Early Redemption Amount: | |
| | Early Redemption Amount(s) of each Note payable on event of default or other early redemption and/or the method of calculating the same: | In relation to an Event of Default see Part 6 of the Credit-Linked Note Terms. The reference to Zero Coupon Notes in Condition 7(i)(ii) shall be ignored. |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 31. | Form of Notes: | Finnish Notes.

Schedule 3 (<i>Provisions Relating to Finnish Notes</i>) is applicable. |
| 32. | New Global Note: | No. |
| 33. | Business Days: | London and TARGET Settlement Days. |
| 34. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | Not Applicable. |
| 35. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 36. | Redenomination applicable: | No |
| 37. | Exchangeability applicable: | No |
| 38. | Other final terms or special conditions: | Calculation Agent: UBS AG, acting through its London Branch or any successor thereof. |

Finnish Agent: Nordea Bank Finland plc

Rounding: Following the calculation of any amounts payable under the Notes, such amounts shall be rounded up to the nearest EUR 0.01 prior to payment.

GOVERNING LAW

English law

PLACE OF JURISDICTION

England

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List.
- (ii) Admission to trading: Application will be made to the Irish Stock Exchange for the Notes to be admitted to trading on its regulated market.

2. RATINGS

Ratings: The Notes have not been rated.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: The net proceeds will be used by the Issuer for its general corporate purposes or towards meeting the general financing requirements of the UBS AG Group, in each case outside Switzerland unless use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.
- (ii) Estimated net proceeds: Up to EUR 22,000,000

5. DISTRIBUTION

- (i) If syndicated, names and address of Managers and underwriting commitments: Not Applicable
- If non-syndicated, name and address of Dealer: UBS Limited
100 Liverpool Street
London EC2M 2RH
United Kingdom
- Total commitment and concession: Up to 5 per cent. of the Aggregate Nominal Amount
- U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA not applicable
- Public Offer: Applicable

Public Offer Jurisdictions:	Finland
Offer Period:	28 September 2015 until 19 October 2015
Financial intermediaries granted specific use to use this Prospectus in accordance with the conditions in it:	FIM Sijoituspalvelut Oy (the “ Distributor ” and an “ Authorised Offeror ”)
General Consent:	Not Applicable. Specific consent has been granted to the Authorised Offeror.
Other Authorised Offeror Terms:	Not Applicable

6. OPERATIONAL INFORMATION

ISIN Code:	FI4000167325
Common Code:	400016732
Intended to be held in a manner which would allow Eurosystem eligibility:	No.
Any clearing system(s) and the relevant identification number(s) (if applicable):	Euroclear Finland
Delivery:	Delivery against payment
Names and addresses of additional Paying Agent(s) (if any):	Nordea Bank Finland plc, Aleksanterinkatu 36, Helsinki

TERMS AND CONDITIONS OF THE OFFER

Offer Price:	Issue Price
Conditions to which the offer is subject:	Offers of the Notes are conditional upon their issue and no early closure of the Offer Period. The Issuer reserves the right for any reason to close the Offer Period early. Any early closure of the Offer Period will be published on the Irish Stock Exchange’s website (www.ise.ie)
Description of the application process:	An application for subscription must reach the Distributor no later than 19 October 2015 or such earlier date as the Issuer or the Dealer may determine. Persons interested in purchasing Notes should contact their financial adviser. If an investor in any jurisdiction other than Finland wishes to purchase Notes, such investor should (a) be aware that sales in the relevant jurisdiction may not be permitted due to selling restrictions and thus the application may be rejected by the Distributor; and (b) contact its

	financial adviser, bank or financial intermediary for more information.
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	The Issuer reserves the right for any reason to close the Offer Period early. Any early closure of the Offer Period will be published on the Irish Stock Exchange's website (www.ise.ie)
Details of the minimum and/or maximum amount of application:	The minimum amount of an application in respect of the Notes is EUR 20,000. Any application in excess of EUR 20,000 must be in respect of integral multiples of EUR 1,000.
Details of the method and time limits for paying up and delivering the Notes:	The Notes will be issued on the Issue Date against payment to the Issuer of the subscription moneys by debit of a cash account on or before the Issue Date. Allotted Notes will be delivered to the securities account of each Noteholder on (or as soon as practicable after) the Issue Date.
Manner in and date on which results of the offer are to be made public:	The exact Aggregate Nominal Amount of the Notes will be published on the website of the Irish Stock Exchange (www.ise.ie) and filed with the Central Bank of Ireland in accordance with Article 8 of the Prospectus Directive in each case on or around the Issue Date.
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable
The various categories of potential investors to which the securities are offered and whether tranche(s) have been reserved for certain countries:	Not Applicable
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	Following the end of the Offer Period the Distributor will proceed to notify prospective Noteholders as to the amount of their allotment of the Notes (if any). Dealing may not begin before notification is made.
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	Taxes charged in connection with the subscription, transfer, purchase or holding of the Notes must be paid by the Noteholders. Neither the Issuer nor the Distributor shall have any obligation in relation thereto. In this respect, prospective investors must consult their own tax advisers to determine the tax regime applicable to their circumstances. The distribution fee is included in the price and will amount to a maximum of 5 per cent., calculated on the price of the Notes.

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: FIM Sijoituspalvelut Oy, Pohjoisesplanadi, 00100 Helsinki, Finland

Name(s) and address(es) of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: None

SCHEDULE 1 TO THE ISSUE TERMS

Schedule– UBS Standard Linear Basket Credit-Linked Note Terms dated 08 September 2015

Part 1A: Redemption upon Credit Event(s):

Redemption following Credit Event Determination Date: If the Calculation Agent determines that a Credit Event has occurred, the Calculation Agent shall notify the Issuer of the same and, if a Credit Event Determination Date occurs, the Issuer may, but shall not be required to (unless a Credit Event Notice has been given), redeem the relevant portion of the Notes in accordance with the Physical Redemption Terms or the Cash Redemption Terms or the Auction Redemption Terms, as applicable. If a Credit Event Notice is not required to be given in order for a Credit Event Determination Date to occur, then, if the Issuer intends to redeem the relevant portion of the Notes as aforesaid, the Issuer or its Nominee shall give notice in writing to the Calculation Agent and the Noteholders that the relevant portion of the Notes shall be so redeemed at least five Business Days prior to the date for redemption (provided that any failure to give such notice shall not affect the right of the Issuer to redeem the relevant portion of the Notes pursuant to this Schedule).

Credit Event Determination Date: With respect to a Credit Event:

- (a) if the Auction Redemption Terms are applicable:
 - (i) subject to paragraph (a)(ii) below, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case with respect to the Credit Event specified in the Credit Event Notice, or
 - (ii) notwithstanding paragraph (a)(i) above, the Credit Event Resolution Request Date, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) and either:
 - (A) (1) the relevant Credit Event is not an M(M)R Restructuring; and
 - (2) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or
 - (B) (1) the relevant Credit Event is an M(M)R Restructuring; and
 - (2) a Credit Event Notice is delivered by the Issuer or its Nominee to the Calculation Agent and the Noteholders and is effective on or prior to the Exercise Cut-off Date,

provided that:

- (X) no Physical Redemption Date or Cash Redemption

Date has occurred or the relevant portion of the Notes have otherwise redeemed on or prior to the date on which the DC Credit Event Meeting Announcement occurs;

- (Y) if any Valuation Date or date for delivery of any of the Portfolio, as applicable, has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs, a Credit Event Determination Date shall be deemed to have occurred only with respect to the portion of the related Reference Entity Aggregate Nominal Amount, if any, with respect to which no Valuation Date or such date for delivery, as applicable, has occurred; and
- (Z) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Issuer or its Nominee, (aa) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date (bb) unless, and to the extent that, the Exercise Amount specified in such Credit Event Notice was less than the Reference Entity Aggregate Nominal Amount of the relevant Reference Entity or (cc) unless the Deliverable Obligations set out on the Final List would be identical to the Permissible Deliverable Obligations, in each case which the Calculation Agent determines are relevant to the Notes, or

- (b) if paragraph (a) above does not apply, the Non-Standard Credit Event Determination Date.

Notwithstanding the foregoing, and unless the Issuer or its Nominee otherwise elects by written notice to the Calculation Agent and the Noteholders, no Credit Event Determination Date will occur with respect to an event, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date or the Physical Redemption Date, as applicable, a DC No Credit Event Announcement occurs with respect to such event.

Non-Standard Credit Event Determination Date:

With respect to a Credit Event to which paragraph (a) of the definition of Credit Event Determination Date does not apply:

- (a) subject to paragraph (b) below, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (i) a DC Credit Event Announcement has occurred nor (ii) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
- (b) notwithstanding paragraph (a) above, if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery

Period (including prior to the Trade Date) either:

- (i) the Credit Event Resolution Request Date, if either:
 - (A) (I) the relevant Credit Event is not an M(M)R Restructuring; and
 - (II) the Trade Date occurs on or prior to the date of the DC Credit Event Announcement; or
 - (B) (I) the relevant Credit Event is an M(M)R Restructuring; and
 - (II) a Credit Event Notice is delivered by the Issuer or its Nominee to the Calculation Agent and the Noteholders on or prior to the Non-Standard Exercise Cut-off Date, or
- (ii) the first date on which a Credit Event Notice is delivered by the Issuer or its Nominee to the Calculation Agent and the Noteholders and is effective during either the Notice Delivery Period or the period from and including the date of the DC Credit Event Announcement to and including the date that is fourteen calendar days thereafter (provided, in each case, that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)), if either:
 - (A) (I) the relevant Credit Event is not an M(M)R Restructuring; and
 - (II) the Trade Date occurs following the date of the related DC Credit Event Announcement and on or prior to a DC Announcement Coverage Cut-off Date; or
 - (B) (I) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date,

provided that:

- (aa) no Physical Redemption Date, if applicable, or Cash Redemption Date has occurred or the relevant portion of the Notes have otherwise redeemed on or prior to the date on which the DC Credit Event Meeting Announcement occurs;
- (bb) if any Valuation Date or date for delivery of any of the Portfolio, as applicable, has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs, a Non-Standard Credit Event Determination Date shall be deemed to have occurred only with respect to the portion of the related Reference Entity Aggregate Nominal Amount, if any with respect to which no Valuation Date or date for delivery of the Portfolio, as applicable, has occurred; and
- (cc) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Issuer or its Nominee to the Calculation Agent and the Noteholders (xx) unless the

M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, (yy) unless, and to the extent that, the Exercise Amount specified in any such Credit Event Notice was less than the Reference Entity Aggregate Nominal Amount of the relevant Reference Entity or (zz) unless the Deliverable Obligations set out on the Final List would be identical to the Permissible Deliverable Obligations, in each case which the Calculation Agent determines are relevant to the Notes.

Notwithstanding the foregoing, and unless the Issuer or its Nominee otherwise elects by written notice to the Calculation Agent and the Noteholders, no Non-Standard Credit Event Determination Date will occur with respect to an event, and any Non-Standard Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date or the Physical Redemption Date, as applicable, a DC No Credit Event Announcement occurs with respect to such event.

Non-Standard Exercise Cut-off Date:

With respect to a Credit Event which is an M(M)R Restructuring and to which paragraph (a) of the definition of Credit Event Determination Date does not apply:

- (a) if the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or
- (b) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date.

DC Announcement Coverage Cut-off Date:

With respect to a DC Credit Event Announcement, the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is fourteen calendar days following the No Auction Announcement Date, if any, as applicable.

Credit Event Notice:

A notice given by the Issuer or its Nominee to the Calculation Agent and the Noteholders in writing of the determination that a Credit Event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date.

Any Credit Event Notice that describes a Credit Event that occurred after the Scheduled Maturity Date must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

A Credit Event Notice that describes a Credit Event other than an M(M)R Restructuring must be in respect of the Reference Entity Aggregate Nominal Amount of the relevant Reference Entity.

The Credit Event Notice shall describe in reasonable detail the facts relevant to the determination that a Credit Event has occurred and, subject as provided below, shall confirm the occurrence of a Credit Event with Publicly Available Information. The Credit Event Notice shall, subject as provided below, contain a copy or a description in reasonable detail of the relevant Publicly Available Information. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date that the Credit Event Notice is given.

Notwithstanding the foregoing, no Publicly Available Information shall be required if either Publicly Available Information is specified as not applicable or if a DC Credit Event Announcement has occurred on or prior to the date on which the relevant Credit Event Notice is delivered.

Notice Delivery Date: The first date on which an effective Credit Event Notice has been given by the Issuer or its Nominee to the Calculation Agent and the Noteholders.

Notice Delivery Period: The period from and including the Trade Date to and including the date that is fourteen calendar days after the Extension Date.

Post Dismissal Additional Period: The period from and including the date of the DC Credit Event Question Dismissal to and including the date that is fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

Extension Date: With respect to a Reference Entity, the latest of (a) the Scheduled Maturity Date, (b) the Grace Period Extension Date applicable to such Reference Entity if (i) "Failure to Pay" and "Grace Period Extension" are specified as applicable and (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Scheduled Maturity Date and (c) the Repudiation/Moratorium Evaluation Date (if any) applicable to such Reference Entity if "Repudiation/Moratorium" is specified as applicable to such Reference Entity.

Exercise Cut-off Date: Either:

- (a) if M(M)R Restructuring and if paragraph (a) of the definition of Credit Event Determination Date applies:
 - (i) if the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or
 - (ii) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date; or
- (b) with respect to a Credit Event in respect of which paragraph (a) of the definition of Credit Event Determination Date does not apply, the Non-Standard Exercise Cut-off Date;

or, in each case, such other date as the relevant Credit Derivatives Determinations Committee Resolves.

Scheduled Maturity Date: The date specified as such in the terms of the Notes.

Reference Entity Aggregate Nominal Amount: As specified in the terms of the Notes.

Relevant City Business Day: Has the meaning given to that term in the DC Rules.

DC Credit Event Meeting: With respect to a Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to

Announcement:	Resolve the matters described in a DC Credit Event Question.
DC Credit Event Question:	A notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred.
DC Credit Event Question Dismissal:	With respect to a Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in a DC Credit Event Question.
DC Credit Event Announcement:	With respect to a Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date provided that if the Credit Event occurred after the Scheduled Maturity Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.
DC No Credit Event Announcement:	With respect to a Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event.
M(M)R Restructuring:	A Restructuring Credit Event in respect of which either "Mod R" or "Mod Mod R" is specified as applicable.
Final List:	Has the meaning given to that term in the DC Rules.
Potential Credit Event Extension:	If the Calculation Agent determines in its sole and absolute discretion that a Potential Credit Event has occurred on or prior to the Scheduled Maturity Date in relation to a Reference Entity, then the Calculation Agent shall as soon as reasonably practicable thereafter send a notice to the Issuer setting out such determination. If a Potential Credit Event is so determined by the Calculation Agent to have occurred, the Issuer may, with respect to such Reference Entity (but no other Reference Entity) and the related Reference Entity Aggregate Nominal Amount, elect to extend the Scheduled Maturity Date to a date which is the later of either (i) the 21st calendar day following the original Scheduled Maturity Date, or (ii) if a DC Credit Event Question with respect to the Potential Credit Event has occurred on or prior to the original Scheduled Maturity Date, the date on which the related DC Credit Event Announcement occurs (or, in the case of a DC Credit Event Announcement in respect of an M(M)R Restructuring Credit Event, the date on which the relevant Exercise Cut-off Date occurs) or the date two Business Days following the date on which the related DC No Credit Event Announcement occurs, as applicable. References to the Scheduled Maturity Date in the Extension Date, Grace Period Extension and Repudiation/Moratorium Extension provisions of this Part 1A shall be construed accordingly. The Issuer or its Nominee shall give notice in writing to the Calculation Agent and the Noteholders of its election to extend the Scheduled Maturity Date pursuant to this Potential Credit Event Extension provision on or as soon as reasonably practicable after the original Scheduled Maturity Date (provided that any failure to give such notice shall not affect the right of the Issuer to extend the Scheduled Maturity Date pursuant to this Potential Credit Event Extension provision).

Any interest due on the original Scheduled Maturity Date with respect to a

portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount shall, subject as may otherwise be specified, be deemed to be due on the actual Maturity Date and no further interest shall accrue after the original Scheduled Maturity Date.

Potential Credit Event: An event which, in the sole and absolute determination of the Calculation Agent, may be a Credit Event (including, but not limited to, where a Credit Derivatives Determinations Committee has been or may be convened to consider whether a Credit Event has occurred in relation to a Reference Entity).

Notices: In respect of any notice to be delivered to the Noteholders pursuant to the terms of this Schedule, such notice shall be deemed to have been delivered to the Noteholders upon delivery of the same to the Agent (if the Notes are in bearer form) or the Registrar (if the Notes are in registered form) for onward transmission on behalf of the Issuer in accordance with Condition 13.

Grace Period Extension: If the Calculation Agent determines that a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date in relation to a Reference Entity if Grace Period Extension is specified as applicable, and the applicable Grace Period (if any) cannot by its terms expire on or prior to the Scheduled Maturity Date, the Scheduled Maturity Date, with respect to a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount shall not be the Maturity Date of the Notes and the maturity of the Notes, with respect to such Reference Entity (but no other Reference Entity) and the related Reference Entity Aggregate Nominal Amount, shall be extended in accordance with the following provisions. Any interest due on the Scheduled Maturity Date shall, subject as may otherwise be specified, be deemed to be due on the actual Maturity Date and no further interest shall accrue after the Scheduled Maturity Date.

If a Credit Event Determination Date in respect of the Failure to Pay does not occur on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) then the date that is two Business Days after such date will be the Maturity Date with respect to a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount. If a Credit Event Determination Date in respect of the Failure to Pay does occur on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date), then redemption will occur with respect to a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount in accordance with the Physical Redemption Terms or the Cash Redemption Terms or the Auction Redemption Terms, as applicable and as described in Part 1A of this Schedule.

Grace Period Extension Date: If (a) "Grace Period Extension" is specified as applicable to the relevant Reference Entity and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date, the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If "Grace Period Extension" is not specified as applicable, Grace Period Extension shall not apply.

Grace Period: Means:

(a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;

- (b) if "Grace Period Extension" is specified as applicable, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date, the Grace Period will be deemed to be the lesser of such grace period and the period specified in the terms of the Notes or, if no period is specified, thirty calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless "Grace Period Extension" is specified as applicable, such deemed Grace Period shall expire no later than the Scheduled Maturity Date.

Grace Period Business Day: A day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or, if a place or places are not so specified, (a) if the Obligation Currency is the euro, a day on which the TARGET2 System is operating, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

Potential Failure to Pay: Means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

Provisions Relating to Timing: Subject to "Payment Timing" below, in order to determine the day on which an event occurs for the purposes of this Schedule, the demarcation of days shall be made by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity relates to Japan, Tokyo time), irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.

Payment Timing: Notwithstanding "Credit Event Notice" and "Provisions Relating to Timing" above, if a payment is not made by a Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity relates to Japan, Tokyo time), irrespective of the time zone of its place of payment.

Repudiation/Moratorium Extension: If the Calculation Agent determines that a Potential Repudiation/Moratorium has occurred on or prior to the Scheduled Maturity Date in relation to a Reference Entity to which Repudiation/Moratorium is specified as applicable and a Repudiation/Moratorium Extension Notice is delivered on or before the Scheduled Maturity Date then the Scheduled Maturity Date with respect to a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount shall not be the Maturity Date of the Notes and the maturity of the Notes with respect to such Reference Entity (but no other Reference Entity) and the related Reference Entity Aggregate Nominal Amount shall be extended in accordance with the following provisions. Any interest due on the Scheduled Maturity Date shall, subject as may otherwise be

specified, be deemed to be due on the actual Maturity Date and no further interest shall accrue after the Scheduled Maturity Date.

If a Credit Event Determination Date in respect of the Repudiation/Moratorium does not occur on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date), then the date that is two Business Days after such date will be the Maturity Date with respect to a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount. If a Credit Event Determination Date in respect of the Repudiation/Moratorium does occur on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date), then Redemption will occur with respect to a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount in accordance with the Physical Redemption Terms or the Cash Redemption Terms or the Auction Redemption Terms, as applicable and as described in Part 1A of this Schedule.

Repudiation/Moratorium
Evaluation Date:

If the Obligations to which a Potential Repudiation/Moratorium relate include Bonds, the date that is the later of (A) the date that is sixty days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or if later the expiration date of any applicable Grace Period in respect of such payment date).

If the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is sixty days after the date of such Potential Repudiation/Moratorium.

Repudiation/ Moratorium
Extension Notice:

A notice given by the Calculation Agent to the Issuer and the Noteholders in writing of the determination that a Potential Repudiation/Moratorium has occurred on or prior to the Scheduled Maturity Date. The Repudiation/Moratorium Extension Notice shall describe in reasonable detail the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and shall, subject as provided below, confirm the occurrence of a Potential Repudiation/Moratorium with Publicly Available Information. The Repudiation/Moratorium Extension Notice shall, subject as provided below, contain a copy or a description in reasonable detail of the relevant Publicly Available Information. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is given. Notwithstanding the foregoing, no Publicly Available Information shall be required in circumstances if the DC Secretary publicly announces on or prior to the date on which the relevant Repudiation/Moratorium Extension Notice is delivered (including prior to the Trade Date) that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to the relevant Reference Entity, or if Publicly Available Information is specified as not applicable.

Potential Repudiation /
Moratorium:

Means the occurrence of the events described in paragraph (i) of the definition of "Repudiation/Moratorium".

Credit Event Resolution
Request Date:

With respect to a DC Credit Event Question, the date, as publicly announced by the DC Secretary that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to

such DC Credit Event Question.

Credit Event Backstop Date: (a) For purposes of any event that constitutes a Credit Event (or with respect to a Repudiation/Moratorium, if applicable, the event described in paragraph (ii) of the definition of Repudiation/Moratorium) as determined by DC Resolution, the date that is sixty calendar days prior to the Credit Event Resolution Request Date or (b) otherwise, the date that is sixty calendar days prior to the earlier of (i) the Notice Delivery Date, if the Notice Delivery Date occurs during the Notice Delivery Period and (ii) the Credit Event Resolution Request Date, if the Notice Delivery Date occurs during the Post Dismissal Additional Period. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

Resolve: Has the meaning given to that term in the DC Rules and “Resolved” and “Resolves” shall be construed accordingly.

Credit Derivatives Determinations Committee: Each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions.

DC Rules: Means the Credit Derivatives Determinations Committee Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

DC Secretary: Has the meaning given to that term in the DC Rules.

DC Party: Has the meaning given to that term in the DC Rules.

DC Resolution: has the meaning given to that term in the DC Rules.

Auction Redemption Terms:

Auction Redemption: If Auction Redemption is specified as the applicable Credit Event Redemption Method and a Credit Event Determination Date occurs on or prior to the Auction Final Price Determination Date, redemption of a portion of the Notes equal to the relevant Reference Entity’s Reference Entity Aggregate Nominal Amount shall take place by payment by the Issuer of the Auction Redemption Amount on the Auction Redemption Date; provided that if there is more than one Noteholder, each Noteholder shall be paid its pro rata share of the Auction Redemption Amount.

Without prejudice to the foregoing, but without duplication of redemption, if (a) an Auction Cancellation Date occurs, (b) a No Auction Announcement Date occurs (and, in circumstances where such No Auction Announcement Date occurs in the circumstances described in paragraph (b) or (c) (ii) under No Auction Announcement Date below, the Issuer or its Nominee has not exercised the Movement Option), (c) a DC Credit Event Question Dismissal occurs, (d) a Credit Event Determination Date was determined pursuant to paragraph (a)(i) of the definition of Credit Event Determination Date or paragraph (a) of the definition of Non-Standard Credit Event Determination Date and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Credit Event Determination Date (or such longer period as may be determined by the Calculation Agent in its sole and absolute discretion), or (e) the Issuer elects and the Issuer (or its Nominee) notifies the Noteholders and the Calculation Agent, that Cash Redemption shall apply instead (such election to be made at any time on or prior to the Business Day

falling immediately prior to the Auction Final Price Determination Date, regardless of when notice of such election is given), redemption of a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount shall take place in accordance with the Fallback Redemption Method. In the case of paragraph (e), the Fallback Redemption Method shall be Cash Redemption.

Fallback Redemption Method:	If Auction Redemption is specified as the applicable Credit Event Redemption Method and Cash Redemption is specified as the Fallback Redemption Method, Cash Redemption, otherwise, Physical Redemption.
Auction:	Has the meaning set forth in the Transaction Auction Settlement Terms.
Auction Redemption Date:	Unless otherwise specified, the date that is five Business Days (or such other number of days as may be specified) immediately following the Auction Final Price Determination Date.
Auction Redemption Amount:	An amount in the currency of denomination of the Notes equal to the outstanding principal balance of the Notes to be redeemed multiplied by the Auction Final Price, minus the Break Costs, subject to a minimum of zero.
Auction Final Price Determination Date:	The day, if any, on which the Auction Final Price is determined with respect to the relevant Reference Entity.
Auction Final Price:	Has the meaning set forth in the Transaction Auction Settlement Terms.
Credit Derivatives Auction Settlement Terms:	Any Credit Derivatives Auction Settlement Terms published by ISDA, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time. The Calculation Agent shall be authorised to construe any Credit Derivatives Auction Settlement Terms (including any Transaction Auction Settlement Terms or Parallel Auction Settlement Terms) in such manner as it shall determine in its sole and absolute discretion to be necessary in order to give effect to the meaning of any word or expression used herein and which is defined by reference to such Credit Derivatives Auction Settlement Terms.
Transaction Auction Settlement Terms:	The relevant Credit Derivatives Auction Settlement Terms, whether or not the Notes are covered by such Credit Derivatives Auction Settlement Terms; provided that the Calculation Agent determines in its sole and absolute discretion that (a) one or more of the obligations compliant with the relevant Deliverable Obligation Terms are substantially the same as one or more of the obligations compliant with the Deliverable Obligation Provisions and (b) if such Credit Event is an M(M)R Restructuring, a credit derivative transaction with the same tenor as the Notes would be covered by the relevant Credit Derivatives Auction Settlement Terms.
Parallel Auction Settlement Terms:	Following the occurrence of an M(M)R Restructuring, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring if the Calculation Agent determines in its sole and absolute discretion that (a) one or more of the obligations compliant with the relevant Deliverable Obligation Terms are substantially the same as one or more of the obligations compliant with the Deliverable Obligation Provisions and (b) a credit derivative transaction with the same tenor as the Notes would not be covered by the relevant Credit Derivatives Auction Settlement Terms.
Credit Derivatives Determinations	Each committee established pursuant to the DC Rules for purposes of reaching

Committees:	certain DC Resolutions.
No Auction Announcement Date:	With respect to a Credit Event, the date on which the DC Secretary first publicly announces that (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published, (b) following the occurrence of an M(M)R Restructuring, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published or (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary, in circumstances where either (i) no Parallel Auction will be held, or (ii) one or more Parallel Auctions will be held. For the avoidance of doubt, a No Auction Announcement Date will not occur solely by reason of the Notes not being covered by any Credit Derivatives Auction Settlement Terms.
Auction Cancellation Date:	Has the meaning set forth in the Transaction Auction Settlement Terms.
Parallel Auction:	Means “Auction” as defined in the relevant Parallel Auction Settlement Terms.
Movement Option:	With respect to an M(M)R Restructuring to which a No Auction Announcement Date has occurred pursuant to paragraph (b) or (c)(ii) of the definition of No Auction Announcement Date, the option of the Issuer to apply the Parallel Auction Settlement Terms so that the relevant portion of the Notes may be redeemed by way of Auction Redemption for purposes of which the Permissible Deliverable Obligations are more limited than the Deliverable Obligations that the Issuer could specify in any Notice of Physical Settlement or Notice of Valuation Obligations (provided that if more than one such set of Parallel Auction Settlement Terms are published, the Parallel Auction Settlement Terms specifying the greatest number of such Permissible Deliverable Obligations shall apply). If the Issuer or its Nominee does not deliver an effective Notice to Exercise Movement Option on or prior to the Movement Option Cut-off Date, the relevant portion of the Notes will be redeemed in accordance with the Fallback Redemption Method.
Permissible Deliverable Obligations:	Has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction.
Movement Option Cut-off Date:	The date that is four Relevant City Business Days following the Exercise Cut-off Date or such other date determined by the Calculation Agent (being not earlier than any date as the relevant Credit Derivatives Determinations Committee has Resolved).
Notice to Exercise Movement Option:	Where (a) an M(M)R Restructuring is applicable and (b) the Fallback Redemption Method would otherwise be applicable pursuant to paragraph (b) of the second paragraph under Auction Redemption above, a notice in writing from the Issuer or its Nominee to the Calculation Agent and the Noteholders that (i) specifies the Parallel Auction Settlement Terms which shall be applicable in accordance with the Issuer’s exercise of the Movement Option and (ii) is dated on or prior to the Movement Option Cut-off Date.
Deliverable Obligation Terms:	Has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.
Deliverable Obligation	The provisions of the Notes that specify the criteria for establishing what

Provisions: obligations may constitute Deliverable Obligations.

ISDA: The International Swaps and Derivatives Association, Inc..

Trade Date: The date specified as such in the terms of the Notes.

Physical Redemption Terms:

Physical Redemption: If Physical Redemption is specified as the applicable Credit Event Redemption Method (or if Physical Redemption is applicable as the Fallback Redemption Method in accordance with the Auction Redemption Terms), then a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount may, subject to the Suspension Terms set out in Part 1B below, be redeemed on or prior to the Final Physical Redemption Date by delivery of the Portfolio in the manner described below. If there is more than one Noteholder, each Noteholder shall be delivered its *pro rata* share of the Portfolio.

Reference should also be made to Part 4A (and, as applicable, Parts 4B, 4C and 4D) below in relation to Physical Redemption.

In order to redeem the relevant portion of the Notes by delivery of the Portfolio, the Issuer or its Nominee shall give 10 Business Days' prior notice (the "**Notice of Physical Settlement**") to the Calculation Agent and the Noteholders, of:

- (A) the intended date for delivery of the relevant Deliverable Obligations to Noteholders (the "**Physical Redemption Date**");
- (B) a detailed description of the Deliverable Obligations and/or cash that will constitute the Portfolio including, if available, the CUSIP or ISIN number of each Deliverable Obligation (or if such identifying number is not available, the rate and tenor of the Deliverable Obligation) and the Outstanding Principal Balance or Due and Payable Amount, as applicable, or the equivalent amount in the Settlement Currency (in each case, the "**Outstanding Amount**") and, if different, the face amount of each such Deliverable Obligation and the aggregate Outstanding Amount of all Deliverable Obligations that are to be delivered; and
- (C) the method by which the Noteholders must provide their settlement instructions to the Issuer or its Nominee.

The Issuer or its Nominee may, from time to time, serve subsequent Notices of Physical Settlement to change the Physical Redemption Date and/or one or more of the Deliverable Obligations in whole or in part or the amount of cash comprising the Portfolio and/or the detailed description of the Deliverable Obligations at any time on or prior to the tenth Business Day before the Final Physical Redemption Date and the last Notice of Physical Settlement served within this period shall override all previous such notices.

Notwithstanding the foregoing, (i) the Issuer or its Nominee may correct any errors or inconsistencies in the detailed description of each Deliverable Obligation contained in the Notice of Physical Settlement or any amended Notice of Physical Settlement, as applicable, by notice to the Calculation Agent and the Noteholders prior to the date of delivery of the Portfolio and (ii) if Asset Package Delivery is applicable, the Issuer or its Nominee shall on the date of delivery of the Notice of Physical Settlement (or, if the Notice of Physical

Settlement is changed, the date notice of the last such change is given), or as soon as reasonably practicable thereafter (but in any case, prior to the date of delivery of the Portfolio), notify the Calculation Agent and the Noteholders of the detailed description of the Asset Package, if any, that it intends to deliver to the Noteholders in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Notice of Physical Settlement or amended Notice of Physical Settlement, as applicable.

Noteholders shall notify the Issuer or its Nominee as applicable within 5 Business Days of delivery of the Notice of Physical Settlement or any amended Notice of Physical Settlement (or, as applicable, any notice by the Issuer or its Nominee that an Asset Package will be delivered) of their instructions for settlement in any major financial centre of the Deliverable Obligations comprising the Portfolio or, as the case may be, the Assets comprised in the Asset Package. Delivery shall be made in accordance with the Delivery provision in this Part 1A below.

If Physical Redemption is applicable to the Fallback Redemption Method and if the Final Physical Redemption Date would otherwise be determined as a prescribed number of days or Business Days after the Credit Event Determination Date, the Final Physical Redemption Date shall instead be determined as such number of days or Business Days after the date on which the Calculation Agent determines that Physical Redemption became applicable.

Subject to the provisions relating to Fallback to Cash Redemption and subject to the Suspension Terms set out in Part 1B below, if the relevant portion of the Notes have not been redeemed by delivery of the Portfolio in accordance with Part 1A of this Schedule on or prior to the Final Physical Redemption Date then the Cash Redemption Terms shall be deemed to apply and the Valuation Date for such purposes will be the date which is 3 Business Days after the Final Physical Redemption Date, and the Valuation Obligations for such purposes shall be the Deliverable Obligations.

Final Physical Redemption Date: Means no later than 135 Business Days following the Credit Event Determination Date, subject to the Suspension Terms set out in Part 1B below, or, if Physical Redemption is specified or deemed to be specified as the Fallback Redemption Method, no later than 135 Business Days following the occurrence of the relevant event specified in the second paragraph of Auction Redemption, as set out in Part 1A of this Schedule.

Portfolio: Deliverable Obligations with an aggregate Outstanding Principal Balance (in the case of Deliverable Obligations that are Borrowed Money) or with an aggregate Due and Payable Amount (in the case of Deliverable Obligations that are not Borrowed Money) (or, in either case, the equivalent Currency Amount of such amount) and/or cash in the currency of denomination of the Notes (the “**Settlement Currency**”), in each case in the aggregate amount as of the relevant Physical Redemption Date that is no less than the relevant Reference Entity’s Reference Entity Aggregate Nominal Amount as determined by the Calculation Agent in a commercially reasonable manner, subject to a minimum of zero; provided that the Portfolio (determined in accordance with the foregoing) shall not include an amount of Deliverable Obligations and/or cash the market value (as determined by the Calculation Agent in a commercially reasonable manner) or, as the case may be, value of which is, in aggregate, as near as practicable equal to any relevant Break Costs. “**Currency Amount**” means, with respect to a Deliverable Obligation specified in a Notice of Physical Settlement or any amended Notice of Physical Settlement that is denominated in a currency other than the Settlement Currency, an amount

converted by the Calculation Agent to the Settlement Currency using such conversion rate as shall be determined by the Calculation Agent in a commercially reasonable manner.

Relevant Holder: A holder of the Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Outstanding Amount specified in respect of such Prior Deliverable Obligation or Package Observable Bond in the Notice of Physical Settlement, amended Notice of Physical Settlement, Notice of Valuation Obligations or amended Notice of Valuation Obligations, as applicable.

Asset Package: In respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered a choice of Assets or a choice of combinations of Assets, the Asset Package will be the Largest Asset Package. If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero.

Largest Asset Package: In respect of a Prior Deliverable Obligation or a Package Observable Bond, as the case may be, the package of Assets for which the greatest amount of principal has been or will be exchanged or converted (including by way of amendment), as determined by the Calculation Agent by reference to Eligible Information (as defined in Part 3 below). If this cannot be determined, the Largest Asset Package will be the package of Assets with the highest immediately realizable value, determined by the Calculation Agent in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determinations Committee.

Asset: Each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the relevant Reference Entity or a third party (or any value which was realized or capable of being realized in circumstances where the right and/or other asset no longer exists).

Asset Package Delivery: Asset Package Delivery will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Credit Event Determination Date, or (ii) if the relevant Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event.

Asset Package Credit Event: If:

- (a) "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable;
 - (i) a Governmental Intervention; or
 - (ii) a Restructuring in respect of the Reference Obligation, if "Restructuring" is specified as applicable and such Restructuring does not constitute a Governmental Intervention;

and

- (b) the relevant Reference Entity is a Sovereign and "Restructuring" is specified as applicable, a Restructuring.

In each case, such event may be an Asset Package Credit Event whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement.

Fallback to Cash Redemption:

If it is impossible or illegal for the Issuer to deliver or for any Noteholder to receive any Deliverable Obligations comprising the Portfolio in accordance with the Physical Redemption Terms (other than any Deliverable Obligation which (i) is a Prior Deliverable Obligation or a Package Observable Bond which the Issuer has notified it intends to deliver an Asset Package in lieu thereof or (ii) forms part of an Asset Package which the Issuer or its Nominee has notified it intends to deliver), then the Issuer shall deliver that portion of such Deliverable Obligations which it is possible and legal to deliver with an explanation in writing of the reasons for non-delivery of the rest of the Deliverable Obligations (such remainder being the "**Undelivered Portion**"). If the impossibility or illegality continues for more than 30 days after the Physical Redemption Date (the "**Final Delivery Date**"), then the Cash Redemption Terms below shall apply with respect to the Undelivered Portion that cannot be delivered and the relevant portion of the Notes which have not been redeemed as a consequence, and the Valuation Date for such purposes will be the date which is 3 Business Days after the Final Delivery Date (such date, the "**Fallback to Cash Redemption Valuation Date**") and the Valuation Obligations for such purposes shall be the Deliverable Obligations comprising the Undelivered Portion.

Option for Cash Redemption:

If Physical Redemption applies and Option for Cash Redemption is specified as applicable, the Issuer may by notice to the Noteholders and the Calculation Agent at any time prior to the delivery of a Notice of Physical Settlement and prior to any notice that an Asset Package will be delivered, redeem the relevant portion of the Notes pursuant to the Cash Redemption Terms, subject to the Suspension Terms set out in Part 1B below. Where Option for Cash Redemption applies pursuant to this paragraph, the Valuation Obligations for such purposes shall be the Deliverable Obligations which would have otherwise been delivered and in respect of which a Notice of Valuation Obligations shall be given.

Delivery:

In relation to Physical Redemption or otherwise, references to "deliver" with respect to any obligation or asset means to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Deliverable Obligations specified in the Notice of Physical Settlement or any amended Notice of Physical Settlement, as applicable, free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including, without limitation, any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in items (a) to (d) of the definition of Credit Event in Part 2 below) or right of set-off by or of the relevant Reference Entity or any applicable Underlying Obligor); provided that (i) if a Deliverable Obligation is a Direct Loan Participation, "deliver" means to create (or procure the creation of) a

participation in the relevant Loan and (ii) if a Deliverable Obligation is a Guarantee, "deliver" means to deliver both the Underlying Obligation and the Guarantee, provided further that if the Guarantee has a Fixed Cap, "deliver" means to deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap. In relation to Physical Redemption, or otherwise "delivery" and "delivered" will be construed accordingly with respect to any obligation or asset.

In the case of a Loan, delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for delivery of such Loan at that time, provided further that the provisions of any documentation (which shall include any market advisory that the relevant Credit Derivatives Determinations Committee Resolves to approve for such purpose) that the relevant Credit Derivatives Determinations Committee Resolves constitutes documentation customarily used in the relevant market for delivery of such Loan at that time shall be complied with, as such documentation may be amended to the extent the relevant Credit Derivatives Determinations Committee Resolves is appropriate, which is consistent with the delivery and payment obligations hereunder. Compliance with the provisions of any such documentation, shall be required for, and, without further action, constitute, delivery for purposes of Physical Redemption (to the extent that such documentation contains provisions describing how delivery should be effected).

If Asset Package Delivery applies, (i) delivery of a Prior Deliverable Obligation or a Package Observable Bond specified in the Notice of Physical Settlement or any amended Notice of Physical Settlement, as applicable, may be satisfied by delivery of the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) the construction of the expression "delivery" set out above shall be deemed to apply to each Asset in the Asset Package provided that if any such Asset is not a Bond, it shall be treated as if it were a Loan for these purposes, (iii) if the Asset Package is zero, the Outstanding Amount of the Prior Deliverable Obligation or Package Observable Bond shall be deemed to have been delivered in full three Business Days following the date on which the detailed description of the Asset Package is notified in accordance with these Physical Redemption Terms, (iv) delivery of the Prior Deliverable Obligation or Package Observable Bond may be satisfied in part by delivery of each Asset in the Asset Package in the correct proportion and (v) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the Asset shall be deemed to be an amount of cash equal to the Asset Market Value.

As used above:

"Non-Transferable Instrument" means any Asset which is not capable of being transferred to institutional investors, excluding due to market conditions.

"Non-Financial Instrument" means any Asset which is not of the type typically traded in, or suitable for being traded in, financial markets.

"Asset Market Value" means the market value of an Asset, as the Calculation Agent shall determine by reference to an appropriate specialist valuation or in accordance with the methodology determined by the Credit Derivatives Determinations Committee.

Cash Redemption Terms:

Cash Redemption: If (i) Cash Redemption is specified as the applicable Credit Event Redemption Method, (ii) Fallback to Cash Redemption is applicable, (iii) Option for Cash Redemption is applicable or (iv) Cash Redemption is applicable as the Fallback Redemption Method in accordance with the Auction Redemption Terms, redemption of a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount (or, if Fallback to Cash Redemption applies, the relevant portion of the Notes as the case may be) shall, subject to the Suspension Terms set out in Part 1B below, take place by payment by the Issuer of the Cash Redemption Amount on the Cash Redemption Date.

Unless Fallback to Cash Redemption applies under the terms relating to Physical Redemption and subject to the Suspension Terms set out in Part 1B below, the Issuer or its Nominee shall give to the Calculation Agent and the Noteholders 10 Business Days' prior notice (the "**Notice of Valuation Obligations**") of:

- (A) a detailed description of the Valuation Obligations and/or cash that will constitute the Valuation Portfolio including, if available, the CUSIP or ISIN number of each Valuation Obligation (or if such identifying number is not available the rate and tenor of the Valuation Obligation) and the Outstanding Principal Balance or Due and Payable Amount, as applicable, or the equivalent amount in the Settlement Currency and, if different, the face amount of each such Valuation Obligation; and
- (B) the intended date on which the Valuation Obligations are to be valued (the "**Valuation Date**"), which date will not be later than the Final Valuation Date.

The Issuer or its Nominee may, from time to time, serve subsequent Notices of Valuation Obligations to change the Valuation Date and/or one or more of the Valuation Obligations in whole or in part or the amount of cash specified in the Notice of Valuation Obligations and/or the detailed description thereof at any time on or prior to the tenth Business Day before the Final Valuation Date and the last Notice of Valuation Obligations served within this period shall override all previous such notices. The Issuer or its Nominee may correct any errors or inconsistencies in the detailed description of each Valuation Obligation specified in the Notice of Valuation Obligations or any amended Notice of Valuation Obligations, as applicable, by notice to the Calculation Agent and the Noteholders prior to the applicable Valuation Date.

On the Valuation Date, the Calculation Agent shall commence determination of the Final Price using the Valuation Obligation specified in the Notice of Valuation Obligations (or, if Fallback to Cash Redemption applies, using the Undelivered Portion only of the Deliverable Obligations specified in the Notice of Physical Settlement or, as the case may be, any amended Notice of Physical Settlement).

Valuation Obligation: An obligation which would be permitted to be included in the Portfolio and/or which would otherwise satisfy the delivery of a Prior Deliverable Obligation or a Package Observable Bond if Asset Package Delivery applies (in each case, as determined in the sole and absolute discretion of the Calculation Agent) if the Physical Redemption Terms were to apply (or, if Fallback to Cash Redemption applies, an obligation comprised in the Undelivered Portion only of the Deliverable Obligations specified in the Notice of Physical Settlement or, as the

case may be, any amended Notice of Physical Settlement).

- Cash Redemption Date:** Unless otherwise specified, (a) if the Cash Redemption Amount or the Final Price is not specified, subject to the Suspension Terms set out in Part 1B below, the date that is three Business Days (or such other number of days as may be specified) following the calculation of the Final Price and (b) if the Cash Redemption Amount or the Final Price is specified, subject to the Suspension Terms set out in Part 1B below, three Business Days (or such other number of days as may be specified) following (i) the Credit Event Determination Date, or (ii) if the Credit Event Determination Date occurs pursuant to (a)(ii) of the definition of Credit Event Determination Date or (b)(i) of the definition of Non-Standard Credit Event Determination Date, the day on which the DC Credit Event Announcement occurs.
- Cash Redemption Amount:** In respect of a Reference Entity, an amount in the currency of denomination of the Notes equal to the aggregate Outstanding Principal Balance (in the case of Valuation Obligations that are Borrowed Money) and the aggregate Due and Payable Amount (in the case of Valuation Obligations that are not Borrowed Money) of the Valuation Obligations comprised in the Valuation Portfolio (or, in either case, the equivalent Currency Amount of such amount) together with any cash comprised in the Valuation Portfolio (or, in the case of Fallback to Cash Redemption, an amount equal to the aggregate Outstanding Principal Balance (in the case of Deliverable Obligations that are Borrowed Money) and the aggregate Due and Payable Amount (in the case of Deliverable Obligations that are not Borrowed Money) of the Deliverable Obligations comprised in the Undelivered Portion (or, in either case, the equivalent Currency Amount of such amount)) minus the sum of (a) the Loss Amount and (b) the Break Costs (if so specified), subject to a minimum of zero.
- Unless Fallback to Cash Redemption applies, if there is more than one Noteholder, each Noteholder shall be paid its pro rata share of the Cash Redemption Amount. If Fallback to Cash Redemption applies and there is more than one Noteholder, the Calculation Agent shall determine in good faith the share, if any, of the Cash Redemption Amount to be paid to each Noteholder. If the Cash Redemption Amount is zero, such amount shall be deemed to be paid on the Cash Redemption Date.
- Loss Amount:** The aggregate, as calculated by the Calculation Agent, of the Outstanding Principal Balance (in the case of Valuation Obligations that are Borrowed Money) and the aggregate Due and Payable Amount (in the case of Valuation Obligations that are not Borrowed Money) of each Valuation Obligation in the Valuation Portfolio multiplied by (100% less the Final Price of such Valuation Obligation).
- Final Price:** Means, subject to the provisions herein and unless otherwise specified, the price of the relevant Valuation Obligation, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable, determined in accordance with the Valuation Method.
- Break Costs:** Has the meaning set out in the terms of the Notes, save that if no Break Costs are provided therein, Break Costs shall be deemed to be zero.
- Valuation Method:** Means the highest Quotation obtained by the Calculation Agent on or with respect to the Valuation Date.
- Valuation Portfolio:** In respect of a Reference Entity, Valuation Obligations with an aggregate Outstanding Principal Balance (in the case of Valuation Obligations that are

Borrowed Money) or with an aggregate Due and Payable Amount (in the case of Valuation Obligations that are not Borrowed Money) (or, in either case, the equivalent Currency Amount of such amount) and/or cash in the currency of denomination of the Notes (the “**Settlement Currency**”), in each case in the aggregate amount as of the relevant Valuation Date that is no less than the relevant Reference Entity’s Reference Entity Aggregate Nominal Amount (or, in the case of Fallback to Cash Redemption, the Outstanding Principal Balance or, as the case may be, the Due and Payable Amount of the Undelivered Portion).

“**Currency Amount**” means, with respect to a Valuation Obligation that is denominated in a currency other than the Settlement Currency, an amount converted by the Calculation Agent to the Settlement Currency using such conversion rate as shall be determined by the Calculation Agent in a commercially reasonable manner.

Final Valuation Date: No later than 135 Business Days after the Credit Event Determination Date, subject to the Suspension Terms set out in Part 1B below, or, if Cash Redemption is specified as the Fallback Redemption Method, no later than 135 Business Days following the occurrence of the relevant event specified in the second paragraph of Auction Redemption, as set out in Part 1A of this Schedule or, if Fallback to Cash Redemption applies, the later of (a) the day falling no later than 135 Business Days after the Credit Event Determination Date and (b) the Fallback to Cash Redemption Valuation Date.

Quotations: Means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage of the Valuation Obligation’s Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date in the manner that follows (except that if Asset Package Delivery applies and a Valuation Obligation comprises any Asset which is a Non-Transferable Instrument or a Non-Financial Instrument then the following will not apply to such Valuation Obligation and the relevant Asset Market Value (expressed as a percentage of the Asset’s Outstanding Principal Balance or Due and Payable Amount, as applicable) shall be deemed to be the highest Quotation with respect to the Valuation Date for the purpose of the Valuation Method in relation to the determination of the Final Price):

The Calculation Agent shall attempt to obtain Full Quotations on or with respect to the Valuation Date from at least five Dealers. If at least two such Full Quotations are not available on the same Business Day within three Business Days of the Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the 15th Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from at least five Dealers and, if at least two Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain at least two Full Quotations or a Weighted Average Quotation within such period, the Calculation Agent shall determine the Final Price in its sole and absolute discretion (which, for the avoidance of doubt, may be zero).

Full Quotation: Means each firm bid quotation obtained from a Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the relevant Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, equal to the Quotation Amount.

Quotation Amount: With respect to a Valuation Obligation, an amount equal to its Outstanding Principal Balance or its Due and Payable Amount, as applicable, unless, in the

sole and absolute discretion of the Calculation Agent, such amount would not result in a commercially reasonable determination, in which case the Quotation Amount shall be determined by the Calculation Agent in its sole and absolute discretion.

Weighted Average Quotation:

Means the weighted average of firm bid quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the relevant Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount that in the aggregate are approximately equal to the Quotation Amount.

Valuation Time:

At or around 11:00am in the principal trading market for the relevant Valuation Obligation.

Dealer:

Means a dealer in obligations of the type of Valuation Obligations for which Quotations are to be obtained, as selected by the Calculation Agent in its sole and absolute discretion (which may not include the Calculation Agent or its Affiliates (as defined in the standard form 2002 ISDA Master Agreement)).

Part 1B: Effect of DC Resolutions

Suspension Terms: If, following the occurrence of a Credit Event Determination Date but prior to the Physical Redemption Date or, to the extent applicable, the Valuation Date, there is a DC Credit Event Meeting Announcement, the timing requirements of the Physical Redemption Terms or, as applicable, the Cash Redemption Terms or any other provision that pertains to settlement of the redemption of the relevant portion of the Notes shall toll and remain suspended until the date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal (the “**Suspension End Date**”). During such suspension period, neither the Issuer nor any other person will take any action to redeem or in connection with the redemption of the relevant portion of the Notes in accordance with the Physical Redemption Terms or, as applicable, the Cash Redemption Terms. Upon the occurrence of the relevant Suspension End Date, the relevant timing requirements of the Physical Redemption Terms or, as applicable, the Cash Redemption Terms or any other provision that pertains to settlement of the redemption of the relevant portion of the Notes that have previously tolled or been suspended shall resume on the Business Day following the public announcement by the DC Secretary of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal.

Effect of DC Resolutions: The Calculation Agent shall determine in its sole and absolute discretion whether, how and the extent to which any DC Resolution of the relevant Credit Derivatives Determinations Committee applies to the Notes in accordance with the terms of this Schedule, including any DC Resolution that reverses a previous DC Resolution and the Calculation Agent may determine that any DC Resolution that reverses a previous DC Resolution shall not be effective for the purpose of this Schedule if the Calculation Agent determines (in its sole and absolute discretion) that such DC Resolution would not be effective for the purpose of a comparable credit derivative transaction.

Part 2: Credit Event Definitions:

Credit Event means one or more of the Credit Events specified as applicable. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation, or, as applicable, any Underlying Obligation, however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of, or any change in any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

Bankruptcy means a Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger), (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due, (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective, (d) institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgement of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof, (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger), (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter, or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (g).

Obligation Acceleration means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

Obligation Default means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

Failure to Pay means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

If an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

Repudiation/Moratorium means the occurrence of both of the following events: (i) an authorised officer of a Reference Entity or a Governmental Authority (a) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement, or (b) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

Restructuring means that:

- (a) with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date and the date as of which such Obligation is issued or incurred:
 - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
 - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
 - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium;
 - (iv) a change in the ranking in priority of payment of any Obligation causing the Subordination of such Obligation to any other Obligation; or
 - (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).
- (b) Notwithstanding the provisions of paragraph (a) of this definition of Restructuring, none of the following shall constitute a Restructuring:
 - (i) the payment in euros of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
 - (ii) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
 - (iii) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a)(i) to (v) of this definition of Restructuring due to an administrative adjustment, accounting

adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and

- (iv) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a)(i) to (v) of this definition of Restructuring in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of a Reference Entity provided that in respect of paragraph (a)(v) of this definition of Restructuring only, no such deterioration in the creditworthiness or financial condition of a Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.
- (c) For the purposes of this definition of Restructuring and the definition of Multiple Holder Obligation the term Obligation shall be deemed to include Underlying Obligations for which the relevant Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation references to the Reference Entity in paragraph (a) above of the definition of Restructuring shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in paragraph (b) above of the definition of Restructuring shall continue to refer to the Reference Entity.
- (d) If an exchange has occurred, the determination as to whether one of the events described under paragraphs (a)(i) to (v) of this definition of Restructuring has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

Governmental Intervention means:

(a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to a Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

- (i) any event which would affect creditors' rights so as to cause:
 - (A) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
 - (B) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
 - (C) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
 - (D) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (ii) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (iii) a mandatory cancellation, conversion or exchange; or
- (iv) any event which has an analogous effect to any of the events specified in paragraphs (a)(i) to (iii).

- (b) For purposes of paragraph (a) of this definition of Governmental Intervention, the term Obligation shall be deemed to include Underlying Obligations for which the relevant Reference Entity is acting as provider of a Guarantee.

Related Credit Event Definitions:

Payment Requirement means the amount specified as such or its equivalent in the relevant Obligation Currency (or, if no amount is so specified, USD 1,000,000 or its equivalent in the relevant Obligation Currency), in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

Default Requirement means the amount specified as such or its equivalent in the relevant Obligation Currency (or, if no amount is so specified, USD 10,000,000 or its equivalent in the relevant Obligation Currency) in either case as of the occurrence of the relevant Credit Event.

Obligation Currency means the currency or currencies in which an Obligation is denominated.

Governmental Authority means

- (i) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);
- (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of a Reference Entity or some or of all of its obligations; or
- (iv) any other authority which is analogous to any of the entities specified in paragraphs (i) to (iii).

Publicly Available Information means: (a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice have occurred and which:

- (i) has been published in or on not less than two Public Sources (regardless of whether the reader or user thereof pays a fee to obtain such information);
- (ii) is information received from or published by (A) a Reference Entity (or, if a Reference Entity is a Sovereign, any agency, instrumentality, ministry, department, or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign) or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
- (iii) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body,

provided that where any information of the type described in paragraphs (a)(ii) or (iii) of this definition of Publicly Available Information is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

- (b) In relation to any information described above in paragraphs (a)(ii) or (iii) of this definition of Publicly Available Information, any person receiving such information may assume that such information has been publicly disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the Issuer or if applicable its Nominee has not taken any action or entered into any agreement or understanding with the relevant Reference Entity or any Affiliate (as defined in the standard form 2002 ISDA Master Agreement) of the relevant

Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

- (c) Without limitation, Publicly Available Information need not state (i) in relation to Downstream Affiliate the percentage of Voting Shares owned by the relevant Reference Entity and (ii) that the relevant occurrence (A) has met the Payment Requirement or Default Requirement, (B) is the result of exceeding any applicable Grace Period or (C) has met the subjective criteria specified in certain Credit Events.
- (d) In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in both paragraphs (a)(i) and (ii) of the definition of Repudiation/Moratorium.

Public Source means each source of Publicly Available Information specified as applicable (or if no such source is specified, each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), the main source(s) of business news in the country in which a Reference Entity is organized and any other internationally recognized published or electronically displayed news sources).

Part 3: Reference Entity and Successor Provisions:

Reference Entity means each entity specified as such in the terms of the Notes. Any Successor to a Reference Entity either (a) identified by the Calculation Agent pursuant to this Part 3 on or following the Trade Date, or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be a Reference Entity (as determined pursuant and subject as provided in this Part 3).

Successor means in relation to a Reference Entity:

- (a) subject to paragraph (c) below, the entity or entities, if any, determined as follows:
 - (i) subject to paragraph (a)(vii) below, if one entity succeeds, either directly or as a provider of a Relevant Guarantee to 75% or more of the Relevant Obligations of the relevant Reference Entity, that entity will be the sole Successor;
 - (ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25% (but less than 75%) of the Relevant Obligations of the relevant Reference Entity, and not more than 25% of the Relevant Obligations of such Reference Entity remain with such Reference Entity, the entity that succeeds to more than 25% of the Relevant Obligations will be the sole Successor;
 - (iii) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25% of the Relevant Obligations of the relevant Reference Entity, and not more than 25% of the Relevant Obligations of such Reference Entity remain with such Reference Entity, the entities that succeed to more than 25% of the Relevant Obligations will each be a Successor, and the Notes will be amended as described below;
 - (iv) if one or more entities each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25% of the Relevant Obligations of the relevant Reference Entity and more than 25% of the Relevant Obligations of such Reference Entity remain with such Reference Entity, each such entity and such Reference Entity will each be a Successor, and the Notes will be amended as described below;
 - (v) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the relevant Reference Entity, but no entity succeeds to more than 25% of the Relevant Obligations of such Reference Entity and such Reference Entity continues to exist, there will be no Successor and such Reference Entity and the Notes will not be changed in any way as a result of such succession;
 - (vi) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the relevant Reference Entity, but no entity succeeds to more than 25% of the Relevant Obligations of such Reference Entity and such Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations each such entity, will be a Successor, and the Notes will be amended as described below); and
 - (vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the relevant Reference Entity, and at the time of the determination either (A) such Reference Entity has ceased to exist, or (B) such Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any

Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the “**Universal Successor**”) will be the sole Successor.

- (b) The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors under paragraph (a); provided that the Calculation Agent will not make such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Calculation Agent will make all calculations and determinations required to be made under this definition of Successor on the basis of Eligible Information.

In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (a), if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

- (c) An entity may only be a Successor if:
- (i) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after 1 January 2014;
 - (ii) the relevant Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of such Reference Entity; and
 - (iii) where the relevant Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.
- (d) For the purposes of this Part 3, “**succeed**” means with respect to a Reference Entity and its Relevant Obligations, that an entity other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the “**Exchange Bonds or Loans**”) that are exchanged for Relevant Obligations, and in either case the relevant Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations (or such Exchange Bonds or Loans, as applicable). For purposes of this definition of Successor, “**succeeded**” and “**succession**” shall be construed accordingly.
- (e) **Sovereign Succession Event** means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event.
- (f) **Relevant Obligations** means the Obligations of a Reference Entity which fall within the Obligation Category "Bond or Loan" and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), provided that:
- (i) any Bonds or Loans outstanding between the relevant Reference Entity and any of its Affiliates (as defined in the standard form 2002 ISDA Master Agreement), or held by such Reference Entity, shall be excluded;
 - (ii) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under paragraph (a) of the definition of Successor, make the appropriate adjustments required to take account of any Obligations of the relevant Reference Entity which fall within the Obligation Category "Bond or Loan" that are issued, incurred, redeemed,

repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;

- (iii) if "Financial Reference Entity Terms" is specified as applicable with respect to the relevant Reference Entity and if Senior Transaction applies with respect to the relevant Reference Entity, the Relevant Obligations shall only include the Senior Obligations of the relevant Reference Entity which fall within the Obligation Category "Bond or Loan"; and
 - (iv) if "Financial Reference Entity Terms" is specified as applicable with respect to the relevant Reference Entity, and if Subordinated Transaction applies with respect to the relevant Reference Entity, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the relevant Reference Entity which fall within the Obligation Category "Bond or Loan", provided that if no such Relevant Obligations exist, "Relevant Obligations" shall have the same meaning as it would if Senior Transaction applied to the relevant Reference Entity.
- (g) In the case of an exchange offer, the determination required pursuant to paragraph (a) of this definition of Successor shall be made on the basis of the Outstanding Principal Balance of Relevant Obligations exchanged and not on the basis of the Outstanding Principal Balance of the Exchange Bonds or Loans.
- (h) If two or more entities (each, a "**Joint Potential Successor**") jointly succeed to a Relevant Obligation (the "**Joint Relevant Obligation**") either directly or as a provider of a Relevant Guarantee, then (i) if the Joint Relevant Obligation was a direct obligation of the relevant Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (ii) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.
- (i) **Steps Plan** means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the relevant Reference Entity, by one or more entities.
- (j) **Succession Date** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the relevant Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to paragraph (a) of the definition of Successor would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of a Credit Event Determination Date in respect of the relevant Reference Entity or any entity which would constitute a Successor.
- (k) **Successor Backstop Date** means for purposes of any Successor determination determined by DC Resolution, the date that is 90 calendar days prior to the Successor Resolution Request Date otherwise, the date that is 90 calendar days prior to the earlier of (i) the date on which the Successor Notice is effective and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Successor Notice is delivered by the Issuer or its Nominee not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.
- (l) **Successor Resolution Request Date** means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to a Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

- (m) **Successor Notice** means a notice from the Issuer or its Nominee to the Calculation Agent and the Noteholders that describes a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to the relevant Reference Entity can be determined.

A Successor Notice must contain a description in reasonable detail of the facts relevant to the determination to be made pursuant to part (a) of the definition of Successor.

- (n) Where, pursuant to sub-paragraph (iii), (iv) or (vi) of paragraph (a) of this definition of Successor, more than one Successor has been identified, the Notes will be amended and other related documentation may be amended as set out and subject as provided below without the consent of Noteholders to reflect the following terms:

- (i) each Successor will be a Reference Entity and more than one Credit Event may occur during the term of the Notes but, subject to the provision relating to multiple Credit Event Notices in Part 5 below, once only in relation to each Successor;
- (ii) the Reference Entity Aggregate Nominal Amount of the original Reference Entity will be divided equally between the number of Successors;
- (iii) if a single entity would be a Reference Entity hereunder more than once, then it will be deemed to be a Reference Entity only once hereunder, and the Reference Entity Aggregate Nominal Amount for such Reference Entity will be the sum of the Reference Entity Aggregate Nominal Amounts otherwise applicable to it (and such change shall have no effect on the Aggregate Nominal Amount of the Notes); provided that if the relevant Reference Entity would be deemed to have more than one Transaction Type then, notwithstanding the preceding or anything else to the contrary herein, such Reference Entity will continue to be a Reference Entity more than once hereunder and the terms otherwise provided herein for each such Reference Entity shall continue to apply as if they were unrelated Reference Entities; and
- (iv) all other terms and conditions of the original Notes will remain unaffected except to the extent that modification is required, as determined by the Calculation Agent in its sole and absolute discretion, to preserve the economic effects of the original Notes in the amended Notes.

Any modification determined by the Calculation Agent shall be notified to the Issuer as soon as reasonably practicable after such determination, and the Calculation Agent shall arrange for documentation to be prepared in order to effect such modification to the Notes and any modification to all other documents relating thereto which the Calculation Agent determines in its sole and absolute discretion to be necessary or desirable as a consequence of such modification to the Notes. Upon execution of such documentation by the parties thereto, the Issuer or its Nominee shall give notice of such modification to the Noteholders, and the Issuer shall not be responsible or liable for the terms of any such modification effected in accordance with any such determination by the Calculation Agent.

- (o) **Eligible Information** means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

Part 4A: Obligation and Deliverable Obligation Categories and Characteristics:

Obligation means, in relation to a Reference Entity: (i) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) described by the specified Obligation Category and, subject to Part 4B below, having each of the Obligation Characteristics (if any) in each case, immediately prior to the Credit Event which is the subject of either the Credit Event Notice or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable; and (ii) the Reference Obligation, in each case, unless it is an Excluded Obligation.

Obligation Category means Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified, and:

- (i) **"Payment"** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
- (ii) **"Borrowed Money"** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
- (iii) **"Reference Obligation Only"** means, in relation to a Reference Entity, any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only;
- (iv) **"Bond"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;
- (v) **"Loan"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
- (vi) **"Bond or Loan"** means any obligation that is either a Bond or a Loan.

Obligation Characteristics means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance, and:

- (i) (A) **"Not Subordinated"** means an obligation that is not Subordinated to (I) the Reference Obligation or (II) the Prior Reference Obligation, if applicable;
- (B) **"Subordination"** means, with respect to an obligation (the "**Second Obligation**") and another obligation of a Reference Entity to which such obligation is being compared (the "**First Obligation**"), a contractual, trust or similar arrangement providing that (I) upon the liquidation, dissolution, reorganization or winding-up of such Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation, or (II) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against such Reference Entity at any time that such Reference Entity is in payment arrears or is otherwise in default under the First Obligation. **"Subordinated"** will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the relevant Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date

as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and "**Standard Reference Obligation**" is applicable, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date; and

- (C) "**Prior Reference Obligation**" means, in circumstances where no Reference Obligation is applicable, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the relevant Reference Entity;
- (ii) "**Specified Currency**" means an obligation that is payable in the currency or currencies specified as such in the terms of the Notes (or, if "**Specified Currency**" is specified and no currency is so specified, any Standard Specified Currency), provided that if the euro is a Specified Currency, "**Specified Currency**" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;
- (iii) "**Not Sovereign Lender**" means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt";
- (iv) "**Not Domestic Currency**" means any obligation that is payable in any currency other than the applicable Domestic Currency, provided that a Standard Specified Currency shall not constitute a Domestic Currency;
- (v) "**Not Domestic Law**" means any obligation that is not governed by the applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute a Domestic Law;
- (vi) "**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (vii) "**Not Domestic Issuance**" means any obligation other than an obligation that was issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the relevant Reference Entity.

Deliverable Obligation means in respect of a Reference Entity

- (a) any obligation of the relevant Reference Entity (either directly or as provider of a Relevant Guarantee) described by the specified Deliverable Obligation Category and, subject to Part 4B below, having each of the Deliverable Obligation Characteristics as of the date of delivery of the Notice of Physical Settlement (or, if the Notice of Physical Settlement is changed, the date notice of the last such change is given) and the Physical Redemption Date (unless otherwise specified) or, in the case of Cash Redemption as of the date of delivery of the Notice of Valuation Obligations (or, if the Notice of Valuation Obligations is changed, the date notice of the last such change is given) and the Valuation Date (unless otherwise specified);

- (b) the Reference Obligation for such Reference Entity;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation; and
- (d) if Asset Package Delivery is applicable, any Prior Deliverable Obligation (if "Financial Reference Entity Terms" is specified as applicable) or any Package Observable Bond (if the relevant Reference Entity is a Sovereign),

in each case, (i) unless it is an Excluded Deliverable Obligation and (ii) provided that the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for purposes of paragraph (d), immediately prior to the relevant Asset Package Credit Event).

Deliverable Obligation Category means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan (each as defined in the definition of Obligation Category above), except that, for purposes of determining Deliverable Obligations, the definition of "Reference Obligation Only" shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligation Only).

Deliverable Obligation Characteristics means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, and:

- (i) **"Assignable Loan"** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organization) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the relevant Reference Entity is guaranteeing such Loan) or any agent;
- (ii) **"Consent Required Loan"** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the relevant Reference Entity is guaranteeing such Loan) or any agent;
- (iii) **"Direct Loan Participation"** means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either (A) the Issuer (to the extent the Issuer is then a lender or a member of the relevant lending syndicate), or (B) such other participation seller (if any) as may be specified (to the extent such participation seller is then a lender or a member of the relevant lending syndicate);
- (iv) **"Transferable"** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:
 - (A) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);
 - (B) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or

- (C) restrictions in respect of blocked periods on or around payment dates or voting periods;
- (v) "**Maximum Maturity**" means an obligation that has a remaining maturity of not greater than thirty years (unless otherwise specified);
- (vi) "**Accelerated or Matured**" means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (vii) "**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognized clearing system.

Prior Deliverable Obligation means:

- (a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), any obligation of the relevant Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within the definition of Deliverable Obligation set out in part (a) or (b) of the definition of Deliverable Obligation, in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or
- (b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), such Reference Obligation, if any.

Package Observable Bond means, in respect of a Reference Entity which is a Sovereign, any obligation (a) which is identified as such and published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within the definition of Deliverable Obligation set out in (a) or (b) of the definition of Deliverable Obligation, in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

Sovereign Restructured Deliverable Obligation means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within the definition of a Deliverable Obligation set out in paragraph (a) of the definition of Deliverable Obligation immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

Excluded Obligation means:

- (a) any obligation of a Reference Entity specified as such or of a type described in the terms of the Notes;
- (b) if "Financial Reference Entity Terms" is specified as applicable with respect to the relevant Reference Entity and Senior Transaction applies with respect to such Reference Entity, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and
- (c) if "Financial Reference Entity Terms" is specified as applicable with respect to the relevant Reference Entity and Subordinated Transaction applies with respect to such Reference Entity, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

Excluded Deliverable Obligation means:

- (a) any obligation of a Reference Entity specified as such or of a type described in the terms of the Notes;
- (b) any principal only component of a Bond from which some or all of the interest components have been stripped; and
- (c) if Asset Package Delivery is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

Domestic Currency means the currency specified in the terms of the Notes and any successor currency thereto (or if no such currency is specified, the lawful currency and any successor currency of (a) the relevant Reference Entity, if the relevant Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the relevant Reference Entity is not a Sovereign).

Domestic Law means each of the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organized, if such Reference Entity is not a Sovereign.

Solvency Capital Provisions means any terms in an obligation which permit the relevant Reference Entity's payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier.

Downstream Affiliate means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent - owned, directly or indirectly, by the relevant Reference Entity.

Voting Shares means the shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

Due and Payable Amount means the amount that is due and payable by a Reference Entity under the obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on either (A) the date of delivery of the Notice of Physical Settlement or if the Notice of Physical Settlement is changed, the date notice of the last such change is given (or if the terms of the obligation are amended after such date but on or prior to the date for delivery of the Portfolio, the date for delivery of the Portfolio) or (B) the Valuation Date, as applicable.

Prohibited Action means any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) of the definition of Credit Event or right of setoff by or of a Reference Entity or any applicable Underlying Obligor.

Permitted Contingency means, with respect to an obligation, any reduction to a Reference Entity's payment obligations:

- (a) as a result of the application of:
 - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of such Reference Entity;
 - (ii) provisions implementing the Subordination of the obligation;
 - (iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of such Reference Entity from its payment obligations in the case of any other Guarantee);

- (iv) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable; or
 - (v) provisions which permit such Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable; or
- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

Outstanding Principal Balance of an obligation will be calculated as follows:

- (a) (i) first, by determining, in respect of the obligation, the amount of the relevant Reference Entity's principal payment obligations and, where applicable in accordance with Part 4D below, the relevant Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (A) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the relevant Reference Entity were references to the Underlying Obligor) and (B) the amount of the Fixed Cap, if any);
 - (ii) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (A) is subject to any Prohibited Action, or (B) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (I) payment or (II) a Permitted Contingency) (the amount determined in paragraph (a)(i) less any amounts subtracted in accordance with paragraph (a)(ii), the "**Non-Contingent Amount**"); and
 - (iii) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance, in each case, determined:
 - (A) unless otherwise specified, in accordance with the terms of the obligation in effect on either (I) the date of delivery of the Notice of Physical Settlement or if the Notice of Physical Settlement is changed, the date notice of the last such change is given (or if the terms of the obligation are amended after such date but on or prior to the date for delivery of the Portfolio, the date for delivery of the Portfolio), or (II) the Valuation Date, as applicable; and
 - (B) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).
- (b) **Quantum of the Claim** means the lowest amount of the claim which could be validly asserted against a Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, provided that the Quantum of the Claim cannot exceed the Non-Contingent Amount.

Qualifying Guarantee means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which a Reference Entity irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

- (i) which is structured as a surety bond, financial guarantee insurance policy, letter of credit (or any legal arrangement which is equivalent thereto in form); or

- (ii) pursuant to the terms applicable thereto, the principal payment obligations of the relevant Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than:
 - (i) by payment;
 - (ii) by way of Permitted Transfer;
 - (iii) by operation of law;
 - (iv) due to the existence of a Fixed Cap; or
 - (v) due to:
 - (A) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable; or
 - (B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the relevant Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in the definition of Bankruptcy in respect of the relevant Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- (x) the benefit of such guarantee must be capable of being delivered together with the delivery of the Underlying Obligation; and
- (y) if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being delivered together with the delivery of such guarantee.

Relevant Guarantee means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable, a Qualifying Guarantee.

Underlying Obligation means, with respect to a guarantee, the obligation which is the subject of the guarantee.

Underlying Obligor means with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

Permitted Transfer means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the relevant Reference Entity to the same single transferee.

Fixed Cap means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the relevant Reference Entity in respect of some or all payments due under the Underlying Obligation, provided that a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or

more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

Guarantee means a Relevant Guarantee or a guarantee which is the Reference Obligation.

Qualifying Affiliate Guarantee means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

Sovereign Restructured Deliverable Obligation means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring Credit Event that is the subject of a Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category and having the Deliverable Obligation Characteristics in each case immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

Standard Specified Currency means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Part 4B: Interpretation of Provisions

The following shall apply to the interpretation of certain provisions set out in Part 4A above:

- (a) If either of the Obligation Characteristics "Listed" or "Not Domestic Issuance" is specified, the terms of the Notes shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.
- (b) If (i) either of the Deliverable Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified, the terms of the Notes shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds, (ii) the Deliverable Obligation Characteristic "Transferable" is specified, the terms of the Notes shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans, or (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified, the terms of the Notes shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans.
- (c) If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.
- (d) If an Obligation or a Deliverable Obligation is a Relevant Guarantee, the following will apply:
 - (i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;
 - (ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable specified Obligation Characteristics or Deliverable Obligation Characteristics from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";
 - (iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable specified Obligation Characteristics or the Deliverable Obligation Characteristics from the following list: "Listed", "Not Domestic Issuance", "Assignable Loan", "Consent Required Loan", "Direct Loan Participation", "Transferable", "Maximum Maturity", "Accelerated or Matured" and "Not Bearer"; and
 - (iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (e) For purposes of the application of the Deliverable Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero.
- (f) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable, if an obligation would otherwise satisfy a particular Obligation Characteristic or Deliverable Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the relevant Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not

cause such obligation to fail to satisfy such Obligation Characteristic or Deliverable Obligation Characteristic.

- (g) For purposes of determining the applicability of Deliverable Obligation Characteristics and the requirements specified in Sections C (Mod R) and D (Mod Mod R) of Part 5 below to a Prior Deliverable Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.
- (h) If "Subordinated European Insurance Terms" is specified as applicable, if an obligation would otherwise satisfy the "Maximum Maturity" Deliverable Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Deliverable Obligation Characteristic.

Part 4C: Provisions relating to Reference Obligations

Reference Obligation means in respect of a Reference Entity, the Standard Reference Obligation, if any, unless:

- (a) "Standard Reference Obligation" is specified as not applicable, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any; or
- (b) (i) "Standard Reference Obligation" is specified as applicable (or no election is specified), (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

Conforming Reference Obligation means a Reference Obligation which is a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation.

Further Subordinated Obligation means, if the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto.

Non-Conforming Reference Obligation means a Reference Obligation which is not a Conforming Reference Obligation.

Non-Conforming Substitute Reference Obligation means an obligation which would be a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

Non-Standard Reference Obligation means the Original Non-Standard Reference Obligation or if a Substitute Reference Obligation has been determined, the Substitute Reference Obligation.

No Standard Reference Obligation means if the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) and there shall be no Reference Obligation unless and until such obligation is subsequently replaced on the SRO List, in which case, the new Standard Reference Obligation in respect of the relevant Reference Entity shall constitute the Reference Obligation.

Original Non-Standard Reference Obligation means the obligation of a Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation (if any is so specified) provided that if an obligation is not an obligation of the relevant Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) unless (a) this provision is expressly amended or overridden in the terms of the Notes, or (b) Reference Obligation Only Trade is applicable.

Private-side Loan means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

Reference Obligation Only Trade means in respect of a Reference Entity (a) "Reference Obligation Only" is specified as the Obligation Category and the Deliverable Obligation Category and (b) "Standard Reference Obligation" is specified as not applicable. If the Calculation Agent becomes aware that an event set out in paragraph (a) of the definition of Substitution Event has occurred with respect to the Reference Obligation in a Reference Obligation Only Trade, the Calculation Agent shall, as soon as reasonably practicable thereafter, give

notice to the Noteholders designating a date for redemption of the relevant portion of the Notes and the relevant portion of the Notes shall be redeemed at an amount in the currency of denomination of the Notes equal to the outstanding principal balance of the Notes to be redeemed, minus the Break Costs, subject to a minimum of zero, unless the Notes have otherwise fallen due for redemption.

Notwithstanding the definition of Substitute Reference Obligation, (i) no Substitute Reference Obligation shall be determined in respect of a Reference Obligation Only Trade and (ii) if the events set out in paragraph (b) or (c) of the definition of Substitution Event occur with respect to the Reference Obligation in a Reference Obligation Only Trade, such Reference Obligation shall continue to be the Reference Obligation.

Seniority Level means, with respect to an obligation of a Reference Entity, (a) "Senior Level" or "Subordinated Level" as specified, or (b) if no such seniority level is specified, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which (c) "Senior Level".

Senior Obligation means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of a Reference Entity.

Senior Transaction means, with respect to a Reference Entity, that (a) the Reference Obligation or Prior Reference Obligation, as applicable, in relation to such Reference Entity is a Senior Obligation, or (b) there is no Reference Obligation or Prior Reference Obligation in relation to such Reference Entity.

Sovereign means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.

SRO List means the list of Standard Reference Obligations as published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

Standard Reference Obligation means the obligation of a Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List.

Subordinated Obligation means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of a Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of the relevant Reference Entity existed.

Subordinated Transaction means, with respect to a Reference Entity, that the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation.

Substitute Reference Obligation means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Calculation Agent as follows:

- (a) The Calculation Agent shall (in its sole and absolute discretion) identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) of this definition of Substitute Reference Obligation to replace the Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraphs (a) or (c) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic and paragraph (c)(ii) of the definition of Substitute Reference Obligation).

If the event set forth in paragraph (b) of the definition of Substitution Event has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraphs (a) or (c) of the definition of Substitution Event occur with respect to such Non-Standard Reference Obligation.

- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
- (i) is a Borrowed Money obligation of the relevant Reference Entity (either directly or as provider of a guarantee);
 - (ii) satisfies the “Not Subordinated” Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
 - (iii)
 - (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
 - (I) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation; or if no such obligation is available,
 - (II) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation;
 - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
 - (I) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 - (II) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation; or if no such obligation is available,
 - (III) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation; or
 - (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
 - (I) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (II) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,

- (III) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation; or if no such obligation is available,
 - (IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation.
- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c) of this definition of Substitute Reference Obligation, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer in respect of the Notes, as determined by the Calculation Agent (in its sole and absolute discretion). The Calculation Agent will notify the Issuer and the Noteholders of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with paragraph (c) of this definition of Substitute Reference Obligation and the Substitute Reference Obligation shall replace the Non- Standard Reference Obligation immediately upon such notification.
- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation, then, subject to paragraph (a) of this definition of Substitute Reference Obligation and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) of this definition of Substitute Reference Obligation, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.

Substitute Reference Obligation Resolution Request Date means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve a Substitute Reference Obligation to the Non-Standard Reference Obligation, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

Substitution Date means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent gives notice in accordance with the definition of Substitute Reference Obligation of the Substitute Reference Obligation that it has identified in accordance with the definition of Substitute Reference Obligation.

Substitution Event means, with respect to the Non-Standard Reference Obligation:

- (a) the Non-Standard Reference Obligation is redeemed in whole;
- (b) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or
- (c) for any reason, other than due to the existence or occurrence of a Credit Event, the Non- Standard Reference Obligation is no longer an obligation of the relevant Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event.

If an event described in paragraphs (a) or (b) has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to paragraphs (a) or (b), as the case may be, on the Trade Date.

Substitution Event Date means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event.

Part 4D: Provisions relating to Accrued Interest

The following provisions relating to accrued interest apply:

- (a) if the Physical Redemption Terms are applicable, the Outstanding Principal Balance of the Deliverable Obligations being delivered will exclude accrued but unpaid interest, unless "Include Accrued Interest" is specified, in which case, the Outstanding Principal Balance of the Deliverable Obligations being delivered will include accrued but unpaid interest (as the Calculation Agent shall determine in its sole and absolute discretion); or
- (b) if the Cash Redemption Terms are applicable, the Outstanding Principal Balance of the Valuation Obligations comprised in the Valuation Portfolio will exclude accrued but unpaid interest, unless "Include Accrued Interest" is specified, in which case, the Outstanding Principal Balance of the Valuation Obligations comprised in the Valuation Portfolio will include accrued but unpaid interest (as the Calculation Agent shall determine in its sole and absolute discretion).

Part 5: Restructuring:

(A) Multiple Holder

Unless Multiple Holder Obligation is specified as not applicable, then, notwithstanding anything to the contrary in the provisions of the definition of Restructuring, the occurrence of, agreement to, or announcement of, any of the events described in paragraphs (a)(i) to (v) of the definition of Restructuring shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

Multiple Holder Obligation means an Obligation that (i) at the time the Credit Event Notice is delivered, is held by more than three holders that are not Affiliates (as defined in the standard form 2002 ISDA Master Agreement) of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which would otherwise constitute a Restructuring Credit Event. Any Obligation that is a Bond shall be deemed to satisfy the requirement of sub-paragraph (ii) of this definition of Multiple Holder Obligation.

(B) Credit Event Notices after M(M)R Restructuring

Upon the occurrence of an M(M)R Restructuring:-

- (i) the Issuer or its Nominee may deliver multiple Credit Event Notices with respect to such M(M)R Restructuring, each such Credit Event Notice setting forth the portion of the aggregate outstanding nominal amount of the Notes to which such Credit Event Notice applies (the “**Exercise Amount**”) provided that if the Credit Event Notice does not specify an Exercise Amount, then the relevant Reference Entity’s Reference Entity Aggregate Nominal Amount (and not a portion thereof) will be deemed to have been specified as the Exercise Amount;
- (ii) if the Issuer or its Nominee has delivered a Credit Event Notice with respect to a Reference Entity that specifies an Exercise Amount that is less than such Reference Entity’s Reference Entity Aggregate Nominal Amount, the terms and conditions of the Notes shall, with effect from the date such Credit Event Notice is effective, be construed as if the Notes comprised two Series of Notes (and each Note, or the minimum denomination thereof (as applicable), shall be deemed to be split accordingly), one of which has an aggregate outstanding principal amount equal to the Exercise Amount and will be redeemed in accordance with the Auction Redemption Terms, the Physical Redemption Terms or the Cash Redemption Terms, as applicable, and the other of which will have an aggregate principal amount equal to the aggregate outstanding principal amount of the Notes outstanding prior to such Credit Event Notice minus the Exercise Amount (and the Reference Entity Aggregate Nominal Amount with respect to such Reference Entity shall be equal to the Reference Entity Aggregate Nominal Amount with respect to such Reference Entity prior to such Credit Event Notice minus the Exercise Amount) and will continue in effect (subject to any adjustments required to preserve the effects of the original Notes as determined by the Calculation Agent and in its sole and absolute discretion);
- (iii) the Exercise Amount in connection with a Credit Event Notice describing an M(M)R Restructuring must be in the amount of 1,000,000 units of the currency (or if Japanese Yen 100,000,000 units) in which the aggregate outstanding nominal amount is denominated or an integral multiple thereof.

(C) Mod R

If (i) Physical Redemption is specified as the applicable Credit Event Redemption Method (or if Physical Redemption is applicable as the Fallback Redemption Method in accordance with the Auction Redemption Terms) or if Cash Redemption is specified as the applicable Credit Event Redemption Method (or otherwise applies) (ii) “Mod R” is applicable and (iii) Restructuring is the only Credit Event specified in the Credit Event Notice, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may only be delivered or used as a Valuation Obligation on a Cash Redemption if (i) it is a Fully Transferable Obligation and (ii) it has a final maturity date not later than the applicable Restructuring Maturity Limitation Date, in each case as of both the

date of delivery of the Notice of Physical Settlement (or, if the Notice of Physical Settlement is changed, the date notice of the last such change is given) and the date for delivery of the Portfolio (or, in the case of Cash Redemption, both the date of the Notice of Valuation Obligations (or, if the Notice of Valuation Obligations is changed, the date notice of the last such change is given) and the Valuation Date).

Fully Transferable Obligation means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, in each case, as of both the date of delivery of the Notice of Physical Settlement (or, if the Notice of Physical Settlement is changed, the date notice of the last such change is given) and the date for delivery of the Portfolio or, in the case of Cash Redemption, both the date of the Notice of Valuation Obligations (or, if the Notice of Valuation Obligations is changed, the date notice of the last such change is given) and the Valuation Date. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for these purposes.

Restructuring Maturity Limitation Date means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a “**Latest Maturity Restructured Bond or Loan**”) and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

Eligible Transferee means:

- (a) any
 - (i) bank or other financial institution;
 - (ii) insurance or reinsurance company;
 - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity described in paragraph (c)(i) below); or
 - (iv) registered or licensed broker or dealer (other than a natural person or proprietorship);provided, however, in each case that such entity has total assets of at least U.S.\$500,000,000;
- (b) an Affiliate (as defined in the standard form 2002 ISDA Master Agreement) of an entity specified in the preceding paragraph (a);
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity
 - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least U.S.\$100,000,000 or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$100,000,000; or
 - (ii) that has total assets of at least U.S.\$500,000,000; or
 - (iii) the obligations of which under an agreement, contract, or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in paragraphs (a), (b), (c)(ii) or (d); and
- (d) (i) any Sovereign; or

- (ii) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

All references in this definition to U.S.\$ include equivalent amounts in other currencies as determined by the Calculation Agent.

(D) Mod Mod R

If (i) Physical Redemption is specified as the applicable Credit Event Redemption Method (or if Physical Redemption is applicable as the Fallback Redemption Method in accordance with the Auction Redemption Terms) or if Cash Redemption is specified as the applicable Credit Event Redemption Method (or otherwise applies) (ii) “Mod Mod R” is applicable and (iii) Restructuring is the only Credit Event specified in the Credit Event Notice, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may only be delivered or used as a Valuation Obligation on a Cash Redemption if (i) it is a Conditionally Transferable Obligation and (ii) it has a final maturity date not later than the Modified Restructuring Maturity Limitation Date in each case, as of both the Notice of Physical Settlement (or, if the Notice of Physical Settlement is changed, the date notice of the last such change is given) and the date for delivery of the Portfolio (or, in the case of Cash Redemption, both the date of the Notice of Valuation Obligations (or, if the Notice of Valuation Obligations is changed, the date notice of the last such change is given) and the Valuation Date). Notwithstanding the foregoing, for purposes of this part (D), in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10- year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

Conditionally Transferable Obligation means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds in each case, as of both the Notice of Physical Settlement (or, if the Notice of Physical Settlement is changed, the date notice of the last such change is given) and the date for delivery of the Portfolio or, in the case of Cash Redemption, both the date of the Notice of Valuation Obligations (or, if the Notice of Valuation Obligations is changed, the date notice of the last such change is given) and the Valuation Date, provided however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the relevant Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if the relevant Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent will not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for these purposes.

For purposes of determining whether a Deliverable Obligation is Transferable or is capable of being assigned or novated to Modified Eligible Transferees, such determination shall be made as of the Physical Redemption Date or Valuation Date, as applicable, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer or its Nominee.

Modified Restructuring Maturity Limitation Date means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date.

Subject to the foregoing, if the Scheduled Maturity Date is later than the 10-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

Modified Eligible Transferee means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making purchasing or investing in loans securities and other financial assets.

(E) General Terms Relating to Mod R and Mod Mod R

Limitation Date means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the “**2.5-year Limitation Date**”), 5 years, 7.5 years, 10 years, (the “**10-year Limitation Date**”), 12.5 years, 15 years, or 20 years, as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention.

Restructured Bond or Loan means an Obligation that is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

Restructuring Date means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

For the purposes of making a determination pursuant to the definition of Mod R and the definition of Mod Mod R, final maturity date shall, subject to part (a) of the definition of Mod Mod R, be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

Part 6: Other provisions

Redemption following Breach of Selling Restrictions:

If the Notes are sold or otherwise transferred to any person in breach of: (i) any applicable restrictions on sale of securities; and/or (ii) any restrictions, rules and/or regulations which are applicable to the sale of securities to US Persons (as defined in Regulation S under the United States Securities Act of 1933, as amended) or to any person other than Non-United States Persons (as defined by the United States Commodity Futures Trading Commission) (in each case as determined by UBS Limited in its sole and absolute discretion with regards or by reference to the facts and circumstances then existing), the Issuer may, in its sole and absolute discretion, choose to redeem the Notes sold to that person at the Sale Restriction Redemption Amount at any time upon notice to the relevant Noteholders (the “**Sale Restriction Redemption Date**”) and no further amounts will be due to such Noteholders after payment of the Sale Restriction Redemption Amount. The “**Sale Restriction Redemption Amount**” is the fair market value of the relevant Notes (including any accrued interest) on the fifth Business Day before the Sale Restriction Redemption Date, less any loss of bargain and cost of funding incurred by the Issuer, all as determined by the Calculation Agent in its sole and absolute discretion.

Redemption following Reference Entity becoming Noteholder:

If at any time the Issuer or its Nominee becomes aware that any Noteholder is a Reference Entity, the Issuer may, in its sole and absolute discretion, choose to redeem the Notes of that Noteholder at the Noteholder Reference Entity Redemption Amount at any time upon notice to such Noteholder and the Calculation Agent (the “**Noteholder Reference Entity Redemption Date**”) and no further amounts will be due to such Noteholder after payment of the Noteholder Reference Entity Redemption Amount. The “**Noteholder Reference Entity Redemption Amount**” is the fair market value of the relevant Notes (including any accrued interest) on the fifth Business Day before the Noteholder Reference Entity Redemption Date, less any loss of bargain and cost of funding incurred by the Issuer, all as determined by the Calculation Agent in its sole and absolute discretion.

Neither the Issuer nor any of its affiliates shall be responsible for monitoring the identity of each Noteholder from time to time.

Tax Redemption:

If applicable and the Issuer is required to pay Additional Amounts, the Issuer may redeem the Notes at the Tax Redemption Amount at any time upon notice to the Noteholders (the “**Tax Redemption Date**”) and no further amounts will be due to Noteholders after payment of the Tax Redemption Amount. The “**Tax Redemption Amount**” is the fair market value of the Notes (including any accrued interest) on the fifth Business Day before the Tax Redemption Date, less any loss of bargain and cost of funding incurred by the Issuer, all as determined by the Calculation Agent in its sole and absolute discretion.

Early Redemption Amount following an Event of Default:

For the purpose of Condition 7(i)(ii) and Condition 11, the Early Redemption Amount shall be equal to the fair market value of the Notes (including any accrued interest) on the date of redemption; provided that the creditworthiness of the Issuer shall not be taken into account in relation to any determination of the fair market value of the Notes. Notwithstanding anything to the contrary in Condition 11, no accrued interest (if any) shall be payable except to the extent included in the fair market value of the Notes as aforesaid.

Application of Credit Derivatives Physical Settlement Matrix:

If the terms of the Notes identify a "Transaction Type" that is included in the Credit Derivatives Physical Settlement Matrix, the terms set out in the Credit Derivatives Physical Settlement Matrix with respect to such "Transaction Type" shall *mutatis mutandis* be deemed to apply to the Notes except to the extent otherwise provided in the terms of the Notes.

"Credit Derivatives Physical Settlement Matrix" means the "Credit Derivatives Physical Settlement Matrix", as most recently amended and supplemented as at the Trade Date (unless otherwise provided in the terms of the Notes) and as published by ISDA on its website at www.isda.org (or any successor website thereto) (which website or any such successor website shall not form part of the Pricing Supplement or, if applicable, the drawdown prospectus with respect to the Notes); provided that if the Calculation Agent determines in its sole and absolute discretion that any provision in the Credit Derivatives Physical Settlement Matrix is not relevant to the Notes or is inconsistent with any other provision of this Schedule or the terms of the Notes, then such provision shall be ignored to the extent that the Calculation Agent so determines it not to be relevant or to be inconsistent.

Nominee: If the Issuer is not UBS AG, London Branch, the Nominee of the Issuer shall be UBS AG, London Branch.

SCHEDULE 2 TO THE ISSUE TERMS

Additional Payment Amount Provisions

1. Additional Payment Amount

An additional payment amount determined in accordance with the provisions of paragraph 2 of this Schedule 2 (the “**Additional Payment Amount**”) will be due on 7 January 2021 (the “**Scheduled Additional Payment Date**”), *provided that* a Notional Investor would have received full redemption proceeds for the Funds if that Notional Investor had, by giving the appropriate notice, requested redemption as at the Expiration Date.

If for any reason there is a delay in the receipt in full by a Notional Investor of redemption proceeds for the Funds (“**Additional Payment Delay Event**”), the payment of such Additional Payment Amount will be postponed until the earlier of:

- (a) the date on which a Notional Investor would have received in full the relevant redemption proceeds; and
- (b) 7 January 2023 (the “**Long-stop Date**”),

(such postponed payment date being the “**Additional Payment Date**”).

Where the Additional Payment Date falls on the Long-stop Date, the Issuer shall pay to the Noteholder an amount, in respect of the Additional Payment Amount, per Calculation Amount determined by the Calculation Agent (acting in good faith and in a commercially reasonable manner). Such determination shall be made on the date falling two Business Days before the Long-stop Date and the Calculation Agent shall make such determination based on the Fund redemption proceeds that a Notional Investor would have received up until two Business Days before the Long-stop Date in respect of the redemption requested as at the Expiration Date.

Whilst the Additional Payment Amount is calculated by reference to the Portfolio, the Issuer is not obliged to invest in the Fund Basket. The Notes do not give the Noteholders any ownership rights over the assets of the Issuer or the Funds in the Fund Basket.

2. Calculation of Additional Payment Amount

The Additional Payment Amount shall be an amount per Calculation Amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Calculation Amount} \times \text{Participation} \times \text{Max}(0, \text{Portfolio Return})$$

Where:

“**Participation**” means such percentage as will be announced by the Issuer by way of a notice published on the website of the Irish Stock Exchange prior to the Issue Date.

“**Portfolio Return**” means an amount determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Portfolio Value}^{\text{final}} - \text{Portfolio Value}^{\text{initial}}}{\text{Portfolio Value}^{\text{initial}}}$$

“**Portfolio Value**^{final}” means the arithmetic average of the Portfolio Value on each Averaging-Out Date.

“**Portfolio Value**^{initial}” means the arithmetic average of the Portfolio Value on each Averaging-In Date.

3. Portfolio

The “**Portfolio**” represents a synthetic exposure to the Fund Basket based on observed market prices using a formulaic allocation strategy specified in this paragraph 3 and for the avoidance of doubt, references in this Schedule 2 to the Issue Terms to “Portfolio” shall have such meaning.

Signal

“**Signal_t**” is measured on each Portfolio Business Day by the Calculation Agent and compared with the Floor and Cap to determine the Fund Basket Weight for the next following Portfolio Business Day.

On any Portfolio Business Day t, Signal_t will be determined by the Calculation Agent in accordance with the following formula:

$$Realised\ Volatility_t \times Fund\ Basket\ Weight_t$$

Realised Volatility

“**Realised Volatility**” on any Portfolio Business Day t is the annualised exponentially weighted standard deviation of the Portfolio over the relevant Volatility Observation Period. On any Portfolio Business Day t the Realised Volatility_t shall be determined by the Calculation Agent in accordance with the following formula:

$$Realised\ Volatility_t = \sqrt{AF} \times \sqrt{\frac{\sum_{j=1}^{VOP} \left(\left(1 - \frac{3}{VOP}\right)^j \times \left(\frac{FundBasket_{t-j+1}}{FundBasket_{t-j}} - 1\right)^2 \right)}{\sum_{j=1}^{VOP} \left(1 - \frac{3}{VOP}\right)^j}}$$

Where

“**AF**” (or “**Annualising Factor**”) means 254.

“**VOP**” (or “**Volatility Observation Period**”) means 20 Portfolio Business Days immediately preceding (and including) Portfolio Business Day t.

Fund Basket Weight

“**Fund Basket Weight**” for any Portfolio Business Day t will be determined by the Calculation Agent as follows:

- (a) on the Fixing Date (t = 0), Fund Basket Weight_t will be the Initial Fund Basket Weight;
- (b) following the Fixing Date (t = 0), if Cap < Signal_t or Signal_t < Floor, then Fund Basket Weight_{t+1} will be Ideal Fund Basket Weight_t; and
- (c) otherwise, Fund Basket Weight_{t+1} will be Fund Basket Weight_t.

Where:

“**Cap**” means 14%.

“**Floor**” means 12%.

“**Ideal Fund Basket Weight**” for any Portfolio Business Day t will be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Min} \left(\text{Maximum Fund Exposure}, \frac{\text{Target}}{\text{Realised Volatility}_t} \right)$$

“**Initial Fund Basket Weight**” means an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Min}\left(\text{Maximum Fund Exposure}, \frac{\text{Target}}{\text{RealisedVolatility}_{\text{initial}}}\right)$$

“**Maximum Fund Exposure**” means 150%

“**RealisedVolatility_{initial}**” means the Realised Volatility calculated for VOP ending on the Fixing Date.

“**Target**” means 13%.

4. Portfolio Value

The value of the Portfolio (the “**Portfolio Value**”) on any Portfolio Business Day t will be an amount determined by the Calculation Agent on the relevant Portfolio Business Day t in accordance with the following formula:

$$\text{PortfolioValue}_{t-1} \times [1 + \text{FundBasketWeight}_{t-1} \times (\text{Fund BasketReturn}_t - \text{Cash Return}_t)]$$

Where:

“**PortfolioValue_t**” on the Fixing Date (t = 0) is 100%.

Fund Basket Return

“**Fund Basket Return**” for any Portfolio Business Day t will be determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{FundBasket}_t - \text{FundBasket}_{t-1}}{\text{FundBasket}_{t-1}}$$

Where:

“**Fund Basket_t**” for any Portfolio Business Day t will be determined by the Calculation Agent in accordance with the following formula:

$$\sum_{i=1}^3 W_i \times \frac{S_{i,t}}{S_{i,0}}$$

and

“**S_{i,0}**” means the NAV of Fund_i as at the Fixing Date.

“**S_{i,t}**” means the NAV of the Fund_i as at Portfolio Business Day t.

“**W_i**” means the weight attributed to the relevant Fund (as specified in the table in paragraph 6 of this Schedule 2 below).

Cash Return

The “**Cash Return**” for any Portfolio Business Day t will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Cash Return}_t = \text{Rate}_{t-1} \times \frac{\text{dcf}(t-1, t)}{360}$$

Where:

“ $\text{Dcf}_{(t-1, t)}$ ” means, in respect of any Portfolio Business Day t , the number of calendar days falling in the period commencing on, but excluding, the immediately preceding Portfolio Business Day and ending on, and including, such Portfolio Business Day t .

“ Rate_{t-1} ” means, in respect of any Portfolio Business Day t , the Euro Interbank Offered Rate 3 Month as published on Bloomberg page EUR003M Index on the Portfolio Business Day immediately preceding such Portfolio Business Day t , provided that, if such rate is not published on such page for such date, Rate_{t-1} for such day shall be determined by the Calculation Agent in good faith and in a commercially reasonable manner.

5. Consequences of Extraordinary Events

If, in the opinion of the Calculation Agent, an Extraordinary Event has occurred, or is likely to occur, up to and including the later of (i) the Scheduled Additional Payment Date; and (ii) the Additional Payment Date (if any) the Calculation Agent may, in its sole discretion:

- (a) make such reasonable adjustment(s) as it determines to be appropriate to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Notes to account for the effect of such Extraordinary Event on the Issuer and/or the Fund; and/or
- (b) replace the affected Fund by using reasonable efforts for a period of no longer than 5 Business Days to select one or more suitable alternative funds with reasonably similar investment mandates subject to the following suitability criteria (each a “**Replacement Fund**”) to replace the affected Fund:
 - (i) the relevant Replacement Fund management company and Replacement Fund manager(s) are willing to allow the fund to be referenced in the Notes;
 - (ii) a Notional Investor can trade at net asset value or at bid price in the Replacement Fund with no direct or indirect fee, levy or other charge whatsoever, including subscription or redemption penalties applicable, or potentially applicable, to any such trading or any interest so acquired;
 - (iii) the Replacement Fund is constituted as an open-ended investment company incorporated in an OECD country;
 - (iv) the Replacement Fund (or a relevant manager) publishes the Replacement Fund's net asset value or bid price on a daily basis;
 - (v) a Notional Investor is able to fully hedge its position with respect to the Replacement Fund(s) as at the Replacement Fund(s) Selection Date; and
 - (vi) the Replacement Fund has similar historical volatility as the affected Fund, as determined in commercially reasonable manner by the Calculation Agent.

The day the Calculation Agent selects the Replacement Fund is the “**Replacement Fund(s) Selection Date**”.

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

An “**Extraordinary Event**” shall be deemed to have occurred if the Calculation Agent determines that one or more of the following events has occurred or is likely to occur with respect to a Fund:

- (a) all or substantially all of the assets of a Fund are nationalised, expropriated, or otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (b) by reason of voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up or any analogous proceedings (a) all of the shares or units in a Fund are required to be transferred to a trustee, liquidator, or other similar official or (b) holders of shares or units in a Fund become legally prohibited from transferring or redemption them;
- (c) a violation or change of any material terms of a Fund’s offer documents or other constitutional documents;
- (d) the main investment objective of a Fund changes;
- (e) any change in the currency of denomination of the NAV of the relevant class of shares/units of a Fund;
- (f) the NAV of a Fund, as calculated by its administrator, not being calculated or announced for any scheduled Fund Business Day within the time period when the Calculation Agent would ordinarily expect such NAV to be available;
- (g) any restriction or limitation or suspension or deferral of, redemptions of or subscription for shares/units in a Fund (including the introduction or increase of any associated fee, cost or expense), or any mandatory redemption of shares of a Fund;
- (h) a change in the tax or regulatory environment of the Issuer, a Fund, or of the manager, investment manager or the investment advisor (each a “**Manager**”) of a Fund;
- (i) any review or investigation of the activities of a Fund or any of its Managers, by a relevant regulator, in connection with suspected or alleged wrongdoing or breach of any rule or regulation, or other similar reason, or any disciplinary action taken by such regulator in consequence thereof, which, in each case, will have a material adverse effect on a Fund;
- (j) the Issuer is the beneficial owner of 25% or more of the shares of a Fund or a relevant class of the Fund;
- (k) any winding-up, liquidation of, or any termination or any loss of material regulatory approval, license or registration of, a Fund’s Manager, or any merger, de-merger, winding-up or liquidation of or affecting a Fund;
- (l) Any arrangement between the Issuer and a Fund and/or one or more of its Managers, including arrangements relating to subscriptions and redemptions, being materially changed or terminated;
- (m) any change in any applicable law or regulation (including any tax law) or the promulgation of or any

change in interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority) that (a) makes it illegal for the Issuer to hold, acquire or dispose of interests in a Fund or (b) means it will incur a materially increased cost in performing its obligations in respect of the Notes; and/or

- (n) any event which prevents, hinders or materially impairs the Issuer’s ability to conduct its hedging activities, or increases any tax, duty, expense, fee or other cost to the Issuer of conducting its hedging activities, in relation to its exposure under the Notes or adversely affects the economic basis on which the Issuer issued the Notes.

6. Additional Definitions applicable to this Schedule 2

“**Averaging Date**” means each Averaging-In Date and each Averaging-Out Date.

“**Averaging-In Date**” means each of 27 October 2015, 27 November 2015, 28 December 2015, 27 January 2016, 28 February 2016, 28 March 2016 and 27 April 2016 *provided* that if any such date is not a Portfolio Business Day, then the relevant Averaging-In Date will be the next following day that is a Portfolio Business Day.

“**Averaging-Out Date**” means each of 20 December 2019, 20 January 2020, 20 February 2020, 20 March 2020, 20 April 2020, 20 May 2020, 22 June 2020, 20 July 2020, 20 August 2020, 21 September 2020, 20 October 2020, 20 November 2020 and 21 December 2020 (the “**Expiration Date**”) *provided* that if any such date is not a Portfolio Business Day, then the relevant Averaging-Out Date will be the next following day that is a Portfolio Business Day.

“**Fund Basket**” means a basket of the following funds (each a “**Fund**”):

i	Name	Bloomberg Code	Weight (Wi)	Initial NAV (Si,0)
1	FIM Sahara A share class Fund	FIMSAHA FH	33.33%	The Initial NAV will be announced by the Issuer by way of a notice published on the website of the Irish Stock Exchange prior to the Issue Date.
2	FIM Frontier A share class Fund	FIMFROA FH	33.33%	The Initial NAV will be announced by the Issuer by way of a notice published on the website of the Irish Stock Exchange prior to the Issue Date.
3	FIM Emerging Yield Fund	FIMEMYA FH	33.33%	The Initial NAV will be announced by the Issuer by way of a notice published on the website of the Irish Stock Exchange prior to the Issue Date.

“**Fund Business Day**” means, in respect of a Fund, any day in respect of which (i) the administrator of such Fund calculates and publishes the NAV in accordance with the relevant prospectus and constitutional documents of such Fund and (ii) a Notional Investor could subscribe and redeem the relevant Fund shares of a Fund.

“**Portfolio Business Day**” means any day which is a Fund Business Day for all Funds in the Fund Basket.

“**NAV**” means the net asset value of a Fund as published by or on behalf of a Fund (or its Manager). For the purpose of calculating such value as of each Averaging Date, the Calculation Agent, acting in its sole discretion, shall determine such value based on the redemption proceeds that a Notional Investor would have received, if that investor had, for a Fund, subject to it giving the appropriate prior notice, requested redemption of a Fund shares as of each relevant Averaging Date.

“**Notional Investor**” means a notional investor (in the same position as the Issuer) in the relevant shares of the relevant Fund.

SCHEDULE 3 TO THE ISSUE TERMS

Provisions Relating to Finnish Notes

1. General

For so long as the Notes are specified as “Finnish Notes”, the provisions of this Schedule 3 will apply.

1.1 Finnish Agent

The Issuer has appointed the Finnish Agent to act as “Paying Agent” in respect of the Finnish Notes pursuant to and in accordance with the terms of the Master Paying Agency Agreement dated 18 September 2006 (the “**Finnish Agency Agreement**”).

2. Amendments to the Conditions

2.1 Definitions

The following definitions shall be added to the Definitions in Condition 1 (*Definitions*):

“**Euroclear Finland**” means Euroclear Finland Oy, the Finnish Central Securities Depository or any successor or replacement thereto.

“**Euroclear Finland register day**” means a day on which the Finnish book-entry securities system is open pursuant to Euroclear Finland Rules.

“**Finnish Agent**” means Nordea Bank Finland plc with registered address Aleksanterinkatu 36, FIN-00020, NORDEA Helsinki.

“**Finnish Notes**” means any Tranche of Notes designated as “Finnish Notes” in the relevant Issue Terms.

2.2 Form of Notes

Finnish Notes are issued in uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System and Clearing Operations (*laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (749/2012)) and the Finnish Act on Book Entry Accounts (*laki arvo-osuustileistä* (827/1991)) as amended, as well as the rules and regulations of Euroclear Finland.

The Finnish Notes shall be regarded as Registered Notes for the purposes of the Conditions save to the extent the Conditions are inconsistent with Finnish laws, regulations and operating procedures applicable to and/or issued by Euroclear Finland for the time being (the “**Euroclear Finland Rules**”). No physical Finnish Notes or certificates will be issued in respect of the Finnish Notes and the provisions in the Conditions relating to presentation, surrender or replacement of physical Notes shall not apply to the Finnish Notes.

2.3 Title and Transfer

Title to the Finnish Notes shall pass by registration in the computerised register maintained by or on behalf of Euroclear Finland. Except as ordered by a court of competent jurisdiction or as required by law, the Noteholder of any Finnish Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or interest in it and no person shall be so liable for so treating the Noteholder. References to the “**Holders**” or the “**Noteholders**” of Finnish Notes shall be to the persons in whose names the Notes are so registered.

One or more Finnish Notes may be transferred in accordance with Euroclear Finland Rules. Exchange and transfer of Finnish Notes on registration, transfer, partial redemption or exercise of a put or call option shall be effected without charge by or on behalf of the Issuer or the Finnish Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Finnish Agent may require).

No Holder may require the transfer of a Finnish Note to be registered during any closed period pursuant to the then applicable Euroclear Finland Rules.

All transfers of Finnish Notes are subject to any cut-off dates applicable to such Finnish Notes and are subject to any other rules and procedures for the time being of Euroclear Finland. Euroclear Finland's rules and regulations can be downloaded from its website <https://www.euroclear.com/en/about/our-rules/euroclear-finland-rules.html>.

2.4. Redemption and Purchase

Any redemption of the Finnish Notes made in accordance with Condition 7 (*Redemption and Purchase*) shall be made in accordance with the Euroclear Finland Rules.

2.5 Payments

Payments in respect of the Finnish Notes shall be made to the Holders as appearing registered in the register kept by Euroclear Finland on the first Euroclear Finland register day falling before the due date for payment, such day the "**Record Date**" in respect of the Finnish Notes.

2.6 Paying Agents

So long as any Finnish Notes are cleared through Euroclear Finland, the Issuer will maintain a Paying Agent with a specified office in Finland.

2.7 Notices

In relation to Finnish Notes, Notices to be sent to Holders pursuant to Condition 13 may be sent through Euroclear Finland and account operators. Notices shall be deemed received by the Holders on the day on which they are published in Euroclear Finland.

2.8 Provision of Information

In relation to Finnish Notes, each Holder agrees and gives consent to Euroclear Finland to provide to the Finnish Agent, upon request, information registered with Euroclear Finland relating to the Finnish Notes and the Holders of the Finnish Notes in order that the Finnish Agent may provide any relevant Finnish authorities, including the Finnish Financial Supervisory Authority (*Finanssivalvonta*) and the Finnish tax authorities, with any information required under applicable Finnish laws. Such information shall include, but not be limited to, the identity of the registered holder of the Finnish Notes, the residency of the registered holder of the Finnish Notes, the number of Finnish Notes registered with the relevant holder, the address of the relevant holder, the account operator in respect of the relevant Euroclear Finland account (*Tilinhoitaja*) and whether or not the Finnish Notes are registered in the name of a nominee and the identity of any such nominee.

2.9 Governing Law and Jurisdiction

Finnish law and jurisdiction will be applicable with regard to the registration of such Finnish Notes in Euroclear Finland and the Finnish Notes must comply with the Finnish Act on the Book-Entry Securities System and Clearing Activity (*Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (749/2012)), as amended, and the Finnish Act on Book-Entry Accounts (*Laki arvo-osuustileistä* (827/1991)), as amended, as well as the rules and regulations of Euroclear Finland.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by the Issuer for its general corporate purposes or towards meeting the general financing requirements of the UBS AG Group, in each case outside Switzerland unless use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

DESCRIPTION OF THE ISSUER

UBS AG is a Swiss bank. It is the sole subsidiary of UBS Group AG. It is also the parent company of the UBS AG Group (UBS AG, UBS Group AG and UBS AG Group being together the “**Group**”).

UBS has undertaken a series of measures to improve the resolvability of the Group in response to too big to fail requirements in Switzerland and other countries in which the Group operates, including the establishment in 2014 of UBS Group AG as the holding company of the Group.

In June 2015, UBS AG transferred its Retail & Corporate and Wealth Management business booked in Switzerland to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. As of the transfer date, 14 June 2015, UBS Switzerland AG had over CHF 300 billion in assets, 2.7 million customers and 11,000 employees.

In the UK, UBS completed the implementation of a more self-sufficient business and operating model for UBS Limited under which UBS Limited bears and retains a larger proportion of the risk and reward in its business activities.

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

In the third quarter of 2015, UBS intends to establish a Group service company as a subsidiary of UBS Group AG. UBS expects that the transfer of shared service and support functions to the service company structure will start in 2015 and will be implemented in a staged approach through 2018. The purpose of the service company structure is to improve the resolvability of the Group by enabling UBS to maintain operational continuity of critical services should a recovery or resolution event occur.

UBS continues to consider further changes to the Group's legal structure in response to capital and other regulatory requirements and in order to obtain any reduction in capital requirements for which the Group may be eligible. Such changes may include the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG and adjustments to the booking entity or location of products and services. These structural changes are being discussed on an ongoing basis with FINMA and other regulatory authorities and remain subject to a number of uncertainties that may affect their feasibility, scope or timing. For more information, see "*Recent Developments - Changes to UBS's legal structure*" on page 29 of the Base Prospectus Supplement which is incorporated by reference into this Prospectus.

UBS Group AG's interests in subsidiaries and other entities as of 31 December 2014, including information on UBS Group AG's significant subsidiaries, are discussed in the Annual Report 2014, on pages 527-536 (inclusive) of the English version.

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

DESCRIPTION OF THE REFERENCE ENTITIES

The Reference Entities are the components of the iTraxx® Europe Crossover Series 24 Index (the “**Reference Index**”). Publicly available information on the Reference Index and its composition is available on the website of Markit Group Limited at <https://www.markit.com/Product/ITraxx>.

As at the date of this Prospectus the Reference Index consists of 75 entities all of which are European corporate entities. The Reference Entities operate in a variety of sectors including (but not limited to) aviation, automobiles, energy, retail, telecommunications and hospitality.

Information on the past and future performance of the Reference Index is available on <http://www.markit.com/markit.jsp?jsppage=indices.jsp>.

Index Disclaimer

iTraxx® Europe Series 24 is a service mark of Markit Indices Limited and has been licensed for use by UBS AG.

The iTraxx® Europe Series 24 (the “**Index**”) referenced herein is the property of Markit Indices Limited (“**Index Sponsor**”) and has been licensed for use in connection with the Notes. Each investor acknowledges and agrees that the Notes are not sponsored, endorsed or promoted by the Index Sponsor. The Index Sponsor makes no representation whatsoever, whether express or implied, and hereby expressly disclaim all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the Index or any data included therein or relating thereto, and in particular disclaims any warranty either as to the quality, accuracy and/or completeness of the Index or any data included therein, the results obtained from the use of the Index and/or the composition of the Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a credit event or similar event (however defined) with respect to an obligation, in the Index at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Index, and the Index Sponsor is under no obligation to advise the parties or any person of any error therein.

The Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of purchasing the Notes, the ability of the Index to track relevant markets’ performances, or otherwise relating to the Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Sponsor has no obligation to take the needs of any party into consideration in determining, composing or calculating the Index. No party purchasing the Notes, nor the Index Sponsor, shall have any liability to any party for any act or failure to act by the Index Sponsor in connection with the determination, adjustment, calculation or maintenance of the Index.

DESCRIPTION OF THE FUNDS

The components of the Fund Basket as at the date of this Prospectus are:

FIM Sahara A share class Fund (Bloomberg code: FIMSAHA FH);

FIM Frontier A share class Fund (Bloomberg code: FIMFROA FH); and

FIM Emerging Yield Fund (Bloomberg code: FIMEMYA FH).

The Funds are registered in Finland and quoted in euros. The Funds are managed by FIM Asset Management Ltd. FIM Asset Management Ltd is engaged in mutual fund and asset management and related activities and is registered with the Finnish Trade Register. Further information on the Funds, as well as where publicly available information in relation to each Fund can be found is set out below.

FIM Sahara A share class Fund

The FIM Sahara A share class Fund is an Equity fund investing in the Middle East and Africa.

Details on the FIM Sahara A share class Fund including information on its past and future performance are available on the following website: <https://www.fim.com/fi/sijoittaminen/fim-rahastot/fim-sahara-a/>

FIM Frontier A share class Fund

The FIM Frontier A share class Fund invests in equity and equity related securities of companies listed on stock exchanges in the so called “frontier” markets including Asia, Africa, the Middle East, Latin America and Eastern Europe.

Details on the FIM Frontier A share class Fund including information on its past and future performance are available on the following website: <https://www.fim.com/fi/sijoittaminen/fim-rahastot/fim-frontier-a/>

FIM Emerging Yield Fund

The FIM Emerging Yield Fund is a non-UCITS fund that invests in the bond markets of emerging economies.

Details on the FIM Emerging Yield Fund including information on its past and future performance are available on the following website: <https://www.fim.com/sv/Placeringar/kaikki-rahastot/fim-emerging-yield/>

FINNISH TAXATION

The following summary is based on the tax laws of Finland as in effect and applied on the date of this Prospectus, as well as on the current tax practice, and is subject to changes in Finnish laws and their interpretation, including changes that could have a retrospective effect. The summary is not exhaustive and does not take into account or discuss the tax laws of any other country than Finland. The following does not address tax considerations applicable to investors that may be subject to special tax rules. Such investors include, among others, tax exempt entities and general or limited partnerships. Prospective investors are advised to consult their own professional tax advisors as to the tax consequences relating to investment in the Notes.

General

The scope of taxation in Finland is defined by the tax liability position of a taxpayer. The worldwide income of persons resident in Finland is subject to taxation in Finland. Non-residents are taxed on Finnish source income only. In addition, all income of non-residents derived from a permanent establishment located in Finland will be taxed in Finland. Tax treaties binding on Finland may restrict the applicability of Finnish internal tax legislation and prevent the Finnish taxation of income derived in Finland by a non-resident.

Generally, a natural person is deemed a resident in Finland for tax purposes if the person stays in Finland for more than six consecutive months or if the permanent home and domicile of the person is in Finland. A Finnish citizen is deemed a resident in Finland for tax purposes during the year he or she has emigrated from Finland and three subsequent years unless he or she proves that no essential ties to Finland existed during the relevant tax year. Earned income is taxed at progressive tax rates, while capital income up to EUR 30,000 is taxed at a rate of 30 per cent and capital income exceeding EUR 30,000 at a rate of 33 per cent. Corporate entities established under the laws of Finland are regarded as residents of Finland and thus subject to corporate income tax on their worldwide income. The current corporate income tax rate is 20 per cent.

This summary describes the Finnish taxation of certain types of income and is general by nature. The tax treatment applicable to an investor depends on the individual circumstances of such investor. Thus, prospective investors are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Taxation of Finnish Resident Individuals

Taxation of Capital Gains

Any income from the sale or other disposal of securities that is considered capital gains for the purposes of the Finnish taxation is taxed as capital income. The capital income tax rate is currently 30 per cent for capital income of up to EUR 30,000 and 33 per cent for capital income exceeding EUR 30,000. However, capital gains are exempted from tax if the total amount of the transfer prices of the person's sold assets does not exceed EUR 1,000 in a tax year. Correspondingly, any loss arising from the sale or other disposal of securities that does not belong to the business activities of the individual is deductible from capital gains arising in the same year or during the subsequent five years. Capital losses will not, however, be tax deductible if the total amount of the acquisition costs of the assets sold by the individual does not exceed EUR 1,000 in a tax year.

Capital gains and losses are calculated as the difference between the transfer price and the aggregate of the actual acquisition cost and sales-related expenses. Generally, individuals may alternatively choose to apply the presumptive acquisition cost instead of the actual acquisition cost for the assets. The presumptive acquisition cost of 20 per cent is deducted from the transfer price but, if the shareholder has held the assets for at least ten years, the presumptive acquisition cost is 40 per cent of the transfer price. If the presumptive acquisition cost is applied instead of the actual acquisition cost, all expenses arising from acquiring the gains are deemed to be included in the presumptive acquisition cost and, therefore, cannot be deducted separately from the transfer price.

Taxation of Other Capital Income and Withholding Obligation

Other capital income than income classified as capital gains (e.g. interest income, so called secondary market compensation and index compensation) paid to individuals and estates of a deceased person is subject to Finnish capital income tax in accordance with the Finnish Income Tax Act (*Tuloverolaki* (1535/1992)), as amended. The capital income tax rate is currently 30 per cent (33 per cent of the capital income exceeding EUR 30,000).

If the issuer is not a Finnish resident for tax purposes, it is not under an obligation to withhold any income tax payable in Finland in respect of any payments made under the issued securities. Instead, a paying agent or intermediary resident in Finland for tax purposes, when effecting a payment to an individual or estate resident in Finland, is generally under the obligation to withhold the preliminary income tax from any interest and secondary market compensation paid to individuals and estates of a deceased person resident in Finland for tax purposes, where such payment is made through such paying agent or intermediary. However, if the paying agent or intermediary is considered as a substitute payer of the issuer for Finnish tax purposes, such agent or intermediary is also obliged to withhold the preliminary tax for other capital income payments than interest payments or secondary market compensation. The current rate of tax withholding is 30 per cent and the withholding shall be made in accordance with the Finnish Withholding Tax Act (*Ennakkoperintälaki* (1118/1996)), as amended. The Act on Source Tax on Interest Income (*Laki korkotulon lähdeverosta* (1341/1990)), as amended, is not applicable provided the issuer does not have a permanent establishment in Finland.

Taxation of Finnish Corporate Entities

Finnish corporations are subject to a national corporate income tax on their worldwide income. Interest and other capital income as well as capital gains from the sale or other disposal of any assets are generally regarded as taxable income arising from business activities or other activities of Finnish resident corporations. The taxable income of a Finnish corporation is determined separately for business activities and for other activities. Income from both sources is taxed according to a fixed tax rate which currently is 20 per cent. No preliminary tax is withheld from the interest or other payments made to corporate entities residing in Finland.

The capital gain (as well the capital loss) is calculated by deducting the total sum of the actual acquisition cost and selling cost from the transfer price. The acquisition cost of the assets is thus deductible from the income of the source to which the assets transferred belonged. Any capital loss arising from the sale, redemption or other disposal of the Notes attributable to business activities is initially deductible from income in the business income source. Confirmed losses from business activities can be carried forward from the taxable income from business activities for ten years following the loss-making year. Capital losses attributable to other income can only be offset against capital gains arising in the same income source and can be carried forward only for the subsequent five tax years.

Taxation of Non-Finnish Residents

Non-Finnish tax residents who do not conduct business through a permanent establishment in Finland, are not subject to Finnish taxation either on payments under securities or gains realized on the sale or other disposal of securities.

Reporting and Compliance

A Finnish paying agent or intermediary is generally obliged to report any interest payments and comparable yield payments, secondary market compensations and index compensations paid to and received by an individual or estate resident under securities, and any preliminary tax withheld from such payments to the Finnish tax administration. Resident individuals and estates are required to review the tax information contained in their pre-completed annual tax return and, if necessary, correct or complete the information in the tax return.

Transfer Taxation

A transfer of the Notes is not subject to Finnish transfer taxation.

SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS

As well as the information below, investors should review the sections of the Base Prospectus entitled “*Selling Restrictions*” on page 173 of the Base Prospectus and “*Transfer Restrictions*” on page 182 of the Base Prospectus which are incorporated by reference into this Prospectus.

PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Dealer has represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus in relation thereto to the public in that Relevant Member State other than the offers contemplated in this Prospectus in Finland from the time this Prospectus has been approved by the Central Bank of Ireland, being the competent authority in Ireland, and published and notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in Finland until 19 October 2015, except that it may with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State in the circumstances set out below:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) *Fewer than 150 offered*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

FINNISH SELLING RESTRICTION

The offer of Notes to the public in Finland contemplated in this Prospectus constitutes a Non-exempt Offer. This Prospectus has been approved by the Central Bank of Ireland and published and notified to the Finnish Financial Supervisory Authority (*Finanssivalvonta*) in accordance with the Prospectus Directive. For the avoidance of doubt, this Prospectus has not been reviewed or approved by the Finnish Financial Supervisory Authority (*Finanssivalvonta*).

Each Dealer has undertaken, and each further Dealer appointed under the Programme will be required to undertake, that it will not publicly offer the Notes or bring the Notes into general circulation in Finland other than in compliance with all applicable provisions of the laws of Finland, including the Finnish Securities Markets Act (746/2012) and any regulation issued thereunder, as supplemented and amended from time to time.

GENERAL INFORMATION

1. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.
2. Application has been made to the Irish Stock Exchange for Notes to be admitted to the official list of the Irish Stock Exchange and trading on its regulated market.
3. The Issuer has undertaken, in connection with the admission to trading of the Notes, that if while the Notes are outstanding and listed on the official list and admitted to trading on the Irish Stock Exchange's Main Securities Market there shall occur any significant new factor which is not reflected in this Prospectus and/or there shall be any material mistake or inaccuracy relating to the information included in this Prospectus, in each case which is capable of affecting the assessment of the Notes, the Issuer will prepare or procure the preparation of any amendment or supplement to this Prospectus for use in connection with any subsequent offering by the Issuer of the Notes.
4. Save as disclosed in the section of this Prospectus entitled "*Description of the Issuer*", no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which UBS AG is aware) which may have, or have had in the recent past, significant effects on UBS AG's and/or UBS AG Group's financial position or profitability, are or have been pending during the last twelve months until the date of this Prospectus.
5. There has been no material adverse change in the prospects of the Issuer since 31 December 2014 and no significant change in the financial or trading position of the UBS AG Group since 30 June 2015.
6. For the years ended 31 December 2013 and 2014 the consolidated financial statements of UBS AG were audited, without qualifications, by Ernst & Young Ltd, chartered accountants. Ernst & Young Ltd is a member of the Swiss Chamber of Auditors.
7. For so long as the Notes shall be outstanding, electronic versions of the following documents (including English translations where relevant) may be inspected at the registered office of the Issuer and the office of the Finnish Agent in Helsinki:
 - (i) the Articles of Association of UBS AG;
 - (ii) this Prospectus and any amendment or supplement to this Prospectus;
 - (iii) the Base Prospectus and the Base Prospectus Supplement;
 - (iv) the Dealer Agreement;
 - (v) the Agency Agreement;
 - (vi) the Finnish Agency Agreement;
 - (vii) the Deed of Covenant; and
 - (viii) the published audited consolidated accounts and audit report of UBS AG for the financial years ended 31 December 2013 and 2014, and the published unaudited consolidated accounts of UBS AG for the second quarter ended 30 June 2015.
8. The Notes have been accepted for clearance through Euroclear Finland. The International Securities Identification Number for the Notes is FI4000167325.
9. There are no material contracts having been entered into outside the ordinary course of the Issuer's business, and which could result in any member of the UBS AG Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders.
10. Arthur Cox Listing Services Limited is acting solely in its capacity as Irish listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the official list or to

trading on the Main Securities Market of the Irish Stock Exchange for the purposes of this Prospectus Directive.

11. The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

REGISTERED OFFICE OF THE ISSUER

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DEALER

UBS Limited

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