

# Summary and Securities Note

dated 9 May 2017

of

**UBS AG**

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



for the issue of

**250,000 GBC Directors' Dealings Value Strategy Certificates**

**linked to the notional GBC Directors' Dealings Value Strategy Reference Portfolio  
(the "Underlying" or the notional "Reference Portfolio")**

ISIN CH0358664750  
WKN UBS1GB  
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This document comprises a securities note (the "**Securities Note**") and a summary (the "**Summary**") and, together with the registration document of UBS AG dated 19 December 2016, as supplemented by Supplement No. 1 dated 23 February 2017 and Supplement No. 2 dated 3 May 2017 (the "**Registration Document**"), constitutes a prospectus (the "**Prospectus**") according to Art. 5 (3) of the Prospectus Directive (Directive 2003/71/EC, as amended), as implemented by the relevant provisions of the EU member states, in connection with Regulation 809/2004 of the European Commission, as amended. The Securities Note contains information relating to the securities (the "**Securities**", and each a "**Security**") issued as well as offered to the public in the Federal Republic of Germany, Austria and the Grand Duchy of Luxembourg, and the Summary comprises a summary of the Registration Document and the Securities Note.

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

**THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE SECURITIES OR THE ACCURACY OR THE ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

**THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND ARE BEING SOLD PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES MAY INCLUDE SECURITIES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE U.S.**

COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "COMMODITY EXCHANGE ACT") OR BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED, SOLD OR, IN THE CASE OF BEARER SECURITIES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")). SEE "*SUBSCRIPTION AND SALE*".

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

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

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**I. SUMMARY OF THE PROSPECTUS****A. SUMMARY OF THE PROSPECTUS (IN THE ENGLISH LANGUAGE)**

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

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

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

Element	Section A – Introduction and warnings	
A.1	Warning.	<p><b>This Summary should be read as an introduction to the Prospectus. Any decision to invest in the Securities should be based on consideration of the Prospectus as a whole by the investor.</b></p> <p>Potential investors should be aware that where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the respective European Economic Area member state, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Those persons who are responsible for the summary including any translations thereof, or who have initiated the preparation can be held liable, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, all required key information.</p> <p>UBS AG, with registered offices at Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, and Aeschenvorstadt 1, CH-4051 Basle, Switzerland, (the "<b>Issuer</b>") assumes responsibility for the content of this Summary (including any translation hereof) pursuant to section 5 paragraph 2b No. 4 of the German Securities Prospectus Act (<i>Wertpapierprospektgesetz</i>).</p>
A.2	Consent by the issuer or person responsible for drawing up the prospectus to the use of the prospectus for subsequent resale or final placement of securities by financial intermediaries.	The Issuer consents to the use of the Prospectus in connection with a public offer of the Securities (a " <b>Public Offer</b> ") by UBS Limited, 5 Broadgate, London EC2M 2QS, United Kingdom (the " <b>Manager</b> ") as well as Dialog Vermögensmanagement GmbH, Stuttgart, Germany, (each an " <b>Authorised Offeror</b> ") on the following basis:
	Indication of the offer period within which subsequent resale or final placement of securities by financial inter-	(a) the Public Offer must occur as long as the Prospectus is valid in accordance with § 9 of the German Securities Prospectus Act ( <i>Wertpapierprospektgesetz, WpPG</i> ) (the " <b>Offer Period</b> "); and

	mediaries can be made and for which consent to use the prospectus is given.	
	Any other clear and objective conditions attached to the consent which are relevant for the use of the prospectus.	<p>(b) the Public Offer may only be made in the Federal Republic of Germany, Austria and the Grand Duchy of Luxembourg (each a "<b>Public Offer Jurisdiction</b>").</p> <p>(c) any Authorised Offeror which is not the Manager must comply with the applicable restrictions as if it were the Manager.</p>
	Notice in bold informing investors that information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer by the financial intermediary.	<b>Any Authorised Offeror will provide information to investors on the terms and conditions of the Public Offer of the Securities at the time such Public Offer is made by such Authorised Offeror to the investor.</b>

Element	Section B – Issuer	
<b>B.1</b>	Legal and commercial name of the issuer.	The legal and commercial name of the Issuer is UBS AG (the " <b>Issuer</b> " and together with its subsidiaries " <b>UBS AG (consolidated)</b> ", or " <b>UBS AG Group</b> " and together with UBS Group AG, the holding company of UBS AG, and its subsidiaries, " <b>UBS Group</b> ", " <b>Group</b> ", " <b>UBS</b> " or " <b>UBS Group AG (consolidated)</b> ").
<b>B.2</b>	Domicile, legal form, legislation and country of incorporation of the issuer.	<p>UBS AG in its present form was created on 29 June 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City. The registration number is CHE-101.329.561.</p> <p>UBS AG is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations as an <i>Aktiengesellschaft</i>, a corporation limited by shares.</p> <p>The addresses and telephone numbers of UBS AG's two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41 44 234 1111; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41 61 288 5050.</p>
<b>B.4b</b>	A description of any known trends affecting the issuer or the industries in which it operates.	<p><b>Trend Information</b></p> <p>As indicated in the UBS Group fourth quarter 2016 report, published on 27 January 2017, although macroeconomic uncertainty, geopolitical tensions and divisive politics continue to affect client sentiment and transaction volumes, UBS has begun to observe improved investor confidence, primarily in the US, which may benefit its wealth management businesses. Lower than expected and negative interest rates, particularly in Switzerland and the eurozone, continue to present headwinds to net interest margins, which may be offset by the effect of higher US dollar interest rates. Implementing Switzerland's new bank capital standards and the proposed further changes</p>

		to the international regulatory framework for banks will result in increasing capital requirements and costs. UBS will continue to execute its strategy with discipline, positioning it to mitigate these challenges and to benefit from any further improvement in market conditions.
<b>B.5</b>	Description of the group and the issuer's position within the group	<p>UBS AG is a Swiss bank and the parent company of the UBS AG Group. It is 100% owned by UBS Group AG, which is the holding company of the UBS Group. UBS operates as a group with five business divisions (Wealth Management, Wealth Management Americas, Personal &amp; Corporate Banking, Asset Management and the Investment Bank) and a Corporate Center.</p> <p>Since 2014, 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.</p> <p>In December 2014, UBS Group AG completed an exchange offer for the shares of UBS AG and became the holding company of the UBS Group. During 2015, UBS Group AG completed a court procedure under the Swiss Stock Exchange and Securities Trading Act resulting in the cancellation of the shares of the remaining minority shareholders of UBS AG. As a result, UBS Group AG owns 100% of the outstanding shares of UBS AG.</p> <p>In June 2015, UBS AG transferred its Personal &amp; Corporate Banking and Wealth Management businesses booked in Switzerland to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. Also in 2015, UBS implemented a more self-sufficient business and operating model for UBS Limited, UBS's investment banking subsidiary in the UK, and established UBS Business Solutions AG as a direct subsidiary of UBS Group AG to act as the Group service company. 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.</p> <p>In the second half of 2015, UBS transferred the ownership of the majority of its existing service subsidiaries outside the US to UBS Business Solutions AG, and expects to transfer shared services functions in Switzerland and the UK from UBS AG to this entity during 2017. As of 1 January 2017, UBS completed the transfer of the shared service employees in the US to the US service company, UBS Business Solutions US LLC, a subsidiary of UBS AG.</p> <p>As of 1 July 2016, UBS Americas Holding LLC was designated as intermediate holding company for UBS's US subsidiaries as required under the enhanced prudential standards regulations pursuant to the Dodd-Frank Act. UBS Americas Holding LLC holds all of UBS's US subsidiaries and is subject to US capital requirements, governance requirements and other prudential regulation.</p> <p>In addition, UBS transferred the majority of the operating subsidiaries of Asset Management to UBS Asset Management AG during 2016. Furthermore, UBS merged its Wealth Management subsidiaries in Italy, Luxembourg (including its branches in Austria, Denmark and Sweden), the Netherlands and Spain into UBS Deutschland AG, which was renamed to UBS Europe SE, to establish UBS's new European legal entity which is headquartered in Frankfurt, Germany.</p> <p>UBS continues to consider further changes to the Group's legal structure in response to regulatory requirements and other external developments, including the anticipated exit of the United Kingdom from the European Union. Such changes may include the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG, further consolidation of operating subsidiaries in the EU and adjustments to the</p>

		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.																																																																																																												
<b>B.9</b>	Profit forecast or estimate.	Not applicable; no profit forecast or estimate is included in this Prospectus.																																																																																																												
<b>B.10</b>	Qualifications in the audit report.	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 2016 and 31 December 2015.																																																																																																												
<b>B.12</b>	Selected historical key financial information.	<p>UBS AG took the selected consolidated financial information included in the table below, except where indicated, from the Annual Report 2016, which contains the audited consolidated financial statements of UBS AG, as well as additional unaudited consolidated financial information, for the year ended 31 December 2016 and comparative figures for the years ended 31 December 2015 and 2014.</p> <p>The consolidated financial statements for the years ended on 31 December 2016, 31 December 2015 and 31 December 2014 were prepared in accordance with International Financial Reporting Standards ("<b>IFRS</b>") issued by the International Accounting Standards Board ("<b>IASB</b>") and are stated in Swiss francs ("<b>CHF</b>").</p> <p>Information for the years ended 31 December 2016, 2015 and 2014 which is indicated as being unaudited in the table below was included in the Annual Report 2016, 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.</p>																																																																																																												
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	(fully applied) <sup>8</sup>			
	Common equity tier 1 capital (phase-in) <sup>8</sup>	39,474	41,516	44,090
	Risk-weighted assets (fully applied) <sup>8</sup>	223,232*	208,186*	217,158*
	Common equity tier 1 capital ratio (phase-in, %) <sup>7,8</sup>	17.5*	19.5*	19.9*
	Going concern capital ratio (fully applied, %) <sup>10</sup>	16.3*	-	-
	Going concern capital ratio (phase-in, %) <sup>10</sup>	22.6*	-	-
	Common equity tier 1 leverage ratio (fully applied, %) <sup>13</sup>	3.7*	3.6*	3.1*
	Going concern leverage ratio (fully applied, %) <sup>9,10</sup>	4.2*	-	-
	Leverage ratio denominator (fully applied) <sup>13</sup>	870,942*	898,251*	999,124*
	<b>Other</b>			
	Invested assets (CHF billion) <sup>14</sup>	2,821	2,689	2,734
	Personnel (full-time equivalents)	56,208*	58,131*	60,155*
	* unaudited			
	<sup>1</sup> Net profit attributable to shareholders before amortization and impairment of goodwill and intangible assets (annualized as applicable) / average equity attributable to shareholders less average goodwill and intangible assets.			
	<sup>2</sup> Operating income before credit loss (expense) or recovery (annualized as applicable) / average total assets.			
	<sup>3</sup> Operating expenses / operating income before credit loss (expense) or recovery.			
	<sup>4</sup> Change in net profit attributable to shareholders from continuing operations between current and comparison periods / net profit attributable to 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.			
	<sup>5</sup> Net new money growth for combined wealth management businesses is calculated as the aggregate of the net new money for the period (annualized as applicable) of the business divisions Wealth Management and Wealth Management Americas / aggregate invested assets at the beginning of the period of the business divisions Wealth Management and Wealth Management Americas. Net new money and invested assets are each taken from the "Wealth Management" and "Wealth Management Americas" sections of the management report contained in the Annual Report 2016, under "Financial and operating performance". Net new money growth for combined wealth management businesses is based on adjusted net new money, which excludes the negative effect on net new money in 2015 of CHF 9.9 billion in Wealth Management from UBS's balance sheet and capital optimization program.			
	<sup>6</sup> Subsequent to the publication of the fourth quarter 2016 report, the Annual General Meeting of shareholders of UBS AG approved the distribution of a CHF 2,250 million dividend from UBS AG to UBS Group AG, which was higher than the previously estimated amount. This, in combination with the adjusting event after the reporting period described in "Note 35 Events after the reporting period" to the UBS AG's consolidated financial statements included in the Annual Report 2016, resulted in a reduction of CET1 capital (CHF 607 million on a fully applied basis and CHF 585 million on a phase-in basis), a reduction in the leverage ratio denominator (CHF 45 million on a fully applied basis and CHF 27 million on a phase-in basis) and respective capital ratios of UBS AG consolidated as of 31 December 2016.			
	<sup>7</sup> Common equity tier 1 capital / risk-weighted assets.			
	<sup>8</sup> Based on the Basel III framework as applicable for Swiss systemically relevant banks.			
	<sup>9</sup> Total going concern capital / leverage ratio denominator.			
	<sup>10</sup> Based on the revised Swiss SRB framework that became effective on 1 July 2016. Figures for prior periods are not available.			
	<sup>11</sup> Net profit attributable to shareholders (annualized as applicable) / average equity attributable to shareholders.			
	<sup>12</sup> Based on fully applied risk-weighted assets for all periods presented. This consolidated financial information was taken from the Annual Report 2016. Figures as of 31 December 2015 and 31 December 2014 do not correspond to the figures contained in the Annual Report 2015 or the Annual Report 2014, which were based on phase-in risk-weighted assets.			
	<sup>13</sup> Calculated in accordance with Swiss SRB rules. From 31 December 2015 onward, the leverage ratio denominator calculation is aligned with the Basel III rules. Figures for periods prior to 31 December 2015 are calculated in accordance with former Swiss SRB rules and are therefore not fully comparable.			
	<sup>14</sup> Includes invested assets for Personal & Corporate Banking.			
	Material adverse change statement.	There has been no material adverse change in the prospects of UBS AG or UBS AG Group since 31 December 2016.		
	Significant	Not applicable, there has been no significant change in the financial or		

	changes in the financial or trading position.	trading position of UBS AG or UBS AG Group since 31 December 2016, which is the end of the last financial period for which interim financial information has been published.
<b>B.13</b>	Any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency	Not applicable, no recent events particular to UBS AG have occurred, which are to a material extent relevant to the evaluation of the UBS AG's solvency.
<b>B.14</b>	Description of the group and the issuer's position within the group.  Dependence upon other entities within the group.	Please see Element B.5  UBS AG is the parent company of, and conducts a significant portion of its operations through, subsidiaries. As such, to a certain extent, it is dependent on certain of its subsidiaries.
<b>B.15</b>	Issuer's principal activities.	UBS AG with its subsidiaries provides financial advice and solutions to private, institutional and corporate clients worldwide, as well as private clients in Switzerland. The operational structure of the Group is comprised of the Corporate Center and five business divisions: Wealth Management, Wealth Management Americas, Personal & Corporate Banking, Asset Management and the Investment Bank. UBS's strategy is centered on its leading wealth management businesses and its premier universal bank in Switzerland, which are enhanced by Asset Management and the Investment Bank. UBS focuses on businesses that, in its opinion, have a strong competitive position in their targeted markets, are capital efficient, and have an attractive long-term structural growth or profitability outlook.  According to article 2 of the Articles of Association of UBS AG, dated 4 May 2016 (" <b>Articles of Association</b> "), 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 borrow and invest money on the capital markets. UBS AG is part of the group of companies controlled by the group parent company UBS Group AG. It may promote the interests of the group parent company or other group companies. It may provide loans, guarantees and other kinds of financing and security for group companies.
<b>B.16</b>	Direct or indirect shareholdings or control agreements of the issuer.	UBS Group AG owns 100% of the outstanding shares of UBS AG.

Element	Section C – Securities	
<b>C.1</b>	Type and the class of the securities, security identification number.	<p><b>Type and Form of Securities</b> The Securities are not capital protected certificates.</p> <p>The Securities are issued as uncertificated securities (<i>Wertrechte</i>; "<b>Uncertificated Securities</b>") pursuant to article 973c of the Swiss Code of Obligations ("<b>CO</b>"). Uncertificated Securities are registered in the main register of a Swiss depository (<i>Verwahrungsstelle</i>; "<b>FISA Depository</b>")</p>

		<p>according to the Swiss Federal Act on Intermediated Securities ("<b>FISA</b>"). Upon (a) entering the Uncertificated Securities into the main register of a FISA Depository and (b) booking the Securities into a securities account at a FISA Depository, the Uncertificated Securities will constitute intermediated securities within the meaning of the FISA (<i>Bucheffekten</i>; "<b>Intermediated Securities</b>"). The Issuer has instructed SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Switzerland, ("<b>SIS</b>" or the "<b>Clearing System</b>") to also act as FISA Depository, but reserves the right to choose any other FISA Depository, including UBS AG.</p> <p>Intermediated Securities are transferred and otherwise disposed of in accordance with the provisions of the FISA and the relevant agreements with the respective FISA Depository (in particular, neither the Intermediated Securities nor any rights pertaining to the Intermediated Securities may be transferred by way of assignment pursuant to articles 164 et seq. CO without the prior written consent of the Issuer).</p> <p>The holders of the Securities shall at no time have the right to demand (a) conversion of Uncertificated Securities into physical securities and/or (b) delivery of physical securities. For the avoidance of doubt and regardless of such conversion, Uncertificated Securities will at any time constitute Intermediated Securities.</p> <p><b>Security identification number(s) of the Securities</b>  ISIN: CH0358664750  WKN: UBS1GB  Valor: 35866475</p>
<b>C.2</b>	Currency of the securities.	Euro (the " <b>Redemption Currency</b> ")
<b>C.5</b>	Restrictions on the free transferability of the securities.	Not applicable; no restrictions on the free transferability of the Securities apply.
<b>C.8</b>	Rights attached to the securities, including ranking and limitations to those rights.	<p><b>Governing law of the Securities</b>  The Securities are governed by Swiss law.</p> <p><b>Rights attached to the Securities</b>  The Securities provide, subject to the Terms and Conditions of the Securities, Securityholders, upon exercise, with a claim for payment of the Redemption Amount (as defined in element C.18 below) in the Redemption Currency. During their term, the Securities do not generate any regular income (e.g. dividends or interest).</p> <p><b>Limitation of the rights attached to the Securities</b>  Under the conditions set out in the Terms and Conditions of the Securities, the Issuer is entitled to terminate the Securities and to make certain adjustments to the Terms and Conditions of the Securities.</p> <p><b>Status of the Securities</b>  The Securities will constitute direct, unsecured and unsubordinated obligations of the Issuer, ranking <i>pari passu</i> among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law.</p>
<b>C.11</b>	Admission to trading on a regulated market or other equivalent markets.	<p>Not applicable. The Issuer intends to apply for the listing of the Securities on the unofficial regulated market (<i>Third Section</i>) at Frankfurt Stock Exchange and Stuttgart Stock Exchange.</p> <p>Provided that the Securities have not been terminated by the Issuer prior to the Expiration Date, trading of the Securities shall cease two Business Days prior to the Expiration Date (such day, the "<b>Last Exchange Trading Day</b>").</p>

		As of the Last Exchange Trading Day trading may only take place off exchange with the Manager.
<b>C.15</b>	Influence of the underlying on the value of the securities.	<p>The value of the Securities during their term depends on the performance of the notional Reference Portfolio used as the Underlying. In case the level of the Underlying increases, also the value of the Securities will increase. In case the level of the Underlying decreases, also the value of the Securities will decrease.</p> <p>In particular, the Redemption Amount, (as defined in Element C.18 below), if any, to be received by the Securityholder depends on the performance of the notional Reference Portfolio. In detail:</p> <p>The Securities allow investors to participate, considering the fees on the level of the notional Reference Portfolio, in the positive development of the notional Reference Portfolio. Conversely, investors in the Securities also participate in the negative development of the notional Reference Portfolio.</p> <p>Securityholders receive on the Maturity Date the Redemption Amount.</p> <p><b>For the avoidance of doubt:</b> Whilst the Redemption Amount is linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the net proceeds of the issuance of the Securities in any Reference Portfolio Component at any time; the net proceeds will be used for hedging and general corporate purposes of the Issuer only. The Securityholders do not have any direct interest in, or beneficial ownership of any Reference Portfolio Component at any time.</p> <p>During their term, the Securities do not generate any regular income (e.g. dividends or interest).</p>
<b>C.16</b>	Expiration or maturity date, the exercise date or final reference date.	<p>The Maturity Date means the fifth Business Day following the relevant Valuation Date.</p> <p>The Valuation Date means, subject to any Market Disruption in accordance with § 9 of the Conditions of the Securities, (i) in case of a redemption of the Securities in accordance with § 1 of the Conditions of the Securities, the Expiration Date, (ii) in case of a termination of the term of the Securities by the Issuer in accordance with § 2 (4) of the Conditions of the Securities, the relevant Issuer Termination Date, (iii) in case of an automatic termination of the term of the Securities in accordance with § 3 of the Conditions of the Securities, the relevant Automatic Termination Date, and (iv) in case of an extraordinary termination by the Issuer in accordance with § 8 of the Conditions of the Securities, the relevant Extraordinary Termination Date.</p> <p>The Expiration Date means, subject to an extension of the term of the Securities and to any Market Disruption in accordance with the Conditions of the Securities, 3 July 2024. The Issuer is entitled to extend, by giving notice to the Securityholder in accordance with the Conditions of the Securities the maturity of all outstanding Securities for additional periods of seven (7) calendar years each, in which case the "Expiration Date" shall be deemed to be the date falling seven (7) calendar years after the initially scheduled Expiration Date. There is no limit to the number of times the Issuer may extend the maturity of the Securities.</p>
<b>C.17</b>	Settlement procedure of the derivative securities.	Payments shall, in all cases subject to any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer agree to be subject, be made in accordance with the relevant regulation and operating procedure applicable to and/or issued by the Clearing System (the " <b>CA Rules</b> ") to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

		<p>The Issuer shall be discharged from its redemption obligations or any other payment obligations under the Securities by delivery to the Clearing System in the manner described above.</p>
<p><b>C.18</b></p>	<p>A description of how the return on derivative securities takes place.</p>	<p>Securityholders will receive on the relevant Maturity Date payment of a Settlement Amount in the Redemption Currency, if applicable, commercially rounded to two decimal points (the "<b>Redemption Amount</b>").</p> <p>The "<b>Settlement Amount</b>", which cannot be negative, is calculated by multiplying EUR 100.00 by the performance of the Reference Portfolio from the "Fixing Date" to the "Valuation Date" and is, consequently calculated in accordance with the following formula:</p> $\text{EUR } 100.00 \times \text{Max} \left( 0; \frac{\text{FinalReferencePortfolioLevel}}{\text{InitialReferencePortfolioLevel}} \right)$ <p><b>Automatic Termination of the Securities</b></p> <p>In the case Dialog Vermögensmanagement GmbH ceases to be or to act as Reference Portfolio Advisor (an "<b>Automatic Termination Event</b>"), the term of all outstanding Securities is automatically terminated and each Securityholder will receive on the relevant Maturity Date payment of the Early Settlement Amount in the Redemption Currency, if applicable, commercially rounded to two decimal points (the "<b>Automatic Termination Amount</b>").</p> <p>The "<b>Early Settlement Amount</b>", which cannot be negative, is calculated by multiplying EUR 100.00 by the performance of the Reference Portfolio from the Reference Portfolio Creation Date (3 July 2017) to the relevant Valuation Date and is, consequently, calculated in accordance with the following formula:</p> $\text{EUR } 100.00 \times \text{Max} \left( 0; \frac{\text{EarlyReferencePortfolioLevel}}{\text{InitialReferencePortfolioLevel}} \right)$ <p><b>Termination of the Securities by the Issuer</b></p> <p>The Issuer shall in accordance with the Terms and Conditions of the Securities be entitled on each of 31 March, 30 June, 30 September and 31 December (each an "<b>Issuer Termination Date</b>") for the first time on 30 September 2017 (including) to terminate and redeem, subject to a period of notice of thirty (30) Business Days, all but not some of the Securities by way of publication with effect as of the relevant Issuer Termination Date. In the case of termination and redemption by the Issuer, the Issuer shall pay to each Securityholder with respect to each Security it holds, an amount equal to the Redemption Amount (as defined above).</p> <p><b>Extraordinary Termination of the Securities by the Issuer</b></p> <p>The Issuer shall in the case of the occurrence of a Termination Event in accordance with the Terms and Conditions of the Securities be entitled to extraordinary terminate and redeem all but not some of the Securities by giving notice to the Securityholders. In the case of an extraordinary termination by the Issuer the Issuer shall pay to each Securityholder with respect to each Security it holds, an amount in the Redemption Currency with respect to each Security, which is determined by UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland, acting through its London Branch, 5 Broadgate, London EC2M 2QS, United Kingdom, (the "<b>Calculation Agent</b>") at its reasonable</p>

		discretion and, if applicable, considering the then prevailing Level of the Reference Portfolio and the expenses of the Issuer caused by the termination, as the fair market price of a Security at the occurrence of such termination.
<b>C.19</b>	Exercise price or final reference price of the underlying.	<p>The Final Reference Portfolio Level means, subject to a disruption event in accordance with the Conditions of the Securities, the value of the notional Reference Portfolio as determined by the Calculation Agent on the Valuation Date in relation to the Expiration Date, whereby the relevant value of the Reference Portfolio shall be equal to:</p> <p>(i) the sum of the sale proceeds as converted into EUR where applicable, using the then prevailing exchange rate, as determined by the Calculation Agent in its reasonable discretion, that would be realized by a notional investor (in the same position as the Issuer) when selling and/or, as the case may be, unwinding the Stock Constituents, then comprised in the notional Reference Portfolio <b>plus</b></p> <p>(ii) the value of the Cash Position <b>minus</b></p> <p>(iii) any accrued but not yet deducted Reference Portfolio Fees and Adjustment Fees.</p>
<b>C.20</b>	Type of the underlying and where the information on the underlying can be found.	<p><b>Type of Underlying:</b></p> <p>The Reference Portfolio means the notional Euro ("<b>EUR</b>") denominated GBC Directors' Dealings Value Strategy Reference Portfolio (the "<b>Underlying</b>" or the notional "<b>Reference Portfolio</b>"), actively managed, created and maintained by Dialog Vermögensmanagement GmbH, Stuttgart, Germany, (the "<b>Reference Portfolio Advisor</b>") and subject to adjustments by the Issuer in case of the occurrence of potential adjustment events pursuant to the Terms and Conditions of the Securities.</p> <p>The Reference Portfolio aims to replicate the performance of (i) a long only basket of selected stocks (each a "<b>Stock<sub>(i)</sub></b>" or, as the case may be, a "<b>Stock Constituent<sub>(i)</sub></b>" and together the "<b>Stocks</b>" or, as the case may be, the "<b>Stock Constituents</b>") comprised in either the Deutsche Börse AG German Stock Index DAX, the Deutsche Börse AG DAX Mid-Cap Index, the Deutsche Börse SDAX Performance Index, the Deutsche Börse TecDAX Total Return Selection Index, the Deutsche Börse AG Composite DAX CDAX Index, the Austrian ATX Prime Index, the SMI Expanded Price Index, the Deutsche Börse Classic All Share Performance Index, the Deutsche Börse Scale All Share Price Index or the Vienna Stock Exchange Share Index, (ii) from time to time, an EUR denominated cash position which shall be at all times equal to or greater than zero (the "<b>Cash Position</b>"; which together with the Stock Constituents shall be referred to as the "<b>Reference Portfolio Components</b>"), less fees, costs and expenses.</p> <p>The Reference Portfolio Advisor manages the Reference Portfolio in accordance with the Reference Portfolio Guidelines.</p> <p>The Reference Portfolio is initiated on 3 July 2017 by the Reference Portfolio Advisor.</p> <p>Information about the Reference Portfolio and its past and the further performance and its volatility can be obtained on the website <a href="http://www.ubs.com/keyinvest">www.ubs.com/keyinvest</a> or any successor address notified by the Issuer to the Securityholders for this purpose by way of publication on <a href="http://www.ubs.com/keyinvest">www.ubs.com/keyinvest</a>.</p>

Element	Section D – Risks	
D.2	Key information on the key risks that are specific and individual to the issuer.	<p>The purchase of Securities is associated with certain risks.</p> <p>The Securities entail an issuer risk, also referred to as debtor risk or credit risk for prospective investors. An issuer risk is the risk that UBS AG becomes temporarily or permanently unable to meet its obligations under the Securities.</p> <p><b>General insolvency risk</b></p> <p>Each investor bears the general risk that the financial situation of the Issuer could deteriorate. The debt or derivative securities of the Issuer will constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, in particular in the case of insolvency of the Issuer, rank <i>pari passu</i> with each other and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions. The Issuer's obligations relating to the Securities are not protected by any statutory or voluntary deposit guarantee system or compensation scheme. <b>In the event of insolvency of the Issuer, investors may thus experience a total loss of their investment in the Securities.</b></p> <p>UBS AG as Issuer and UBS are subject to various risks relating to their business activities. Summarised below are the risks that may impact UBS's ability to execute its strategy, and affect its business activities, financial condition, results of operations and prospects, which the Group considers material and is presently aware of:</p> <ul style="list-style-type: none"> <li>• The general assessment of UBS's creditworthiness may affect the value of the Securities</li> <li>• Fluctuation in foreign exchange rates and continuing low or negative interest rates may have a detrimental effect on UBS's capital strength, UBS's liquidity and funding position, and UBS's profitability</li> <li>• Regulatory and legal changes may adversely affect UBS's business and ability to execute its strategic plans</li> <li>• If UBS is unable to maintain its capital strength, this may adversely affect its ability to execute its strategy, client franchise and competitive position</li> <li>• UBS may not be successful in completing its announced strategic plans</li> <li>• Material legal and regulatory risks arise in the conduct of UBS's business</li> <li>• Operational risks affect UBS's business</li> <li>• UBS's reputation is critical to the success of its business</li> <li>• Performance in the financial services industry is affected by market conditions and the macroeconomic climate</li> <li>• UBS may not be successful in implementing changes in its wealth management businesses to meet changing market, regulatory and other conditions</li> <li>• UBS might be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees</li> </ul>

		<ul style="list-style-type: none"> <li>• 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</li> <li>• UBS is dependent on its risk management and control processes to avoid or limit potential losses in its businesses</li> <li>• Valuations of certain positions rely on models; models have inherent limitations and may use inputs which have no observable source</li> <li>• Liquidity and funding management are critical to UBS's ongoing performance</li> <li>• UBS's financial results may be negatively affected by changes to accounting standards</li> <li>• UBS's financial results may be negatively affected by changes to assumptions supporting the value of UBS's goodwill</li> <li>• The effect of taxes on UBS's financial results is significantly influenced by reassessments of its deferred tax assets</li> <li>• UBS's stated capital returns objective is based, in part, on capital ratios that are subject to regulatory change and may fluctuate significantly</li> <li>• 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</li> <li>• If UBS experiences financial difficulties, FINMA has the power to open resolution or liquidation proceedings or impose protective measures in relation to UBS Group AG, UBS AG or UBS Switzerland AG, and such proceedings or measures may have a material adverse effect on shareholders and creditors</li> </ul>
D.6	Key information on the risks that are specific and individual to the securities.	<p>Potential investors of the Securities should recognise that the Securities <b>constitute a risk investment</b> which can lead to a <b>total loss</b> of their investment in the Securities. Securityholders will incur a loss, if the amounts received in accordance with the Terms and Conditions of the Securities is below the purchase price of the Securities (including the transaction costs). Any investor bears the risk of the Issuer's financial situation worsening and the potential subsequent inability of the Issuer to pay its obligations under the Securities. Potential investors must therefore be prepared and able to sustain a partial or even a <b>total loss</b> of the invested capital. Any investors interested in purchasing the Securities should assess their financial situation, to ensure that they are in a position to bear the <b>risks of loss</b> connected with the Securities.</p> <p><b>Security specific Risks</b></p> <p><b>1. <u>Special risks related to specific features of the Security structure</u></b></p> <p>Prior to investing in the Securities, potential investors should note that the following special features of the Securities may have a negative impact on the value of the Securities or, as the case may be, on any amount, if any, payable according to the Terms and Conditions of the Securities and that the Securities accordingly have special risk profiles:</p>



		<p><b><i>Currency exchange rate risk</i></b></p> <p>The value of the Reference Portfolio Components comprised in the notional Reference Portfolio may be determined in currencies other than the Redemption Currency. Potential investors should, therefore, be aware that investments in these Securities could entail risks due to fluctuating exchange rates, and that the risk of loss does not depend solely on the performance of the Reference Portfolio Components comprised in the notional Reference Portfolio, but also on unfavourable developments in the value of the foreign currency, currency unit or calculation unit.</p> <p>Such developments can additionally increase the Securityholders' exposure to losses, because an unfavourable performance of the relevant currency exchange rate may correspondingly decrease the value of the purchased Securities during their term or, as the case may be, the level of the Redemption Amount, the Termination Amount or, as the case may be, the Automatic Termination Amount. Currency exchange rates are determined by factors of offer and demand on the international currency exchange markets, which are themselves exposed to economic factors, speculations and measures by governments and central banks (for example monetary controls or restrictions).</p> <p><b><i>Extension of the Term of the Securities at the option of the Issuer</i></b></p> <p>Potential investors in the Securities should also be aware that according to the Terms and Conditions of the Securities, the Issuer is entitled to extend, by giving notice to the Securityholder prior to the then existing Expiration Date (or any later expiration date resulting from any extension of the maturity of the Securities) the maturity of all then outstanding Securities for an additional period of seven (7) years, in which case the "Expiration Date" shall be deemed to be the date falling seven (7) years after the scheduled Expiration Date (the "<b>Issuer Extension Option</b>"). There is no limit to the number of times the Issuer may extend the maturity of the Securities. In case that the Issuer exercises the Issuer Extension Option and unless a Securityholder terminates the Securities held by it in accordance with the Terms and Conditions of the Securities by exercising the Securityholder Non-Extension Option, investors in the Securities will receive any final payments under the Securities later than scheduled at the Issue Date of the Securities.</p> <p><b>2. <u>Effect of downgrading of the Issuer's rating</u></b></p> <p>The general assessment of the Issuer's creditworthiness may affect the value of the Securities. As a result, any downgrading of the Issuer's rating by a rating agency may have a negative impact on the value of the Securities.</p> <p><b>3. <u>Ratings are not Recommendations</u></b></p> <p>The ratings of UBS AG as Issuer should be evaluated independently from similar ratings of other entities, and from the rating, if any, of the debt or derivative securities issued. A credit rating is not a recommendation to buy, sell or hold securities issued or guaranteed by the rated entity and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p>A rating of the Securities, if any, is not a recommendation to buy, sell or hold the Securities and may be subject to revision or withdrawal at any time by the relevant rating agency. Each rating should be evaluated independently of any other securities rating,</p>
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		<p>both in respect of the rating agency and the type of security. Furthermore, rating agencies which have not been hired by the Issuer or otherwise to rate the Securities could seek to rate the Securities and if such "unsolicited ratings" are lower than the equivalent rating assigned to the Securities by the relevant hired rating agency, such ratings could have an adverse effect on the value of the Securities.</p> <p><b>4. <u>No statutory or voluntary deposit guarantee scheme</u></b> The Issuer's obligations relating to the Securities are not protected by any statutory or voluntary deposit guarantee system or compensation scheme. <b>In the event of insolvency of the Issuer, investors may thus experience a total loss of their investment in the Securities.</b></p> <p><b>5. <u>Securityholders are exposed to the risk of a bail-in</u></b> The Issuer and the Securities are subject to the Swiss Banking Act and FINMA's bank insolvency ordinance, which empowers FINMA as the competent resolution authority to in particular apply under certain circumstances certain resolution tools to credit institutions. These measures include in particular the write-down or conversion of securities into common equity of such credit institution (the so called bail-in). A write-down or conversion would have the effect that the Issuer would insofar be released from its obligations under the Securities. Securityholders would have no further claim against the Issuer under the Securities. The resolution tools may, hence, have a significant negative impact on the Securityholders' rights by suspending, modifying and wholly or partially extinguishing claims under the Securities. In the worst case, this can lead to a <b>total loss of the Securityholders' investment in the Securities.</b></p> <p>Such legal provisions and/or regulatory measures may severely affect the rights of the Securityholders and may have a negative impact on the value of the Securities even prior to any non-viability or resolution in relation to the Issuer.</p> <p><b>6. <u>The Conditions of the Securities do not contain any restrictions on the Issuer's or UBS's ability to restructure its business</u></b> The Conditions of the Securities contain no restrictions on change of control events or structural changes, such as consolidations or mergers or demergers of the Issuer or the sale, assignment, spin-off, contribution, distribution, transfer or other disposal of all or any portion of the Issuer's or its subsidiaries' properties or assets in connection with the announced changes to its legal structure or otherwise and no event of default, requirement to repurchase the Securities or other event will be triggered under the Conditions of the Securities 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 pay interest on the Securities and/or lead to circumstances in which the Issuer may elect to cancel such interest (if applicable).</p> <p><b>7. <u>Termination and Early Redemption at the option of the Issuer</u></b> Potential investors in the Securities should furthermore be aware that the Issuer is, pursuant to the Conditions of the Securities, under certain circumstances, entitled to terminate and redeem the Securities in total prior to the scheduled Maturity Date. In this case the Securityholder is in accordance with the Conditions of the Securities entitled to demand the payment of a redemption amount</p>
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		<p>in relation to this early redemption. However, the Securityholder is not entitled to request any further payments on the Securities after the relevant termination date. Furthermore, the Termination Amount, if any, payable in the case of an early redemption of the Securities by the Issuer can be considerably below the amount, which would be payable at the scheduled end of the term of the Securities.</p> <p>The Securityholder, therefore, bears the risk of not participating in the performance of the notional Reference Portfolio and its respective Reference Portfolio Components to the expected extent and during the expected period and, therefore, receives less than its capital invested.</p> <p>In the case of a termination of the Securities by the Issuer, the Securityholder bears the risk of a reinvestment, i.e. the investor bears the risk that it will have to re-invest the Termination Amount, if any, paid by the Issuer in the case of termination at market conditions, which are less favourable than those existing prevailing at the time of the acquisition of the Securities.</p> <p><b>8. <u>Possible fluctuations in the Level of the Reference Portfolio after termination of the Securities</u></b>  In the event that the term of the Securities is terminated early by the Issuer pursuant to the Terms and Conditions of the Securities, potential investors of the Securities should note that any adverse fluctuations in the Level of the notional Reference Portfolio between the announcement of the termination by the Issuer and the determination of the level of the notional Reference Portfolio relevant for the calculation of the then payable Termination Amount are borne by the Securityholders.</p> <p><b>9. <u>Adverse impact of adjustments of the Security Right</u></b>  It cannot be excluded that certain events occur or certain measures are taken (by parties other than the Issuer) in relation to the notional Reference Portfolio, which potentially lead to changes to the notional Reference Portfolio or result in the underlying concept of the notional Reference Portfolio being changed, so-called potential adjustment events. In the case of the occurrence of a potential adjustment event, the Issuer shall be entitled to effect adjustments according to the Terms and Conditions of the Securities to account for these events or measures. The adjustments to the Stock Constituents comprised in the notional Reference Portfolio might have a negative impact on the value of the Securities.</p> <p><b>10. <u>Substitution of the Issuer</u></b>  Provided that the Issuer is not in default with its obligations under the Securities, the Issuer is in accordance with the Terms and Conditions of the Securities, at any time entitled, without the consent of the Securityholders, to substitute another company within the UBS Group as issuer (the "<b>Substitute Issuer</b>") with respect to all obligations under or in connection with the Securities.</p> <p>This may impact any listing of the Securities and, in particular, it may be necessary for the Substitute Issuer to reapply for listing on the relevant market or stock exchange on which the Securities are listed. In addition, following such a substitution, Securityholders will become subject to the credit risk of the Substitute Issuer.</p> <p><b>11. <u>Determinations by the Calculation Agent</u></b>  The Calculation Agent has certain discretion under the Terms and Conditions of the Securities (i) to determine whether certain events</p>
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		<p>have occurred (in particular, the occurrence of a potential adjustment event or a Market Disruption in accordance with the Terms and Conditions of the Securities), (ii) to determine any resulting adjustments and calculations, (iii) also to make adjustments to the Reference Portfolio Components and (iv) to postpone valuations or payments under the Securities. The Calculation Agent will make any such determination at its reasonable discretion and in a commercially reasonable manner. Potential investors should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Securities. Any such discretion exercised by, or any determination made by, the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Securityholders.</p> <p><b>12. <u>Other factors affecting the value</u></b>  The value of a Security is determined not only by changes in the notional Reference Portfolio, but also by a number of other factors. Since several risk factors may have simultaneous effects on the Securities, the effect of a particular risk factor cannot be predicted. In addition, several risk factors may have a compounding effect which may not be predictable. No assurance can be given with regard to the effect that any combination of risk factors may have on the value of the Securities.</p> <p>Prospective investors of the Securities should be aware that an investment in the Securities involves a valuation risk with regard to the notional Reference Portfolio. They should have experience with transactions in securities with a value derived from the notional Reference Portfolio and its respective Reference Portfolio Components. The value of the notional Reference Portfolio may vary over time and may increase or decrease by reference to a variety of factors which may include macro economic factors and speculation. In addition, the historical performance of the notional Reference Portfolio and its respective Reference Portfolio Components is not an indication of its future performance. Changes in the prices in relation to the notional Reference Portfolio and its respective Reference Portfolio Components will affect the trading price of the Securities, and it is impossible to predict whether the prices in relation to the notional Reference Portfolio and its respective Reference Portfolio Components will rise or fall.</p> <p><b>13. <u>Effect of ancillary costs</u></b>  Commissions and other transaction costs incurred in connection with the purchase or sale of Securities may result in charges, particularly in combination with a low order value, <b>which can substantially reduce any Redemption Amount, if any, to be paid under the Securities.</b> Before acquiring a Security, potential investors should therefore inform themselves of all costs incurred through the purchase or sale of the Security, including any costs charged by their custodian banks upon purchase and maturity of the Securities.</p> <p><b>14. <u>Trading in the Securities / Illiquidity</u></b>  It is not possible to predict if and to what extent a secondary market may develop in the Securities or at what price the Securities will trade in the secondary market or whether such market will be liquid or illiquid.</p> <p>Applications will be made for inclusion of the Securities on the unofficial regulated market (<i>Third Section</i>) of the Frankfurt Stock Exchange and Stuttgart Stock Exchange. If the Securities are admitted or listed, no assurance is given that any such admission or</p>
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		<p>listing will be maintained. The fact that the Securities are admitted to trading or listed does not necessarily denote greater liquidity than if this were not the case. If the Securities are not listed or traded on any exchange, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities, if any, may be adversely affected. The liquidity of the Securities, if any, may also be affected by restrictions on the purchase and sale of the Securities in some jurisdictions. Additionally, the Issuer has the right (but no obligation) to purchase Securities at any time and at any price in the open market or by tender or private agreement. Any Securities so purchased may be held or resold or surrendered for cancellation.</p> <p>In addition, it cannot be excluded that the number of Securities actually issued and purchased by investors is less than the intended Issue Size of the Securities. Consequently, there is the risk that due to the low volume of Securities actually issued the liquidity of the Securities is lower than if all Securities were issued and purchased by investors.</p> <p>The Manager intends, under normal market conditions, to provide bid and offer prices for the Securities of an issue on a regular basis. However, the Manager makes no firm commitment to the Issuer to provide liquidity by means of bid and offer prices for the Securities, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. <b>Potential investors therefore should not rely on the ability to sell Securities at a specific time or at a specific price.</b></p> <p><b>15. <u>Borrowed funds</u></b> If the purchase of Securities is financed by borrowed funds and investors' expectations are not met, they not only suffer the loss incurred under the Securities, but in addition also have to pay interest on and repay the loan. This produces a substantial increase in investors' risk of loss. Investors of Securities should never rely on being able to redeem and pay interest on the loan through gains from a Securities transaction. Rather, before financing the purchase of a Security with borrowed funds, the investors' financial situations should be assessed, as to their ability to pay interest on or redeem the loan immediately, even if they incur losses instead of the expected gains.</p> <p><b>16. <u>Taxation in relation to the Securities</u></b> Potential investors should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Securities are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Securities. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Securities. Only these advisors are in a position to duly consider the specific situation of the potential investor.</p> <p><b>17. <u>Payments under the Securities may be subject to U.S. withholdings</u></b> Securityholders should, consequently, be aware that payments under the Securities may under certain circumstances be subject to U.S. withholding tax. If an amount in respect of such U.S. withholding tax were to be deducted or withheld from payments on the Securities, none of the Issuer, any paying agent or any other person would, pursuant to the Conditions of the Securities, be</p>
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		<p>required to pay additional amounts as a result of the deduction or withholding of such tax.</p> <p><b>18. <u>Changes in Taxation in relation to the Securities</u></b>  The considerations concerning the taxation of the Securities set forth in the Securities Note reflect the opinion of the Issuer on the basis of the legal situation identifiable as of the date of the Securities Note. However, a different tax treatment by the fiscal authorities and tax courts cannot be excluded. Each investor should seek the advice of his or her personal tax consultant before deciding whether to purchase the Securities.</p> <p>Neither the Issuer nor the Manager assumes any responsibility vis-à-vis the Securityholders for the tax consequences of an investment in the Securities.</p> <p><b>19. <u>Potential conflicts of interest</u></b>  The Issuer and affiliated companies may participate in transactions related to the Securities in some way, for their own account or for account of a client. Such transactions may not serve to benefit the Securityholders and may have a positive or negative effect on the value of the Reference Portfolio Components comprised in the notional Reference Portfolio, and consequently on the value of the Securities. Furthermore, companies affiliated with the Issuer may become counterparties in hedging transactions relating to obligations of the Issuer stemming from the Securities. As a result, conflicts of interest can arise between companies affiliated with the Issuer, as well as between these companies and investors, in relation to obligations regarding the calculation of the price of the Securities and other associated determinations. In addition, the Issuer and its affiliates may act in other capacities with regard to the Securities, such as calculation agent, paying agent and administrative agent.</p> <p>Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the notional Reference Portfolio; introduction of such competing products may affect the value of the Securities. The Issuer and its affiliated companies may receive non-public information relating to the notional Reference Portfolio, and neither the Issuer nor any of its affiliates undertakes to make this information available to Securityholders.</p> <p>Within the context of the offering and sale of the Securities, the Issuer or any of its affiliates may directly or indirectly pay fees in varying amounts to third parties, such as distributors or investment advisors, or receive payment of fees in varying amounts, including those levied in association with the distribution of the Securities, from third parties. Potential investors should be aware that the Issuer may retain fees in part or in full. The Issuer or, as the case may be, the Manager, upon request, will provide information on the amount of these fees.</p> <p>For potential conflicts of interests of the Reference Portfolio Advisor, please see "Potential conflicts of interests" in the section "Reference Portfolio specific Risks / 4. Specific risks related to the Reference Portfolio Advisor" below.</p> <p><b><u>Reference Portfolio specific Risks</u></b></p> <p>The Reference Portfolio aims to replicate the performance of (i) a long only basket of selected stocks (each a "<b>Stock<sub>(i)</sub></b>" or, as the case may be, a "<b>Stock Constituent<sub>(i)</sub></b>" and together the "<b>Stocks</b>" or, as the case may be, the "<b>Stock Constituents</b>") comprised in either the Deutsche Börse AG German</p>
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		<p>time. References to any balancing, rebalancing, disposal, acquisition or financing of a Reference Portfolio Component have to be understood as reference to a notional transaction and should not be construed as imposing any obligation on the Issuer or any of its affiliates or subsidiaries, the Manager, the Calculation Agent or any person actually directly or indirectly, physically or synthetically to acquire, dispose of or effect or take delivery of, or effect transactions in, any securities, investments or other property, but are references to the change in the value of, or in notional amounts to be determined for the purposes of calculating the value of, and relate solely to the calculation of the value of any amounts payable in respect of the Securities.</p> <p><b><i>Numerous Stock Constituents of the notional Reference Portfolio</i></b></p> <p>The notional Reference Portfolio is composed of numerous Stock Constituents. Despite the fact that Stock Constituents' diversification is designed to help to control declines in the value of the notional Reference Portfolio, it cannot be guaranteed that the use of numerous different Stock Constituents will be successful for these purposes and will not result in overall losses.</p> <p><b><i>Limited historic data of the Reference Portfolio</i></b></p> <p>The notional Reference Portfolio is initiated on 3 July 2017. Accordingly, as at the date of the Prospectus only limited historic data is available on the basis of which investors might evaluate the likely performance of the notional Reference Portfolio. The past performance of the Reference Portfolio Components notionally comprised in the notional Reference Portfolio (which generally do not reflect the same fee levels as the fees incurred in relation to the Reference Portfolio), is not necessarily indicative of the future performance for the notional Reference Portfolio.</p> <p><b><i>No payment of interest or dividends</i></b></p> <p>None of the Securities vests a right to payment of interest or dividends and, as such, they <b>generate no regular income</b>. Therefore, potential reductions in the value of the Security cannot be offset by any other income from the Security.</p> <p><b><i>Fees, costs and expenses in relation to the Reference Portfolio</i></b></p> <p>The Reference Portfolio Fees and the Adjustment Fee will be deducted from the Level of the Reference Portfolio and, hence, result in a reduction in the Level of the Reference Portfolio. Any such reduction will have a negative impact on the value of the Securities.</p> <p><b><i>No material restrictions on the eligible Reference Portfolio Components</i></b></p> <p>There are no material restrictions on the instruments within the predefined universe of Reference Portfolio Components into which the Reference Portfolio Advisor may notionally invest.</p> <p><b><i>Currency exchange risks in relation to the Stock Constituents</i></b></p> <p>The Stock Constituents mirrored in the Reference Portfolio may be denominated in currencies other than EUR and, as a consequence, other than the Level of the Reference Portfolio and the Redemption Currency. Potential investors should, therefore, be aware that investments in the Securities could entail risks due to fluctuating exchange rates used for converting the Stock Constituents denominated in currencies other than EUR into EUR (for the purpose of determining the Level of the Reference Portfolio), and that the risk of loss does not depend solely on the performance of the</p>
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		<p>Reference Portfolio and the Reference Portfolio Components, but also on unfavourable developments in the value of the relevant foreign currencies.</p> <p><b><i>Composition of the Reference Portfolio</i></b> The Reference Portfolio Advisor agreed with the Calculation Agent to adhere to specific guidelines (the “<b>Reference Portfolio Guidelines</b>”) when selecting and adjusting the notional Stock Constituents.</p> <p>The selection of the initial Stock Constituents, their weightings and any of the rebalancings is made in the reasonable discretion of the Reference Portfolio Advisor. Rebalancings will be effected by the Reference Portfolio Advisor having consulted the Calculation Agent. The Calculation Agent has under certain circumstances in accordance with the Reference Portfolio Guidelines the right to reject Stock Constituents that form part of a Rebalancing.</p> <p>The Reference Portfolio Advisor will select the Stock Constituents with due diligence. No assurance can be made, however, that the selection of Stock Constituents will be successful, and neither the Reference Portfolio Advisor nor the Calculation Agent are responsible for the market performance of the Stock Constituents.</p> <p>Notwithstanding the above, the Reference Portfolio Advisor is restricted by the Reference Portfolio Guidelines in its selection of Stock Constituents; it may therefore lack the necessary flexibility to benefit from any market developments not covered by the Reference Portfolio Guidelines.</p> <p><b>3. <u>Specific risks related to the notional Reference Portfolio Components</u></b> Investors should be aware that some risks are related to the Stocks, which will be comprised in the notional Reference Portfolio. <b>Consequently, any investment in the Securities is, to a certain extent, subject to market risks similar to a direct investment in Stocks.</b></p> <p><b>4. <u>Specific risks related to the Reference Portfolio Advisor</u></b> Additional risks are related to the Reference Portfolio Advisor.</p> <p><b><i>Dependence on the Reference Portfolio Advisor</i></b> The success of the Reference Portfolio depends upon the Reference Portfolio Advisor selecting successful Reference Portfolio Components. There can be no assurance that the Reference Portfolio Advisor will be able to do so. In particular, subjective (as opposed to systematic) decisions made by the Reference Portfolio Advisor may cause the Reference Portfolio to decline (or not to increase) in a manner which less subjective decision making might have avoided.</p> <p><b><i>Reliance on Key Individuals</i></b> The loss of one or more key individuals could have a material adverse effect on the Reference Portfolio Advisor's ability to perform its responsibilities in relation to the Reference Portfolio.</p> <p><b><i>Automatic Termination of the Securities</i></b> According to the Terms and Conditions of the Securities, the Securities will be automatically terminated and redeemed, in case that Dialog Vermögensmanagement GmbH, Stuttgart, Germany, ceases in accordance with the relevant Reference Portfolio Advisor agreement to act as Reference Portfolio Advisor. This could have a</p>
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		<p>considerable impact on the value of the Securities.</p> <p><b>Potential conflicts of interests</b></p> <p>The Reference Portfolio Advisor may not only act as Reference Portfolio Advisor with regard to the Reference Portfolio, but may at the same time act as asset manager or financial consultant with regard to Securityholders, which may induce potential conflicts between the Securityholders' interests and the Reference Portfolio Advisor's interests, especially because the Reference Portfolio Advisor receives part of the Reference Portfolio Management Fee.</p>
	Risk warning to the effect that investors may lose the value of their entire investment or part of it.	<p>Each investor in the Securities bears the risk of the Issuer's financial situation worsening. In addition, investors in the Securities also bear the risk of the Securities becoming worthless due to an unfavourable performance of the notional Reference Portfolio. Potential investors must therefore be prepared and able to sustain a partial or even a <b>total loss</b> of their entire investment. Any investors interested in purchasing the Securities should assess their financial situation, to ensure that they are in a position to bear the <b>risks of loss</b> connected with the Securities.</p>

Element		Section E – Offer
<b>E.2b</b>	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.	Not applicable. Reasons for the offer and use of proceeds are not different from making profit and/or hedging certain risks.
<b>E.3</b>	Terms and conditions of the offer.	<p>It has been agreed that, on 7 July 2017 (the "<b>Issue Date</b>"; where in case that the Subscription Period (as as defined below) is shortened or extended, the Issue Date may be changed accordingly), the Authorised Offerors may purchase Securities and shall place the Securities for sale, under terms subject to change, in the Public Offer Jurisdictions.</p> <p>The Securities may be subscribed in the Public Offer Jurisdictions from the Authorised Offeror(s) during normal banking hours within the subscription period starting on the business day following the publication of this Summary and Securities Note and ending on 30 June 2017 (17:00 hrs CET) (the "<b>Subscription Period</b>") at an amount of EUR 100.00 per Security (the "<b>Issue Price</b>"). After closing of the Subscription Period the selling price will be adjusted on a continual basis to reflect the prevailing market situation.</p> <p>The Issuer reserves the right to earlier close the Subscription Period if market conditions so require.</p> <p>The Issue Price per Security is due and payable on 7 July 2017, (the "<b>Initial Payment Date</b>"; where in case that the Subscription Period is shortened or extended, the Initial Payment Date may be changed accordingly). After the Initial Payment Date, the appropriate number of Securities shall be credited to the investor's account in accordance with the rules of the corresponding Clearing System. If the Subscription Period is shortened or extended, the Initial Payment Date may also be brought forward or postponed. Following the Initial Payment Date, any selling price per Security is payable upon delivery of the purchased Securities.</p>
<b>E.4</b>	Interest that is material to the issue/offer including conflicting interests.	<p><b>Any interest, including conflicting ones, of natural and legal persons involved that is material to the issue/offer of the Securities</b></p> <p>The Issuer and affiliated companies may participate in transactions related to the Securities in some way, for their own account or for account of a client.</p>

		<p>Such transactions may not serve to benefit the Securityholders and may have a positive or negative effect on the value of the Reference Portfolio Components comprised in the notional Reference Portfolio, and consequently on the value of the Securities. Furthermore, companies affiliated with the Issuer may become counterparties in hedging transactions relating to obligations of the Issuer stemming from the Securities. As a result, conflicts of interest can arise between companies affiliated with the Issuer, as well as between these companies and investors, in relation to obligations regarding the calculation of the price of the Securities and other associated determinations. In addition, the Issuer and its affiliates may act in other capacities with regard to the Securities, such as calculation agent, paying agent and administrative agent.</p> <p>Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the notional Reference Portfolio; introduction of such competing products may affect the value of the Securities. The Issuer and its affiliated companies may receive non-public information relating to the notional Reference Portfolio, and neither the Issuer nor any of its affiliates undertakes to make this information available to Securityholders. In addition, one or more of the Issuer's affiliated companies may publish research reports in relation to the Reference Portfolio Components comprised in the notional Reference Portfolio. Such activities could present conflicts of interest and may negatively affect the value of the Securities.</p> <p>Within the context of the offering and sale of the Securities, the Issuer or any of its affiliates may directly or indirectly pay fees in varying amounts to the Authorised Offerors, or receive payment of fees in varying amounts, including those levied in association with the distribution of the Securities, from the Authorised Offerors. Potential investors should be aware that the Issuer may retain fees in part or in full. The Issuer or, as the case may be, the Manager, upon request, will provide information on the amount of these fees.</p> <p>Save for the Manager and the Reference Portfolio Advisor regarding its fees, as far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer.</p>
E.7	Estimated expenses charged to the investor by the issuer or the offeror.	<p>The following fees, comprised of fixed fees, which together amount to at least 1.7% per year of the Level of the Reference Portfolio and additional variable fees, will be deducted on the level of the notional Reference Portfolio:</p> <p><b>1. Reference Portfolio Advisor</b></p> <ul style="list-style-type: none"> <li>• <b>Reference Portfolio Advisor Fee:</b> A quarterly fee of 0.325% (1.30% per year) of the Level of the Reference Portfolio deducted from the Level of the Reference Portfolio on a daily basis as calculated by the Calculation Agent.</li> </ul> <p>The Reference Portfolio Advisor Fee will be used to compensate the Reference Portfolio Advisor for the creation, management and maintenance of the notional Reference Portfolio as well as for any marketing activities in relation to the Securities.</p> <ul style="list-style-type: none"> <li>• <b>Reference Portfolio Advisor Performance Fee:</b> The Reference Portfolio Advisor will receive a performance fee which is levied on the positive daily performance of the Reference Portfolio. On any Business Day<sup>(t)</sup>, such fee (the "<b>Reference Portfolio Advisor Performance Fee</b>") will be applied in the amount of 15% of the positive difference, if any, between the Gross Reference Portfolio Level (as defined below) in respect of the Business Day<sup>(t-1)</sup> to the HWM Level (as defined below) on the Business Day<sup>(t-2)</sup>, but not</li> </ul>

including the current Business Day. The product of the Reference Portfolio Advisor Performance Fee and this difference is deducted from the Gross Reference Portfolio Level in respect of the current Business Day to provide the Level of the Reference Portfolio in respect of the current Business Day.

"**Gross Reference Portfolio Level**" means on each Business Day the Level of the Reference Portfolio before the application or deduction of the Reference Portfolio Advisor Performance Fee in respect of the positive performance, if any, as described above.

The "**HWM Level**" on the Reference Portfolio Creation Date shall be 100% of the Level of the Reference Portfolio on the Reference Portfolio Creation Date. On each subsequent Business Day, the HWM Level shall be the greater of the HWM Level on the immediately preceding Business Day and the Gross Reference Portfolio Level in respect of the current Business Day.

- **Adjustment Fee:** An Adjustment Fee is levied in the context of adjusting the Reference Portfolio Components. This Adjustment Fee is, for calculation purposes, referenced to each notional adjustment made in the Reference-Portfolio, and represents a percentage of the notional volume of each of the purchase and/or sale of a Stock Constituent (comprised in the Reference Portfolio), as converted in EUR at the then prevailing exchange rate, as determined in the reasonable discretion of the Calculation Agent. The Adjustment Fee equals 0.10%.

## 2. Issuer

- **Issuer Management Fee:** The Issuer will receive a quarterly fee that represents a percentage (as set out in the table below) of the Level of the Reference Portfolio deducted from the Level of the Reference Portfolio on a daily basis as calculated by the Calculation Agent.

The Issuer Management Fee is determined by the Outstanding Assets Under Management (as defined below) on the immediately preceding Fee Observation Date:

<b>Outstanding Assets Under Management</b>	<b>Issuer Management Fee</b>
< EUR 10,000,000	0.1125% (0.45% per annum)
≥ EUR 10,000,000	0.1000% (0.40% per annum)

Where:

"**Outstanding Assets Under Management**" means the product of the Number of Outstanding Units and the Level of the Reference Portfolio on the immediately preceding Fee Observation Date, as determined by the Calculation Agent at its reasonable discretion;

"**Fee Observation Date**" means the Reference Portfolio Creation Date and each date that is the one year anniversary of the Reference Portfolio Creation Date, or, if such day is not a Constituents Business Day, the immediately following Constituents Business Day. The final Fee Observation Date is scheduled to be the original Expiration Date (i.e. without taken any postponement of the Expiration Date in accordance with the Terms and Conditions of the Securities into account); and

"**Number of Outstanding Units**" means the number of Securities

		<p>outstanding on the immediately preceding Fee Observation Date as determined by the Calculation Agent at its reasonable discretion.</p> <p>The Reference Portfolio Advisor Fee, the Reference Portfolio Advisor Performance Fee (if any) and the Issuer Management Fee together shall be referred to as "<b>Reference Portfolio Fee</b>". No additional expenses are charged to the investor by the Issuer or the Manager.</p>
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**B. SUMMARY OF THE PROSPECTUS (IN THE GERMAN LANGUAGE)****ZUSAMMENFASSUNG**

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

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

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

Punkt	Abschnitt A – Einleitung und Warnhinweise	
A.1	Warnung.	<p><b>Diese Zusammenfassung ist als Einführung in den Prospekt zu verstehen. Anleger sollten jede Entscheidung zur Anlage in die betreffenden Wertpapiere auf die Prüfung des gesamten Prospekts stützen.</b></p> <p>Potenzielle Anleger sollten sich darüber im Klaren sein, dass für den Fall, dass vor einem Gericht Ansprüche auf Grund der in dem Prospekt enthaltenen Informationen geltend gemacht werden, der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der Staaten des Europäischen Wirtschaftsraums die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben könnte.</p> <p>Diejenigen Personen, die die Verantwortung für die Zusammenfassung, einschließlich etwaiger Übersetzungen hiervon, übernommen haben, oder von denen der Erlass ausgeht, können haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt.</p> <p>Die UBS AG, mit registrierten Sitz in Bahnhofstrasse 45, CH-8001 Zürich, Schweiz, und Aeschenvorstadt 1, CH-4051 Basel, Schweiz, (die "<b>Emittentin</b>") übernimmt für den Inhalt dieser Zusammenfassung (einschließlich etwaiger Übersetzungen hiervon) gemäß § 5 Abs. 2b Nr. 4 WpPG (Wertpapierprospektgesetz) die Verantwortung.</p>
A.2	Zustimmung des Emittenten oder der für die Erstellung des Prospekts verantwortlichen Person zur Verwendung des Prospekts für die spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren durch Finanzintermediäre	Die Emittentin stimmt einer Verwendung des Prospekts im Zusammenhang mit einem öffentlichen Angebot der Wertpapiere (das " <b>Öffentliches Angebot</b> ") durch UBS Limited, 5 Broadgate, London EC2M 2QS, Vereinigtes Königreich (der " <b>Manager</b> ") und die Dialog Vermögensmanagement GmbH, Stuttgart, Deutschland, (jeweils ein " <b>Berechtigter Anbieter</b> "), auf folgender Grundlage zu:
	Angabe der Angebotsfrist, innerhalb deren die	(a) das Öffentliche Angebot findet während der Gültigkeit dieses Prospekts gemäß § 9 des Wertpapierprospektgesetzes (die " <b>Angebotsfrist</b> ") statt; und

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

<b>Abschnitt B – Emittentin</b>		
<b>B.1</b>	Juristische und kommerzielle Bezeichnung der Emittentin.	Die juristische und kommerzielle Bezeichnung der Emittentin ist UBS AG (die " <b>Emittentin</b> ", und gemeinsam mit ihren Tochtergesellschaften, " <b>UBS AG (konsolidiert)</b> " oder " <b>UBS AG Gruppe</b> " und gemeinsam mit der UBS Group AG, der Holding-Gesellschaft der UBS AG, und ihren Tochtergesellschaften, " <b>UBS Gruppe</b> ", " <b>Gruppe</b> ", " <b>UBS</b> " oder " <b>UBS Group AG (konsolidiert)</b> ").
<b>B.2</b>	Sitz, Rechtsform, geltendes Recht und Land der Gründung der Emittentin.	<p>UBS AG in ihrer heutigen Form entstand am 29. Juni 1998 durch die Fusion der 1862 gegründeten Schweizerischen Bankgesellschaft und des 1872 gegründeten Schweizerischen Bankvereins. UBS AG ist in den Handelsregistern des Kantons Zürich und des Kantons Basel-Stadt eingetragen. Die Handelsregisternummer lautet CHE-101.329.561.</p> <p>UBS AG hat ihren Sitz in der Schweiz, wo sie als Aktiengesellschaft nach schweizerischem Aktienrecht eingetragen ist.</p> <p>Die Adressen und Telefonnummern der beiden Satzungs- und Verwaltungssitze der UBS AG lauten: Bahnhofstraße 45, CH-8001 Zürich, Schweiz, Telefon +41 44 234 1111, und Aeschenvorstadt 1, CH 4051 Basel, Schweiz, Telefon +41 61 288 5050.</p>
<b>B.4b</b>	Alle bereits	<b>Trend Informationen</b>

	<p>bekanntem Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken.</p>	<p>Wie in dem am 27. Januar 2017 veröffentlichten Quartalsbericht der UBS Gruppe für das vierte Quartal 2016 angegeben, sind Kundenstimmung und Transaktionsvolumen weiterhin durch makroökonomische Unsicherheiten, geopolitische Spannungen und divergierende politische Stossrichtungen beeinträchtigt. Dennoch beobachtet UBS, vor allem in den USA, erste Anzeichen eines wachsenden Anlegervertrauens, was möglicherweise ihrem Wealth-Management-Geschäft zugutekommen könnte. Tiefer als erwartete und negative Zinsen, insbesondere in der Schweiz und der Eurozone, setzen die Nettozinsmarge weiterhin unter Druck. Höhere US-Dollar-Zinsen könnten möglicherweise kompensierend wirken. Die Umsetzung der neuen Bankkapitalstandards in der Schweiz sowie die angekündigten weiteren Anpassungen des internationalen regulatorischen Rahmens für Banken werden steigende Kapitalanforderungen und Kosten zur Folge haben. UBS wird ihre Strategie weiterhin diszipliniert umsetzen, um diesen Herausforderungen entgegenzuwirken und von jeder weiteren Verbesserung des Marktumfelds zu profitieren.</p>
<p><b>B.5</b></p>	<p>Beschreibung der Gruppe und der Stellung der Emittentin innerhalb dieser Gruppe</p>	<p>UBS AG ist eine Schweizer Bank und die Holding-Gesellschaft der UBS AG Gruppe. Die UBS Group AG ist die Holding-Gesellschaft der UBS Gruppe und zu 100 Prozent Eigentümerin der UBS AG. Die UBS Gruppe ist als Gruppe mit fünf Unternehmensbereichen (Wealth Management, Wealth Management Americas, Personal &amp; Corporate Banking, Asset Management und die Investment Bank) und einem Corporate Center tätig.</p> <p>Seit 2014 hat UBS eine Reihe von Massnahmen ergriffen, um die Abwicklungsfähigkeit des Konzerns als Reaktion auf Too-big-to-fail-Anforderungen (<b>TBTF</b>) in der Schweiz und in den anderen Ländern, in denen der Konzern tätig ist, zu verbessern.</p> <p>Im Dezember 2014 schloss die UBS Group AG ein Umtauschangebot für die Aktien der UBS AG ab und wurde zur Holdinggesellschaft des UBS-Konzerns. Im Verlauf des Jahres 2015 schloss die UBS Group AG ein Gerichtsverfahren gemäss Artikel 33 des Bundesgesetzes über die Börsen und den Effektenhandel (BEHG-Verfahren) ab, das zur Kraftloserklärung der Aktien der verbleibenden Minderheitsaktionäre der UBS AG führte. Damit besitzt die UBS Group AG 100% der ausgegebenen Aktien der UBS AG.</p> <p>Im Juni 2015 übertrug die UBS AG den Unternehmensbereich Personal &amp; Corporate Banking sowie das in der Schweiz gebuchte Geschäft des Unternehmensbereichs Wealth Management von der UBS AG auf die UBS Switzerland AG. Ebenfalls 2015 führte UBS ein unabhängigeres Geschäfts- und Betriebsmodell für UBS Limited ein und gründeten die UBS Business Solutions AG als direkte Tochtergesellschaft der UBS Group AG, die als Dienstleistungsunternehmen für den Konzern fungieren wird. Die Etablierung von Dienstleistungsunternehmen dient dazu, die Abwicklungsfähigkeit des Konzerns zu verbessern, indem im Falle einer Sanierung oder Abwicklung die Betriebskontinuität wichtiger Dienste sichergestellt ist.</p> <p>In der zweiten Jahreshälfte 2015 übertrug UBS das Eigentum an der Mehrheit ihrer ausserhalb der USA bestehenden Dienstleistungstochtergesellschaften an die UBS Business Solutions AG. Die gemeinsamen Dienstleistungs- und Support-Funktionen in der Schweiz und in Grossbritannien werden voraussichtlich 2017 von der UBS AG an diese Einheit transferiert. Per 1. Januar 2017 wurde die Überführung der Mitarbeiter der gemeinsamen Dienstleistungs- und Support-Funktionen in den USA an das dortige Dienstleistungsunternehmen UBS Business Solutions US LLC abgeschlossen.</p>



		<p>Per 1. Juli 2016 wurde UBS Americas Holding LLC als Zwischenholdinggesellschaft für die Tochtergesellschaften in den USA bestimmt, wie es die erweiterten aufsichtsrechtlichen Standards gemäss Dodd-Frank Act vorschreiben. Die UBS Americas Holding LLC hält sämtliche der US-Tochtergesellschaften und unterliegt den Kapitalanforderungen, Governance-Anforderungen und weiteren aufsichtsrechtlichen Vorschriften der USA.</p> <p>Zusätzlich übertrug UBS im Jahresverlauf 2016 die meisten operativen Tochtergesellschaften von Asset Management an die UBS Asset Management AG. Ferner fusionierte UBS die Wealth-Management-Tochtergesellschaften in Italien, Luxemburg (einschliesslich der Niederlassungen in Dänemark, Österreich und Schweden), den Niederlanden und Spanien mit der UBS Deutschland AG, die in UBS Europe SE umbenannt wurde, um die neue europäische Rechtseinheit der UBS zu gründen, die ihren Hauptsitz in Frankfurt am Main, Deutschland hat.</p> <p>Als Reaktion auf regulatorische Anforderungen und weitere externe Entwicklungen, darunter den erwarteten Austritt Grossbritanniens aus der EU, erwägt UBS weitere Änderungen an der Rechtsstruktur des Konzerns. Bei diesen Änderungen kann es sich beispielsweise um die Übertragung von operativen Tochtergesellschaften der UBS AG in direkte Tochtergesellschaften der UBS Group AG, die weitere Konsolidierung operativer Tochtergesellschaften in der EU sowie Anpassungen betreffend die verbuchende Einheit oder den Standort von Produkten und Dienstleistungen handeln. Diese strukturellen Änderungen werden kontinuierlich mit der FINMA und anderen Aufsichtsbehörden erörtert. Sie unterliegen weiterhin diversen Unsicherheiten, die ihre Machbarkeit, ihren Umfang oder den Zeitpunkt ihrer Umsetzung beeinflussen könnten.</p>								
<b>B.9</b>	Gewinnprognosen oder -schätzungen.	Entfällt; es sind in dem Prospekt keine Gewinnprognosen oder -schätzungen enthalten.								
<b>B.10</b>	Beschränkungen im Bestätigungsvermerk.	Entfällt. Es gibt keine Beschränkungen im Prüfungsvermerk für die konsolidierten Abschlüsse der UBS AG und die Einzelabschlüsse der UBS AG für die zum 31. Dezember 2016 und 31. Dezember 2015 endenden Jahre.								
<b>B.12</b>	Ausgewählte wesentliche historische Finanzinformationen	<p>Ausser wenn anders angegeben, stammen die unten aufgeführten ausgewählten konsolidierten Finanzinformationen aus dem Geschäftsbericht 2016, welcher den geprüften konsolidierten Jahresabschluss der UBS AG sowie zusätzliche ungeprüfte konsolidierte Finanzinformationen für das Jahr mit Stand 31. Dezember 2016 und vergleichbare Zahlen für die Jahre mit Stand 31. Dezember 2015 und 2014 enthält.</p> <p>Die konsolidierten Abschlüsse wurden in Übereinstimmung mit den International Financial Reporting Standards ("<b>IFRS</b>") verfasst, welche von dem International Accounting Standards Board ("<b>IASB</b>") veröffentlicht wurden und sind in Schweizer Franken ("<b>CHF</b>") ausgewiesen.</p> <p>Die Informationen für die Geschäftsjahre endend am 31. Dezember 2016, 2015 und 2014, welche in der untenstehenden Tabelle mit „nicht geprüft“ gekennzeichnet sind, waren im Jahresabschluss 2016 enthalten, wurden aber nicht geprüft, da die entsprechenden Offenlegungen unter IFRS nicht erforderlich und deshalb nicht Bestandteil des geprüften Jahresabschlusses sind.</p>								
		<p>Für das Geschäftsjahr endend am oder per</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">31.12.16</td> <td style="width: 33%; text-align: center;">31.12.15</td> <td style="width: 33%; text-align: center;">31.12.14</td> </tr> <tr> <td style="text-align: center;"><u>Mio. CHF (Ausnahmen sind angegeben)</u></td> <td style="text-align: center;"><u>geprüft (Ausnahmen sind angegeben)</u></td> <td></td> <td></td> </tr> </table>		31.12.16	31.12.15	31.12.14	<u>Mio. CHF (Ausnahmen sind angegeben)</u>	<u>geprüft (Ausnahmen sind angegeben)</u>		
	31.12.16	31.12.15	31.12.14							
<u>Mio. CHF (Ausnahmen sind angegeben)</u>	<u>geprüft (Ausnahmen sind angegeben)</u>									

<b>Ergebnisse</b>			
Geschäftsertrag	28.421	30.605	28.026
Geschäftsaufwand	24.352	25.198	25.557
Ergebnis vor Steuern	4.069	5.407	2.469
Den Aktionären zurechenbares Ergebnis	3.207	6.235	3.502
<b>Kennzahlen zur Leistungsmessung</b>			
<b>Profitabilität</b>			
Rendite auf Eigenkapital abzüglich Goodwill und anderer immaterieller Vermögenswerte (%) <sup>1</sup>	6,9*	13,5*	8,2*
Rendite auf Aktiven, brutto (%) <sup>2</sup>	3,0*	3,1*	2,8*
Verhältnis von Geschäftsaufwand / Geschäftsertrag (%) <sup>3</sup>	85,6*	82,0*	90,9*
<b>Wachstum</b>			
Wachstum des Ergebnisses (%) <sup>4</sup>	(48,6)*	78,0*	10,4*
Wachstum der Nettoneugelder für die kombinierten Wealth-Management-Einheiten (%) <sup>5</sup>	2,1*	2,2*	2,5*
<b>Ressourcen</b> <sup>6</sup>			
Harte Kernkapitalquote (CET1) (vollständig umgesetzt, %) <sup>7,8</sup>	14,5*	15,4*	14,2*
Going Concern Leverage Ratio (stufenweise umgesetzt, %) <sup>9,10</sup>	5,8*	-	-
<b>Zusätzliche Informationen</b>			
<b>Profitabilität</b>			
Rendite auf Eigenkapital (RoE) (%) <sup>11</sup>	5,9*	11,7*	7,0*
Rendite auf risikogewichteten Aktiven, brutto (%) <sup>12</sup>	13,2*	14,3*	12,6*
<b>Ressourcen</b> <sup>6</sup>			
Total Aktiven	935.353	943.256	1.062.327
Den Aktionären zurechenbares Eigenkapital	53.662	55.248	52.108
Hartes Kernkapital (CET1) (vollständig umgesetzt) <sup>8</sup>	32.447	32.042	30.805
Hartes Kernkapital (CET1) (stufenweise umgesetzt) <sup>8</sup>	39.474	41.516	44.090
Risikogewichtige Aktiven (vollständig umgesetzt) <sup>8</sup>	223.232*	208.186*	217.158*
Harte Kernkapitalquote (CET1) (stufenweise umgesetzt; %) <sup>7,8</sup>	17,5*	19,5*	19,9*
Going Concern Kapitalquote (vollständig umgesetzt, %) <sup>10</sup>	16,3*	-	-
Going Concern Kapitalquote (stufenweise umgesetzt, %) <sup>10</sup>	22,6*	-	-
Harte Kernkapital (CET1) Leverage Ratio (vollständig umgesetzt, %) <sup>13</sup>	3,7*	3,6*	3,1*
Going Concern Leverage Ratio (vollständig umgesetzt, %) <sup>9,10</sup>	4,2*	-	-
Leverage Ratio Denominator (vollständig umgesetzt) <sup>13</sup>	870.942*	898.251*	999.124*
<b>Andere</b>			
Verwaltete Vermögen (Mrd. CHF) <sup>14</sup>	2.821	2.689	2.734
Personal (auf Vollzeitbasis)	56.208*	58.131*	60.155*
*ungeprüft.			
<sup>1</sup> Das den Aktionären zurechenbare Konzernergebnis vor Abschreibungen und Wertminderung auf Goodwill und immaterielle Vermögenswerte (gegebenenfalls annualisiert) / Das den Aktionären zurechenbare durchschnittliche Eigenkapital abzüglich durchschnittlichen Goodwillwerts und der immateriellen Vermögenswerte der UBS AG.			
<sup>2</sup> Geschäftsertrag vor Wertberichtigungen für Kreditrisiken (gegebenenfalls annualisiert) / Total durchschnittliche Aktiven.			
<sup>3</sup> Geschäftsaufwand / Geschäftsertrag vor Wertberichtigungen für Kreditrisiken.			
<sup>4</sup> Veränderung des aktuellen den Aktionären zurechenbaren Konzernergebnisses aus fortzuführenden Geschäftsbereichen in der laufenden Periode im Vergleich zur Referenzperiode / Das den Aktionären zurechenbare Konzernergebnis aus fortzuführenden Geschäftsbereichen in der Referenzperiode. Besitzt keine Aussagekraft und wird nicht ausgewiesen, falls für die laufende Periode oder die Referenzperiode ein Verlust verzeichnet wird.			
<sup>5</sup> Das Nettoneugeldwachstum für die kombinierten Wealth-Management-Einheiten berechnet sich als Total des Nettoneugelds der Unternehmensbereiche Wealth Management und Wealth Management Americas für die Periode (gegebenenfalls annualisiert) / Gesamte verwaltete Vermögen der Unternehmensbereiche Wealth Management und Wealth Management Americas zum Periodenbeginn. Die Angaben über das Nettoneugeld und die verwalteten Vermögen beruhen auf den Abschnitten "Wealth Management" und "Wealth Management Americas" des Management Reports aus dem Abschnitt "Financial and operating performance" aus dem Geschäftsbericht 2016. Das Nettoneugeld für die kombinierten Wealth-Management-Einheiten basiert auf dem berichtigten Nettoneugeld, das die negative Auswirkung auf das Nettoneugeld von 2015: CHF 9,9 Milliarden von Wealth Management aus dem Bilanz- und Kapitaloptimierungsprogramm nicht berücksichtigt.			

	<p><sup>6</sup> Im Anschluss an die Veröffentlichung des Berichts zum vierten Quartal 2016 hat die Hauptversammlung der Aktionäre der UBS AG die Ausschüttung einer Dividende von CHF 2.250 Mio. von der UBS AG an die UBS Group AG genehmigt, die höher war als der bisher geschätzte Betrag. Dies in Verbindung mit dem berücksichtigungspflichtigen Ereignis nach der Berichtsperiode, wie in "Anmerkung 35 Ereignisse nach der Berichtsperiode" zu den konsolidierten Finanzinformationen der UBS AG im Geschäftsbericht 2016 beschrieben, führte zu einer Reduzierung des CET1 Kapitals (CHF 607 Mio. auf vollständig umgesetzter Basis und CHF 585 Mio. auf stufenweise umgesetzter Basis), eine Reduktion des Leverage Ratio Denominators (CHF 45 Mio. auf vollständig umgesetzter Basis und CHF 27 Mio. auf stufenweise umgesetzter Basis) und der jeweiligen Kapitalquote der UBS AG zum 31. Dezember 2016.</p> <p><sup>7</sup> Hartes Kernkapital (CET1) / Risikogewichtete Aktiven.</p> <p><sup>8</sup> Basiert auf den Basel-III-Richtlinien, soweit auf schweizer systemrelevante Banken ("SRB") anwendbar.</p> <p><sup>9</sup> Gesamte Eigenmittel zur ordentlichen Weiterführung (Total Going Concern) / Leverage Ratio Denominator.</p> <p><sup>10</sup> Basiert auf den revidierten Regeln für Schweizer systemrelevante Banken (SRB), die am 1. Juli 2016 in Kraft traten. Zahlen für frühere Perioden sind nicht verfügbar.</p> <p><sup>11</sup> Den Aktionären zurechenbares Ergebnis (annualisiert wenn anwendbar) / Den Aktionären zurechenbares durchschnittliches Eigenkapital</p> <p><sup>12</sup> Basiert auf den vollständig umgesetzten risikogewichteten Aktiven für alle dargestellten Vergleichsperioden. Diese Finanzinformationen wurden dem Geschäftsbericht 2016 entnommen. Die ausgewiesenen Kennzahlen per 31. Dezember 2015 und 31. Dezember 2014 entsprechen nicht den im Geschäftsbericht 2015 oder Geschäftsbericht 2014, die auf den stufenweise umgesetzten risikogewichteten Aktiven beruhen.</p> <p><sup>13</sup> Die Berechnung erfolgt nach den Regeln für Schweizer SRB. Ab 31. Dezember 2015 wurde die Berechnung des Leverage Ratio Denominators (LRD) an die Basel-III-Regeln angepasst. Die Zahlen für Vergleichsperioden vor dem 31. Dezember 2015 wurden gemäss den früheren Bestimmungen für Schweizer SRB berechnet und sind daher nicht vollständig vergleichbar.</p> <p><sup>14</sup> Enthält Vermögen unter der Verwaltung von Personal &amp; Corporate Banking.</p>	
	Erklärung hinsichtlich wesentlicher Verschlechterung.	Seit dem 31. Dezember 2016 sind keine wesentlichen nachteiligen Veränderungen in den Aussichten der UBS AG oder der UBS AG Gruppe eingetreten.
	Wesentliche Veränderungen in der Finanzlage oder der Handelsposition.	Entfällt; seit dem 31. Dezember 2016, als Ende des letzten Finanzzeitraums zu dem Finanzinformationen veröffentlicht wurden, sind keine wesentlichen Veränderungen der Finanzlage oder der Handelsposition der UBS AG bzw. UBS AG Gruppe eingetreten.
<b>B.13</b>	Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der Emittentin, die für die Bewertung ihrer Zahlungsfähigkeit in hohem Maße relevant sind.	Entfällt; es gibt keine Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der UBS AG, die für die Bewertung ihrer Zahlungsfähigkeit in hohem Maße relevant sind.
<b>B.14</b>	Beschreibung der Gruppe und Stellung der Emittentin innerhalb dieser Gruppe.  Abhängigkeit von anderen Unternehmen der Gruppe.	Siehe Punkt B.5  Die UBS AG als Muttergesellschaft, führt einen wesentlichen Teil ihrer Geschäftstätigkeit durch Tochtergesellschaften durch. Als solche ist sie, bis zu einem gewissen Grad, von bestimmten Tochtergesellschaften abhängig.
<b>B.15</b>	Haupttätigkeiten der Emittentin.	Die UBS AG und ihre Tochtergesellschaften stellen Finanzberatung und -lösungen für private, Firmen- und institutionelle Kunden weltweit sowie für Privatkunden in der Schweiz bereit. Die operative Struktur des Konzerns besteht aus dem Corporate Center und fünf Unternehmensbereichen:

		<p>Wealth Management, Wealth Management Americas, Personal &amp; Corporate Banking, Asset Management und der Investment Bank. Die Strategie der UBS konzentriert sich auf das führende Wealth Management Geschäft und ihre führende Universalbank in der Schweiz, die durch das Asset Management und die Investment Bank erweitert werden. UBS konzentriert sich auf Geschäftsbereiche, die ihrer Meinung nach eine starke Wettbewerbsposition in ihren Zielmärkten haben, kapitaleffizient sind und ein attraktives langfristiges strukturelles Wachstum oder Profitabilitätsaussichten haben.</p> <p>Gemäß Artikel 2 der Statuten der UBS AG vom 4. Mai 2016 ("<b>Statuten</b>") ist der Zweck der UBS AG der Betrieb einer Bank. Ihr Geschäftskreis umfasst alle Arten von Bank-, Finanz-, Beratungs-, Dienstleistungs- und Handelsgeschäften in der Schweiz und im Ausland. Die UBS AG kann in der Schweiz und im Ausland Unternehmen aller Art gründen, sich an solchen beteiligen und deren Geschäftsführung übernehmen. Die UBS AG ist berechtigt, in der Schweiz und im Ausland Grundstücke und Baurechte zu erwerben, zu belasten und zu verkaufen. UBS AG kann Mittel am Kapitalmarkt aufnehmen und anlegen. UBS AG ist Teil des Konzerns, der von UBS Group AG als Muttergesellschaft kontrolliert wird. Sie kann die Interessen der Konzernmuttergesellschaft oder anderer Konzerngesellschaften fördern. Sie kann Darlehen, Garantien und andere Arten der Finanzierung und von Sicherheitsleistungen für Konzerngesellschaften gewähren.</p>
<b>B.16</b>	Unmittelbare oder mittelbare Beteiligungen oder Beherrschungsverhältnisse	Die UBS Group AG ist Eigentümerin von 100 Prozent der ausstehenden Aktien der UBS AG.

<b>Punkt</b>	<b>Abschnitt C – Wertpapiere</b>	
<b>C.1</b>	Art und Gattung der Wertpapiere, einschließlich jeder Wertpapierkennung.	<p><b>Art und Gattung der Wertpapiere</b> Die Wertpapiere sind nicht kapitalgeschützte Zertifikate.</p> <p>Die Wertpapiere werden als Wertrechte („<b>Wertrechte</b>“) im Sinne von Art. 973c des Schweizerischen Obligationenrechts („<b>OR</b>“) ausgegeben. Die Wertrechte werden in dem Hauptregister einer Schweizer Verwahrungsstelle („<b>Verwahrungsstelle</b>“) im Sinne des Bundesgesetzes über die Bucheffekten ("<b>BEG</b>") registriert. Durch (a) die Eintragung der Wertrechte in das Hauptregister der Verwahrungsstelle und (b) die Einbuchung der Wertpapiere in das Effektenkonto einer Verwahrungsstelle begründen die Wertrechte Bucheffekten im Sinn des BEG („<b>Bucheffekten</b>“). Die Emittentin hat SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Schweiz, („<b>SIS</b>“ oder das „<b>Clearingsystem</b>“) auch als Verwahrungsstelle eingesetzt, behält sich aber das Recht vor, andere Verwahrungsstelle einschließlich der UBS AG einzusetzen.</p> <p>Bucheffekten werden gemäß den Bestimmungen der Verwahrungsstelle und den maßgeblichen Verträgen mit der Verwahrungsstelle übertragen bzw. über Bucheffekten kann nur gemäß dieser Bestimmungen und Verträge verfügt werden (dabei dürfen insbesondere weder die Bucheffekten noch Rechte an den Bucheffekten ohne vorherige schriftliche Zustimmung der Emittentin durch Zession gemäß den Artikeln 164 ff. OR übertragen werden).</p> <p>Die Wertpapiergläubiger haben zu keinem Zeitpunkt das Recht, (a) die Umwandlung von Wertrechten in physische Wertpapiere und/oder (b) die Lieferung von physischen Wertpapieren zu verlangen. Zur Klarstellung und ungeachtet der Umwandlung begründen Wertrechte stets Bucheffekten.</p>

		<p><b>Wertpapier-Kennnummer(n) der Wertpapiere</b>          ISIN: CH0358664750          WKN: UBS1GB          Valor: 35866475</p>
<b>C.2</b>	Währung der Wertpapieremission.	Euro (die " <b>Auszahlungswährung</b> ")
<b>C.5</b>	Beschränkungen der freien Übertragbarkeit der Wertpapiere.	Entfällt; die freie Übertragbarkeit der Wertpapiere ist nicht beschränkt.
<b>C.8</b>	Mit den Wertpapieren verbundene Rechte, einschließlich der Rangordnung und Beschränkungen dieser Rechte.	<p><b>Maßgebliches Recht der Wertpapiere</b>          Die Wertpapiere unterliegen Schweizer Recht.</p> <p><b>Mit den Wertpapieren verbundene Rechte</b>          Die Wertpapiere berechtigen die Wertpapiergläubiger vorbehaltlich der Bedingungen der Wertpapiere bei Ausübung, zu einem Anspruch auf Zahlung des Auszahlungsbetrags (wie nachfolgend in Element C.18 definiert) in der Auszahlungswährung. Während der Laufzeit der Wertpapiere erhält der Anleger keine laufenden Erträge (z. B. Dividenden oder Zinsen).</p> <p><b>Beschränkungen der mit den Wertpapieren verbundenen Rechten.</b>          Die Emittentin ist unter den in den Bedingungen festgelegten Voraussetzungen zur Kündigung der Wertpapiere und zu Anpassungen der Bedingungen berechtigt.</p> <p><b>Status der Wertpapiere</b>          Die Wertpapiere begründen unmittelbare, unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen sonstigen gegenwärtigen und künftigen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, ausgenommen solche Verbindlichkeiten, denen aufgrund zwingender gesetzlicher Vorschriften Vorrang zukommt.</p>
<b>C.11</b>	Antrag auf Zulassung zum Handel an einem geregelten Markt oder anderen gleichwertigen Märkten.	<p>Entfällt. Die Emittentin beabsichtigt, die Einbeziehung der Wertpapiere in den Freiverkehr der Frankfurter Wertpapierbörse und der Börse Stuttgart zu beantragen.</p> <p>Vorausgesetzt, dass die Wertpapiere nicht vor dem Verfalltag von der Emittentin gekündigt wurden, wird der Handel der Wertpapiere zwei Geschäftstage vor dem Verfalltag (dieser Tag der "<b>Letzte Börsenhandelstag</b>") eingestellt. Ab dem Letzten Börsenhandelstag kann der Handel nur noch außerbörslich mit dem Manager stattfinden.</p>
<b>C.15</b>	Einfluss des Basiswerts auf den Wert der Wertpapiere.	<p>Der Wert der Wertpapiere während ihrer Laufzeit hängt von der Entwicklung des virtuellen Referenz-Portfolios als Basiswert ab. Im Fall, dass der Kurs des Basiswerts steigt, wird auch der Wert der Wertpapiere steigen. Im Fall, dass der Kurs des Basiswerts fällt, wird auch der Wert der Wertpapiere fallen.</p> <p>Insbesondere hängt der gegebenenfalls an die Wertpapiergläubiger zu zahlende Auszahlungsbetrag (wie nachfolgend in Element C.18 definiert) von Entwicklung des Basiswerts ab. Im Detail:</p> <p>Mit den Wertpapieren können Anleger, unter Berücksichtigung der Gebühr auf Ebene des virtuellen Referenz-Portfolios, an der positiven Kursentwicklung des virtuellen Referenz-Portfolios partizipieren. Im Gegenzug nehmen Anleger mit den Wertpapieren aber auch an der negativen Kursentwicklung des virtuellen Referenz-Portfolios teil.</p>

		<p>Wertpapiergläubiger erhalten am Fälligkeitstag den Auszahlungsbetrag .</p> <p><b>Zur Klarstellung:</b> Obwohl der Auszahlungsbetrag unter Bezugnahme auf den Marktwert der Referenz-Portfolio Bestandteile berechnet wird, ist die Emittentin nicht verpflichtet, den Nettoerlös der Ausgabe der Wertpapiere zu irgendeinem Zeitpunkt in die Referenz-Portfolio Bestandteile zu investieren. Die Nettoemissionserlöse werden ausschließlich für Absicherungs- und allgemeine Unternehmenszwecke der Emittentin verwendet. Die Wertpapiergläubiger haben zu keinem Zeitpunkt direkte Anteile oder Eigentumsrechte an den Referenz-Portfolio Bestandteilen.</p> <p>Während der Laufzeit der Wertpapiere erhält der Anleger keine laufenden Erträge (z. B. Dividenden oder Zinsen).</p>
<b>C.16</b>	Verfalltag oder Fälligkeitstermin — Ausübungstermin oder letzter Referenztermin.	<p>Der Fälligkeitstag entspricht dem fünften Geschäftstag nach dem maßgeblichen Bewertungstag.</p> <p>Der Bewertungstag entspricht, vorbehaltlich einer Marktstörung gemäß § 9 der Wertpapierbedingungen, (i) im Fall einer Tilgung der Wertpapiere nach § 1 der Bedingungen der Wertpapiere, dem Verfalltag, (ii) im Fall einer Kündigung der Wertpapiere durch die Emittentin nach § 2 (4) der Bedingungen der Wertpapiere, dem maßgeblichen Emittentin-Kündigungstag, (iii) im Fall einer automatischen Beendigung der Laufzeit der Wertpapiere nach § 3 der Bedingungen der Wertpapiere, dem maßgeblichen Automatischen Beendigungstag, bzw. (iv) im Fall einer außerordentlichen Kündigung durch die Emittentin nach § 8 der Bedingungen der Wertpapiere, dem maßgeblichen Außerordentlichen Kündigungstag.</p> <p>Der Verfalltag entspricht, vorbehaltlich einer Verlängerung der Laufzeit der Wertpapiere und einer Marktstörung gemäß der Bedingungen der Wertpapiere, dem 3. Juli 2024. Die Emittentin ist berechtigt, die Laufzeit aller ausstehenden Wertpapiere durch Bekanntmachung gemäß der Wertpapierbedingungen an die Wertpapiergläubiger um zusätzliche Zeiträume von jeweils sieben (7) Kalenderjahren zu verlängern; in einem solchen Fall ist der „Verfalltag“ der Tag, der sieben (7) Kalenderjahre auf den ursprünglich festgelegten Verfalltag folgt. Die Emittentin kann die Laufzeit der Wertpapiere beliebig oft verlängern.</p>
<b>C.17</b>	Abrechnungsverfahren für die derivativen Wertpapiere.	<p>Zahlungen werden in jedem Fall vorbehaltlich sämtlicher anwendbarer steuerlicher oder sonstiger Gesetze und Vorschriften im Zusammenhang mit der Zahlung oder sonstiger Gesetze und Vorschriften, denen sich die Emittentin unterwirft, in Übereinstimmung mit den Vorschriften und Verfahren, die auf das Clearingsystem Anwendung finden und/oder von diesem herausgegeben werden (die "<b>CS-Regeln</b>") dem Clearingsystem oder an dessen Order zur Gutschrift auf den Konten der betreffenden Kontoinhaber bei dem Clearingsystem bereitgestellt</p> <p>Die Emittentin wird mit der vorstehend beschriebenen Leistung an das Clearingsystem von den ihr unter diesen Bedingungen der Wertpapiere obliegenden Tilgungsverpflichtungen bzw. sonstigen Zahlungsverpflichtungen befreit.</p>
<b>C.18</b>	Tilgung der derivativen Wertpapiere.	<p>Die Wertpapiergläubiger erhalten an dem maßgeblichen Fälligkeitstag die Zahlung des Abrechnungsbetrags in der Auszahlungswährung, gegebenenfalls auf zwei Dezimalstellen kaufmännisch gerundet (der "<b>Auszahlungsbetrag</b>")</p> <p>Der "<b>Abrechnungsbetrag</b>", welcher nicht negativ sein kann, wird durch eine Multiplikation von EUR 100,00 mit der Entwicklung des Referenz-Portfolios vom "Festsetzungstag" bis zum "Bewertungstag" und daher in</p>

		<p>Übereinstimmung mit der folgenden Formel berechnet:</p> $\text{EUR } 100,00 \times \text{Max} \left( 0; \frac{\text{Finaler Referenz-Portfolio Level}}{\text{Anfänglicher Referenz-Portfolio Level}} \right)$ <p><b>Automatische Beendigung der Wertpapiere</b></p> <p>Im Fall, dass die Dialog Vermögensmanagement GmbH nicht mehr als Referenz-Portfolio Advisor fungiert (ein "<b>Automatische Beendigungsereignis</b>"), wird die Laufzeit aller ausstehenden Wertpapiere automatisch gekündigt und jeder Wertpapiergläubiger erhält an dem maßgeblichen Fälligkeitstag die Zahlung des Vorzeitigen Auszahlungsbetrags in der Auszahlungswährung, gegebenenfalls auf zwei Dezimalstellen kaufmännisch gerundet (der "<b>Automatischer Beendigungsbetrag</b>")</p> <p>Der "<b>Vorzeitige Abrechnungsbetrag</b>", welcher nicht negativ sein kann, wird durch die Multiplikation von EUR 100,00 mit der Entwicklung des Referenz-Portfolios zwischen dem Tag, an dem das Referenz-Portfolio geschaffen worden ist (3. Juli 2017), bis zum maßgeblichen Bewertungstag und damit in Übereinstimmung mit der folgenden Formel berechnet:</p> $\text{EUR } 100,00 \times \text{Max} \left( 0; \frac{\text{Vorzeitiger Referenz-Portfolio Level}}{\text{Anfänglicher Referenz-Portfolio Level}} \right)$ <p><b>Kündigung der Wertpapiere durch die Emittentin</b></p> <p>Die Emittentin ist gemäß den Wertpapierbedingungen jeweils zum 31. März, 30. Juni, 30. September und 31. Dezember (jeweils ein "<b>Kündigungstag der Emittentin</b>"), erstmals zum 30. September 2017 (einschließlich), berechtigt, sämtliche und nicht nur einzelne Wertpapiere unter Einhaltung einer Frist von dreißig (30) Geschäftstagen durch Veröffentlichung mit Wirkung zu dem jeweiligen Kündigungstag der Emittentin zu kündigen und zu tilgen. In dem Fall der Kündigung und Tilgung durch die Emittentin, zahlt die Emittentin jedem Wertpapiergläubiger einen Betrag in Höhe des Auszahlungsbetrags (wie vorstehend definiert).</p> <p><b>Außerordentliche Kündigung der Wertpapiere durch die Emittentin</b></p> <p>Die Emittentin ist gemäß den Wertpapierbedingungen bei Vorliegen eines Kündigungsereignisses, berechtigt, sämtliche, aber nicht einzelne Wertpapiere durch eine Bekanntmachung an die Wertpapiergläubiger außerordentlich zu kündigen und vorzeitig zu tilgen. Im Fall der außerordentlichen Kündigung durch die Emittentin zahlt die Emittentin an jeden Wertpapiergläubiger bezüglich jedes von ihm gehaltenen Wertpapiers einem Geldbetrag je Wertpapier in der Auszahlungswährung, der von der UBS AG, Bahnhofstraße 45, 8001 Zürich, Schweiz, and Aeschenvorstadt 1, 4051 Basel, Schweiz, handelnd durch ihre Zweigstelle London, 5 Broadgate, London EC2M 2QS, Vereinigtes Königreich, (die "<b>Berechnungsstelle</b>"), nach billigem Ermessen, gegebenenfalls unter Berücksichtigung des dann maßgeblichen Level des Referenz-Portfolios und der durch die Kündigung bei der Emittentin angefallenen Kosten, als angemessener Marktpreis eines Wertpapiers bei Kündigung festgelegt wird.</p>
<b>C.19</b>	Ausübungspreis oder endgültiger Referenzpreis des	Der Finale Referenz-Portfolio Level bezeichnet, vorbehaltlich einer Störungsereignisses gemäß der Bedingungen der Wertpapiere, den Wert des virtuellen Referenz-Portfolios, wie er an dem für den Verfalltag

	Basiswerts.	<p>maßgeblichen Bewertungstag von der Berechnungsstelle berechnet wird, wobei der maßgebliche Wert des Referenz-Portfolios dem folgenden Betrag entspricht:</p> <ul style="list-style-type: none"> <li>(i) Summe der Veräußerungserlöse, unter Verwendung des jeweiligen maßgeblichen Währungswechselkurses, wie von der Berechnungsstelle nach billigem Ermessen bestimmt, in EUR umgerechnet, die erzielt worden wären, wenn ein hypothetischer Investor (in derselben Position wie die Emittentin) die in dem Referenz-Portfolio jeweils enthaltenen virtuellen Komponenten veräußert bzw. aufgelöst hätte, <b>zuzüglich</b></li> <li>(ii) des Werts der Barmittel-Position <b>abzüglich</b></li> <li>(iii) der angefallenen, aber noch nicht abgezogenen, Referenz-Portfolio Gebühren und Anpassungsgebühren.</li> </ul>
<b>C.20</b>	Art des Basiswerts und Angabe des Ortes, an dem Informationen über den Basiswert erhältlich sind.	<p><b>Art des Basiswerts:</b></p> <p>Das Referenz-Portfolio bezeichnet das virtuelle Euro ("EUR") denominated GBC Directors' Dealings Value Strategy Referenz Portfolio (der "<b>Basiswert</b>" oder das virtuelle "<b>Referenz-Portfolio</b>"), das von der Dialog Vermögensmanagement GmbH, Stuttgart, Deutschland, (der "<b>Referenz-Portfolio Advisor</b>") erstellt und, vorbehaltlich von Anpassungen durch die Emittentin im Fall des Eintritts von potenziellen Anpassungsereignissen gemäß der Wertpapierbedingungen, aktiv verwaltet wird. Das Referenz-Portfolio zielt darauf ab, die Entwicklung (i) eines aus sog. Long Positionen bestehenden Korbs aus ausgewählten Aktien (jeweils eine „<b>Aktie<sub>(i)</sub></b>“ bzw. eine „<b>Aktien-Komponente<sub>(i)</sub></b>“ und gemeinsam die „<b>Aktien</b>“ bzw. die „<b>Aktien-Komponenten</b>“), die entweder im Deutsche Börse AG German Stock Index DAX, Deutsche Börse AG DAX Mid-Cap Index, Deutsche Börse SDAX Performance Index, Deutsche Börse TecDAX Total Return Selection Index, Deutsche Börse AG Composite DAX CDAX Index, Austrian ATX Prime Index, SMI Expanded Price Index, Deutsche Börse Classic All Share Performance Index, Deutsche Börse Scale All Share Price Index oder im Vienna Stock Exchange Share Index enthalten sind, und (ii) eine gelegentliche EUR denominated Barmittel-Position, die jederzeit gleich oder größer Null sein muss, (die „<b>Barmittel-Position</b>“, die zusammen mit den Aktien-Komponenten als „<b>Referenz-Portfolio Bestandteile</b>“ bezeichnet wird) abzüglich bestimmter Gebühren, Kosten und Auslagen, abzubilden.</p> <p>Der Referenz-Portfolio Advisor verwaltet das Referenz-Portfolio in Übereinstimmung mit den Referenz-Portfolio Vorgaben.</p> <p>Das Referenz-Portfolio wird am 3. Juli 2017 von dem Referenz-Portfolio Advisor geschaffen.</p> <p>Informationen zur historischen und fortlaufenden Wertentwicklung des Referenz-Portfolios und zu seiner Volatilität sind auf der Internetseite <a href="http://www.ubs.com/keyinvest">www.ubs.com/keyinvest</a> oder einer Nachfolgesite erhältlich, die die Emittentin den Wertpapiergläubigern zu diesem Zwecke über eine Veröffentlichung auf <a href="http://www.ubs.com/keyinvest">www.ubs.com/keyinvest</a> bekanntgeben wird.</p>

<b>Punkt</b>		<b>Abschnitt D – Risiken</b>
<b>D.2</b>	Zentrale Angaben zu den zentralen Risiken, die der Emittentin eigen sind.	<p>Der Erwerb von Wertpapieren ist mit bestimmten Risiken verbunden.</p> <p>Die Wertpapiere beinhalten ein sog. Emittentenrisiko, das auch als Schuldnerisiko oder Kreditrisiko der Investoren bezeichnet wird. Das Emittentenrisiko ist das Risiko, dass die UBS AG zeitweise oder andauernd nicht in der Lage ist, ihren Verpflichtungen unter den Wertpapieren nachzukommen.</p>



		<p><b>Allgemeines Insolvenzrisiko</b></p> <p>Jeder Investor trägt allgemein das Risiko, dass sich die finanzielle Situation der Emittentin verschlechtern könnte. Die Wertpapiere begründen unmittelbare, unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die - auch im Fall der Insolvenz der Emittentin - untereinander und mit allen sonstigen gegenwärtigen und künftigen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, ausgenommen solche Verbindlichkeiten, denen aufgrund zwingender gesetzlicher Vorschriften Vorrang zukommt. Die durch die Wertpapiere begründeten Verbindlichkeiten der Emittentin sind nicht durch ein System von Einlagensicherungen oder eine Entschädigungseinrichtung geschützt.</p> <p><b>Im Falle der Insolvenz der Emittentin könnte es folglich sein, dass Anleger einen Totalverlust ihrer Investition in die Wertpapiere erleiden.</b></p> <p>UBS AG als Emittentin und UBS unterliegen in Bezug auf ihre Geschäftsaktivitäten verschiedenen Risiken. Nachstehend zusammengefasst sind die Risiken, die Auswirkungen auf die Fähigkeit der Gruppe, ihre Strategie umzusetzen, auf ihre Geschäftsaktivitäten, ihre Finanz- und Ertragslage und ihre Aussichten haben können und die die Gruppe für wesentlich hält und von denen sie gegenwärtig Kenntnis hat:</p> <ul style="list-style-type: none"> <li>• Die allgemeine Bewertung der Kreditwürdigkeit der UBS kann den Wert der Wertpapiere beeinflussen</li> <li>• Währungsschwankungen und anhaltend tiefe oder Negativzinsen können die Kapitalstärke, Liquiditäts- und Finanzierungsposition der UBS sowie ihre Profitabilität nachteilig beeinflussen</li> <li>• Aufsichtsrechtliche und gesetzliche Veränderungen können die Geschäfte der UBS sowie ihre Fähigkeit, die strategischen Pläne umzusetzen, nachteilig beeinflussen</li> <li>• Wenn UBS ihre Kapitalkraft nicht erhalten kann, kann dies ihre Fähigkeit beeinträchtigen, ihre Strategie auszuführen und ihre Kundenbasis und Wettbewerbsposition zu halten</li> <li>• Es ist möglich, dass die UBS ihre angekündigten strategischen Pläne nicht erfüllen kann</li> <li>• Aus der Geschäftstätigkeit der UBS können wesentliche rechtliche und regulatorische Risiken erwachsen</li> <li>• Operationelle Risiken beeinträchtigen das Geschäft der UBS</li> <li>• Der gute Ruf der UBS ist für den Geschäftserfolg der UBS von zentraler Bedeutung.</li> <li>• Die Ergebnisse der Finanzdienstleistungsbranche hängen von den Marktbedingungen und vom makroökonomischen Umfeld ab</li> <li>• Es ist möglich, dass UBS die Änderungen in ihrem Wealth-Management-Geschäft zur Anpassung an die Entwicklung der Markt-, aufsichtsrechtlichen und sonstigen Bedingungen nicht erfolgreich umsetzen kann</li> <li>• Die UBS könnte ausserstande sein, Ertrags- oder Wettbewerbschancen zu identifizieren und zu nutzen oder qualifizierte Mitarbeiter zu gewinnen und zu binden</li> </ul>
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		<ul style="list-style-type: none"> <li>• Die UBS hält Legacy- und andere Risikopositionen, die von den Bedingungen an den Finanzmärkten beeinträchtigt werden könnten; Legacy-Risikopositionen könnten schwierig zu liquidieren sein</li> <li>• Die UBS ist auf ihre Risikomanagement- und -kontrollprozesse angewiesen, um mögliche Verluste bei ihrem Geschäft zu verhindern oder zu begrenzen</li> <li>• Bewertungen bestimmter Positionen hängen von Modellen ab, die naturgemäss ihre Grenzen haben und die unter Umständen Daten aus nicht beobachtbaren Quellen anwenden</li> <li>• Liquiditätsbewirtschaftung und Finanzierung sind für die laufende Performance der UBS von grösster Bedeutung</li> <li>• Die Finanzergebnisse der UBS könnten durch geänderte Rechnungslegungsstandards beeinträchtigt werden</li> <li>• Die Finanzergebnisse der UBS könnten durch geänderte Annahmen bezüglich des Werts ihres Goodwills beeinträchtigt werden</li> <li>• Die Auswirkungen von Steuern auf die Finanzergebnisse der UBS werden erheblich durch Neueinschätzungen ihrer latenten Steueransprüche beeinflusst</li> <li>• Das erklärte Kapitalausschüttungsziel der UBS basiert teilweise auf Kapitalkennzahlen, die von den Regulatoren geändert werden und erheblich schwanken können</li> <li>• Die Geschäftsergebnisse der UBS AG, ihre Finanzsituation und ihre Fähigkeit, künftigen Verpflichtungen nachzukommen, könnte von der Mittelbeschaffung und von den von der UBS Switzerland AG und anderen direkten Tochtergesellschaften erhaltenen Dividenden und sonstigen Ausschüttungen, die Beschränkungen unterliegen können, beeinflusst werden</li> <li>• Bei Insolvenzgefahr ist die FINMA befugt, ein Sanierungs- oder Liquidationsverfahren zu eröffnen oder Schutzmassnahmen in Bezug auf die UBS Group AG, die UBS AG oder die UBS Switzerland AG zu ergreifen. Diese Verfahren oder Massnahmen können einen wesentlichen nachteiligen Effekt auf unsere Aktionäre und Gläubiger haben.</li> </ul>
<b>D.6</b>	Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind.	<p>Potenzielle Erwerber sollten sich darüber im Klaren sein, dass es sich bei Wertpapieren um eine <b>Risikoanlage</b> handelt, die mit der Möglichkeit von <b>Totalverlusten</b> hinsichtlich des eingesetzten Kapitals verbunden ist. Wertpapiergläubiger erleiden einen Verlust, wenn die gemäß den Bedingungen der Wertpapieren erhaltenen Beträge unter dem Kaufpreis der Wertpapiere (einschließlich etwaiger Transaktionskosten) liegt. Investoren tragen das Risiko der Verschlechterung der finanziellen Leistungsfähigkeit der Emittentin und der daraus folgenden möglichen Unfähigkeit der Emittentin ihren Verpflichtungen unter den Wertpapieren nachzukommen. Potenzielle Erwerber müssen deshalb bereit und in der Lage sein, Verluste des eingesetzten Kapitals bis hin zum <b>Totalverlust</b> hinzunehmen. In jedem Falle sollten Erwerber der Wertpapiere ihre jeweiligen wirtschaftlichen Verhältnisse daraufhin überprüfen, ob sie in der Lage sind, die mit dem Wertpapier verbundenen <b>Verlustrisiken</b> zu tragen.</p> <p><b>Wertpapierspezifische Risikohinweise</b></p>

		<p><b>1. <u>Spezielle Risiken im Zusammenhang mit besonderen Merkmalen der Wertpapierstruktur</u></b></p> <p>Potenzielle Erwerber der Wertpapiere müssen vor einer Investition in die Wertpapiere beachten, dass die folgenden Besonderheiten der Wertpapiere nachteilige Auswirkungen auf den Wert der Wertpapiere bzw. die Höhe des nach den Wertpapierbedingungen gegebenenfalls zu zahlenden Geldbetrags haben können und dementsprechend besondere Risikoprofile aufweisen:</p> <p><b>Währungswechselkursrisiko</b></p> <p>Der Wert der Referenz-Portfolio Bestandteile kann in einer von der Auszahlungswährung abweichenden Währung bestimmt werden, weshalb sich potenzielle Erwerber der Wertpapiere darüber im Klaren sein sollten, dass mit der Anlage in die Wertpapiere Risiken aufgrund von schwankenden Währungswechselkursen verbunden sein können und dass das Verlustrisiko nicht allein von der Entwicklung des Werts des virtuellen Referenz-Portfolios, sondern auch von ungünstigen Entwicklungen des Werts der fremden Währung, abhängt.</p> <p>Derartige Entwicklungen können das Verlustrisiko der Wertpapiergläubiger zusätzlich dadurch erhöhen, dass sich durch eine ungünstige Entwicklung des betreffenden Währungswechselkurses der Wert der erworbenen Wertpapiere während ihrer Laufzeit entsprechend vermindert oder sich die Höhe des möglicherweise unter den Wertpapieren zu zahlenden Auszahlungsbetrags, Kündigungsbetrags bzw. Automatischen Beendigungsbetrags entsprechend vermindert. Währungswechselkurse werden von Angebots- und Nachfragefaktoren auf den internationalen Devisenmärkten bestimmt, die volkswirtschaftlichen Faktoren, Spekulationen und Maßnahmen von Regierungen und Zentralbanken ausgesetzt sind (zum Beispiel währungspolitische Kontrollen oder Einschränkungen).</p> <p><b>Verlängerung der Laufzeit der Wertpapiere durch die Emittentin</b></p> <p>Potenziellen Erwerbern der Wertpapiere sollte bewusst sein, dass die Emittentin gemäß den Bedingungen der Wertpapiere berechtigt ist, die Laufzeit aller ausstehenden Wertpapiere durch Bekanntmachung an die Wertpapiergläubiger vor dem zu diesem Zeitpunkt geltenden Verfalltag (oder einem aus der Verlängerung der Laufzeit der Wertpapiere resultierenden späteren Verfalltag) um einen zusätzlichen Zeitraum von sieben (7) Kalenderjahren zu verlängern; in einem solchen Fall ist der „Verfalltag“ der Tag, der sieben (7) Kalenderjahre auf den vorher festgelegten Verfalltag folgt. Die Emittentin kann die Laufzeit der Wertpapiere beliebig oft verlängern (die „<b>Verlängerungsoption der Emittentin</b>“). Falls die Emittentin die Verlängerungsoption der Emittentin ausübt und ein Wertpapiergläubiger nicht gemäß den Bedingungen der Wertpapiere die von ihm gehaltenen Wertpapiere durch Ausübung der Wertpapiergläubiger Nicht-Verlängerungsoption kündigt, erhalten Anleger in die Wertpapiere die abschließende Zahlungen unter den Wertpapieren später, als beim Ausgabetag der Wertpapiere vorgesehen.</p> <p><b>2. <u>Auswirkungen der Abstufung des Ratings der Emittentin</u></b></p> <p>Die allgemeine Bewertung der Emittentin, ihre Verbindlichkeiten bedienen zu können, kann den Wert der Wertpapiere beeinflussen. Jede Abwertung des Ratings der Emittentin durch eine Ratingagentur kann daher eine negative Auswirkung auf den</p>
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		<p>Wert der Wertpapiere haben.</p> <p><b>3. <u>Ratings sind keine Empfehlungen</u></b>  Die Ratings der UBS AG als Emittentin sollten unabhängig von ähnlichen Ratings anderer Unternehmen und vom Rating (falls vorhanden) ausgegebener Schuldverschreibungen oder derivativer Wertpapiere beurteilt werden. Ein Kreditrating ist keine Empfehlung zum Kauf, Verkauf oder Halten von Wertpapieren, die von dem bewerteten Unternehmen begeben oder garantiert werden, und unterliegen jeder Zeit Überprüfungen, Neubewertungen, Aussetzungen, Herabsetzungen oder Aufhebungen durch die entsprechende Ratingagentur.</p> <p>Ein Rating der Wertpapiere (falls vorhanden) ist keine Empfehlung zum Kauf, Verkauf oder Halten von Wertpapieren und kann zu jeder Zeit Gegenstand von Überarbeitungen, Neubewertungen, Aussetzungen, Herabsetzungen oder Aufhebungen zu jeder Zeit durch die entsprechende Ratingagentur sein. Jedes Rating sollte unabhängig von Ratings anderer Wertpapiere, jeweils in Bezug auf die erteilende Ratingagentur und die Art des Wertpapiers, beurteilt werden. Zudem können auch Ratingagenturen, die nicht von der Emittentin beauftragt oder anderweitig angewiesen wurden, die Wertpapiere zu raten, die Wertpapiere bewerten und falls solche "unaufgeforderten Ratings" schlechter ausfallen als die entsprechenden Ratings, die den Wertpapieren von den jeweiligen beauftragten Ratingagenturen zugewiesen wurden, könnten solche Ratings eine negative Auswirkung auf den Wert der Wertpapiere haben.</p> <p><b>4. <u>Keine gesetzliche oder freiwillige Einlagensicherung</u></b>  Die durch die Wertpapiere begründeten Verbindlichkeiten der Emittentin sind nicht durch ein gesetzliches oder freiwilliges System von Einlagensicherungen oder eine Entschädigungseinrichtung geschützt. <b>Im Falle der Insolvenz der Emittentin könnte es folglich sein, dass die Anleger einen Totalverlust ihrer Investition in die Wertpapiere erleiden.</b></p> <p><b>5. <u>Wertpapiergläubiger sind dem Risiko eines Bail-in ausgesetzt</u></b>  Die Emittentin und die Wertpapiere unterliegen dem Schweizer Bankengesetz sowie der Bankeninsolvenzverordnung der FINMA, die die FINMA als zuständige Abwicklungsbehörde insbesondere ermächtigt, unter Umständen bestimmte Abwicklungsinstrumente gegenüber Kreditinstituten anzuwenden. Dies schließt die Herabschreibung oder die Umwandlung von Schuldverschreibungen in Eigenkapital (sogenannter Bail-In) ein. Eine Herabschreibung oder Umwandlung würde die Emittentin insoweit von ihren Verpflichtungen unter den Wertpapieren befreien und die Wertpapiergläubiger_hätten keinen weiteren Anspruch aus den Wertpapieren gegen die Emittentin. Die Abwicklungsinstrumente können daher die Rechte der Wertpapiergläubiger_deutlich nachteilig beeinflussen, indem sie Ansprüche aus den Wertpapieren aussetzen, modifizieren und ganz oder teilweise zum Erlöschen bringen können. Dies kann im schlechtesten Fall zum <b>Totalverlust der Investition der Wertpapiergläubiger_in die Wertpapiere führen.</b></p> <p>Die genannten rechtlichen Bestimmungen und/oder Verwaltungsmaßnahmen können die Rechte von Wertpapiergläubigern erheblich nachteilig beeinträchtigen und können, auch im Vorfeld der Bestandsgefährdung oder</p>
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		<p>Abwicklung, einen negativen Einfluss auf den Wert der Wertpapiere haben.</p> <p><b>6. <u>Die Bedingungen der Wertpapiere enthalten keine Beschränkungen der Fähigkeit der Emittentin oder von UBS, ihr Geschäft neu zu strukturieren</u></b></p> <p>Die Bedingungen der Wertpapiere enthalten keine Beschränkungen zu Kontrollwechseln oder strukturellen Änderungen, wie gesellschaftsrechtliche Konsolidierung oder Verschmelzung oder Abspaltung der Emittentin oder Verkauf, Abtretung, Ausgliederung, Beteiligung, Ausschüttung, Übertragung oder Veräußerung von Teilen oder der Gesamtheit des Eigentums oder der Vermögenswerte der Emittentin oder eines mit ihr verbundenen Unternehmens im Zusammenhang mit angekündigten Änderungen ihrer rechtlichen Struktur oder Ähnlichem und aufgrund solcher Änderungen wird kein Kündigungsgrund, kein Erfordernis zum Rückkauf der Wertpapiere oder kein sonstiges Ereignis unter den Bedingungen der Wertpapiere ausgelöst. Es kann keine Gewähr dafür übernommen werden, dass solche Änderungen, sollten sie eintreten, das Rating der Emittentin nicht negativ beeinträchtigen und/oder nicht die Wahrscheinlichkeit des Eintritts eines Kündigungsgrunds erhöhen. Solche Änderungen, sollten sie eintreten, können die Fähigkeit der Emittentin Zinsen auf die Wertpapiere zu zahlen negativ beeinflussen.</p> <p><b>7. <u>Kündigung und vorzeitige Tilgung der Wertpapiere durch die Emittentin</u></b></p> <p>Potenziellen Erwerbern der Wertpapiere sollte zudem bewusst sein, dass die Emittentin gemäß den Bedingungen der Wertpapiere unter bestimmten Umständen die Möglichkeit hat, die Wertpapiere insgesamt vor dem planmäßigen Fälligkeitstag zu kündigen und vorzeitig zu tilgen. In diesem Fall hat der Wertpapiergläubiger gemäß den Bedingungen der Wertpapiere das Recht, die Zahlung eines Geldbetrags in Bezug auf die vorzeitige Tilgung zu verlangen. Der Wertpapiergläubiger hat jedoch keinen Anspruch auf irgendwelche weiteren Zahlungen auf die Wertpapiere nach dem maßgeblichen Kündigungstag. Zudem kann der Kündigungsbetrag, der bei Kündigung der Wertpapiere durch die Emittentin gegebenenfalls gezahlt wird, erheblich geringer sein als der Betrag, der zum planmäßigen Ende der Laufzeit der Wertpapiere zu zahlen wäre.</p> <p>Der Wertpapiergläubiger trägt damit das Risiko, dass er an der Wertentwicklung des virtuellen Referenz-Portfolios und den Referenz-Portfolio Bestandteilen nicht in dem erwarteten Umfang und über den erwarteten Zeitraum partizipieren und damit auch weniger als sein eingesetztes Kapital zurückerhalten kann.</p> <p>Im Falle einer Kündigung der Wertpapiere durch die Emittentin trägt der Wertpapiergläubiger zudem das Wiederanlagerisiko. Dies bedeutet, dass er den durch die Emittentin im Falle einer Kündigung gegebenenfalls ausgezahlten Geldbetrag möglicherweise nur zu ungünstigeren Marktkonditionen als denen, die beim Erwerb der Wertpapiere vorlagen, wiederanlegen kann.</p> <p><b>8. <u>Mögliche Kursschwankungen des Levels des virtuellen Referenz-Portfolios nach Beendigung der Laufzeit der Wertpapiere</u></b></p> <p>Soweit die Laufzeit der Wertpapiere durch die Emittentin vorzeitig durch Kündigung gemäß den Bedingungen der Wertpapiere</p>
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		<p>beendet wird, müssen potenzielle Erwerber der Wertpapiere beachten, dass ungünstige Schwankungen des Levels des virtuellen Referenz-Portfolios nach dem Zeitpunkt der Kündigungserklärung bis zur Ermittlung des für die Berechnung des dann zahlbaren Geldbetrags verwendeten Levels des virtuellen Referenz-Portfolios zu Lasten der Wertpapiergläubiger gehen.</p> <p><b>9. <u>Nachteilige Auswirkungen von Anpassungen des Wertpapierrechts</u></b>  Es kann nicht ausgeschlossen werden, dass gewisse Ereignisse eintreten oder (von Dritten, mit Ausnahme der Emittentin) in Bezug auf das virtuelle Referenz-Portfolio Maßnahmen ergriffen werden, die möglicherweise zur Änderung an dem virtuellen Referenz-Portfolio führen oder darin resultieren, dass das dem virtuellen Referenz-Portfolio zu Grunde liegende Konzept geändert wird, so genannte potenzielle Anpassungsereignisse. Die Emittentin ist gemäß den Bedingungen der Wertpapiere bei Vorliegen eines potenziellen Anpassungsereignisses berechtigt, Anpassungen der Bedingungen der Wertpapiere vorzunehmen, um diese Ereignisse oder Maßnahmen zu berücksichtigen. Diese Anpassungen der Komponenten, die in dem virtuellen Referenz-Portfolio enthalten sind, können sich negativ auf den Wert der Wertpapiere auswirken.</p> <p><b>10. <u>Ersetzung der Emittentin</u></b>  Vorausgesetzt, dass die Emittentin nicht mit ihrer Verpflichtungen unter den Wertpapieren in Verzug ist, ist die Emittentin in Übereinstimmung mit den Wertpapierbedingungen jederzeit berechtigt, ohne Zustimmung der Wertpapiergläubiger eine andere Gesellschaft der UBS Gruppe als Emittentin (die "<b>Nachfolge-Emittentin</b>") hinsichtlich aller Verpflichtungen aus oder in Verbindung mit den Wertpapieren an die Stelle der Emittentin zu setzen.</p> <p>Dies kann Auswirkungen auf eine Notierung der Wertpapiere haben und insbesondere dazu führen, dass die Nachfolge-Emittentin erneut die Zulassung zum relevanten Markt oder zur Börse, an der die Wertpapiere gehandelt werden, beantragen muss. Ferner unterliegt jeder Wertpapiergläubiger nach einem solchen Austausch dem Kreditrisiko der Nachfolge-Emittentin.</p> <p><b>11. <u>Festlegungen durch die Berechnungsstelle</u></b>  Die Berechnungsstelle hat nach Maßgabe der Bedingungen der Wertpapiere bestimmte Ermessensfreiheiten (i) bei der Feststellung, ob bestimmte Ereignisse (insbesondere in Übereinstimmung mit den Bedingungen der Wertpapiere ein Anpassungsereignis oder eine Marktstörung) eingetreten sind, (ii) bei der Feststellung der sich daraus ergebenden Anpassungen und Berechnungen, (iii) hinsichtlich der Anpassungen der Referenz-Portfolio Bestandteile und (iv) hinsichtlich des Verschiebens von Bewertungen oder Zahlungen in Bezug auf die Wertpapiere. Die Berechnungsstelle nimmt solche Feststellungen nach ihrem billigen Ermessen. Potenziellen Anlegern sollte bewusst sein, dass eine von der Berechnungsstelle vorgenommene Feststellung sich auf den Wert der Wertpapiere und die Erträge daraus auswirken kann. Die Ausübung eines solchen Ermessens oder die Vornahme einer Berechnung durch die Berechnungsstelle ist, außer in Fällen offensichtlichen Irrtums, für die Emittentin und die Wertpapiergläubiger endgültig, abschließend und bindend.</p> <p><b>12. <u>Weitere Wert bestimmende Faktoren</u></b></p>
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		<p>Der Wert eines Wertpapiers wird nicht nur von den Veränderungen des virtuellen Referenz-Portfolios bestimmt, sondern zusätzlich von einer Reihe weiterer Faktoren. Mehrere Risikofaktoren können den Wert der Wertpapiere gleichzeitig beeinflussen; daher lässt sich die Auswirkung eines einzelnen Risikofaktors nicht voraussagen. Zudem können mehrere Risikofaktoren auf bestimmte Art und Weise zusammenwirken, so dass sich deren gemeinsame Auswirkung auf die Wertpapiere ebenfalls nicht voraussagen lässt. Über die Auswirkungen einer Kombination von Risikofaktoren auf den Wert der Wertpapiere lassen sich keine verbindlichen Aussagen treffen.</p> <p>Potenzielle Erwerber der Wertpapiere sollten sich bewusst sein, dass eine Anlage in die Wertpapiere mit einem Bewertungsrisiko im Hinblick auf das virtuelle Referenz-Portfolios verbunden ist. Sie sollten Erfahrung mit Geschäften mit Wertpapieren haben, deren Wert von dem virtuellen Referenz-Portfolio bzw. den Referenz-Portfolio Bestandteilen abgeleitet wird. Der Level des virtuellen Referenz-Portfolios kann Schwankungen unterworfen sein; diese Wertschwankungen sind von einer Vielzahl von Faktoren abhängig, wie zum Beispiel volkswirtschaftlichen Faktoren und Spekulationen. Zudem ist die historische Wertentwicklung des virtuellen Referenz-Portfolios bzw. der Referenz-Portfolio Bestandteile kein Indikator für eine zukünftige Wertentwicklung. Veränderungen in dem Wert des virtuellen Referenz-Portfolios bzw. der Referenz-Portfolio Bestandteile beeinflussen den Handelspreis des Wertpapiers und es ist nicht möglich im Voraus zu bestimmen, ob der Wert des virtuellen Referenz-Portfolios bzw. der Referenz-Portfolio Bestandteile steigen oder fallen wird.</p> <p><b>13. Einfluss von Nebenkosten</b> Provisionen und andere Transaktionskosten, die beim Kauf oder Verkauf von Wertpapieren anfallen, können - insbesondere in Kombination mit einem niedrigen Auftragswert - zu Kostenbelastungen führen, <b>die den unter den Wertpapieren gegebenenfalls zu zahlenden Auszahlungsbetrag der Höhe nach erheblich vermindern können.</b> Potenzielle Erwerber sollten sich deshalb vor Erwerb eines Wertpapiers über alle beim Kauf oder Verkauf des Wertpapiers anfallenden Kosten einschließlich etwaiger Kosten ihrer Depotbank bei Erwerb und bei Fälligkeit der Wertpapiere informieren.</p> <p><b>14. Handel in den Wertpapieren / Mangelnde Liquidität</b> Es lässt sich nicht voraussagen, ob und inwieweit sich ein Sekundärmarkt für die Wertpapiere entwickelt, zu welchem Preis die Wertpapiere in diesem Sekundärmarkt gehandelt werden und ob dieser Sekundärmarkt liquide sein wird oder nicht.</p> <p>Es werden Anträge auf Einbeziehung der Wertpapiere in den Freiverkehr an der Frankfurter Wertpapierbörse und der Börse Stuttgart gestellt werden. Sofern die Wertpapiere zugelassen oder gelistet werden, besteht keine Gewähr dafür, dass eine solche Zulassung oder ein solches Listing aufrecht erhalten wird. Der Umstand, dass die Wertpapiere zum Handel zugelassen oder gelistet werden, bedeutet nicht zwangsläufig eine größere Liquidität, als wenn dies nicht der Fall wäre. Sofern die Wertpapiere an keiner Börse gelistet oder gehandelt werden, können Preisinformationen im Hinblick auf die Wertpapiere schwieriger zu erhalten sein und die Liquidität der Wertpapieren (sofern vorhanden) kann ungünstig beeinflusst werden. Die gegebenenfalls bestehende Liquidität der Wertpapiere kann ebenfalls durch Beschränkung des Kaufs und Verkaufs der</p>
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		<p>Wertpapiere in bestimmten Ländern beeinflusst werden. Die Emittentin ist zudem berechtigt, jedoch nicht verpflichtet, jederzeit Wertpapiere zu einem beliebigen Kurs auf dem freien Markt oder im Bietungsverfahren oder durch Privatvereinbarung zu erwerben. Alle derart erworbenen Wertpapiere können gehalten, wiederverkauft oder zur Entwertung eingereicht werden.</p> <p>Darüber hinaus kann nicht ausgeschlossen werden, dass die Anzahl der tatsächlich emittierten und von Anlegern erworbenen Wertpapieren geringer ist als das geplante Ausgabevolumen der Wertpapiere. Es besteht deshalb das Risiko, dass aufgrund einer geringen Anzahl tatsächlich emittierter Wertpapiere die Liquidität der Wertpapiere geringer ist, als sie bei einer Ausgabe und des Erwerbs sämtlicher Wertpapiere durch Anleger wäre.</p> <p>Der Manager beabsichtigt, unter gewöhnlichen Marktbedingungen regelmäßig Ankaufs- und Verkaufskurse für die Wertpapiere einer Emission zu stellen. Der Manager hat sich jedoch nicht aufgrund einer festen Zusage gegenüber der Emittentin zur Stellung von Liquidität mittels Geld- und Briefkursen hinsichtlich der Wertpapiere verpflichtet und übernimmt keinerlei Rechtspflicht zur Stellung derartiger Kurse oder hinsichtlich der Höhe oder des Zustandekommens derartiger Kurse. <b>Potenzielle Erwerber sollten deshalb nicht darauf vertrauen, die Wertpapiere zu einer bestimmten Zeit oder einem bestimmten Kurs veräußern zu können.</b></p> <p><b>15. <u>Inanspruchnahme von Krediten</u></b> Wenn Anleger den Erwerb der Wertpapiere mit einem Kredit finanzieren, müssen sie beim Nichteintritt ihrer Erwartungen, zusätzlich zu der Rückzahlung und Verzinsung des Kredits, auch den unter den Wertpapieren eingetretenen Verlust hinnehmen. Dadurch erhöht sich das Verlustrisiko des Anlegers erheblich. Erwerber von Wertpapieren sollten nie darauf vertrauen, den Kredit aus Gewinnen eines Wertpapiergeschäftes verzinsen und zurückzahlen zu können. Vielmehr sollten vor dem kreditfinanzierten Erwerb eines Wertpapiers die maßgeblichen wirtschaftlichen Verhältnisse daraufhin überprüft werden, ob der Anleger in die Wertpapiere zur Verzinsung und gegebenenfalls zur kurzfristigen Tilgung des Kredits auch dann in der Lage ist, wenn statt der von ihm erwarteten Gewinne Verluste eintreten.</p> <p><b>16. <u>Besteuerung der Wertpapiere</u></b> Potentielle Investoren sollten sich vergegenwärtigen, dass sie gegebenenfalls verpflichtet sind, Steuern oder andere Gebühren oder Abgaben nach Maßgabe der Rechtsordnung und Praktiken desjenigen Landes zu zahlen, in das die Wertpapiere übertragen werden oder möglicherweise auch nach Maßgabe anderer Rechtsordnungen. In einigen Rechtsordnungen kann es zudem an offiziellen Stellungnahmen der Finanzbehörden oder Gerichtsentscheidungen in Bezug auf innovative Finanzinstrumente wie den hiermit angebotenen Wertpapieren fehlen. Potentiellen Investoren wird daher geraten, sich nicht auf die in dem Prospekt enthaltene summarische Darstellung der Steuersituation zu verlassen, sondern sich in Bezug auf ihre individuelle Steuersituation hinsichtlich des Kaufs, des Verkaufs und der Rückzahlung der Wertpapiere von ihrem eigenen Steuerberater beraten zu lassen. Nur diese Berater sind in der Lage, die individuelle Situation des potentiellen Investors angemessen einzuschätzen.</p> <p><b>17. <u>Zahlungen auf die Wertpapiere können einer U.S.</u></b></p>
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		<p><b><u>Quellensteuer unterliegen</u></b> Wertpapiergläubiger sollten sich vergegenwärtigen, dass Zahlungen auf die Wertpapiere unter gewissen Voraussetzungen möglicherweise einer U.S. Quellensteuer unterliegen. Falls ein Betrag in Bezug auf eine solche U.S. Quellensteuer von Zahlungen auf die Wertpapiere, gemäß den Bedingungen der Wertpapiere abgezogen oder einbehalten wird, wären weder die Emittentin, noch eine Zahlstelle oder eine andere Person gemäß den Bedingungen der Wertpapiere verpflichtet, zusätzliche Beträge als Folge eines solchen Abzugs oder Einbehalts zu zahlen.</p> <p><b>18. <u>Änderung der Grundlage der Besteuerung der Wertpapiere</u></b> Die in der Wertpapierbeschreibung ausgeführten Überlegungen hinsichtlich der Besteuerung der Wertpapiere geben die Ansicht der Emittentin auf Basis der zum Datum der Wertpapierbeschreibung geltenden Gesetzgebung wieder. Folglich sollten Anleger vor der Entscheidung über einen Kauf der Wertpapiere ihre persönlichen Steuerberater konsultieren.</p> <p>Weder die Emittentin noch der Manager übernehmen gegenüber den Wertpapiergläubigern die Verantwortung für die steuerlichen Konsequenzen einer Anlage in die Wertpapiere.</p> <p><b>19. <u>Potenzielle Interessenkonflikte</u></b> Die Emittentin und mit ihr verbundene Unternehmen können sich von Zeit zu Zeit für eigene Rechnung oder für Rechnung eines Kunden an Transaktionen beteiligen, die mit den Wertpapieren in Verbindung stehen. Diese Transaktionen sind möglicherweise nicht zum Nutzen der Wertpapiergläubiger und können positive oder negative Auswirkungen auf den Wert in dem virtuellen Referenz-Portfolio enthaltenen Referenz-Portfolio Bestandteile und damit auf den Wert der Wertpapiere haben. Mit der Emittentin verbundene Unternehmen können außerdem Gegenparteien bei Deckungsgeschäften bezüglich der Verpflichtungen der Emittentin aus den Wertpapieren werden. Daher können hinsichtlich der Pflichten bei der Ermittlung der Kurse der Wertpapiere und anderen damit verbundenen Feststellungen sowohl unter den mit der Emittentin verbundenen Unternehmen als auch zwischen diesen Unternehmen und den Anlegern Interessenkonflikte auftreten. Zudem können die Emittentin und mit ihr verbundene Unternehmen gegebenenfalls in Bezug auf die Wertpapiere zusätzlich eine andere Funktion ausüben, zum Beispiel als Berechnungsstelle, Zahl- und Verwaltungsstelle und/oder als Index Sponsor.</p> <p>Die Emittentin und mit ihr verbundene Unternehmen können darüber hinaus weitere derivative Instrumente in Verbindung mit dem virtuellen Referenz-Portfolio ausgeben; die Einführung solcher miteinander im Wettbewerb stehenden Produkte kann sich auf den Wert der Wertpapiere auswirken. Die Emittentin und mit ihr verbundene Unternehmen können nicht-öffentliche Informationen in Bezug auf das virtuelle Referenz-Portfolio erhalten, und weder die Emittentin noch eines der mit ihr verbundenen Unternehmen verpflichtet sich, solche Informationen an einen Wertpapiergläubiger zu veröffentlichen.</p> <p>Im Zusammenhang mit dem Angebot und Verkauf der Wertpapiere kann die Emittentin oder ein mit ihr verbundenes Unternehmen, direkt oder indirekt, Gebühren in unterschiedlicher Höhe an Dritte, zum Beispiel Vertriebspartner oder Anlageberater, zahlen oder Gebühren in unterschiedlichen Höhen einschließlich solcher im Zusammenhang mit dem Vertrieb der Wertpapiere von</p>
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		<p>Dritten erhalten. Potenzielle Erwerber sollten sich bewusst sein, dass die Emittentin die Gebühren teilweise oder vollständig einbehalten kann. Über die Höhe dieser Gebühren erteilt bzw. erteilen die Emittentin bzw. der oder die Manager auf Anfrage Auskunft.</p> <p>In Bezug auf potenzielle Interessenkonflikte des Referenz-Portfolio Advisor, siehe „Potenzielle Interessenkonflikte“ in dem nachfolgenden Abschnitt „Referenz-Portfolio-spezifische Risikofaktoren / 4. Spezifische Risiken im Zusammenhang mit dem Referenz-Portfolio Advisor“.</p> <p><b>Referenz-Portfolio-spezifische Risikohinweise</b></p> <p>Das Referenz-Portfolio zielt darauf ab, die Entwicklung (i) eines aus sog. Long Positionen bestehenden Korbs aus ausgewählten Aktien (jeweils eine „<b>Aktie</b>“ bzw. eine „<b>Aktien-Komponente</b>“ und gemeinsam die „<b>Aktien</b>“ bzw. die „<b>Aktien-Komponenten</b>“), die entweder im Deutsche Börse AG German Stock Index DAX, Deutsche Börse AG DAX Mid-Cap Index, Deutsche Börse SDAX Performance Index, Deutsche Börse TecDAX Total Return Selection Index, Deutsche Börse AG Composite DAX CDAX Index, Austrian ATX Prime Index, SMI Expanded Price Index, Deutsche Börse Classic All Share Performance Index, Deutsche Börse Scale All Share Price Index oder im Vienna Stock Exchange Share Index enthalten sind, und (ii) eine gelegentliche EUR denominierte Barmittel-Position, die jederzeit gleich oder größer Null sein muss, (die „<b>Barmittel-Position</b>“, die zusammen mit den Aktien-Komponenten als „<b>Referenz-Portfolio Bestandteile</b>“ bezeichnet wird) abzüglich bestimmter Gebühren, Kosten und Auslagen, abzubilden.</p> <p>Eine Investition in die Wertpapiere ist daher mit Risiken verbunden, die mit dem virtuellen Referenz-Portfolio zusammenhängen:</p> <p><b>1. <u>Allgemeine Risiken im Zusammenhang mit dem virtuellen Referenz-Portfolio</u></b></p> <p>Anleger sollten sich bewusst machen, dass mit dem virtuellen Referenz-Portfolio allgemeine Risiken verbunden sind:</p> <p><b>Risiko von Wertschwankungen</b></p> <p>Die Wertentwicklung des virtuellen Referenz-Portfolios ist Schwankungen unterworfen. Daher können die Wertpapiergläubiger nicht vorhersehen, welche Gegenleistung sie zu einem bestimmten in der Zukunft liegenden Tag für die Wertpapiere erwarten können. Es können bei Tilgung, Ausübung oder sonstiger Veräußerung an einem bestimmten Tag erhebliche Wertverluste gegenüber der Veräußerung zu einem späteren oder früheren Zeitpunkt eintreten.</p> <p><b>Unsicherheit über die zukünftige Wertentwicklung</b></p> <p>Es ist nicht möglich, zuverlässige Aussagen über die künftige Wertentwicklung des virtuellen Referenz-Portfolios und der Referenz-Portfolio Bestandteile zu treffen. Auch auf Grund historischer Daten des virtuellen Referenz-Portfolios und der Referenz-Portfolio Bestandteile können keine Rückschlüsse auf die zukünftige Wertentwicklung des virtuellen Referenz-Portfolios und der Wertpapiere gezogen werden.</p> <p><b>Auswirkung des Abstellens auf ein virtuelles Referenz-Portfolio</b></p> <p>Bei den Wertpapieren besteht die Besonderheit, dass die Höhe des Zahlungsbetrags von der Wertentwicklung eines virtuellen Referenz-Portfolios abhängt, welches unter anderem aus</p>
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		<p>mehreren Aktien-Komponenten besteht. Dementsprechend können Schwankungen im Wert einer Aktien-Komponente durch Schwankungen im Wert der anderen in dem virtuellen Referenz-Portfolio enthaltenen Aktien-Komponenten ausgeglichen oder verstärkt werden. Trotz der positiven Wertentwicklung eines oder mehrerer in dem virtuellen Referenz-Portfolio enthaltenen Aktien-Komponenten kann die Wertentwicklung des virtuellen Referenz-Portfolios in seiner Gesamtheit negativ ausfallen, wenn sich der Wert der übrigen in dem virtuellen Referenz-Portfolio enthaltenen Aktien-Komponenten in stärkerem Maße negativ entwickelt.</p> <p><b>2. <u>Spezifische Risiken im Zusammenhang mit dem virtuellen Referenz-Portfolio</u></b></p> <p>Darüber hinaus sind die folgenden Risiken spezifisch mit dem virtuellen Referenz-Portfolio verbunden:</p> <p><b>Virtuelles Referenz-Portfolio</b></p> <p>Das Referenz-Portfolio ist ein virtuelles Portfolio, das ausschließlich für den Zweck geschaffen worden ist, als Basiswert für die Wertpapiere verwendet zu werden, und dafür verwaltet und berechnet wird. Die Emittentin ist nicht verpflichtet, irgendeinen Referenz-Portfolio Bestandteil zu erwerben oder zu halten, und den Wertpapiergläubigern stehen weder Rechte an solchen Referenz-Portfolio Bestandteilen, noch Rechte auf Lieferung von solchen Referenz-Portfolio Bestandteilen zu. Bezugnahmen auf Gewichtungen, Umschichtungen, Veräußerung, Erwerb oder Finanzierung solcher Referenz-Portfolio Bestandteile sind nicht so auszulegen, als würden sie die Emittentin, ihre verbundenen Unternehmen oder Tochterunternehmen, der Manager, die Berechnungsstelle oder eine sonstige natürliche oder juristische Person in irgendeiner Weise verpflichten, Wertpapiere, Kapitalanlagen oder sonstige Vermögenswerte tatsächlich zu erwerben, zu veräußern, zu bewirken, zu übernehmen oder Geschäfte mit diesen zu bewirken; diese Bezugnahmen verweisen statt dessen auf Wertänderungen hinsichtlich der Wertpapiere zu leistenden Zahlungen oder Änderungen fiktiver Beträge, welche für die Berechnung der Höhe dieser Zahlungen zu ermittelnden Beträge festgelegt werden und sich lediglich auf die Berechnung solcher Zahlungen beziehen.</p> <p><b>Zahlreiche Komponenten des Referenz-Portfolios</b></p> <p>Das virtuelle Referenz-Portfolio besteht aus einer Vielzahl von Referenz-Portfolio Bestandteilen. Obwohl die Diversifizierung der Referenz-Portfolio Bestandteile dazu dient, ein Absinken des Werts des virtuellen Referenz-Portfolios zu verhindern, ist nicht gewährleistet, dass der Einsatz einer Vielzahl unterschiedlicher Komponenten nicht insgesamt zu Verlusten führen wird. Es ist nicht gewährleistet, dass die Auswahl mehrerer Komponenten erfolgreich sein wird und nicht zu überwiegenden Verlusten führt.</p> <p><b>Eingeschränkte historische Daten zum Referenz-Portfolio</b></p> <p>Das virtuelle Referenz-Portfolio wird am 3. Juli 2017 geschaffen. Dementsprechend sind an dem Tag, auf den der Prospekt datiert, nur eingeschränkte historische Daten verfügbar, auf deren Grundlage Anleger eine Beurteilung der wahrscheinlichen Wertentwicklung des virtuellen Referenz-Portfolios vornehmen könnten. Die vergangenen Wertentwicklungen der fiktiv als Referenz-Portfolio Bestandteile im Referenz-Portfolio enthaltenen (die generell nicht dasselbe Gebührenniveau wie das Referenz-Portfolio wiedergeben) zeigen nicht notwendigerweise die künftigen Entwicklungen des Referenz-Portfolios an.</p>
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		<p><b>Keine Zins- oder Dividendenzahlungen</b> Die Wertpapiere verbriefen weder einen Anspruch auf Zins- noch auf Dividendenzahlungen und werfen <b>daher keine laufenden Erträge</b> ab. Mögliche Wertverluste der Wertpapiere können daher nicht durch andere Erträge kompensiert werden.</p> <p><b>Gebühren und Kosten für das Referenz-Portfolio</b> Die Referenz-Portfolio Gebühren und die Anpassungsgebühr werden auf Ebene des Levels des Referenz-Portfolios abgezogen und führen zu einer Verminderung des Levels des Referenz-Portfolios. Jede derartige Verminderung hat eine nachteilige Wirkung auf den Wert der Wertpapiere.</p> <p><b>Keine wesentliche Beschränkung der möglichen Referenz-Portfolio Bestandteile</b> Es gibt keine wesentlichen Beschränkungen, in welche Werte aus dem Anlageuniversum der Referenz-Portfolio Advisor investieren darf.</p> <p><b>Währungswechselkursrisiken im Zusammenhang mit den Aktien-Komponenten</b> Die im Referenz-Portfolio abgebildeten Aktien-Komponenten können in anderen Währungen als EUR denominiert sein und damit von dem Level des Referenz-Portfolios und der Auszahlungswährung abweichen.</p> <p>Potenzielle Erwerber sollten daher beachten, dass mit der Anlage in die Wertpapiere Risiken aufgrund von schwankenden Währungswechselkursen, die für die Umrechnung der Aktien-Komponenten, die nicht in EUR denominiert sind, in EUR verwendet werden, verbunden sein können und dass das Verlustrisiko nicht allein von der Entwicklung des Werts des Referenz-Portfolios bzw. der Referenz-Portfoliobestandteile, sondern auch von ungünstigen Entwicklungen des Werts der jeweiligen fremden Währungen abhängt.</p> <p><b>Zusammensetzung des Referenz-Portfolios</b> Der Referenz-Portfolio Advisor hat mit der Berechnungsstelle vereinbart, bestimmte Richtlinien (die „<b>Referenz-Portfolio Richtlinien</b>“) bei der Auswahl und der Anpassung der virtuellen Aktien-Komponenten einzuhalten.</p> <p>Die Auswahl der anfänglichen Aktien-Komponenten, die Festlegung ihrer Gewichtung und sämtliche Anpassungen der nach billigem Ermessen des Referenz-Portfolio Advisors vorgenommen. Anpassungen werden durch den Referenz-Portfolio Advisors nach Konsultation mit der Berechnungsstelle vorgenommen. Die Berechnungsstelle ist unter gewissen Umständen gemäß den Referenz-Portfolio Richtlinien berechtigt, Aktien-Komponenten, die Gegenstand einer Anpassung sind, zurückzuweisen.</p> <p>Der Referenz-Portfolio Advisor wird die Aktien-Komponenten mit angemessener Sorgfalt auswählen. Es kann jedoch nicht gewährleistet werden, dass die Auswahl der Aktien-Komponenten erfolgreich sein wird und weder der Referenz-Portfolio Advisor noch die Berechnungsstelle sind für die Marktentwicklung der Aktien-Komponenten verantwortlich.</p> <p>Unabhängig von dem Vorstehenden ist der Referenz-Portfolio Advisor in der Auswahl der Aktien-Komponenten durch die Referenz-Portfolio Richtlinien eingeschränkt; ihm kann daher die</p>
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		<p>Flexibilität fehlen, von jeglicher Marktentwicklung profitieren zu können, die nicht von den Referenz-Portfolio Richtlinien abgedeckt sind.</p> <p><b>3. <u>Spezifische Risiken im Zusammenhang mit den Referenz-Portfolio Bestandteile</u></b> Anleger sollten beachten, dass mit den Aktien, die in dem virtuellen Referenz-Portfolio enthalten sein werden, Risiken verbunden sind. <b>Daher unterliegt eine Investition in die Wertpapiere in gewissem Umfang Marktrisiken, die mit einer Direktanlage in Aktien verbunden sind.</b></p> <p><b>4. <u>Spezifische Risiken im Zusammenhang mit dem Referenz-Portfolio Advisor</u></b> Darüber hinaus sind die folgenden Risiken spezifisch mit dem Referenz-Portfolio Advisor verbunden:</p> <p><b>Abhängigkeit vom Referenz-Portfolio Advisor</b> Der Erfolg des Referenz-Portfolios hängt von der Auswahl erfolgreicher Referenz-Portfolio Bestandteile durch den Referenz-Portfolio Advisor ab und es kann keine Gewähr dafür übernommen werden, dass der Referenz-Portfolio Advisor hierzu tatsächlich in der Lage ist. Insbesondere können subjektive (anstelle von systematischen) Entscheidungen des Referenz-Portfolio Advisors einen Rückgang des Wertes des virtuellen Referenz-Portfolios bewirken (oder einen Anstieg verhindern), was durch weniger subjektive Entscheidungen hätte vermieden werden können.</p> <p><b>Abhängigkeit von Mitarbeitern in Schlüsselpositionen</b> Sollte der Referenz-Portfolio Advisor die Dienste bestimmter Schlüsselpersonen verlieren, könnte dies die Fähigkeit des Referenz-Portfolio Advisors beeinflussen, seine Aufgaben zu erfüllen.</p> <p><b>Automatische Beendigung der Wertpapiere</b> Gemäß den Bedingungen werden die Wertpapiere automatisch gekündigt und getilgt, wenn die Dialog Vermögensmanagement GmbH, Stuttgart, Deutschland, in Übereinstimmung mit dem maßgeblichen Referenz-Portfolio Vertrag nicht mehr als Referenz-Portfolio Advisor fungiert. Dies kann einen erheblichen Einfluss auf den Wert der Wertpapiere haben.</p> <p><b>Potenzielle Interessenkonflikte</b> Der Referenz-Portfolio Advisor kann nicht ausschließlich als Referenz-Portfolio Advisor im Hinblick auf das Referenz-Portfolio handeln, sondern kann zur selben Zeit als Vermögensverwalter oder Finanzberater für Wertpapiergläubiger handeln, was zu potenziellen Konflikten zwischen den Interessen der Wertpapiergläubiger und den Interessen des Referenz-Portfolio Advisors führen kann, insbesondere da der Referenz-Portfolio Advisor die Referenz-Portfolio Gebühr erhält.</p>
	<p>Risikohinweis darauf, dass der Anleger seinen Kapitaleinsatz ganz oder teilweise verlieren könnte.</p>	<p>Investoren tragen das Risiko der Verschlechterung der finanziellen Leistungsfähigkeit der Emittentin und der daraus folgenden möglichen Unfähigkeit der Emittentin ihren Verpflichtungen unter den Wertpapieren nachzukommen. Anleger tragen zudem das Risiko, dass die Wertpapiere in Folge einer nachteiligen Entwicklung des virtuellen Referenz-Portfolios wertlos werden. Potenzielle Erwerber müssen deshalb bereit und in der Lage sein, den <b>teilweisen oder sogar vollständigen Verlust</b> des eingesetzten Kapitals hinzunehmen. In jedem Falle sollten Erwerber der Wertpapiere ihre jeweiligen wirtschaftlichen Verhältnisse daraufhin</p>

	überprüfen, ob sie in der Lage sind, die mit dem Wertpapier verbundenen <b>Verlustrisiken</b> zu tragen.
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<b>Punkt</b>	<b>Abschnitt E – Angebot</b>	
<b>E.2b</b>	Gründe für das Angebot und Verwendung der Erlöse, wenn unterschiedlich von den Zielen Gewinnerzielung und/oder Absicherung bestimmter Risiken.	Entfällt. Die Gründe für das Angebot und Verwendung der Erlöse weichen nicht ab von einer Gewinnerzielung und/oder der Absicherung bestimmter Risiken.
<b>E.3</b>	Angebotskonditionen.	<p>Die Wertpapiere können vereinbarungsgemäß am 7. Juli 2017 (der "<b>Ausgabetag</b>"; bei einer Verkürzung oder Verlängerung der Zeichnungsfrist (wie nachfolgend definiert) kann sich der Ausgabebetrag entsprechend verschieben) durch die Berechtigten Anbieter übernommen werden und werden während der Zeichnungsfrist in den Jurisdiktionen des Öffentlichen Angebots zum freibleibenden Verkauf gestellt.</p> <p>Die Wertpapiere können in den Jurisdiktionen des Öffentlichen Angebots während des Zeitraums beginnend einen Werktag nach der Veröffentlichung dieses Prospekts und endend am 30. Juni 2017 (17:00 Uhr MEZ) (die "<b>Zeichnungsfrist</b>") zu banküblichen Geschäftszeiten bei dem bzw, den Berechtigten Anbieter(n) zu einem Betrag von EUR 100,00 (der "<b>Ausgabepreis</b>") gezeichnet werden. Nach Ablauf der Zeichnungsfrist wird der Verkaufspreis fortlaufend – entsprechend der jeweiligen Marktsituation – angepasst.</p> <p>Die Emittentin behält sich vor, die Zeichnungsfrist bei entsprechender Marktlage zu verkürzen oder zu verlängern.</p> <p>Der Ausgabepreis pro Wertpapier ist am 7. Juli 2017 (der "<b>Zahltag bei Ausgabe</b>"; bei einer Verkürzung oder Verlängerung der Zeichnungsfrist kann sich der Zahltag bei Ausgabe entsprechend verschieben) zur Zahlung fällig. Die Wertpapiere werden nach dem Zahltag bei Ausgabe in entsprechender Anzahl und entsprechend den Regeln des Clearingsystems dem Konto des Erwerbers gutgeschrieben. Bei Verkürzung oder Verlängerung der Zeichnungsfrist kann sich der Zahltag bei Ausgabe entsprechend verschieben. Nach dem Zahltag bei Ausgabe ist der jeweilige Verkaufspreis pro Wertpapier bei Lieferung der erworbenen Wertpapiere zur Zahlung fällig.</p>
<b>E.4</b>	Für die Emission/das Angebot wesentliche Interessen, einschließlich Interessenkonflikten.	<p><b>Für die Emission/das Angebot der Wertpapiere wesentliche Interessen von Seiten natürlicher und juristischer Personen, einschließlich Interessenkonflikte</b></p> <p>Die Emittentin und mit ihr verbundene Unternehmen können sich von Zeit zu Zeit für eigene Rechnung oder für Rechnung eines Kunden an Transaktionen beteiligen, die mit den Wertpapieren in Verbindung stehen. Diese Transaktionen sind möglicherweise nicht zum Nutzen der Wertpapiergläubiger und können positive oder negative Auswirkungen auf den Wert der in dem virtuellen Referenz-Portfolio enthaltenen Referenz-Portfolio Bestandteile und damit auf den Wert der Wertpapiere haben. Mit der Emittentin verbundene Unternehmen können außerdem Gegenparteien bei Deckungsgeschäften bezüglich der Verpflichtungen der Emittentin aus den Wertpapieren werden. Daher können hinsichtlich der Pflichten bei der Ermittlung der Kurse der Wertpapiere und anderen damit verbundenen Feststellungen sowohl unter den mit der Emittentin verbundenen Unternehmen als auch zwischen diesen Unternehmen und den Anlegern Interessenkonflikte auftreten. Zudem können die</p>

		<p>Emittentin und mit ihr verbundene Unternehmen gegebenenfalls in Bezug auf die Wertpapiere zusätzlich eine andere Funktion ausüben, zum Beispiel als Berechnungsstelle, Zahl- und Verwaltungsstelle und/oder als Index Sponsor.</p> <p>Die Emittentin und mit ihr verbundene Unternehmen können darüber hinaus weitere derivative Instrumente in Verbindung mit dem virtuellen Referenz-Portfolio ausgeben; die Einführung solcher miteinander im Wettbewerb stehender Produkte kann sich auf den Wert der Wertpapiere auswirken. Die Emittentin und mit ihr verbundene Unternehmen können nicht-öffentliche Informationen in Bezug auf das virtuelle Referenz-Portfolio erhalten, und weder die Emittentin noch eines der mit ihr verbundenen Unternehmen verpflichtet sich, solche Informationen an einen Wertpapiergläubiger zu veröffentlichen. Zudem kann ein oder können mehrere mit der Emittentin verbundene(s) Unternehmen Research-Berichte in Bezug auf die in dem virtuellen Referenz-Portfolio enthaltenen Referenz-Portfolio Bestandteile publizieren. Tätigkeiten der genannten Art können bestimmte Interessenkonflikte mit sich bringen und sich nachteilig auf den Wert der Wertpapiere auswirken.</p> <p>Im Zusammenhang mit dem Angebot und Verkauf der Wertpapiere kann die Emittentin oder ein mit ihr verbundenes Unternehmen, direkt oder indirekt, Gebühren in unterschiedlicher Höhe an die Berechtigten Anbieter zahlen oder Gebühren in unterschiedlichen Höhen einschließlich solcher im Zusammenhang mit dem Vertrieb der Wertpapiere durch die Berechtigten Anbieter erhalten. Potenzielle Erwerber sollten sich bewusst sein, dass die Emittentin die Gebühren teilweise oder vollständig einbehalten kann. Über die Höhe dieser Gebühren erteilt bzw. erteilen die Emittentin bzw. der oder die Manager auf Anfrage Auskunft.</p> <p>Der Emittentin sind, mit Ausnahme des Managers und des Referenz-Portfolio Advisor im Hinblick auf ihre Gebühren, keine an der Emission der Wertpapiere beteiligten Personen bekannt, die ein wesentliches Interesse an dem Angebot haben.</p>
E.7	Schätzung der Ausgaben, die dem Anleger von der Emittentin oder dem Anbieter in Rechnung gestellt werden	<p>Auf Ebene des virtuellen Referenz-Portfolios werden die folgenden Gebühren, bestehend aus fixen Gebühren, die zusammen jährlich mindestens 1,7% des Levels des Referenz-Portfolios betragen und weiteren variablen Gebühren, in Abzug gebracht:</p> <p><b>1. Referenz-Portfolio Advisor</b></p> <ul style="list-style-type: none"> <li>• <b>Referenz-Portfolio Advisory Gebühr:</b> eine quartalsweise Gebühr in Höhe von 0,325% (pro Jahr 1,30%) des Levels des Referenz-Portfolios, die auf täglicher Basis von der Berechnungsstelle vom Level des Referenz-Portfolios abgezogen wird.</li> </ul> <p>Die Referenz-Portfolio Advisory Gebühr wird verwendet, um den Referenz-Portfolio Advisor für die Erschaffung, Verwaltung und Aufrechterhaltung des fiktiven Referenz-Portfolios sowie für Marketingmaßnahmen im Zusammenhang mit den Wertpapieren zu vergüten.</p> <ul style="list-style-type: none"> <li>• <b>Referenz-Portfolio Advisor Performancegebühr:</b> Der Referenz-Portfolio Advisor wird eine Performancegebühr erhalten, die von der positiven täglichen Performance des Referenz-Portfolios abgezogen wird. An jedem Geschäftstag<sup>(t)</sup> wird die Gebühr (die "<b>Referenz-Portfolio Advisor Performancegebühr</b>") in Höhe von 15% der positiven</li> </ul>

		<p>Differenz, sofern vorhanden, zwischen dem Brutto-Referenz-Portfolio Level (wie nachstehend definiert) in Bezug auf den Geschäftstag<sub>(t-1)</sub> und dem HWM Level (wie nachstehend definiert) an dem Geschäftstag<sub>(t-2)</sub>, aber nicht einschließlich des aktuellen Geschäftstages, betragen. Das Produkt der Referenz-Portfolio Advisor Performancegebühr und dieser Differenz wird von dem Brutto-Referenz-Portfolio Level in Bezug auf den aktuellen Geschäftstag abgezogen um den Level des Referenz-Portfolios in Bezug auf den aktuellen Geschäftstag zu bestimmen.</p> <p><b>"Brutto-Referenz-Portfolio Level"</b> bezeichnet an jedem Geschäftstag den Level des Referenz-Portfolios vor der Anwendung oder dem Abzug der Referenz-Portfolio Advisor Performancegebühr in Bezug eine positive Performance.</p> <p>Der <b>"HWM Level"</b> am Referenz-Portfolio Erschaffungstag beträgt 100% des Level des Reference-Portfolio am Referenz-Portfolio Erschaffungstag. An jedem nachfolgenden Geschäftstag ist der HWM Level das Größere von dem HWM Level am unmittelbar vorangegangenen Geschäftstag und dem Brutto-Referenz-Portfolio Level in Bezug auf den aktuellen Geschäftstag.</p> <ul style="list-style-type: none"> <li>• <b>Anpassungsgebühr:</b> Die Anpassungsgebühr fällt im Zusammenhang mit der Anpassung der Referenz-Portfolio Bestandteile an. Diese Anpassungsgebühr referenziert, für Berechnungszwecke, auf jede virtuelle Anpassung, die an dem Referenz-Portfolio vorgenommen wird und bildet einen prozentualen Anteil des virtuellen Volumens eines jeden Kaufs und/oder Verkaufs einer (in dem Referenz-Portfolio enthaltenen) Aktien-Komponente ab, unter Verwendung des jeweiligen Währungswechselkurses in EUR umgerechnet, wie von der Berechnungsstelle nach billigem Ermessen bestimmt. Die Anpassungsgebühr entspricht 0,10%.</li> </ul> <p><b>2. Emittentin</b></p> <ul style="list-style-type: none"> <li>• <b>Emittentin Management Gebühr:</b> Die Emittentin erhält eine quartalsweise Gebühr, die einen prozentualen Anteil (entsprechend der nachfolgenden Tabelle) des Levels des Referenz-Portfolios darstellt, die auf täglicher Basis von der Berechnungsstelle berechnet und von dem Level des Referenz-Portfolios abgezogen wird.</li> </ul> <p>Die Emittentin Management Gebühr wird bestimmt durch die Ausstehenden Vermögenswerte Unter Verwaltung (wie nachfolgend definiert) am unmittelbar vorangegangenen Gebühren-Beobachtungstag.</p> <table border="1" data-bbox="692 1697 1414 1854"> <thead> <tr> <th>Ausstehende Vermögenswerte Unter Verwaltung</th> <th>Emittentin Management Gebühr</th> </tr> </thead> <tbody> <tr> <td>&lt; EUR 10.000.000</td> <td>0.1125% (0.45% per annum)</td> </tr> <tr> <td>≥ EUR 10.000.000</td> <td>0.1000% (0.40% per annum)</td> </tr> </tbody> </table> <p>Wobei:</p> <p><b>"Ausstehende Vermögenswerte Unter Verwaltung"</b> das Produkt aus der Anzahl der Ausstehenden Einheiten und dem Level des Referenz-Portfolios am unmittelbar vorangegangenen</p>	Ausstehende Vermögenswerte Unter Verwaltung	Emittentin Management Gebühr	< EUR 10.000.000	0.1125% (0.45% per annum)	≥ EUR 10.000.000	0.1000% (0.40% per annum)
Ausstehende Vermögenswerte Unter Verwaltung	Emittentin Management Gebühr							
< EUR 10.000.000	0.1125% (0.45% per annum)							
≥ EUR 10.000.000	0.1000% (0.40% per annum)							



		<p>Gebühren-Beobachtungstag, wie von der Berechnungsstelle nach billigem Ermessen festgelegt, bezeichnet;</p> <p>"<b>Gebühren-Beobachtungstag</b>" bezeichnet den Tag, an dem das Referenz-Portfolio geschaffen worden ist, und jeden Jahrestag dieses Tages, oder falls ein solcher Tag keinen Komponenten-Geschäftstag darstellt, der unmittelbar nachfolgende Komponenten-Geschäftstag. Der letzte Gebühren-Beobachtungstag ist der ursprüngliche Verfalltag (also ohne Berücksichtigung einer Verschiebung des Verfalltag gemäß den Bedingungen der Wertpapiere); und</p> <p>"<b>Anzahl der ausstehenden Einheiten</b>" bezeichnet die Anzahl der ausstehenden Wertpapiere am unmittelbar vorangegangenen Gebühren-Beobachtungstag, wie von der Berechnungsstelle nach billigem Ermessen festgelegt.</p> <p>Die Referenz-Portfolio Advisor Gebühr und die Referenz-Portfolio Advisor Performance Gebühr werden gemeinsam mit der Emittentin Management Gebühr als "<b>Referenz-Portfolio Gebühr</b>" bezeichnet). Dem Anleger werden von der Emittentin oder dem Manager keine weiteren Ausgaben in Rechnung gestellt.</p>
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## **II. SECURITIES NOTE**

### **A. RISK FACTORS**

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

#### **I. Security specific Risks**

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

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

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

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

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

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

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

**Currency exchange rate risk**

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

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

**Extension of the Term of the Securities at the option of the Issuer**

Potential investors in the Securities should also be aware that according to the Terms and Conditions of the Securities, the Issuer is entitled to extend, by giving notice to the Securityholder prior to the then existing Expiration Date (or any later expiration date resulting from any extension of the maturity of the Securities) the maturity of all then outstanding Securities for an additional period of seven (7) years, in which case the "Expiration Date" shall be deemed to be the date falling seven (7) years after the scheduled Expiration Date (the "**Issuer Extension Option**"). There is no limit to the number of times the Issuer may extend the maturity of the Securities. **In case that the Issuer exercises the Issuer Extension Option and unless a Securityholder terminates the Securities held by it in accordance with the Terms and Conditions of the Securities by exercising the Securityholder Non-Extension Option, investors in the Securities will receive any final payments under the Securities later than scheduled at the Issue Date of the Securities.**

**2. Effect of downgrading of the Issuer's rating**

The general assessment of the Issuer's creditworthiness may affect the value of the Securities. This assessment generally depends on the ratings assigned to the Issuer or its affiliated companies by rating agencies such as Standard & Poor's Credit Market Services Europe Limited, Fitch Ratings Limited, Moody's Investors Service, Inc. and Scope Ratings AG. As a result, any downgrading of the Issuer's rating by a rating agency may have a negative impact on the value of the Securities.

**3. Ratings are not Recommendations**

The ratings of UBS AG as Issuer should be evaluated independently from similar ratings of other entities, and from the rating, if any, of the debt or derivative securities issued. A credit rating is not a recommendation to buy, sell or hold securities issued or guaranteed by the rated entity and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency.

A rating of the Securities, if any, is not a recommendation to buy, sell or hold the Securities and may be subject to revision or withdrawal at any time by the relevant rating agency. Each rating should be evaluated independently of any other securities rating, both in respect of the rating agency and the type of security. Furthermore, rating agencies which have not been hired by the Issuer or otherwise to rate the Securities could seek to rate the Securities and if such "unsolicited ratings" are lower than the equivalent rating assigned to the Securities by the relevant hired rating agency, such ratings could have an adverse effect on the value of the Securities.

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

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

5. **Securityholders are exposed to the risk of a bail-in**

The Issuer and the Securities are subject to the Swiss Banking Act and the Swiss Financial Market Supervisory Authority's ("FINMA") bank insolvency ordinance, which empowers FINMA as the competent resolution authority to in particular apply under certain circumstances certain resolution tools to credit institutions. These measures include in particular the write-down or conversion of securities into common equity of such credit institution (the so called bail-in). A write-down or conversion would have the effect that the Issuer would insofar be released from its obligations under the Securities. Securityholders would have no further claim against the Issuer under the Securities. The resolution tools may, hence, have a significant negative impact on the Securityholders' rights by suspending, modifying and wholly or partially extinguishing claims under the Securities. In the worst case, this can lead to a **total loss of the Securityholders' investment in the Securities**.

Such legal provisions and/or regulatory measures may severely affect the rights of the Securityholders and may have a negative impact on the value of the Securities even prior to any non-viability or resolution in relation to the Issuer.

6. **UBS has announced its intention to make certain structural changes in light of regulatory trends and requirements and the Conditions of the Securities do not contain any restrictions on the Issuer's or UBS's ability to restructure its business**

Over the past two years, 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.

In December 2014, UBS Group AG completed an exchange offer for the shares of UBS AG, becoming the holding company for the UBS Group. Subsequently during 2015, UBS Group AG filed and completed a procedure under the Swiss Stock Exchange and Securities Trading Act to squeeze out minority shareholders of UBS AG, as a result of which UBS Group AG acquired all of the outstanding shares of UBS AG.

In June 2015, UBS AG transferred its Retail & Corporate (now Personal & Corporate Banking) and Wealth Management business booked in Switzerland to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland.

In 2015, UBS also completed the implementation of a more self-sufficient business and operating model for UBS Limited, UBS's investment banking subsidiary in the UK, under which UBS Limited bears and retains a larger proportion of the risk and reward in its business activities.

In the third quarter of 2015, UBS established UBS Business Solutions AG as a direct subsidiary of UBS Group AG, to act as the Group service company. UBS will transfer the ownership of the majority of its existing service subsidiaries to this entity. UBS expects that the transfer of shared service and support functions into the service company structure 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.

In 2015, UBS has also established a new subsidiary of UBS AG, UBS Asset Management AG, into which UBS expects to transfer the majority of the operating subsidiaries of Asset Management during 2016. UBS continues to consider further changes to the legal entities used by Asset Management, including the transfer of operations conducted by UBS AG in Switzerland into a subsidiary of UBS Asset Management AG.

In the second quarter of 2016, UBS Americas Holding LLC, a subsidiary of UBS AG, has been designated as the intermediate holding company for UBS's US subsidiaries as required under the enhanced prudential standards regulations pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**"). UBS Americas Holding LLC holds all of UBS's US subsidiaries and is subject to US capital requirements, governance requirements and other prudential regulation.

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 rebate in total loss-absorbing capacity 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, consolidation of operating subsidiaries in the European Union, 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.

The Conditions of the Securities contain no restrictions on change of control events or structural changes, such as consolidations or mergers or demergers of the Issuer or the sale, assignment, spin-off, contribution, distribution, transfer or other disposal of all or any portion of the Issuer's or its subsidiaries' properties or assets in connection with the announced changes to its legal structure or otherwise and no event of default, requirement to repurchase the Securities or other event will be triggered under the Conditions of the Securities 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. There can be no assurance that such changes, should they occur, would not adversely affect the credit rating of the Issuer and/or its ability to fulfil its obligations with respect to the Securities.

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

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

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

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

**8. Possible fluctuations in the Level of the Reference Portfolio after termination of the Securities**

In the event that the term of the Securities is terminated early by the Issuer pursuant to the Terms and Conditions of the Securities, potential investors of the Securities should note that any adverse fluctuations in the Level of the notional Reference Portfolio between the announcement of the termination by the Issuer and the determination of the level of the notional Reference Portfolio relevant for the calculation of the then payable Termination Amount are borne by the Securityholders.

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

It cannot be excluded that certain events occur or certain measures are taken (by parties other than the Issuer) in relation to the notional Reference Portfolio, which potentially lead to changes to the notional Reference Portfolio or result in the underlying concept of the notional Reference Portfolio being changed, so-called potential adjustment events. In the case of the occurrence of a potential adjustment event, the Issuer shall be entitled to effect adjustments according to the Terms and Conditions of the Securities to account for these events or measures. The adjustments to the Stock Constituents comprised in the notional Reference Portfolio might have a negative impact on the value of the Securities.

**10. Substitution of the Issuer**

Provided that the Issuer is not in default with its obligations under the Securities, the Issuer is in accordance with the Terms and Conditions of the Securities, at any time entitled, without the consent of the Securityholders, to substitute another company within the UBS Group as issuer (the "**Substitute Issuer**") with respect to all obligations under or in connection with the Securities.

This may impact any listing of the Securities and, in particular, it may be necessary for the Substitute Issuer to reapply for listing on the relevant market or stock exchange on which the Securities are listed. In addition, following such a substitution, Securityholders will become subject to the credit risk of the Substitute Issuer

**11. Determinations by the Calculation Agent**

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

**12. Other factors affecting the value**

The value of a Security is determined not only by changes in the notional Reference Portfolio, but also by a number of other factors. Since several risk factors may have simultaneous effects on the Securities, the effect of a particular risk factor cannot be predicted. In addition, several risk factors may have a compounding effect which may not be predictable. No assurance can be given with regard to the effect that any combination of risk factors may have on the value of the Securities.

These factors include the term of the Securities, the frequency and intensity of price fluctuations (volatility), as well as the prevailing interest rate and dividend levels. A decline in the value of the Security may therefore occur even if the Level of the notional Reference Portfolio remains constant.

Prospective investors of the Securities should be aware that an investment in the Securities involves a valuation risk with regard to the notional Reference Portfolio. They should have experience with transactions in securities with a value derived from the notional Reference Portfolio and its respective Reference Portfolio Components. The value of the notional Reference Portfolio may vary over time and may increase or decrease by reference to a variety of factors which may include macro economic factors and speculation. In addition, the historical performance of the notional Reference Portfolio and its respective Reference Portfolio Components is not an indication of its future performance. Changes in the prices in relation to the notional Reference Portfolio and its respective Reference Portfolio Components will affect the trading price of the Securities, and it is impossible to predict whether the prices in relation to the notional Reference Portfolio and its respective Reference Portfolio Components will rise or fall.

**13. Effect of ancillary costs**

Commissions and other transaction costs incurred in connection with the purchase or sale of Securities may result in charges, particularly in combination with a low order value, **which can substantially reduce any Redemption Amount, if any, to be paid under the Securities.** Before acquiring a Security, potential investors should therefore inform themselves of all costs incurred through the purchase or sale of the Security, including any costs charged by their custodian banks upon purchase and maturity of the Securities.

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

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

**15. Trading in the Securities / Illiquidity**

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

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

obligation) to purchase Securities at any time and at any price in the open market or by tender or private agreement. Any Securities so purchased may be held or resold or surrendered for cancellation.

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

UBS Limited, 5 Broadgate, London EC2M 2QS, United Kingdom (the "**Manager**") intends, under normal market conditions, to provide bid and offer prices for the Securities of an issue on a regular basis. However, the Manager makes no firm commitment to the Issuer to provide liquidity by means of bid and offer prices for the Securities, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. **Potential investors therefore should not rely on the ability to sell Securities at a specific time or at a specific price.**

**16. Representation and Custody of the Securities**

Securities under this Securities Note are issued in uncertificated and dematerialised form to be registered in book-entry form with the relevant Clearing System or on its behalf.

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

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

**17. Pricing of Securities**

Unlike most other securities the pricing of these Securities is regularly not based on the principle of offer and demand in relation to Securities, since the secondary market traders might quote independent bid and offer prices. This price calculation is based on price calculation models prevailing in the market, whereas the theoretical value of the Securities is, in principle, determined on the basis of the value of the Reference Portfolio Components comprised in the notional Reference Portfolio and the value of other features attached to the Securities, each of which features may, in economic terms, be represented by another derivative financial instrument.

The potentially quoted prices do not necessarily correspond to the Securities' intrinsic value as determined by a trader.

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

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

**19. Borrowed funds**

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

**20. Effect of hedging transactions by the Issuer on the Securities**

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

the price of the Reference Portfolio Components comprised in the notional Reference Portfolio might, in certain cases, be affected by these transactions. In the case of Securities whose value depends on the occurrence of a specific event in relation to the notional Reference Portfolio, entering into or closing out such hedging transactions may affect the likelihood of this event occurring or not occurring.

**21. Taxation in relation to the Securities**

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

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

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

**Payments under the Securities may be subject to U.S. withholding under the U.S. Internal Revenue Code**

U.S. Treasury Department regulations under Section 871(m) of the U.S. Internal Revenue Code requires withholding (up to 30%, depending on whether an income tax treaty or other exemption applies) on certain financial instruments (such as, e.g. the Securities) to the extent that the payments or deemed payments on the financial instruments are contingent upon or determined by reference to U.S.-source dividends. Under U.S. Treasury Department regulations, certain payments or deemed payments to non-U.S. Securityholders with respect to certain equity-linked instruments that reference U.S. stocks or indices that include U.S. equities may be treated as dividend equivalents ("**Dividend Equivalents**") that are subject to U.S. withholding tax at a rate of 30% (or lower applicable rate). **In case, e.g. (but not limited to) of a Stock Constituent comprised in the notion Reference Portfolio providing for dividends from sources within the United States, it is possible that these rules could apply to the Securities.**

Under these regulations, withholding may be required even in the absence of any actual dividend-related payment or adjustment made pursuant to the Conditions of the Securities and it may be difficult or even not possible for investors to determine whether the Securities include Dividend Equivalents.

Section 871(m) of the U.S. Internal Revenue Code and the applicable regulations may apply to Securities that are issued (re-issued or significantly modified) on or after 1 January 2017. If an amount in respect of such U.S. withholding tax were to be deducted or withheld from payments on the Securities, none of the Issuer, any paying agent or any other person would, pursuant to the Conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax.

In withholding this tax, the Issuer will regularly apply the general tax rate of 30% to the payments subject to U.S. provisions (or deemed payments) and not any lower tax rate pursuant to any potentially applicable income tax treaties. In such case, a Securityholder's individual tax situation can therefore not be taken into account.

The Issuer's determination of whether the Securities are subject to this withholding tax is binding for the Securityholders, but not for the United States Internal Revenue Service (the "**IRS**"). The rules of Section 871(m) of the U.S. Internal Revenue Code require complex calculations in respect of the Securities that refer to U.S. equities and application of these rules to a specific issuance of Securities issue may be uncertain. Consequently, the IRS may determine they are to be applied even if the Issuer initially assumed the rules would not apply. There is a risk in such case that Securityholders may be subject to withholding tax with retroactive effect.

There is also the risk that Section 871(m) of the U.S. Internal Revenue Code must also be applied to Securities that were not initially subject to withholding tax. This case could arise in particular if the



Securities' economic parameters change such that the Securities are in fact subject to tax liability and the Issuer continues to issue and sell these Securities.

As the Issuer is not obliged to offset any withholding tax pursuant to Section 871(m) of the U.S. Internal Revenue Code on interest, capital or other payments to the Securityholders by paying an additional amount, Securityholders will receive smaller payments in such case than they would have received without withholding tax being imposed. **Securityholders should, consequently, be aware that payments under the Securities may under certain circumstances be subject to U.S. withholding tax and should consult with their tax advisors regarding the application of Section 871(m) of the U.S. Internal Revenue Code and the regulations thereunder in respect of their acquisition and ownership of the Securities.**

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

The Foreign Account Tax Compliance Act ("**FATCA**") generally imposes a 30% U.S. withholding tax on payments of certain U.S. source interest, dividends and certain other fixed or determinable annual or periodical income, on the gross proceeds from the sale, maturity, or other disposition of certain assets after 31 December 2018 and on certain "foreign passthru payments" made after 31 December 2018 (or, if later, the date that final regulations defining the term "foreign passthru payments" are published) made to certain foreign financial institutions (including most foreign hedge funds, private equity funds and other investment vehicles) unless the payee foreign financial institution agrees to disclose the identity of any U.S. individuals and certain U.S. entities that directly or indirectly maintain an account with, or hold debt or equity interests in, such institution (or the relevant affiliate) and to annually report certain information about such account or interest directly, or indirectly, to the IRS (or to a non-U.S. governmental authority under a relevant Intergovernmental Agreement entered into between such non-U.S. governmental authority and the United States, which would then provide this information to the IRS). FATCA also requires withholding agents making certain payments to certain non-financial foreign entities that fail to disclose the name, address, and taxpayer identification number of any substantial direct or indirect U.S. owners of such entity to withhold a 30% tax on such payments.

Accordingly, the Issuer and other foreign financial institutions may be required under FATCA to report certain account information about holders of the Securities directly to the IRS (or to a non-U.S. governmental authority as described above). Moreover, the Issuer may be required to withhold on a portion of payments made on the Securities to (i) holders who do not provide any information requested to enable the Issuer to comply with FATCA, or (ii) foreign financial institutions who fail to comply with FATCA.

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

**23. Changes in Taxation in relation to the Securities**

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

Neither the Issuer nor the Manager assumes any responsibility vis-à-vis the Securityholders for the tax

consequences of an investment in the Securities.

## 24. **Potential conflicts of interest**

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

Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the notional Reference Portfolio; introduction of such competing products may affect the value of the Securities. The Issuer and its affiliated companies may receive non-public information relating to the notional Reference Portfolio, and neither the Issuer nor any of its affiliates undertakes to make this information available to Securityholders. In addition, one or more of the Issuer's affiliated companies may publish research reports in relation to the Reference Portfolio Components comprised in the notional Reference Portfolio. Such activities could present conflicts of interest and may negatively affect the value of the Securities.

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

For potential conflicts of interests of the Reference Portfolio Advisor, please see "Potential conflicts of interests" in the section "Reference Portfolio specific Risks / 4. Specific risks related to the Reference Portfolio Advisor" below.

## II. **Reference Portfolio specific Risks**

The Reference Portfolio aims to replicate the performance of (i) a long only basket of selected stocks (each a "**Stock<sub>(i)</sub>**" or, as the case may be, a "**Stock Constituent<sub>(i)</sub>**" and together the "**Stocks**" or, as the case may be, the "**Stock Constituents**") comprised in either the Deutsche Börse AG German Stock Index DAX, the Deutsche Börse AG DAX Mid-Cap Index, the Deutsche Börse SDAX Performance Index, the Deutsche Börse TecDAX Total Return Selection Index, the Deutsche Börse AG Composite DAX CDAX Index, the Austrian ATX Prime Index, the SMI Expanded Price Index, the Deutsche Börse Classic All Share Performance Index, the Deutsche Börse Scale All Share Price Index or the Vienna Stock Exchange Share Index, (ii) from time to time, an EUR denominated cash position which shall be at all times equal to or greater than zero (the "**Cash Position**"; which together with the Stock Constituents shall be referred to as the "**Reference Portfolio Components**"), less fees, costs and expenses, all as described in the sections "Key Terms and Definitions of the Securities" and "Information about the Reference Portfolio".

### 1. **General risks related to the notional Reference Portfolio**

Investors should be aware that some risks are related to the notional Reference Portfolio in general:

#### **Risk of fluctuations in value**

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

#### **Uncertainty about future performance**

It is not possible to reliably predict the future performance of the notional Reference Portfolio and the Reference Portfolio Components respectively. Likewise, the historical data of the notional Reference Portfolio and the Reference Portfolio Components respectively, does also not allow for any conclusions

to be drawn about the future performance of the notional Reference Portfolio and the Securities.

### **Consequence of the linkage to a notional Reference Portfolio**

The Securities have the special feature that the calculation of the level of the Settlement Amount depends on the performance of a notional Reference Portfolio comprising, amongst others, several Stock Constituents. As a result, fluctuations in the value of one Stock Constituent may be offset or intensified by fluctuations in the value of other Stock Constituents comprised in the notional Reference Portfolio. Even in the case of a positive performance of one or more Stock Constituents comprised in the notional Reference Portfolio, the performance of notional Reference Portfolio as a whole may be negative if the performance of the other Stock Constituents comprised in the notional Reference Portfolio is negative to a greater extent.

## **2. Specific risks related to the notional Reference Portfolio**

In addition, the following risks are specifically related to the notional Reference Portfolio:

### **Notional Reference Portfolio**

The notional Reference Portfolio is a synthetic portfolio which has been created and is managed and calculated solely for the purposes of being used as underlying of the Securities. There is no obligation on the Issuer to purchase or hold any Reference Portfolio Components and Securityholders have no rights in, or to require delivery of, any of such Reference Portfolio Components at any time. References to any balancing, rebalancing, disposal, acquisition or financing of a Reference Portfolio Component have to be understood as reference to a notional transaction and should not be construed as imposing any obligation on the Issuer or any of its affiliates or subsidiaries, the Manager, the Calculation Agent or any person actually directly or indirectly, physically or synthetically to acquire, dispose of or effect or take delivery of, or effect transactions in, any securities, investments or other property, but are references to the change in the value of, or in notional amounts to be determined for the purposes of calculating the value of, and relate solely to the calculation of the value of any amounts payable in respect of the Securities.

### **Numerous Stock Constituents**

The notional Reference Portfolio is composed of numerous Stock Constituents. Despite the fact that Stock Constituents' diversification is designed to help to control declines in the value of the notional Reference Portfolio, it cannot be guaranteed that the use of numerous different Stock Constituents will be successful for these purposes and will not result in overall losses.

### **Limited historic data of the Reference Portfolio**

The notional Reference Portfolio is initiated on 3 July 2017. Accordingly, as at the date of the Prospectus only limited historic data is available on the basis of which investors might evaluate the likely performance of the notional Reference Portfolio. The past performance of the Reference Portfolio Components notionally comprised in the notional Reference Portfolio (which generally do not reflect the same fee levels as the fees incurred in relation to the Reference Portfolio), is not necessarily indicative of the future performance for the notional Reference Portfolio.

### **No payment of interest or dividends**

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

### **Administration fees, costs and expenses in relation to the Reference Portfolio**

The Reference Portfolio Fees and the Adjustment Fee will be deducted from the level of the Reference Portfolio and, hence, result in a reduction in the Level of the Reference Portfolio. Any such reduction will have a negative impact on the value of the Securities.

### **No material limitation on the eligible Reference Portfolio Components**

There are no material restrictions on the instruments within the predefined universe of Reference Portfolio Components into which the Reference Portfolio Advisor may notionally invest.

### **Currency exchange risks in relation to the Stock Constituents**

The Stock Constituents mirrored in the Reference Portfolio may be denominated in currencies other than EUR and, as a consequence, other than the Level of the Reference Portfolio and the Redemption Currency. Potential investors should, therefore, be aware that investments in the Securities could entail risks due to fluctuating exchange rates used for converting the Stock Constituents denominated in

currencies other than EUR into EUR (for the purpose of determining the Level of the Reference Portfolio), and that the risk of loss does not depend solely on the performance of the Reference Portfolio and the Reference Portfolio Components, but also on unfavourable developments in the value of the relevant foreign currencies.

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

#### **Composition of the Reference Portfolio**

The Reference Portfolio Advisor agreed with the Calculation Agent to adhere to specific guidelines (the "**Reference Portfolio Guidelines**") when selecting and adjusting the notional Stock Constituents.

The selection of the initial Stock Constituents, their weightings and any of the rebalancings is made in the reasonable discretion of the Reference Portfolio Advisor. Rebalancings will be effected by the Reference Portfolio Advisor having consulted the Calculation Agent.

The Calculation Agent has the right to reject Stock Constituents that form part of a Rebalancing, in particular (a) should a situation arise whereby the Issuer due to applicable rules, regulations and internal or external restrictions would not be permitted to hold investments in the envisaged Stock Constituents, (b) should a Market Disruption prevail on the date of the Rebalancing regarding the relevant constituents, (c) should the Issuer incur materially increased (as compared with circumstances existing on the Issue Date) amounts of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be considered, (d) the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge price risks of issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), and (e) where the Rebalancing is not in line with these Reference Portfolio Guidelines.

The Reference Portfolio Advisor will select the Stock Constituents with due diligence. No assurance can be made, however, that the selection of Stock Constituents will be successful, and neither the Reference Portfolio Advisor nor the Calculation Agent are responsible for the market performance of the Stock Constituents.

Notwithstanding the above, the Reference Portfolio Advisor is restricted by the Reference Portfolio Guidelines in its selection of Stock Constituents; it may therefore lack the necessary flexibility to benefit from any market developments not covered by the Reference Portfolio Guidelines.

### **3. Specific risks related to Stocks comprised in the notional Reference Portfolio**

Investors should be aware that some risks are related to the Stocks, which will be comprised in the notional Reference Portfolio. Consequently, any investment in the Securities is, to a certain extent, subject to market risks similar to a direct investment in Stocks:

#### **Specific risks related to the performance of shares**

The performance of a Stock used as the Reference Portfolio Component depends on the performance of the company issuing the shares. But even regardless of the financial position, cash flows, liquidity and results of operations of the company issuing the Stocks, the price of a Stock can be subject to fluctuations or adverse changes in value. In particular, the development of the Stock price can be influenced by the general economic situation and market sentiment.

#### **Similar risks to a direct investment in Stocks**

The market price of Securities with a Stock used as the Reference Portfolio Component depends on the performance of the Stock. The performance of a Stock may be subject to factors like the dividend or

distribution policy, financial prospects, market position, corporate actions, shareholder structure and risk situation of the issuer of the share, short selling activities and low market liquidity as well as to political influences. Accordingly, an investment in Securities with a Stock used as the Reference Portfolio Component may bear similar risks to a direct investment in Stocks.

The performance of the Stock may be subject to factors outside the Issuer's sphere of influence, such as the risk of the relevant company becoming insolvent, insolvency proceedings being opened over the company's assets or similar proceedings under the laws applicable to the company being commenced or similar events taking place with regard to the company, which may result in a total loss for the Securityholder, or the risk that the share price is highly volatile. The issuer's dividend or distribution policy, its financial prospects, market position, any capitalisation measures, shareholder structure and risk situation may also affect the Stock price.

In addition, the performance of the Stocks depends particularly on the development of the capital markets, which in turn are dependent on the global situation and the specific economic and political environment. Stocks in companies with low or average market capitalisation may be subject to even higher risks (e.g. with regard to volatility or insolvency) than shares in larger companies. Furthermore, shares in companies with a low market capitalisation may be extremely illiquid due to smaller trading volumes. Stocks in companies having their seat or exerting their relevant operations in countries with a high legal uncertainty are subject to additional risks, such as the risk of governmental measures being taken or nationalisation taking place. This may result in the partial or total loss of the share's value. The realisation of these risks may result in Securityholders relating to such shares losing all or parts of the capital invested.

#### **Investors in the Securities have no shareholder rights**

The Securities constitute no interest in a Stock used as the Reference Portfolio Component including any voting rights or rights to receive dividends, interest or other distributions, as applicable, or any other rights with respect to the Stock. The Issuer and any of its affiliates may choose not to hold the Stocks or any derivatives contracts linked to the Stocks used as the Reference Portfolio Component. Neither the Issuer nor any of its affiliates is restricted from selling, pledging or otherwise conveying all right, title and interest in any Stocks or any derivatives contracts linked to the Stocks by virtue solely of it having issued the Securities.

#### **Currency risks**

In case of investments of the company, the Stock used as the Reference Portfolio Component being denominated in currencies other than the currency in which the Stock value is calculated, certain additional correlation risks may apply. These correlation risks depend on the degree of dependency of currency fluctuations of the relevant foreign currency to the currency in which the Stock value is calculated. Hedging transactions, if any, of the company may not exclude these risks.

#### **Issuer's conflicts of interest with regard to the Stocks**

It is possible that the Issuer or any of its affiliates hold shares in the company which has issued the Stock used as the Reference Portfolio Component which may result in conflicts of interest. The Issuer and any of its affiliates may also decide not to hold the Stock used as the Reference Portfolio Component, or not to conclude any derivative contracts linked to the Stock. Neither the Issuer nor any of its affiliates are limited in selling, pledging or otherwise assigning rights, claims and holdings regarding the Stock used as the Reference Portfolio Component or any derivative contracts relating to these Stocks.

#### **4. Specific risks related to the Reference Portfolio Advisor**

Additional risks are related to the Reference Portfolio Advisor.

##### **Dependence on the Reference Portfolio Advisor**

The success of the Reference Portfolio depends upon the Reference Portfolio Advisor selecting successful Reference Portfolio Components. There can be no assurance that the Reference Portfolio Advisor will be able to do so. In particular, subjective (as opposed to systematic) decisions made by the Reference Portfolio Advisor may cause the Reference Portfolio to decline (or not to increase) in a manner which less subjective decision making might have avoided.

##### **Reliance on Key Individuals**

The loss of one or more key individuals could have a material adverse effect on the Reference Portfolio

Advisor's ability to perform its responsibilities in relation to the Reference Portfolio.

**Automatic Termination of the Securities**

According to the Terms and Conditions of the Securities, the Securities will be automatically terminated and redeemed, in case that the Dialog Vermögensmanagement GmbH, Stuttgart, Germany, ceases in accordance with the relevant Reference Portfolio Advisor agreement to act as Reference Portfolio Advisor. This could have a considerable impact on the value of the Securities.

**Potential conflicts of interest**

The Reference Portfolio Advisor may not only act as Reference Portfolio Advisor with regard to the Reference Portfolio, but may at the same time act as asset manager or financial consultant with regard to Securityholders, which may induce potential conflicts between the Securityholders' interests and the Reference Portfolio Advisor's interests, especially because the Reference Portfolio Advisor receives the Reference Portfolio Advisor Fee and the Reference Portfolio Performance Fee.

## **B. GENERAL INFORMATION ON THE PROSPECTUS**

### **1. Important Notice**

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

No person has been authorised to give any information or to make any representation not contained in or not consistent with the Prospectus or any other document entered into in relation to the Prospectus or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or UBS Limited, 5 Broadgate, London EC2M 2QS, United Kingdom (the "**Manager**").

Neither the delivery of the Prospectus nor the offering, sale or delivery of any Security shall, in any circumstances, create any implication that the information contained in the Prospectus is true subsequent to the date hereof or the date upon which the Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which the Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Prospectus is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. In case of any significant new factor or material mistake relating to the information included in the Prospectus which is capable of affecting the assessment of the Securities which arises or is noted after the time the Prospectus is approved and before the final closing of the offer to the public or the time when the quotation of the securities commences or trading on an organised market begins, such information shall be mentioned in a supplement to the prospectus pursuant to section 16 of the German Securities Prospectus Act (*Wertpapierprospektgesetz* - "**WpPG**").

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

The Prospectus should not be considered as a recommendation by the Issuer or the Manager to purchase the Securities.

### **2. Responsibility Statement**

UBS AG, having its registered offices at Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basle, Switzerland, as Issuer accepts responsibility for the content of the Prospectus and declares that the information contained in the Prospectus is, to the best of its knowledge, accurate and that no material facts have been omitted.

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

The Issuer accents that following the date of the Prospectus, significant new factors or material mistake relating to the information included in the Prospectus may occur, which are capable of affecting the assessment of the Securities and render the information contained in the Prospectus incorrect or incomplete. Such supplemental information will only be published in a supplement to the Prospectus pursuant to section 16 WpPG.



### 3. Consent to use the Prospectus

The Issuer consents to the use of the Prospectus in connection with any offer of Securities that is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "**Public Offer**") of the Securities by the Manager and Dialog Vermögensmanagement GmbH, Stuttgart, Germany, (each an "**Authorised Offeror**") on the following basis:

- (a) the relevant Public Offer must occur as long as the Prospectus is valid in accordance with § 9 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*, WpPG) (the "**Offer Period**"),
- (b) the relevant Public Offer may only be made in the Federal Republic of Germany, Austria and the Grand Duchy of Luxembourg, each a "**Public Offer Jurisdiction**", and
- (c) any Authorised Offeror which is not the Manager must comply with the restrictions set out in "Subscription and Sale" as if it were the Manager.

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

The Issuer reserves the right to withdraw its consent to the use of the Prospectus in relation to the Authorised Offerors. Any new information with respect to financial intermediaries unknown at the time of the approval of the Prospectus will be published on the website [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) <http://www.ubs.com/investors> or any successor address notified by the Issuer to the Securityholders for this purpose by way of publication on [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest).

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

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

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

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

## C. GENERAL INFORMATION ON THE SECURITIES

### 1. Object of the Prospectus / Type of Securities

The object of this Prospectus are the GBC Directors' Dealings Value Strategy Certificates (ISIN CH0358664750; WKN UBS1GB; Valor 35866475), issued by UBS AG in accordance with Swiss law in the size of 250,000 Securities (the "**Issue Size**").

The Securities are not capital protected.

The Securities are each linked to the notional Euro ("**EUR**") denominated GBC Directors' Dealings Value Strategy Reference Portfolio (the "**Underlying**" or the notional "**Reference Portfolio**"), actively managed, created and maintained by Dialog Vermögensmanagement GmbH, Stuttgart, Germany, (the "**Reference Portfolio Advisor**") and subject to adjustments by the Issuer in case of the occurrence of Potential Adjustment Events pursuant to the Terms and Conditions of the Securities. The Reference Portfolio aims to replicate the performance of (i) a long only basket of selected stocks (each a "**Stock<sub>(i)</sub>**" or, as the case may be, a "**Stock Constituent<sub>(i)</sub>**" and together the "**Stocks**" or, as the case may be, the "**Stock Constituents**") comprised in either the Deutsche Börse AG German Stock Index DAX, the Deutsche Börse AG DAX Mid-Cap Index, the Deutsche Börse SDAX Performance Index, the Deutsche Börse TecDAX Total Return Selection Index, the Deutsche Börse AG Composite DAX CDAX Index, the Austrian ATX Prime Index, the SMI Expanded Price Index, the Deutsche Börse Classic All Share Performance Index, the Deutsche Börse Scale All Share Price Index or the Vienna Stock Exchange Share Index, (ii) from time to time, an EUR denominated cash position which shall be at all times equal to or greater than zero (the "**Cash Position**"; which together with the Stock Constituents shall be referred to as the "**Reference Portfolio Components**"), less fees, costs and expenses, all as described in the sections "Key Terms and Definitions of the Securities" and "Information about the Reference Portfolio".

**For the avoidance of doubt:** Whilst the Redemption Amount is linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the net proceeds of the issuance of the Securities in any Reference Portfolio Component at any time; the net proceeds will be used for hedging and general corporate purposes of the Issuer only. The Securityholders do not have any direct interest in, or beneficial ownership of any Reference Portfolio Component at any time.

### 2. Law governing the Securities

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

### 3. Status of the Securities

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

### 4. Form of the Securities

The Securities are issued as uncertificated securities (*Wertrechte*; "**Uncertificated Securities**") pursuant to article 973c of the Swiss Code of Obligations ("**CO**"). Uncertificated Securities are registered in the main register of a Swiss depository (*Verwahrungsstelle*; "**FISA Depository**") according to the Swiss Federal Act on Intermediated Securities ("**FISA**"). Upon (a) entering the Uncertificated Securities into the main register of a FISA Depository and (b) booking the Securities into a securities account at a FISA Depository, the Uncertificated Securities will constitute intermediated securities within the meaning of the FISA (*Bucheffekten*; "**Intermediated Securities**"). The Issuer has intructed SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Switzerland, ("**SIS**") to also act as FISA Depository, but reserves the right to choose any other FISA Depository, including UBS AG.

The records of the FISA Depository will determine the number of Uncertificated Securities held through each participant of the FISA Depository. In respect of Uncertificated Securities held in the form of Intermediated Securities, the holders of such Uncertificated Securities will be the persons holding such Uncertificated

Securities in a securities account (*Effektenkonto*) that is in their name, or, in the case of intermediaries (*Verwahrungsstellen*), the intermediaries holding such Uncertificated Securities for their own account in a securities account that is in their name (and the terms "Securityholder" and "holder of Securities" and related expressions shall be construed accordingly). Intermediated Securities are transferred and otherwise disposed of in accordance with the provisions of the FISA and the relevant agreements with the respective FISA Depository (in particular, neither the Intermediated Securities nor any rights pertaining to the Intermediated Securities may be transferred by way of assignment pursuant to articles 164 et seq. CO without the prior written consent of the Issuer).

The holders of the Securities shall at no time have the right to demand (a) conversion of Uncertificated Securities into physical securities and/or (b) delivery of physical securities. For the avoidance of doubt and regardless of such conversion, Uncertificated Securities will at any time constitute Intermediated Securities.

## 5. Clearing and Settlement of the Securities

### General

The Securities are cleared through SIX SIS AG ("**SIS**" or the "**Clearing System**").

### SIX SIS AG

SIS is a wholly owned subsidiary of SIX Group Ltd. and is a bank supervised by the Swiss Financial Market Supervisory Authority.

SIS acts as the central securities depository and settlement institution for the following Swiss securities: equities, government and private sector bonds, money market instruments, exchange traded funds, conventional investment funds, structured products, warrants and other derivatives. Apart from providing custody and settlement for Swiss securities, SIS acts as global custodian and offers its participants access to custody and settlement in foreign financial markets. SIS offers direct links to other international central securities depositories and central securities depositories including Clearstream, Germany, Euroclear and Clearstream, Luxembourg.

The address of SIS is SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Switzerland.

## 6. Listing or Trading of the Securities

The Issuer intends to apply for the listing of the Securities at Frankfurt Stock Exchange (Third Section) and Stuttgart Stock Exchange (Third Section). First trading day is expected to be the Initial Payment Date (as defined in section "F. Subscription and Sale – 2. Purchase and Delivery of the Securities" on page 103 of this Summary and Securities Note). Provided that the Securities have not been terminated by the Issuer prior to the Expiration Date, trading of the Securities shall cease two Business Days prior to the Expiration Date.

## 7. Maturity of the Securities; Issuer Extension Option

Subject to the Issuer Extension Option (as defined below), the Securities expire – provided that the Securities are not terminated or expired early in accordance with the Terms and Conditions of the Securities – on 3 July 2024 (the "**Expiration Date**").

The Issuer is in accordance with the Terms and Conditions of the Securities entitled to extend, by giving notice to the Securityholders not less than one hundred eighty (180) calendar days prior to the then existing Expiration Date (or any later expiration date resulting from any extension of the maturity of the Securities) the maturity of all then outstanding Securities for additional periods of seven (7) calendar years (the "**Issuer Extension Option**"). There is no limit to the number of times the Issuer may extend the maturity of the Securities. In case that the Issuer exercises the Issuer Extension Option and unless a Securityholder reject such Issuer Extension Option in relation to the Securities held by it in accordance with the Terms and Conditions of the Securities, investors in the Securities will receive any final payments under the Securities later than scheduled at the Issue Date of the Securities.

## 8. Functioning of the Securities and Dependency on the Underlying

The Securities allow investors to participate, considering the fees on the level of the notional Reference Portfolio, in the positive development of the notional Reference Portfolio. Conversely, investors in the Securities also participate in the negative development of the notional Reference Portfolio.

With the purchase of each (1) Security, the investor acquires the right, under certain conditions and as provided for in the Terms and Conditions of the Securities, to demand from the Issuer the payment of the Settlement Amount in the Redemption Currency, if applicable, commercially rounded to two decimal points (the "**Redemption Amount**") (the "**Security Right**") all as defined in the section "Key Terms and Definitions of the Securities". **For the avoidance of doubt:** Whilst the Redemption Amount may be linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the proceeds of the issuance of the Securities in any Reference Portfolio Components at any time and the Securityholders do not have any interest in any Reference Portfolio Components at any time.

The value of the Securities during their term depends on the performance of the notional Reference Portfolio used as Underlying. In case the Level of the Reference Portfolio increases, also the value of the Securities (disregarding any special features of the Securities) will increase.

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

## **D. TERMS AND CONDITIONS OF THE SECURITIES**

### **Terms and Conditions of the Securities**

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

*The Terms and Conditions of the Securities are composed of*

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

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

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

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

The Securities use the following definitions and have, subject to an adjustment according to the Terms and Conditions of the Securities, the following key terms, both as described below in alphabetical order. The following does not represent a comprehensive description of the Securities, and is subject to and should be read in conjunction with the Conditions of the Securities, the general offering terms of the Securities and all other sections of this Prospectus.

- A. Aggregate Amount of the Issue:** Issue Price x Issue Size.
- B. Business Day:** The Business Day means any day on which (i) commercial banks in London, Frankfurt am Main and Zurich are open for business, and (ii) the Trans-European Automated Real-time Gross settlement Express Transfer System (“**TARGET2**”) is open.
- C. Calculation Agent:** The Calculation Agent means UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland, acting through its London Branch, 5 Broadgate, London EC2M 2QS, United Kingdom.
- CA Rules:** CA Rules means any regulation and operating procedure applicable to and/or issued by the Clearing System.
- Clearing System:** Clearing System means SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Switzerland (“**SIS**”) or any successor in this capacity. The term “Clearing System” shall refer to all Clearing Systems.
- Commissions:** The Issuer may grant turnover-related sales and recurring commissions to distributors as indicated in (i) to (iv). Sales commissions are paid out of the issue proceeds as a one-off payment; alternatively the Issuer may grant an agio on the issue price to the distributor. Recurring commissions are paid regularly depending on the respective securities volume. If UBS acts as Issuer and distributor the relevant commissions are internally booked in favour of the distributing organisational unit.
- (i) Underwriting and/or placing fee: none
  - (ii) Selling commission: none
  - (iii) Listing Commission: none
  - (iv) Other: Reference Portfolio Fees and Adjustment Fees, as further described in the section “Information about the notional Reference Portfolio”, which forms part of the Conditions of the Securities
- Constituents Business Day:** Constituents Business Day in respect of any Constituent means, any day on which (i) the Relevant Exchange and the Relevant Futures and Options Exchange are scheduled to be open for trading, notwithstanding any day on which they close for business prior to their regular weekday closing time and (ii) the Calculation Agent is open for business.
- E. Expiration Date:** The Expiration Date means, **subject to an extension of the Term of the Securities in accordance with § 2 (2) of the Conditions of the Securities and to any Market Disruption in accordance with § 9 of the Conditions of the Securities, 3 July 2024.**
- F. Fixing Date:** The Fixing Date means 3 July 2017. In the case of abbreviation or

extension of the subscription period the Fixing Date may be changed accordingly.

**I.**

**Issue Date:**

The Issue Date of the Securities means 7 July 2017. In the case of abbreviation or extension of the subscription period the Issue Date may be changed accordingly.

**Issue Price:**

The Issue Price equals EUR 100.00.

**Issuer:**

The Issuer means UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland.

**Issue Size:**

The Issue Size equals 250,000 Securities.

**L.**

**Level of the Reference Portfolio:**

The Level of the Reference Portfolio is determined by the Calculation Agent based on the closing price or value of each Stock Constituent on the relevant Reference Portfolio Calculation Date and as described in the section "Information about the notional Reference Portfolio", which forms part of the Conditions of the Securities. The calculation also takes into account the effect of the Reference Portfolio Fees and the Adjustment Fees.

The Initial Reference Portfolio Level is equal to EUR 100.00.

The Level of the Reference Portfolio is, subject to the occurrence of a disruption event in accordance with the Terms and Conditions of the Securities, calculated on each Reference Portfolio Calculation Date, as further described in the section "Information about the notional Reference Portfolio", which forms part of the Conditions of the Securities.

Information regarding the Level of the Reference Portfolio will be published on the website [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) or any successor address notified by the Issuer to the Securityholders for this purpose by way of publication on [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest).

**M.**

**Maturity Date:**

The Maturity Date means the fifth Business Day following the relevant Valuation Date.

**Minimum Trading Size:**

The Minimum Trading Size equals one (1) Security or an integral multiple thereof.

**P.**

**Paying Agent:**

The Paying Agent means UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland.

**R.**

**Redemption Currency:**

The Redemption Currency means Euro ("**EUR**").

**Reference Portfolio:**

The Reference Portfolio means the notional Euro ("**EUR**") denominated GBC Directors' Dealings Value Strategy Reference Portfolio (the "**Underlying**" or the notional "**Reference Portfolio**"), actively managed, created and maintained by Dialog Vermögensmanagement GmbH, Stuttgart, Germany (the "**Reference Portfolio Advisor**") and subject to adjustments by the Issuer in case of the occurrence of adjustment events (pursuant to § 7 (a) (*Adjustments to the Reference Portfolio*) and § 7 (b) (*Adjustments in relation to a Stock used as*

Reference Portfolio Component) of the Terms and Conditions of the Securities).

The Reference Portfolio is initiated on 3 July 2017 (the “**Reference Portfolio Creation Date**”, which may the case of abbreviation or extension of the subscription period be changed accordingly) by the Reference Portfolio Advisor with an initial level of EUR 100.00 (the “**Initial Reference Portfolio Level**”).

The Reference Portfolio aims to replicate the performance of (i) a long only basket of selected stocks (each a “**Stock<sub>(i)</sub>**” or, as the case may be, a “**Stock Constituent<sub>(i)</sub>**” and together the “**Stocks**” or, as the case may be, the “**Stock Constituents**”) comprised in the list of indices as set out in the section “Information about the notional Reference Portfolio”, which forms part of the Conditions of the Securities, (ii) from time to time, an EUR denominated cash position which shall be at all times equal to or greater than zero (the “**Cash Position**”; which together with the Stock Constituents shall be referred to as the “**Reference Portfolio Components**”), less fees, costs and expenses.

The Cash Position will accrue interest at the prevailing Reference Rate (as defined in the section “Information about the notional Reference Portfolio”, which forms part of the Conditions of the Securities), **which for the avoidance of doubt may be negative from time to time.**

The Reference Portfolio, the Reference Portfolio Components and the rules in accordance with which the Reference Portfolio is managed by the Reference Portfolio Advisor are further described in the section “Information about the notional Reference Portfolio”, which forms part of the Conditions of the Securities.

**Reference Portfolio Calculation Date:**

Reference Portfolio Calculation Date means each Constituents Business Day.

**Relevant Exchange:**

The Relevant Exchange<sub>(i)</sub> means the primary stock exchange, on which the Stock<sub>(i)</sub> is primarily listed and publicly quoted and traded, as determined by the Calculation Agent at its reasonable discretion from time to time.

The term “Relevant Exchange<sub>(i)</sub>” shall also refer to all Relevant Exchanges<sub>(i=1)</sub> to <sub>(i=n)</sub>.

**Relevant Futures and Options Exchange:**

The Relevant Futures and Options Exchange means the principal futures and options exchange(s), on which options and futures on the Stock<sub>(i)</sub> as Stock Constituents of the Reference Portfolio are traded or quoted, as determined by the Calculation Agent at its reasonable discretion from time to time.

The term “Relevant Futures and Options Exchange<sub>(i)</sub>” shall also refer to all Relevant Futures and Options Exchanges<sub>(i=1)</sub> to <sub>(i=n)</sub>.

**S. Securities:**

Securities means the GBC Directors' Dealings Value Strategy Certificates denominated in EUR and issued by the Issuer in the Issue Size with the security identification codes: ISIN CH0358664750; WKN UBS1GB; Valor 35866475.

The Securities are being issued as uncertificated securities (*Wertrechte*; “**Uncertificated Securities**”) in terms of article 973c of the Swiss Code of Obligations (“**CO**”), which constitute of intermediated securities (*Bucheffekten*; “**Intermediated Securities**”) in terms of the Swiss



Federal Act on Intermediated Securities (*Bundesgesetzes über die Bucheffekten*; “**FISA**”) and will not be represented by definitive securities as defined in article 965 CO.

**Settlement Cycle:**

Settlement Cycle means the number of days following a trade in a Stock<sup>(i)</sup> comprised in the Reference Portfolio on the Relevant Exchange in which settlement will customarily occur according to the rules of the Relevant Exchange.

**U.**

**Underwriting and/or placing fee:**

See “Commissions”.

**V.**

**Valuation Date:**

The Valuation Date means, **subject to any Market Disruption in accordance with § 9 of the Conditions of the Securities,**

(i) in case of a redemption of the Securities in accordance with § 1 of the Conditions of the Securities, the Expiration Date,

(ii) in case of a termination of the term of the Securities by the Issuer in accordance with § 2 (4) of the Conditions of the Securities, the relevant Issuer Termination Date,

(iii) in case of an automatic termination of the term of the Securities in accordance with § 3 of the Conditions of the Securities, the relevant Automatic Termination Date, and

(iv) in case of an extraordinary termination by the Issuer in accordance with § 8 of the Conditions of the Securities, the relevant Extraordinary Termination Date:

or if one of these days is not a Constituents Business Day, the immediately succeeding Constituents Business Day.

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

### § 1 Security Right

#### (1) Security Right of the Securityholders

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

#### (2) Settlement Amount

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

$$\text{EUR } 100.00 \times \text{Max} \left( 0; \frac{\text{Final Reference Portfolio Level}}{\text{Initial Reference Portfolio Level}} \right)$$

Where

The “**Final Reference Portfolio Level**” means, subject to a Market Disruption (§ 9 (1)), the value of the notional Reference Portfolio as determined by the Calculation Agent in relation to a Valuation Date, whereby the relevant value of the Reference Portfolio shall be equal to

- (i) the sum of the sale proceeds as converted into EUR where applicable, using the then prevailing exchange rate, as determined by the Calculation Agent in its reasonable discretion, that would be realized by a notional investor (in the same position as the Issuer) when selling and/or, as the case may be, unwinding the Stock Constituents, then comprised in the notional Reference Portfolio **plus**
- (ii) the value of the Cash Position **minus**
- (iii) any accrued but not yet deducted Reference Portfolio Fees and Adjustment Fees.

**For the avoidance of doubt:** Whilst the Redemption Amount may be linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the proceeds of the issuance of the Securities in any Reference Portfolio Components at any time and the Securityholders do not have any interest in any Reference Portfolio Components at any time.

The “**Initial Reference Portfolio Level**” of the Reference Portfolio is equal to EUR 100.00.

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

Any determination and calculation in connection with the Security Right, in particular the calculation of the Redemption Amount, will be made by the Calculation Agent (§ 10). Determinations and calculations made in this respect by the Calculation Agent are final and binding for all participants except in the event of manifest error.

### § 2 Term of the Securities; Extension of the Term of the Securities; Termination by the Securityholders or the Issuer

#### (1) Term of the Securities

Subject to a termination of the Securities in accordance with these Conditions, the term of the Securities ends on the Expiration Date, unless the Issuer has exercised its right for extension of the term of the Securities in accordance with § 2 (2) of these Conditions.

**(2) Extension of the Term of the Securities**

The Issuer is entitled to extend, by giving notice to the Securityholder in accordance with § 12 of these Conditions (the “**Issuer Extension Option Exercise Notice**”) not less than one hundred eighty (180) calendar days prior to the scheduled Expiration Date (or any later expiration date resulting from any extension of the maturity of the Securities) the maturity of all outstanding Securities for additional periods of seven (7) calendar years each (the “**Issuer Extension Option**”), in which case the “Expiration Date” shall be deemed to be the date falling seven (7) calendar years after the initially scheduled Expiration Date.

There is no limit to the number of times the Issuer may extend the maturity of the Securities.

**(3) Securityholder's Termination Right**

Upon exercise of the Issuer Extension Option, each Securityholder is entitled to terminate the Securities outstanding and held by it in whole or in part by exercising its Securityholder Non-Extension Option not less than ninety (90) calendar days prior to the scheduled Expiration Date (or any later expiration date resulting from any extension of the maturity of the Securities).

For the exercise of the “**Securityholder Non-Extension Option**”, the Issuer must have received written and legally signed notice by the Securityholder stating his intention to exercise the Securityholder Non-Extension Option (the “**Exercise Notice**”). The Exercise Notice is irrevocable and binding and shall contain among other things (a) the name of the Securityholder, (b) the number of Securities to be terminated by such Securityholder and (c) the account of the Securityholder with a credit institution, to which the transfer of the Redemption Amount, if any, shall be effected.

Following the valid exercise of the Securityholder Non-Extension Option by the Securityholder, the relevant Securities of such Securityholder will be redeemed by the Issuer and the Securityholder is entitled to receive the relevant Redemption Amount (as defined in § 1(1) of these Conditions) per Security (so terminated), if any, payable on the Maturity Date in relation to the scheduled Expiration Date or, as the case may be, the scheduled extended Expiration Date.

**(4) Ordinary Termination by the Issuer**

The Issuer shall be entitled on each of 31 March, 30 June, 30 September and 31 December (each an “**Issuer Termination Date**”) for the first time on 30 September 2017 (including) to terminate and redeem, subject to a period of notice of thirty (30) Business Days, all but not some of the Securities by way of publication pursuant to § 12 of these Conditions with effect as of the relevant Issuer Termination Date.

In the case of termination and redemption by the Issuer, the Issuer shall pay to each Securityholder with respect to each Security it holds, an amount equal to the Redemption Amount (as defined in § 1(1) of these Conditions) (the “**Termination Amount**”).

**§ 3****Automatic Termination of the Securities****(1) Security Right of the Securityholders in the case of the occurrence of an Automatic Termination Event**

In the case of the occurrence of an Automatic Termination Event (as defined below) the term of all outstanding Securities is automatically terminated on the Automatic Termination Date (as defined below) and each Securityholder shall have in accordance with these Conditions the Security Right to receive the Early Settlement Amount (§ 3 (3)) in the Redemption Currency, if applicable, commercially rounded to two decimal points (the “**Automatic Termination Amount**”).

**(2) Occurrence of an Automatic Termination Event**

The Issuer shall notify the Securityholders pursuant to § 12 of these Conditions without delay of (i) the occurrence of an Automatic Termination Event and (ii) of the day, on which the Automatic Termination Event has occurred (such day is referred to as the “**Automatic Termination Date**”) (but failure to give such notice, or non-receipt thereof, shall not affect the validity of the automatic termination of the term of the Securities).

In such context:

An “**Automatic Termination Event**” shall occur if Dialog Vermögensmanagement GmbH, Stuttgart, Germany ceases to be or to act as Reference Portfolio Advisor.

### (3) Early Settlement Amount

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

$$\text{EUR 100.00} \times \text{Max} \left( 0; \frac{\text{Early Reference Portfolio Level}}{\text{Initial Reference Portfolio Level}} \right)$$

Where

The “**Early Reference Portfolio Level**” means, subject to a Market Disruption (§ 9 (1)), the value of the notional Reference Portfolio as determined by the Calculation Agent in relation to the relevant Valuation Date, whereby the relevant value of the Reference Portfolio shall be equal to

- (i) the sum of the sale proceeds as converted into EUR where applicable, using the then prevailing exchange rate, as determined by the Calculation Agent in its reasonable discretion, that would be realized by a notional investor (in the same position as the Issuer) when selling and/or, as the case may be, unwinding the Stock Constituents then comprised in the notional Reference Portfolio **plus**
- (ii) the value of the Cash Position **minus**
- (iii) any accrued but not yet deducted Reference Portfolio Fees and Adjustment Fees.

**For the avoidance of doubt:** Whilst the Automatic Termination Amount is linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the net proceeds of the issuance of the Securities in any Reference Portfolio Component at any time; the net proceeds will be used for hedging and general corporate purposes of the Issuer only. The Securityholders do not have any direct interest in, or beneficial ownership of any Reference Portfolio Component at any time.

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

### § 4

#### Form of Securities; Title and Transfer; Status

##### (1) Form of Securities

The Securities constitute Intermediated Securities. Intermediated Securities are fungible monetary or membership rights of an investor against an issuer which are credited to an investor's securities account with an intermediary pursuant to article 4 FISA (such as banks and securities dealers; *Verwahrungsstelle*; „FISA Depository“) and which are at the investor's disposal pursuant to the FISA (article 3 paragraph 1 FISA).

Intermediated Securities are created upon immobilization of actual securities or Uncertificated Securities (i.e. deposit of actual securities with a FISA Depository, or entry of Uncertificated Securities in the main register of FISA Depository) and a respective credit to a Securityholder's securities account with a FISA Depository (article 4 and 6 FISA). For each series of Securities one single FISA Depository keeps the main register which is available to the public. Securityholders may obtain information about their entitlement to Intermediated Securities of a certain series of Securities from their FISA Depository.

##### (2) Securityholder; Title and Transfer

“**Securityholder**” means any person acknowledged by Swiss law as legal owner of the Securities. The Securityholder shall, for all purposes, be treated by the Issuer and the Security Agents (§ 10 (1)) as the person entitled to such Securities and the person entitled to receive the benefits of the rights represented by such Securities.

Intermediated Securities are transferred upon a Securityholder's instruction of his/her FISA Depository and are then credited to the purchaser's securities account in accordance with articles 24 et seq. FISA and the terms and conditions of the agreements between a Securityholder and his/her FISA Depository. Securityholders may assert their rights linked to Intermediated Securities (*Rechte an Bucheffekten*) only through their FISA Depository. Neither the Intermediated Securities nor any rights pertaining to the Intermediated Securities may be transferred by way of assignment pursuant to articles 164 et seq. CO without the prior written consent of the Issuer.

Securityholders will not be entitled to demand delivery of Uncertificated Securities or actual securities (including Swiss Global Notes). Definitive Securities will not be printed.

##### (3) Status of the Securities

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

### § 5

#### Settlement; Period of Presentation

##### (1) Settlement of the Securities

The Issuer will, subject to a Market Disruption (§ 9 (1)) and in all cases subject to any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer agrees to be subject, procure on the relevant Maturity Date the payment of the Redemption Amount, of the Termination Amount, the Automatic Termination Amount, or of any other amount payable under the Conditions in relation to the relevant Maturity Date in the Redemption Currency to be credited via the Paying Agent to the account of the relevant Securityholder via the relevant FISA Depository pursuant to its applicable rules and regulations.

In accordance with Swiss law, claims of any kind against the Issuer arising under the Securities will be prescribed 10 years after the earlier of the date on which the early redemption or the date on which the ordinary redemption of the Securities has become due, except for claims for interests which will be prescribed five (5) years after maturity of such interest claims.

**(2) Discharging effect**

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

**(3) Taxes, fees or other duties Taxes, charges and/or expenses**

All present and future taxes, fees or other duties in connection with the Securities shall be borne and paid by the Securityholders. The Issuer and the Paying Agent, as the case may be, are entitled, but not obliged, to withhold from any required performance under these Conditions any such taxes, fees and/or duties payable by the Securityholder in accordance with the preceding sentence (including, for the avoidance of doubt, any withholding or deduction required by Sections 871(m) ("**871(m)**") and 1471 to 1474 ("**FATCA**") of the U.S. Internal Revenue Code of 1986, any treaty, law, regulation or other official guidance implementing FATCA, or any agreement (or related guidance) between the Issuer, the Paying Agent or any other person and the United States, any other jurisdiction, or any authority of any of the foregoing implementing FATCA) and none of the Issuer, the Paying Agent or any other person shall be required to pay any additional amounts with respect to any FATCA or 871(m) withholding or deduction imposed on or with respect to any Securities.

**§ 6**  
**Taxes**

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

**§ 7 (a)**  
**Adjustments to the Reference Portfolio**

**(1) Changes in the calculation; Making of Adjustments**

Any changes in the calculation (including corrections) of the Reference Portfolio or of the composition or of the weighting of the Reference Portfolio Components, on which the calculation of the Reference Portfolio is based, shall not lead to an adjustment of the Level of the Reference Portfolio unless the Issuer and the Calculation Agent, upon exercise of their reasonable discretion, determine that the underlying concept and the calculation (including corrections) of the Reference Portfolio are no longer comparable to the underlying concept or calculation of the Reference Portfolio applicable prior to such change. This applies especially, if due to any change the Level of the Reference Portfolio changes considerably, although the prices and weightings of the Stock Constituents included in the Reference Portfolio remain unchanged.

For the purpose of making any adjustments to of the Level of the Reference Portfolio the Issuer and the Calculation Agent shall at their reasonable discretion determine an adjusted Level of the Reference Portfolio as the basis of the determination of the Level of the Reference Portfolio, which in its result corresponds with the economic result prior to this change, and shall, taking into account the time the change occurred, determine the day, on which the adjusted Level of the Reference Portfolio used shall apply for the first time. The adjusted Level of the Reference Portfolio as well as the date of its first application shall be published without undue delay pursuant to § 12 of these Conditions.

**(2) Making of Adjustments and Determinations; Publication**

The adjustments and determinations of the Issuer pursuant to the paragraphs above shall be effected by the Issuer at its reasonable discretion or, as the case may be, by the Calculation Agent and shall be published by the Issuer in accordance with § 12 of these Conditions. Any adjustment and determination shall be final, conclusive and binding on all parties, except where there is a manifest error.

**§ 7 (b)**  
**Adjustments in relation to a Stock**  
**used as Reference Portfolio Component**

## (1) Consequences of the occurrence of a Potential Adjustment Event

In the case of the occurrence of a Potential Adjustment Event (§ 7 (b) (2)) in relation to a Stock used as Reference Portfolio Component<sub>(i)</sub>, the Issuer shall be entitled to effect adjustments to these Conditions in a manner and relation corresponding to the relevant adjustments made with regard to options and futures on the Stock used as Reference Portfolio Component<sub>(i)</sub> traded on the Relevant Futures and Options Exchange (the “**Future and Option Constituents**”) provided that the Record Date (as defined below) is prior to or on the Valuation Date.

If no such Future and Option Constituents are being traded on the Relevant Futures and Options Exchange, the adjustments may be effected by the Issuer in a manner as relevant adjustments would be made by the Relevant Futures and Options Exchange if those Future and Option Constituents were traded on the Relevant Futures and Options Exchange.

The “**Record Date**” will be the first trading day on the Relevant Futures and Options Exchange on which the adjusted Future and Option Constituents on the Stock used as Reference Portfolio Component<sub>(i)</sub> are traded on the Relevant Futures and Options Exchange or would be traded if those Future and Option Constituents were traded on the Relevant Futures and Options Exchange.

## (2) Occurrence of a Potential Adjustment Event

“**Potential Adjustment Event**” means any measure in relation to the Stock used as Reference Portfolio Component<sub>(i)</sub>, which gives reason, or would give reason, if the Future and Option Constituents were traded on the Relevant Futures and Options Exchange, as the case may be, to the Relevant Futures and Options Exchange for an adjustment to the Strike, the contract volume of the underlying, the ratio of the underlying or to the quotation of the stock exchange, relevant for the calculation and determination of the price of the share.

Adjustment Events are, *in particular*, but not limited to, the following measures, whereas, however, subject to § 7 (b) (3), the *de facto* or hypothetical decision of the Relevant Futures and Options Exchange is decisive:

- (i) The stock corporation, the share(s) of which is/are used as Reference Portfolio Component<sub>(i)</sub> (the “**Company**”) increases its share capital against deposits/contributions granting a direct or indirect subscription right to its shareholders, capital increase out of the Company’s own funds, through the issuance of new shares, directly or indirectly granting a right to its shareholders to subscribe for bonds or other securities with option or conversion rights to shares.
- (ii) The Company decreases its share capital through cancellation or combination of shares of the Company. No Adjustment Event shall occur, if the capital decrease is effected by way of reduction of the nominal amount of the shares of the Company.
- (iii) The Company grants exceptionally high dividends, bonuses or other cash or non-cash distributions (“**Special Distributions**”) to its shareholders. The distributions of regular dividends, which do not constitute Special Distributions, do not create any Adjustment Event. With regard to the differentiation between regular dividends and Special Distributions, the differentiation made by the Relevant Futures and Options Exchange shall prevail.
- (iv) In the case of a stock split (reduction of the nominal amount and corresponding increase in the number of shares without a change in the share capital) or a similar measure.
- (v) Offer to the shareholders of the Company pursuant to any proceeding under the jurisdiction applicable to and governing the Company to convert existing shares of the Company to new shares or to shares of another stock corporation.
- (vi) Take-over of shares of the Company by a shareholder in the course of a tender offer in accordance with the provision under the jurisdiction applicable to and governing the Company, which in the Issuer’s opinion, results in a significant impact on the liquidity of such shares in the market.
- (vii) The Company spins off any part of the Company so that a new independent enterprise is created or any part of the Company is absorbed by a third company, the Company’s shareholders are granted shares in the new company or the absorbing company free of charge or at a price below the market price and therefore a market price or price quotation may be determined for the shares granted to the shareholders.

(viii) The quotation of or trading in the shares of the Company on the Relevant Exchange is permanently discontinued due to a merger or a new company formation, or for any other comparable reason, in particular as a result of a delisting of the Company.

The provisions set out above shall apply *mutatis mutandis* to events other than those mentioned above, if the Issuer and the Calculation Agent, upon exercise of their reasonable discretion, determine that the economic effects of these events are comparable and may have an impact on the calculational value of the shares.

### (3) Deviations by the Issuer from the Relevant Futures and Options Exchange

The Issuer shall be entitled to deviate from the adjustments made by the Relevant Futures and Options Exchange, should the Issuer consider it necessary in order to account for existing differences between the Securities and the Future and Option Constituents traded on the Relevant Futures and Options Exchange. Irrespective of, whether or how adjustments are *de facto* effected by the Relevant Futures and Options Exchange, the Issuer is entitled to effect adjustments for the purpose to reconstitute to the extent possible the Securityholders' economic status prior to the measures in terms of § 7 (b) (2).

### (4) Termination or replacement of the Stock

In the event that the Stock used as Reference Portfolio Component<sub>(i)</sub> is terminated and/or replaced by another underlying, the Issuer and the Calculation Agent shall, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions, determine at their reasonable discretion, after having made appropriate adjustments according to the paragraph above, which underlying, economically equal to the underlying concept of the Stock used as Reference Portfolio Component<sub>(i)</sub> shall be applicable in the future (the "**Successor Reference Portfolio Component**"). The Successor Reference Portfolio Component and the date it is applied for the first time shall be published without undue delay in accordance with § 12 of these Conditions.

### (5) Determination of a Substitute Exchange

If the quotation of or trading in the Stock used as Reference Portfolio Component<sub>(i)</sub> on the Relevant Exchange is permanently discontinued while concurrently a quotation or trading is started up or maintained on another stock exchange, the Issuer shall be entitled to stipulate such other stock exchange as new Relevant Exchange (the "**Substitute Exchange**") through publication in accordance with § 12 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions. In the case of such a substitution, any reference in these Conditions to the Relevant Exchange thereafter shall be deemed to refer to the Substitute Exchange. The adjustment described above shall be published in accordance with § 12 of these Conditions upon the expiry of one month following the permanent discontinuation of the quotation of or trading in the Reference Portfolio Component<sub>(i)</sub> on the Relevant Exchange, at the latest.

### (6) Corrected Price

In the event that the price of the Stock used as Reference Portfolio Component<sub>(i)</sub> as determined and published by the Relevant Exchange is subsequently corrected and the correction (the "**Corrected Price**") is published by the Relevant Exchange after the original publication, but still within one Settlement Cycle, the Issuer and the Calculation Agent shall be entitled to effect, under consideration of the Corrected Price, adjustments to these Conditions at their reasonable discretion, to account for the correction. The adjustment and the date it is applied for the first time shall be published without undue delay in accordance with § 12 of these Conditions.

### (7) Making of Adjustments and Determinations; Publication

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at its reasonable discretion, under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion in cases of doubt (i) the applicability of the adjustment rules of the Relevant Futures and Options Exchange and (ii) the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 12 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

### (8) Effectiveness of Adjustments and Determinations

Any adjustment and determination will become effective as of the time at which the relevant adjustments



become effective on the Relevant Futures and Options Exchange or would become effective, if the Future and Option Constituents were traded on the Relevant Futures and Options Exchange, as the case may be.

## § 8

### Extraordinary Termination Right of the Issuer

#### (1) Extraordinary Termination by the Issuer

The Issuer shall in the case of the occurrence of one of the following Termination Events be entitled to extraordinary terminate and redeem all but not some of the Securities by giving notice to the Securityholders in accordance with § 12 of these Conditions. Such termination shall become effective at the time of the notice in accordance with § 12 or at the time indicated in the notice (the “**Extraordinary Termination Date**”).

#### (2) Occurrence of a Termination Event

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

- (a) The determination and/or publication of the Level of the Reference Portfolio is discontinued permanently, or the Issuer or the Calculation Agent obtains knowledge about the intention to do so.
- (b) The occurrence of a Potential Adjustment Event in accordance with § 7 (a) to § 7 (b) of these Conditions.
- (c) In the opinion of the Calculation Agent at its reasonable discretion, another material change in the market conditions occurred in relation to the Relevant Exchange or the Relevant Futures and Options Exchange, as the case may be.
- (d) The occurrence of a Change in Law and/or a Hedging Disruption and/or an Increased Cost of Hedging.

In this context:

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

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

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

#### (3) Payment of the Extraordinary Termination Amount

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

## § 9

**Market Disruption, FX Disruption, Unwind Disruption****(1) Consequences of a Market Disruption**

- (a) In the event that the Calculation Agent determines that any Constituents Business Day is a Disrupted Day (§ 9 (2)) with respect to any Eligible Stocks or Eligible Stock Constituent selected by the Reference Portfolio Advisor for the purposes of a Rebalancing, then such Eligible Stocks or Eligible Stock Constituent shall not be notionally sold or purchased on the relevant Rebalancing.
- (b) In the event that the Calculation Agent determines that any Reference Portfolio Calculation Date is a Disrupted Day with respect to any Eligible Stocks or Eligible Stock Constituent, then for the purposes of determining the value of the Reference Portfolio as at such Reference Portfolio Calculation Date, (a) the price of each Stock Constituent not affected by the occurrence of such Disrupted Day shall be the closing price of such Stock Constituent on the Relevant Exchange and (b) the price of each Stock Constituent affected by the occurrence of such Disrupted Day shall be determined by the Calculation Agent at its reasonable discretion by reference to its good faith estimate of the fair market value (which may be zero) of such Stock Constituent as of such Reference Portfolio Calculation Date.
- (c) If the Calculation Agent determines that the date scheduled to be the relevant Valuation Date is a Disrupted Day (such event in relation to a Valuation Date constitutes a "**Market Disruption**") in respect of any Stock Constituent, such date shall be the relevant Valuation Date for those Stock Constituents which are not affected by the occurrence of a Disrupted Day while Valuation Date for any Stock Constituent that is affected by the occurrence of a Disrupted Day shall be postponed to the following Constituents Business Day with respect to such Stock Constituent *provided* that if such day does not occur within 8 (eight) such Constituents Business Days immediately following the date scheduled to be the relevant Valuation Date, the price of such Stock Constituent shall be determined by the Calculation Agent at its reasonable discretion by reference to its good faith estimate of the value for such Stock Constituent on that eighth Constituents Business Day.
- (d) On the occurrence of a FX Disruption Event (§ 9 (2)), the value of any non-EUR denominated Stock Constituent shall be determined by the Calculation Agent at its reasonable discretion and the Calculation Agent shall have the right to adjust the value of the Reference Portfolio to account for such FX Disruption Event.
- (e) If the Calculation Agent determines that on any Valuation Date a Unwind Disruption (§ 9 (2)) occurs or is likely to occur, the Issuer shall be entitled to postpone the relevant Valuation Date to such date where a notional investor in the Stock Constituents would be able to fully unwind the Stock Constituents in cash. The Issuer shall endeavour to notify the Securityholders pursuant to § 12 of these Conditions without delay of the occurrence of an Unwind Disruption. However, there is no notification obligation.

The Issuer shall endeavour to notify the Securityholders pursuant to § 12 of these Conditions without delay of the occurrence of a Disrupted Day. However, there is no notification obligation.

**(2) Further definitions**

**"Disrupted Day"** means any Constituents Business Day on which the Calculation Agent determines that trading and/or transactions in the relevant Eligible Stocks or Eligible Stock Constituent, as the case may be, is or are adversely affected (including without limitation where trading and/or transactions are limited by reason of illiquidity, any circumstances of market or trading disruption or the unavailability for any reason of any quote, official price or valuation in relation to the relevant Eligible Stocks or Eligible Stock Constituent).

**"FX Disruption Event"** means (i) an event that generally makes it illegal, impossible, impractical or inadvisable to convert one unit of the currency in which any non-EUR denominated Constituent is denominated (the "**Denomination Currency**") into the Redemption Currency; or an event that generally makes it impossible to deliver the Redemption Currency from accounts in which they are held to accounts outside of the jurisdiction of the Denomination Currency; or (ii) the general unavailability to exchange the Redemption Currency at a spot rate (applicable to the purchase of the Redemption Currency for the Denomination Currency) in any legal currency exchange market in the principal financial centre for the Denomination Currency, if, in the

determination of the Calculation Agent, the occurrence of any such events is material.

"**Unwind Disruption**" means any event where a notional investor (in the same position as the Issuer) would be unable to unwind its investments in the Stock Constituents by the relevant Valuation Date.

## § 10 Calculation Agent; Paying Agent

### (1) General

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

### (2) Vicarious Agent

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

### (3) Replacement, Appointment and Revocation

The Issuer is entitled at any time to replace any or all of the Security Agents by another company, to appoint one or several additional Security Agents, and to revoke their appointments. Such replacement, appointment and revocation shall be notified in accordance with § 12 of these Conditions.

### (4) Resignation of Security Agents

Each of the Security Agents is entitled to resign at any time from its function upon prior written notice to the Issuer. Such resignation shall only become effective if another company is appointed by the Issuer as Calculation Agent, the Security Agent or as Paying Agent, as the case may be. Resignation and appointment are notified in accordance with § 12 of these Conditions.

## § 11 Substitution of the Issuer

### (1) Substitution of the Issuer

Provided that the Issuer is not in default with its obligations under the Securities, the Issuer is at any time entitled, without the consent of the Securityholders, to substitute another company within the UBS Group as issuer (the "**Substitute Issuer**") with respect to all obligations under or in connection with the Securities, if

- (i) the Substitute Issuer assumes all obligations of the Issuer under or in connection with the Securities,
- (ii) (A) the Issuer and the Substitute Issuer have obtained all necessary authorisations as well as consents and (B) may transfer to the Principal Paying Agent in the Redemption Currency and without being obligated to deduct or withhold taxes or other duties of whatever nature levied by the country, in which the Substitute Issuer or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Securities;
- (iii) the Substitute Issuer has agreed to indemnify and hold harmless each Securityholder against any tax, duty or other governmental charge imposed on such Securityholder in respect of such substitution;
- (iii) the Issuer unconditionally and irrevocably guarantees the obligations of the Substitute Issuer.

### (2) References

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

### (3) Publication

The substitution of the Issuer shall be final, binding and conclusive on the Securityholders and will be published to the Securityholders without undue delay in accordance with § 12 of these Conditions.

## **§ 12 Publications**

### **(1) General**

To the extent these Conditions provide for a notice pursuant to this § 12 of these Conditions, these will be published on the website of the Issuer at [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) (or a successor address thereto) and become effective vis-à-vis the Securityholders through such publication unless the notice provides for a later effective date.

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

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

### **(2) Notification to the Clearing System**

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

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

### **(1) Issue of further Securities**

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

### **(2) Purchase of Securities**

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

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

### **(3) Cancellation of Securities**

All Securities redeemed in full shall be cancelled forthwith and may not be reissued or resold.

## **§ 14 Language**

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

## **§ 15 Governing Law; Jurisdiction**

### **(1) Governing Law**

The form and content of the Securities as well as all rights and duties arising from the matters provided for in these Conditions shall in every respect be governed by, and shall be construed in accordance with, the laws of

the Swiss Confederation.

## **(2) Jurisdiction**

The place of jurisdiction for all actions or other procedures under or in connection with the Securities shall, to the extent legally possible, be Zurich (1), Switzerland.

## **§ 16 Corrections; Severability**

### **(1) Modifications and Amendments**

The Issuer shall be entitled to modify or amend, as the case may be, these Conditions in each case without the consent of the Securityholders in such manner as the Issuer deems necessary, if the modification or amendment

- (i) is of a formal, minor or technical nature; or
- (ii) is made to cure a manifest or proven error; or
- (iii) is made to cure any ambiguity; or is made to correct or supplement any defective provisions of these Conditions; or
- (iv) is made to correct an error such that, in the absence of such correction, the Conditions would not otherwise represent the intended terms of the Securities on which the Securities were sold and have since traded; or
- (v) will not materially and adversely affect the interests of the Securityholders.

### **(2) Publication**

Any modification or amendment of these Terms and Conditions shall take effect in accordance with its terms and be binding on the Securityholders, and shall be notified to the Securityholders in accordance with § 12 of these Conditions (but failure to give such notice, or non-receipt thereof, shall not affect the validity of such modification or amendment).

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

### **(3) Invalidity in whole or in part**

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

## **§ 17 No collective investment schemes**

This product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 et seq. of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus is not subject to the supervision of the Swiss Financial Market Supervisory Authority (*Eidgenössische Finanzmarktaufsicht*). Therefore, investors in this product are not eligible for the specific investor protection under the CISA.

## **E. INFORMATION ABOUT THE NOTIONAL REFERENCE PORTFOLIO**

The following description forms an integral part of the Terms and Conditions of the Securities and shall be construed in accordance with these Terms and Conditions of the Securities.

The Reference Portfolio Advisor creates and maintains the Reference Portfolio as a theoretical portfolio by selecting the initial Reference Portfolio Components and their weightings and thereafter actively managing and maintaining the Reference Portfolio by rebalancing the Reference Portfolio, i.e. changing the weightings of the Reference Portfolio Components, in its reasonable discretion.

The notional Reference Portfolio is a synthetic portfolio which has been created and is managed and calculated solely for the purposes of being used as underlying of these Securities. There is no obligation on the Issuer to purchase or hold any Reference Portfolio Components and Securityholders have no rights in, or to require delivery of, any of such Reference Portfolio Components at any time. References to any rebalancing, disposal or acquisition or financing of a Reference Portfolio Component have to be understood as reference to a notional transaction and should not be construed as imposing any obligation on the Issuer or any of its affiliates or subsidiaries, the Manager, the Calculation Agent or any person to actually directly or indirectly, physically or synthetically acquire, dispose of or effect or take delivery of, or effect transactions in, any securities, investments or other property, but are references to the change in the value of, or in notional amounts to be determined for the purposes of calculating the value of, and relate solely to the calculation of the value of any amounts payable in respect of the Securities.

Whilst the Redemption Amount is linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the net proceeds of the issuance of the Securities in any Reference Portfolio Components at any time; the net proceeds will be used for hedging and general corporate purposes of the Issuer only. The Securityholders do not have any direct interest in, or beneficial ownership of any Reference Portfolio Component at any time.

**Information on the Indices contained herein is solely intended for the description of the notional Reference Portfolio and for the use of investors in the Securities and does not constitute an offer of any Reference Portfolio Components.**

### **1. General information about the Reference Portfolio**

The GBC Directors' Dealings Value Strategy Reference Portfolio (the "**Reference Portfolio**") is a notional EUR ("**EUR**") denominated actively managed Reference-Portfolio, created and maintained by Dialog Vermögensmanagement GmbH, Stuttgart, Germany (the "**Reference-Portfolio Advisor**"), which is subject to adjustments by the Issuer in case of the occurrence of adjustment events (pursuant to § 7 (a) (*Adjustments to the Reference Portfolio*) and § 7 (b) (*Adjustments in relation to a Stock used as Reference Portfolio Component*) of the Terms and Conditions of the Securities).

The Reference Portfolio aims to replicate the performance of

- (i) a long only basket of selected stocks (each a "**Stock<sub>(i)</sub>**" or, as the case may be, a "**Stock Constituent<sub>(i)</sub>**" and together the "**Stocks**" or, as the case may be, the "**Stock Constituents**") comprised in the list of indices as set out in the Section "2.1 Stock Constituents" below,

where net dividends on a Stock Constituent will be reinvested into the respective Stock Constituent on the ex-dividend date of that Stock Constituent (in respect of U.S. equity securities, for purposes of determining the amount of a dividend treated as notionally reinvested, such amount shall not be treated as reduced by the withholding tax imposed on dividends by Section 871(a) or 881(a) of the US Internal Revenue Code but shall instead be reduced by the 30% withholding tax imposed on dividend equivalents by Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended), and

- (ii) from time to time, an EUR denominated cash position which shall be at all times equal to or greater than zero (the "**Cash Position**"; which together with the Stock Constituents shall be referred to as the "**Reference Portfolio Components**"), less fees, costs and expenses.

The Cash Position as a Reference Portfolio Component, which represents a notional holding of a cash account

denominated in EUR will accrue interest at the prevailing reference rate (the "**Reference Rate**"), which for the avoidance of doubt may be negative from time to time. The Reference Rate is observed on every Business Day and shall be equal to (i) the Federal Funds Target Rate – Upper Bound (Bloomberg page: FDTR Index), (ii) plus the EUR Forward Implied 3 Month Rate (Bloomberg page: EUR13M Curncy), (iii) minus the USD 3 Month LIBOR Rate (Bloomberg page: US0003M Index) (each a "**Relevant Screen Page**") and (iv) minus 0.05% (each a "**Reference Rate Component**"), which for the avoidance of doubt may be negative from time to time. If one or more Relevant Screen Page(s) is not available or if a Reference Rate Component is not displayed, the Reference Rate Component shall be the equivalent rate as displayed on the corresponding page of another financial information service. If one or more Reference Rate Component is no longer displayed in one of these forms, the Calculation Agent is entitled to specify at its reasonable discretion a successor Reference Rate Component calculated on the basis of the standard market practices applicable at that time as the Reference Rate Component.

The Reference Portfolio represents a notional investment in the Stock Constituents, plus any Cash Position, as described in Section 2 below.

The Reference Portfolio Advisor has created the Reference Portfolio by selecting initial Reference Portfolio Components on 3 July 2017 (the "**Reference Portfolio Creation Date**", which may the case of abbreviation or extension of the subscription period be changed accordingly) with an initial level of EUR 100.00 (the "**Initial Reference Portfolio Level**"). The Stock Constituents are listed in Section 3 below.

The Reference Portfolio Advisor is responsible for adjusting the allocation of the Reference Portfolio Components (any such adjustment, a "**Rebalancing**") from time to time thereafter in accordance with Section 4 below. Certain limitations apply as to the composition of the Reference Portfolio from time to time as described in such Section.

The level of the Reference Portfolio as determined in accordance with Section 7 below (the "**Level of the Reference Portfolio**") is calculated in EUR net of certain fees and costs associated with the creation, maintenance and management of the notional Reference Portfolio.

Information about the past and the further performance of the Reference Portfolio and its volatility will be published in the internet on [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) or a substitute thereof.

The Calculation Agent may adjust the composition of the Reference Portfolio from time to time to account for corporate actions in respect of the Stock Constituents and other similar events, as described in Section 6 below.

UBS AG, acting through its London Branch (the "**Calculation Agent**") is responsible for calculating the Level of the Reference Portfolio from time to time in accordance with Section 7 below.

Terms used herein shall have the meanings given to such terms in, and shall be interpreted in accordance with the Terms and Conditions of the Securities.

## 2. Reference Portfolio Components

The Reference Portfolio, whose composition may vary from time to time, is actively managed by the Reference Portfolio Advisor and represents a notional investment in the Reference Portfolio Components as described below (the "**Investment Universe**"). The Reference Portfolio Advisor is not allowed to select any additional components for inclusion in the notional Reference Portfolio apart from the ones described below. The Reference Portfolio may select any of the below described Reference Portfolio Components for inclusion in the notional Reference Portfolio in its reasonable discretion pursuant and subject to the provisions below.

### 2.1 Stocks Constituents

The Reference Portfolio may reference as Stock Constituents long positions in certain stocks included in one of the below indices (each an "**Eligible Stock Constituent**"):

Name of Index	Boomberg Page	Currency
Deutsche Börse AG German Stock Index DAX	DAX Index	EUR
Deutsche Börse AG DAX Mid-Cap Index	MDAX Index	EUR
Deutsche Börse SDAX Performance Index	SDYP Index	EUR

Deutsche Börse TecDAX Total Return Selection Index	TDXP Index	EUR
Deutsche Börse AG Composite DAX CDAX Index	CDAX Index	EUR
Austrian ATX Prime Index	ATXPRIME Index	EUR
SMI Expanded Price Index	SMIEXP Index	CHF
Deutsche Börse Classic All Share Performance Index	CLXP Index	EUR
Deutsche Börse Scale All Share Price Index	D1AG Index	EUR
Vienna Stock Exchange Share Index	WBI Index	EUR

Where a Stock Constituent is non EUR denominated, the notional investment will be converted into EUR at the relevant time by applying the then prevailing FX exchange rate as determined by the Calculation Agent in its reasonable discretion.

The Stock Constituents may be selected in the reasonable discretion of the Reference Portfolio Advisor pursuant and subject to the provisions contained in this "Information about the notional Reference Portfolio".

For long positions in Stock Constituents, a notional amount reflecting net dividends of the Stock Constituents, as converted into EUR, where such Stock Constituent is non-EUR denominated, at the then prevailing exchange rate, as determined by the Calculation Agent in its reasonable discretion, will be notionally reinvested into the respective Stock Constituent on the ex-dividend date of that Stock Constituent.

## 2.2 Cash Position

From time to time, the notional Reference Portfolio may also contain a Cash Position as a Reference Portfolio Component, which represents a notional holding of a cash account not accruing interest, denominated in EUR and accruing interest at the Reference Rate, which for the avoidance of doubt, may be negative from time to time.

The Cash Position on the Reference Portfolio Creation Date is set at an indicative value of EUR 100.00. The value of the Cash Position will thereafter be positively or negatively affected by dividend payments or deductions and Rebalancings, as described in Section 1 and 4 herein. In any event, the value of the Cash Position shall at all times be equal to or greater than zero. Finally, the Cash Position may be negatively impacted by the deduction of certain fees as described in Section 5 below.

The Cash Position may be notionally reinvested into Stock Constituents from time to time, in the reasonable discretion of the Reference Portfolio Advisor.

## 2.3 Investment Restrictions

The Stock Constituents may be selected by the Reference Portfolio Advisor for notional purchase or, as the case may be, sale in accordance with the following investment restrictions (the "**Investment Restrictions**"):

- (i) on the Reference Portfolio Creation Date, the exposure in the Constituents is capped at 100% of the Reference-Portfolio Level;
- (ii) long positions in Stock Constituents;
- (iii) the sum of the AMC Weights (as defined in Section 3 below) of all Constituents is capped at a maximum of 100% (the "**Leverage Threshold**") at all times during the lifetime of the Securities. In case the sum of the AMC Weights of all Constituents exceeds the Leverage Threshold, the Calculation Agent is entitled to notionally sell Constituents at its reasonable discretion until the sum of the AMC Weights of all Constituents is smaller than or equal to 95%. In respect of such notional sales of such Constituents, a notional credit (which may be equal to zero) shall be made to the Cash Position corresponding to the Notional Net Disposal Value (which may be equal to zero) of such Constituents with effect from the date of such Constituents' notional sale.

If at any time, one of the above Investment Restrictions is breached, as determined by the Calculation Agent in its reasonable discretion, the Reference Portfolio Advisor shall initiate a Rebalancing in accordance with Section 4.

**For the avoidance of doubt: The responsibility and legal duty that the Reference Portfolio complies**



with the above threshold is solely with the Reference Portfolio Advisor.

### 3. Indicative Initial Composition of the Reference Portfolio

The Reference Portfolio was created on the Reference Portfolio Creation Date with an opening value of EUR 100.00. On the Reference Portfolio Creation Date, the Reference Portfolio Components were as set out below.

Reference Portfolio Components	Bloomberg	Currency	AMC Weight
Stock Constituents			0%
Cash Position	Not applicable	EUR	100%

"**AMC Weight**" means, with respect to the Reference Portfolio Creation Date or any other Reference Portfolio Calculation Date and pertaining to a Reference Portfolio Component, the notional EUR value of such Reference Portfolio Component divided by the then current Level of the Reference Portfolio (*i.e.* in relation to the Reference Portfolio Creation Date, by the Initial Reference Portfolio Level), as determined by the Calculation Agent in its reasonable discretion.

### 4. Rebalancings of the Reference Portfolio

- 4.1 A Rebalancing may be initiated by the Reference Portfolio Advisor on any Business Day following the Launch Date, effective as of the immediately following Business Day (such day, a "**Reference Portfolio Adjustment Date**"), subject to the occurrence of a Market Disruption Event on such Business Day. However, no more than 70 Rebalancings may be effected in any 12 month period starting with the Reference Portfolio Creation Date (excl.) and reset on each anniversary of the Reference Portfolio Creation Date. The expected number of Rebalancings in any such 12 month period is 50.
- 4.2 On any Business Day, the Reference Portfolio Advisor may, as it deems appropriate in its reasonable discretion, give notice to the Calculation Agent not later than 4 pm, London time, of its intention to make a Rebalancing on such day (a "**Rebalancing Notice**"). Save as the Calculation Agent may otherwise agree, a Rebalancing Notice shall not be effective if, at the time of such Rebalancing Notice is received, a Rebalancing in respect of any Rebalancing Notice received earlier on such Business Day has not yet been completed or otherwise rejected. For the purposes hereof, a Rebalancing is deemed completed upon notification by the Calculation Agent to the Reference Portfolio Advisor, with respect to the relevant Rebalancing, of the relevant Notional Net Acquisition Cost of each Eligible Stock Constituent notionally included in the Reference Portfolio, Notional Net Disposal Value(s) of each Stock Constituent notionally removed from the Reference Portfolio and weightings of each Stock Constituent notionally comprised in the Reference Portfolio following the relevant Rebalancing as provided in sub-Section 4.6 below.
- 4.3 The Calculation Agent will determine the exact number of Stock Constituents based on prevailing market conditions, including exchange rates when relevant, in its reasonable discretion. Such number may deviate from the exact weighting recommended by the Reference Portfolio Advisor.
- 4.4 On each Reference Portfolio Adjustment Date, notional debits and credits to the Cash Position shall be made as follows:
- (i) In respect of the notional purchase of an Eligible Stock Constituent, a notional debit shall be made to the Cash Position corresponding to the Notional Net Acquisition Cost of such Stock Constituent with effect from the date of such Stock Constituent's notional purchase;
  - (ii) In respect of the notional sale or unwind of a Stock Constituent, a notional credit (which may be equal to zero) shall be made to the Cash Position corresponding to the Notional Net Disposal Value (which may be equal to zero) of such Stock Constituent with effect from the date of such Stock Constituent's notional sale.
- 4.5 The Calculation Agent is entitled but has no legal duty to reject the notional purchase of any Eligible

Stock Constituent and/or the notional sale of any Stock Constituent, and to require the Reference Portfolio Advisor to initiate a Rebalancing in certain circumstances, as follows:

- (i) The Reference Portfolio Advisor has selected an asset for inclusion in the notional Reference Portfolio which is not part of the Investment Universe;
- (ii) The Reference Portfolio is, or following the relevant Rebalancing would breach any of the Investment Restrictions or any other rule or provision contained herein;
- (iii) The Issuer would due to applicable rules, regulations and internal or external restrictions not be permitted to hold investments in the envisaged Stock Constituents;
- (iv) A Market Disruption Event has occurred in respect of the relevant Eligible Stock Constituent or Stock Constituent on the relevant Reference Portfolio Adjustment Date;
- (v) An FX Disruption Event has occurred in respect of the relevant Eligible Constituent or Constituent on the relevant Reference Portfolio Adjustment Date;
- (vi) The Calculation Agent determines that a Hedging Disruption Event has occurred in relation to any Stock Constituent or Eligible Stock Constituent. In this paragraph, "**Hedging Disruption Event**" means the determination by the Calculation Agent that it would not be reasonably practicable or it would otherwise be undesirable, for any reason, for a notional Investor wholly or partially to establish, re-establish, substitute or maintain any hedging transaction which in the determination of the Calculation Agent would be necessary or desirable to hedge the obligations of an issuer of securities linked to the performance of the Reference Portfolio (such reasons may include, but are not limited to (i) any material illiquidity in the market for any Stock Constituent or Eligible Stock Constituent, (ii) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or (iii) the general unavailability of market participants who would agree to enter into any such hedging transaction on commercially reasonable terms or at all;
- (vii) The Calculation Agent determines that the Issuer would incur materially increased (as compared with circumstances existing on the Issue Date) amounts of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be considered;
- (viii) The Calculation Agent determines that it would not be reasonably practicable for a notional Investor to make purchases and/or sales of any Eligible Stock Constituent or Stock Constituent, as the case may be, due to compliance, regulatory, reporting or reputational constraints, take-over considerations, internal restrictions or lack of internal approval.

In the event that the Calculation Agent requires the Reference Portfolio Advisor to initiate a Rebalancing such that the Reference Portfolio complies with the foregoing, the Reference Portfolio Advisor shall, as soon as is reasonably practicable and without undue delay, initiate a Rebalancing such that the Reference Portfolio complies with the foregoing as at the immediately following Reference Portfolio Adjustment Date. The Reference Portfolio Advisor has no right to object to such Rebalancing required by the Calculation Agent.

**For the avoidance of doubt: Notwithstanding the entitlements of the Calculation Agent under this paragraph, the sole responsibility and legal duty to manage the Reference Portfolio in compliance with the rules and provisions contained in this document is with the Reference Portfolio Advisor.**

- 4.6 As soon as is reasonably practicable after receipt of an effective Rebalancing Notice on a Reference Portfolio Adjustment Date, and subject to any rejection pursuant to sub-Section 4.5 above, the Calculation Agent shall notify the Reference Portfolio Advisor of (a) the Notional Net Acquisition Cost and Notional Net Disposal Value applicable to each Eligible Stock Constituent and/or Stock Constituent

that is subject to the Rebalancing and (b) the weighting of each Stock Constituent comprised in the Reference Portfolio as a result of the Rebalancing. Upon receipt by the Reference Portfolio Advisor of such notice from the Calculation Agent, the Rebalancing shall be binding and conclusive on the Reference Portfolio Advisor in the absence of manifest error.

For the avoidance of doubt, a proposed Rebalancing shall be effective only if and to the extent that the Calculation Agent, on the Reference Portfolio Adjustment Date on which the relevant Rebalancing Notice is given, notifies to the Reference Portfolio Advisor the information mentioned in (a) and (b) above. Should a proposed Rebalancing not be fully effective on a Reference Portfolio Adjustment Date, the Reference Portfolio Advisor will be required to deliver one or more further Rebalancing Notices in accordance with the provisions hereof to execute the remainder of the initially proposed Rebalancing.

#### 4.7 In this Section:

- (i) **"Notional Net Acquisition Cost"** means, in relation to an Eligible Stock Constituent, (A) the notional price (including any applicable Adjustment Fee) at which the Calculation Agent determines that a notional investor would be able to purchase or otherwise acquire such Eligible Stock Constituent (where applicable, on the Relevant Exchange) at execution time on the relevant Reference Portfolio Adjustment Date as converted into EUR; where such Eligible Stock Constituent is non EUR denominated, at the then prevailing exchange rate, as determined by the Calculation Agent in its reasonable discretion plus (B) the Adjustment Fee; and
- (ii) **"Notional Net Disposal Value"** means, in relation to a Stock Constituent, (A) the notional price (net of any applicable Adjustment Fee) at which the Calculation Agent determines that a notional Investor would be able to sell or otherwise realise or dispose of such Stock Constituent (where applicable, on the relevant Exchange) at execution time on the relevant Reference Portfolio Adjustment Date as converted into EUR, where such Stock Constituent is non EUR denominated, at the then prevailing exchange rate, as determined by the Calculation Agent in its reasonable discretion less (B) the Adjustment Fee.

### 5. Fees and Costs applicable to the Reference Portfolio

The Reference Portfolio is calculated net of certain fees, costs, taxes, charges and expenses that may be incurred from time to time in connection with the creation, maintenance and management of the Reference Portfolio, as follows:

5.1 **Adjustment Fee:** An Adjustment Fee is levied in the context of adjusting the Reference Portfolio Components. This Adjustment Fee is, for calculation purposes, referenced to each notional adjustment made in the Reference-Portfolio, and represents a percentage of the notional volume of each of the purchase and/or sale of a Stock Constituent (comprised in the Reference Portfolio), as converted in EUR at the then prevailing exchange rate, as determined in the reasonable discretion of the Calculation Agent. The Adjustment Fee (the **"Adjustment Fee"**) equals 0.10%.

5.2 **Reference Portfolio Advisor Fee:** A quarterly fee of 0.325% (1.30% per year) of the Level of the Reference Portfolio deducted from the Level of the Reference Portfolio on a daily basis as calculated by the Calculation Agent.

The Reference Portfolio Advisor Fee will be used to compensate the Reference Portfolio Advisor for the creation, management and maintenance of the notional Reference Portfolio as well as for any marketing activities in relation to the Securities.

5.3 **Reference Portfolio Advisor Performance Fee:** The Reference Portfolio Advisor will receive a performance fee which is levied on the positive daily performance of the Reference Portfolio. On any Business Day<sub>(t)</sub>, such fee (the **"Reference Portfolio Advisor Performance Fee"**) will be applied in the amount of 15% of the positive difference, if any, between the Gross Reference Portfolio Level (as defined below) in respect of the Business Day<sub>(t-1)</sub> to the HWM Level (as defined below) on the Business Day<sub>(t-2)</sub>, but not including, the current Business Day. The product of the Reference Portfolio Advisor Performance Fee and this difference is deducted from the Gross Reference Portfolio Level in respect of the current Business Day to provide the Level of the Reference Portfolio in respect of the current Business Day.

**"Gross Reference Portfolio Level"** means on each Business Day the Level of the Reference Portfolio

before the application or deduction of the Reference Portfolio Advisor Performance Fee in respect of the positive performance, if any, as described above.

The "**HWM Level**" on the Reference Portfolio Creation Date shall be 100% of the Level of the Reference Portfolio Level the Reference Portfolio Creation Date. On each subsequent Business Day, the HWM Level shall be the greater of the HWM Level on the immediately preceding Business Day and the Gross Reference Portfolio Level in respect of the current Business Day.

**The Reference Portfolio Advisor does not receive any additional fees apart from the Reference Portfolio Advisor Fee and the Reference Portfolio Advisor Performance Fee.**

- 5.4 **Issuer Management Fee:** The Issuer will receive a quarterly fee that represents a percentage (as set out in the table below) of the relevant Level of the Reference Portfolio deducted on a daily basis by the Calculation Agent. (the "**Issuer Management Fee**").

The Issuer Management Fee level is determined by the Outstanding Assets Under Management (as defined below) on the immediately preceding Fee Observation Date:

<b>Outstanding Assets Under Management</b>	<b>Issuer Management Fee</b>
< EUR 10,000,000	0.1125% (0.45% per annum)
≥ EUR 10,000,000	0.1000% (0.40% per annum)

Where:

"**Outstanding Assets Under Management**" means the product of the Number of Outstanding Units and the Level of the Reference Portfolio on the immediately preceding Fee Observation Date, as determined by the Calculation Agent at its reasonable discretion;

"**Fee Observation Date**" means the Reference Portfolio Creation Date and each date that is the one year anniversary of the Reference Portfolio Creation Date, or, if such day is not a Constituents Business Day, the immediately following Constituents Business Day. The final Fee Observation Date is scheduled to be the original Expiration Date (*i.e.* without taken any postponement of the Expiration Date in accordance with the Terms and Conditions of the Securities into account); and

"**Number of Outstanding Units**" means the number of Securities outstanding on the immediately preceding Fee Observation Date as determined by the Calculation Agent at its reasonable discretion.

The Reference Portfolio Advisor Fee, the Reference Portfolio Advisor Performance Fee (if any) and the Issuer Management Fee together shall be referred to as "**Reference Portfolio Fee**".

Each Adjustment Fee and Reference Portfolio Fee will be deducted from the Cash Position at the relevant time. If at the relevant time, the value of the Cash Position is insufficient to cover any such fee, the Calculation Agent may require the Reference Portfolio Advisor to initiate a Rebalancing in accordance with Section 4.

## 6. Adjustments of the Reference Portfolio

If, at any time, any event occurs in relation to any Stock Constituent which the Calculation Agent determines requires any adjustment(s) to be made to the composition of the Reference Portfolio, then the Calculation Agent shall (i) determine which adjustment(s) are to be made to the Reference Portfolio with a view to account for the effect of the relevant event and to preserve the prevailing composition of the Reference Portfolio immediately prior to the occurrence of such event and (ii) determine the date on which such adjustment(s) shall take effect.

**For the avoidance of doubt: Notwithstanding the entitlements of the Calculation Agent under this paragraph, the sole responsibility and legal duty to manage the Reference Portfolio in compliance with the rules and provisions contained in this document is with the Reference Portfolio Advisor.**

Where a potential adjustment event (pursuant to § 7 (a) (*Adjustments to the Reference Portfolio*) and § 7 (b) (*Adjustments in relation to a Stock used as Reference Portfolio Component*) of the Terms and Conditions of the Securities) occurs with respect to any Stock Constituent, the Issuer shall be entitled to effect adjustments to the

Reference Portfolio in accordance with the Terms and Conditions of the Securities.

## 7. Calculation of the Reference Portfolio Level

7.1 As the Calculation Agent, UBS AG, acting through its London Branch, is responsible for calculating the Level of the Reference Portfolio on of each Reference Portfolio Calculation Date during the term of the Securities.

7.2 The Calculation Agent will on each Reference Portfolio Calculation Date calculate the level of the Reference Portfolio in respect of such Reference Portfolio Calculation Date based on the closing price or value of each Stock Constituent on such Reference Portfolio Calculation Date.

In respect of any Reference Portfolio Calculation Date, the Level of the Reference Portfolio is determined by the Calculation Agent in its reasonable discretion as

- (i) the sum of the sale proceeds that would be realised by a notional investor (in the same position as the Issuer) when selling and/or, as the case may be, unwinding the Stock Constituents then comprised in the Reference Portfolio, converted into the Redemption Currency at the then prevailing exchange rate, as determined by the Calculation Agent in its reasonable discretion **plus**
- (ii) the value of the Cash Position **minus**
- (iii) any accrued but unpaid Adjustment Fees and Reference Portfolio Fee

## **F. SUBSCRIPTION AND SALE**

### **1. Issue and Sale**

It has been agreed that, on 7 July 2017 (the "**Issue Date**"; where in case that the Subscription Period (as as defined below) is shortened or extended, the Issue Date may be changed accordingly) UBS Limited, 5 Broadgate, London EC2M 2QS, United Kingdom, and Dialog Vermögensmanagement GmbH, Stuttgart, Germany, (each an "**Authorised Offeror**") shall underwrite the Securities by means of an underwriting agreement dated as of the Issue Date and shall place them for sale under terms subject to change in the Public Offer Jurisdictions.

UBS Limited, 5 Broadgate, London EC2M 2QS, United Kingdom, shall be responsible for coordinating the entire Securities offering.

The total commission due for the respective underwriting and/or placement service relating to the underwriting of the Securities is: Underwriting and/or placing fee (as defined in the section "Key Terms and Definitions of the Securities").

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

The Securities may be subscribed in the Public Offer Jurisdictions from the Authorised Offeror(s) during normal banking hours within the subscription period starting on the business day following the publication of this Summary and Securities Note and ending on 30 June 2017 (17:00 hrs CET) (the "**Subscription Period**") at an amount of EUR 100.00 per Security (the "**Issue Price**"). After closing of the Subscription Period the selling price will be adjusted on a continual basis to reflect the prevailing market situation.

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

The Issue Price per Security is due and payable on 7 July 2017, (the "**Initial Payment Date**"; where in case that the Subscription Period is shortened or extended, the Initial Payment Date may be changed accordingly). After the Initial Payment Date, the appropriate number of Securities shall be credited to the investor's account in accordance with the rules of the corresponding Clearing System. If the Subscription Period is shortened or extended, the Initial Payment Date may also be brought forward or postponed. Following the Initial Payment Date, any selling price per Security is payable upon delivery of the purchased Securities.

After closing of the Subscription Period, the Issuer will publish the results of the offer of Securities, *i.e.* the actual number of Securities issued, on its website [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) or any successor address notified by the Issuer to the Securityholders for this purpose by way of publication on [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest).

### **3. Selling Restrictions**

#### **General**

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

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

### United States of America

The Securities have not been registered and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and are being sold pursuant to an exemption from the registration requirements of the Securities Act. Trading in the Securities has not been approved by the U.S. Commodity Futures Trading Commission under the Commodity Exchange Act or by the United States Securities and Exchange Commission or any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Securities or the accuracy or adequacy of this Prospectus. The Securities (or any rights thereunder) will be offered only outside of the United States and only to, or for the account or benefit of, persons that are not U.S. persons as defined in Regulation S of the Securities Act.

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

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

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

Each issuance of Securities linked to currency exchange rates, commodities or precious metals as the Underlying or a Basket Component, as the case may be, shall be subject to such additional U. S. selling restrictions as the Issuer and the relevant Manager(s) will agree as a term of the issuance and purchase or, as the case maybe, subscription of such Securities. Any Manager will be required to agree that it will offer, sell and deliver such Securities only in compliance with such additional U. S. selling restrictions.

### European Economic Area

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

- (a) *Approved prospectus*: if the Prospectus in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to Article 3 (2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 150 offerees*: 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



Manager nominated by the Issuer for any such offer; or

- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3 (2) of the Prospectus Directive,

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

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

## G. TAXATION

The following is a general description of certain tax considerations relating to the taxation of the Securities in the Federal Republic of Germany, Austria Luxembourg and Switzerland. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in those countries or elsewhere.

**Prospective purchasers of Securities should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of those countries.** This summary is based upon the law as in effect on the date of this Securities Note and is subject to any change in law that may take effect after such date.

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

### 1. Taxation in the Federal Republic of Germany

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

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

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

#### *German withholding tax*

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

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

If a Securityholder sells or redeems the Securities, the tax base is, in principle, the difference between the acquisition costs and the proceeds from the sale or redemption of the Securities reduced by expenses directly and factually related to the sale or redemption. Where the Securities are acquired and/or sold in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively. If the Securities have not been held in the custodial account maintained with the German

Disbursing Agent since their acquisition and the acquisition costs of the Securities are not proven to the German Disbursing Agent in the form required by law (e.g. if the Securities had been transferred from a non-EU custodial account prior to the sale), withholding tax is applied to 30% of the proceeds from the sale or redemption of the Securities. Should the Securities qualify as contracts for differences (*Terminingeschäfte*) in terms of section 20 para 2 sentence 1 no 3 German Income Tax Act (*Einkommensteuergesetz*), which depends on the applicable Final Terms, and a settlement takes place, the tax base is the settlement amount or other benefit received reduced by expenses directly and factually related to the contract for differences.

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

For individuals who are subject to church tax, church tax will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). In the latter case, the investor has to include the savings income in the tax return and will then be assessed to church tax.

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

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

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

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

## 2. Taxation in Austria

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



### General remarks

Individuals having a domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*), both as defined in sec. 26 of the Austrian Federal Fiscal Procedures Act (*Bundesabgabenordnung*), in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*), both as defined in sec. 27 of the Austrian Federal Fiscal Procedures Act, in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

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

### Income taxation of the Securities

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

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest; the tax basis is the amount of the earnings received (sec. 27a(3)(1) of the Austrian Income Tax Act);
- income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the alienation, redemption and other realisation of assets that lead to income from the letting of capital (including zero coupon bonds); the tax basis amounts to the sales proceeds or the redemption amount minus the acquisition costs, in each case including accrued interest (sec. 27a(3)(2)(a) of the Austrian Income Tax Act); and
- income from derivatives (*Einkünfte aus Derivat*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates (the mere exercise of an option does not trigger tax liability); e.g., in the case of index certificates, the tax basis amounts to the sales proceeds or the redemption amount minus the acquisition costs (sec. 27a(3)(3)(c) of the Austrian Income Tax Act).

Also the withdrawal of the Securities from a securities account (*Depotentnahme*) and circumstances leading to a restriction of Austria's taxation right regarding the Securities *vis-à-vis* other countries, e.g., a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (*cf.* sec. 27(6) of the Austrian Income Tax Act). The tax basis amounts to the fair market value minus the acquisition costs (sec. 27a(3)(2)(b) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the Securities as non-business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income from the Securities with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (depotführende Stelle), the income is subject to withholding tax (*Kapitalertragsteuer*) at a flat rate of 27.5%; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). In case of investment income from the Securities without an Austrian nexus, the income must be included in the investor's income tax return and is subject to income tax at the flat rate of 27.5%. In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). The acquisition costs must not include ancillary acquisition costs (*Anschaffungsnebenkosten*; sec. 27a(4)(2) of

the Austrian Income Tax Act). Expenses such as bank charges and custody fees must not be deducted (sec. 20(2) of the Austrian Income Tax Act); this also applies if the option to regular taxation is exercised. Sec. 27(8) of the Austrian Income Tax Act, *inter alia*, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may be neither offset against interest from bank accounts and other non-securitized claims vis-à-vis credit institutions (except for cash settlements and lending fees) nor against income from private foundations, foreign private law foundations and other comparable legal estates (*Privatstiftungen, ausländische Stiftungen oder sonstige Vermögensmassen, die mit einer Privatstiftung vergleichbar sind*); income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income. The Austrian custodian agent has to effect the offsetting of losses by taking into account all of a taxpayer's securities accounts with the custodian agent, in line with sec. 93(6) of the Austrian Income Tax Act, and to issue a written confirmation to the taxpayer to this effect.

Individuals subject to unlimited income tax liability in Austria holding the Securities as business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income from the Securities with an Austrian nexus the income is subject to withholding tax at a flat rate of 27.5%. While withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must be included in the investor's income tax return (nevertheless income tax at the flat rate of 27.5%). In case of investment income from the Securities without an Austrian nexus, the income must always be included in the investor's income tax return and is subject to income tax at the flat rate of 27.5%. In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). The special tax rate does not apply to income from realised increases in value and income from derivatives if this type of income stems from the respective investor's principal business activity (sec. 27a(6) of the Austrian Income Tax Act). Expenses such as bank charges and custody fees must not be deducted (sec. 20(2) of the Austrian Income Tax Act); this also applies if the option to regular taxation is exercised. Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the alienation, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to income tax at the flat rate of 27.5%, are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets within the same business unit (*Wirtschaftsgüter desselben Betriebes*); only 55% of the remaining negative difference may be offset against other types of income.

Pursuant to sec. 7(2) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*), corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on income in the sense of sec. 27(1) of the Austrian Income Tax Act from the Securities at a rate of 25%. In the case of income in the sense of sec. 27(1) of the Austrian Income Tax Act from the Securities with an Austrian nexus, the income is subject to withholding tax at a flat rate of 27.5%. However, a 25% rate may pursuant to sec. 93(1a) of the Austrian Income Tax Act be applied by the withholding agent, if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the corporate income tax liability. Under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act withholding tax is not levied in the first place. Losses from the alienation of the Securities can be offset against other income.

Pursuant to sec. 13(3)(1) in connection with sec. 22(2) of the Austrian Corporate Income Tax Act, private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act and holding the Securities as non-business assets are subject to interim taxation at a rate of 25% on interest income, income from realised increases in value and income from derivatives (*inter alia*, if the latter are in the form of securities). Pursuant to the Austrian tax authorities' view, the acquisition costs must not include ancillary acquisition costs. Expenses such as bank charges and custody fees must not be deducted (sec. 12(2) of the Austrian Corporate Income Tax Act). Interim tax does generally not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. In case of investment income from the Securities with an Austrian nexus, the income is in general subject to withholding tax at a flat rate of 27.5%. However, a 25% rate may pursuant to sec. 93(1a) of the Austrian Income Tax Act be applied by the withholding agent, if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act withholding tax is not levied.

Individuals and corporations subject to limited (corporate) income tax liability in Austria are taxable on income from the Securities if they have a permanent establishment (*Betriebsstätte*) in Austria and the Securities are

attributable to such permanent establishment (*cf.* sec. 98(1)(3) of the Austrian Income Tax Act, sec. 21(1)(1) of the Austrian Corporate Income Tax Act). In addition, individuals subject to limited income tax liability in Austria are also taxable on interest in the sense of sec. 27(2)(2) of the Austrian Income Tax Act and accrued interest (including from zero coupon bonds) in the sense of sec. 27(6)(5) of the Austrian Income Tax Act from the Securities if the (accrued) interest has an Austrian nexus and if withholding tax is levied on such (accrued) interest. This does not apply to individuals being resident in a state with which automatic exchange of information exists. Interest with an Austrian nexus is interest the debtor of which has its place of management and/or its legal seat in Austria or is an Austrian branch of a non-Austrian credit institution; accrued interest with an Austrian nexus is accrued interest from securities issued by an Austrian issuer (sec. 98(1)(5)(b) of the Austrian Income Tax Act). The Issuer understands that no taxation applies in the case at hand.

Pursuant to sec. 188 of the Austrian Investment Funds Act 2011, as amended in the course of the implementation of Directive 2011/61/EU, the term "foreign investment fund" comprises (i) undertakings for collective investment in transferable securities the member state of origin of which is not Austria; (ii) alternative investment funds pursuant to the Austrian Act on Alternative Investment Fund Managers (Alternative Investmentfonds Manager-Gesetz) the state of origin of which is not Austria; and (iii) secondarily, undertakings subject to a foreign jurisdiction, irrespective of the legal form they are organized in, the assets of which are invested according to the principle of risk-spreading on the basis either of a statute, of the undertaking's articles or of customary exercise, if one of the following conditions is fulfilled: (a) the undertaking is factually, directly or indirectly, not subject to a corporate income tax in its state of residence that is comparable to Austrian corporate income tax; (b) the profits of the undertaking are in its state of residence subject to corporate income tax that is comparable to Austrian corporate income tax, at a rate of less than 15%; or (c) the undertaking is subject to a comprehensive personal or material tax exemption in its state of residence. Certain collective investment vehicles investing in real estate are exempted. Up to now the tax authorities have not yet adapted the Austrian Investment Fund Guidelines (*Investmentfondsrichtlinien*) to the legislation as currently in force. In case of a qualification as a foreign investment fund, the tax consequences would substantially differ from those described above: A special type of transparency principle would be applied, pursuant to which generally both distributed income as well as deemed income would be subject to Austrian (corporate) income tax.

### ***Austrian inheritance and gift tax***

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation transfer tax (*Stiftungseingangsteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangsteuergesetz*) if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of management in Austria. Certain exemptions apply in cases of transfers *mortis causa* of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate generally is 2.5%, with higher rates applying in special cases.

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

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

### **3. Taxation in the Grand Duchy of Luxembourg**

*The following is a general description of certain Luxembourg withholding tax considerations relating to the*

*Securities. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in the Grand Duchy of Luxembourg or elsewhere. Prospective purchasers of the Securities should consult their own tax advisors as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Securities and receiving payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of the Grand Duchy of. This summary is based upon the law as in effect on the date of this Summary and Securities Note. The information contained within this section is limited to withholding taxation issues, and potential investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Securities.*

### **Withholding Tax**

All payments of interest (including accrued but unpaid interest) and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Securities can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005, as amended, which has introduced a 20% withholding tax on interest payments.

Pursuant to the law of 23 December 2005 as amended, Luxembourg resident individuals can opt to self declare and pay a 20% tax on interest payments made by paying agents located outside Luxembourg in a Member State of either the European Union or the European Economic Area.

The 20% withholding tax as described above or the 20% tax are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

## **4. Taxation in Switzerland**

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

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

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

### *Income Tax*

Securities held as Private Assets by a Swiss Resident Holder:

#### (a) Structured Products

If a Security classifies as a structured product, its income taxation depends on whether the bond and the derivative financial instrument(s) embedded therein are recorded separately from each other and whether the Security classifies as a structured product with or without a predominant one-time interest payment.

Non-transparent derivative financial instruments: If the embedded bond is not recorded separately from the embedded derivative financial instrument(s), the Security classifies as non-transparent structured product and any return over the initial investment classifies as a taxable interest payment. Non-transparent derivative financial instruments generally include a predominant one-time interest payment. If so, Swiss resident private investors will be taxed on any interest payments and on any gains, including capital and foreign exchange



gains, realised on the Securities (differential taxation method).

Transparent derivative financial instruments without a predominant one-time interest payment: If the embedded bond is recorded separately from the embedded derivative financial instrument(s) and the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time interest-payment (see below "Transparent derivative financial instruments with a predominant one-time interest payment"), then any periodic interest payment and the one-time interest payment is taxed when paid to the holder of the Security. A gain, including interest accrued, realised on the sale of a Security is a tax-free private capital gain, whereas a loss is a non-tax-deductible private capital loss (see below "Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder"). The same applies if the Security is redeemed except that interest accrued is taxed when paid.

Transparent derivative financial instruments with a predominant one-time interest payment: If the embedded bond is recorded separately from the embedded derivative financial instrument(s) and the yield-to-maturity predominantly derives from a one-time interest-payment such as an original issue discount or a repayment premium, and not from periodic interest payments, then any periodic interest payments at sale or redemption of the Security as well as the difference between the value of the embedded bond at sale or redemption and its value at issuance or purchase, as applicable, converted, in each case, into Swiss francs at the rate of exchange prevailing at the time of sale, redemption, issuance or purchase constitutes taxable income (modified differential taxation method). A value decrease on the embedded bond realised on the sale or redemption of the Security may be offset against any gains (including periodic interest payments) realised within the same taxation period from all financial instruments with a predominant one-time interest payment. Any residual return realised on the embedded derivative financial instrument(s) is a tax-free private capital gain, and any residual loss is a non-tax-deductible private capital loss (see below "Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder").

(b) Bonds

Bonds without a predominant one-time interest payment: If a Security classifies as a pure bond without a predominant one-time interest payment (the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time interest-payment), Swiss resident private investors will be taxed on the periodic and any one-time interest payments, converted into Swiss francs at the rate of exchange prevailing at the time of payment. A gain, including interest accrued, realised on the sale of a Security is a tax-free private capital gain, whereas a loss is a non-tax-deductible private capital loss (see below "Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder").

Bonds with a predominant one-time interest payment: If a Security classifies as a pure bond with a predominant one-time interest payment (the yield-to-maturity predominantly derives from a one-time interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments), Swiss resident private investors will be taxed on any periodic interest payments and on any gains, including capital and foreign exchange gains, realised on the Securities (differential taxation method).

(c) Pure Derivative Financial Instruments

Periodic and one-time dividend equalisation payments realised on a Security which classifies as a pure derivative financial instrument (such as pure call and put options, including low exercise price options with a maturity not exceeding one year, pure futures, static certificates replicating an index or a basket of at least five shares and with a fixed maturity or an annual redemption right) and which is held as part of their private assets constitute taxable investment income. Any other return will be classified as a tax-exempt capital gain or a non-tax deductible capital loss (see below "Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder").

(d) Low Exercise Price Options (LEPO):

According to the current practice of the Swiss Federal Tax Administration, low exercise price options are given if the underlying has been pre-financed by at least 50 per cent. at the time of issuance. For low exercise price options with a maturity exceeding one year, the interest component of the low exercise price option (i.e. issue discount) constitutes taxable investment income. Any other return will be classified as a tax-exempt capital gain or a non-tax deductible capital loss (see below "Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder").

(e) Fund-like Products

An individual holding a fund-like product as part of private assets only receives taxable income (which he or she must report annually) over such portion of the distributions (in case the fund is distributing the income realised on the underlying investments) or earnings credits (in case the fund is reinvesting the income realised on the underlying investment) as derived from dividends and interest (less attributable costs) on the underlying instruments. Any distributions or credits deriving from capital gains realised on the underlying investments

constitute a tax-free private capital gain and any loss on the underlying investments is a non-tax-deductible private capital loss. Such taxation will only apply if dividend and interest income (less attributable costs) and capital gains and losses are reported and distributed separately. Any gain realised within a taxation period on the sale of a fund-like instrument (including accrued dividends and interest) is exempt from income taxation as a private capital gain, and, conversely, any loss realised is a non-tax-deductible capital loss (see below "Capital Gains Taxation – Securities held as Private Assets by a Swiss resident Holder").

#### Securities held as Assets of a Swiss Business

Corporate entities and individuals who hold Securities as part of a trade or business in Switzerland (in the case of residents abroad carried on through a permanent establishment or a fixed place of business in Switzerland) are required to recognise any payments on, and any capital gains or losses realised on the sale or redemption of, such Securities (irrespective of their classification) in their income statement and will be taxed on any net taxable earnings for the respective taxation period.

The same taxation treatment also applies to Swiss-resident individuals who are classified by the tax authorities as "professional securities dealers" for reasons of, inter alia, frequent dealing and leveraged investments in securities.

#### Capital Gains Taxation

##### Securities held as Private Assets by a Swiss Resident Holder

A gain or a loss realised by an individual resident in Switzerland upon the sale or other disposal of a Security held as part of his or her private assets, is a tax-free private capital gain or a non-tax deductible capital loss, respectively, unless such individual is classified by the tax authorities as a "professional securities dealer" for reasons of, inter alia, frequent dealing and leveraged investments in securities. If an individual is classified as "professional securities dealer" he or she will be taxed in accordance with the principles set forth above under "Securities held as Assets of a Swiss Business". Concerning the separation into a tax-exempt capital gains or non-tax deductible capital loss component, as applicable, and a taxable income component of a security, see the breakdown principles set forth above with regard to the different instruments under "Income Taxation – Securities held as Private Assets by a Swiss Resident Holder".

##### Securities held as Assets of a Swiss Business

Capital gains realised on Securities held as assets of a Swiss business are taxed in accordance with the taxation principles set forth above under "Income Taxation – Securities held as Swiss Business Assets".

#### *Withholding Tax*

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

#### *Transfer and Issue Stamp Tax*

Swiss Stamp Tax is, amongst other, either levied as Swiss Transfer Stamp Tax or as Swiss Issuance Stamp Tax.

Dealings in Securities which classify as pure derivative financial instruments (such as pure call and put options, including low exercise price options (LEPOs) with a maturity not exceeding twelve months, pure futures with a maximal pre-financing of 25 per cent., static certificates replicating an index or a basket of at least five shares and with a fixed maturity or an annual redemption right) are not subject to the Swiss Transfer Stamp Tax.

Dealings in Securities which have been issued by an issuer outside of Switzerland and which classify as structured products, share-like instruments (including low exercise price options on shares with a maturity exceeding twelve months) or fund-like instruments are subject to Swiss Transfer Stamp Tax of 0.3 per cent. on

the consideration paid, however, only if a Swiss securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies.

Dealings in bonds and structured products with a maturity not exceeding one year are exempt from Swiss Transfer Stamp Tax.

The delivery of an underlying taxable security at exercise or redemption to the holder of the Security is subject to the Swiss Transfer Stamp Tax of 0.3 per cent. in case a security issued by an issuer outside Switzerland is delivered, and of 0.15 per cent. in case a security issued by a domestic issuer is delivered, however, in each case, only if a Swiss domestic securities dealer (as defined in the Swiss Federal Stamp Tax Act) is a party or intermediary to the transaction and no exemption applies.

Swiss Issuance Stamp Tax is levied on the issuance of Swiss shares and similar participation rights by Swiss resident. Hence, the issuance of Securities is not subject to the Swiss Issuance Stamp Tax.

#### *Measures equivalent to the EU Savings Directive*

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

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

#### *Bilateral agreements (Quellensteuerabkommen)*

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

## **5. The proposed financial transactions tax**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a directive for a common financial transactions tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has since stated that it will not participate.

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

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between Participating Member States. It may, therefore, be altered prior to any implementation, the timing of which remains unclear. Additional EU Member

States may decide to participate.

**Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.**

## 6. Taxation / Section 871(m) of the U.S. Internal Revenue Code of 1986

U.S. Treasury Department regulations under Section 871(m) of the U.S. Internal Revenue Code require withholding of up to 30% (depending on whether an income tax treaty or other exemption applies) on payments or deemed payments made to non-U.S. persons on certain financial instruments (such as, e.g. the Securities) to the extent that such payments are contingent upon or determined by reference to U.S.-source dividends. Under U.S. Treasury Department regulations, certain payments or deemed payments to non-U.S. Securityholders with respect to certain equity-linked instruments that reference U.S. stocks or indices that include U.S. equities may be treated as dividend equivalents ("**Dividend Equivalents**") that are subject to U.S. withholding tax at a rate of 30% (or lower applicable rate).

Under these regulations, withholding may be required even in the absence of any actual dividend-related payment or adjustment made pursuant to the Conditions of the Securities and it is, hence, difficult or even not possible for investors to determine whether the Securities include Dividend Equivalents.

These rules differentiate between "Delta-One" and "Non-Delta-One" transactions, *i.e.* whether the Securities track the relevant underlying 1:1 ("**Delta-One Securities**") or not ("**Non-Delta-One Securities**"). This withholding should not apply to any Securities issued before 1 January 2017 and should not apply to Non-Delta-One Securities issued before 1 January 2018 (collectively, "**Grandfathered Securities**"), unless, in either case, the Securities are "significantly modified" or re-issued after the relevant date). The Issuer's determination as to whether the Securities are considered to be "Delta-One", the amount of any dividend equivalent, whether a significant modification or deemed reissuance has occurred or any other determination with respect to the application of 871(m) to the Securities will be binding on the Securityholders.

Significant aspects of the application of these regulations to the Securities are uncertain. Payments on Securities, other than Grandfathered Securities, that are treated by the applicable U.S. Treasury Department regulations as being contingent upon, or determined by reference to, any U.S. source dividends may be subject to this withholding.

The Issuer intends, if possible, to take any tax liability pursuant to Section 871(m) of the U.S. Internal Revenue Code into account in the pricing of the Securities and to comply with the withholding obligation using provisions that have to be made accordingly. For Securities structured in such a way that expected dividends cannot be factored into original pricing, the Issuer intends to take the tax liability into account in its continuous adjustment of amounts such as the underlying price to dividends paid and other factors. Investors should note that compliance with tax liability in this manner precludes the issue of tax certificates for tax payments rendered for individual investors and that no potential tax refund pursuant to the relevant U.S. provisions may be claimed either. Moreover, a 30% tax rate is generally applied, also when taking account of the tax liability in continuously adjusting amounts, due to the necessity of using a uniform rate for all investors in all cases mentioned.

Withholding in respect of dividend equivalents amounts will generally be required when the relevant payment is made on a Security or upon the date of maturity, lapse or other disposition by a non-U.S. investor of the Securities. Securities may be treated as paying dividend equivalent amounts to the extent U.S. source dividends are expected to be paid on the underlying equity securities, even if no corresponding payment on the Security is explicitly linked to such dividends and even if, upon maturity, lapse or other disposition by the non-U.S. investor, the investor realizes a loss. The U.S. Treasury Department regulations provide exceptions to withholding, in particular for certain instruments linked to certain broad-based indices. **In the event any withholding would be required pursuant to Section 871(m) of the U.S. Internal Revenue Code with respect to payments on the Securities, neither the Issuer nor any paying agent or other person pursuant to the Conditions of the Securities would be obliged to pay additional amounts to the Securityholders as a result of the deduction or withholding, in which case the Securityholders would thus potentially receive less than expected.** In the worst case, any payments to be made in respect of the Securities would be reduced to zero or the amount of tax due would even exceed the payments to be made in respect of the Security (the latter situation may also arise if the Securities were to expire worthless and no payment was made to Securityholders).

**Prospective investors should consult their tax advisers regarding the application of Section 871(m) of the U.S. Internal Revenue Code and the applicable regulations to the Securities as well as and any available options for a potential tax mitigation.**

## **H. GENERAL INFORMATION**

### **1. Form of Document**

This document comprises a securities note (the “**Securities Note**”) and a summary (the “**Summary**”) and, together with the registration document of UBS AG dated 19 December 2016, as supplemented by Supplement No. 1 dated 23 February 2017 and Supplement No. 2 dated 3 May 2017 (the “**Registration Document**”), constitutes a prospectus (the “**Prospectus**”) according to Art. 5 (3) of the Prospectus Directive (Directive 2003/71/EC, as amended), as implemented by the relevant provisions of the EU member states, in connection with Regulation 809/2004 of the European Commission, as amended.

### **2. Publication**

The Prospectus has been published on the website of UBS at [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) or any successor address notified by the Issuer to the Securityholders for this purpose by way of publication on [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest).

The Prospectus will also be available at the registered office of the Issuer.

### **3. Authorisation**

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

### **4. Approval of the Prospectus and Notification**

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

In order to be able to conduct a public offer (the “**EEA Passport**”) in Austria and the Grand Duchy of Luxembourg, the Issuer has applied for a notification of the Prospectus pursuant to Sections 17, 18 of the WpPG into Austria and the Grand Duchy of Luxembourg. The Issuer reserves the right to apply to the BaFin for EEA Passports into further EEA states.

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

### **5. Use of Proceeds**

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

### **6. Availability of the Prospectus and other documents**

So long as any of the Securities are outstanding copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), at the registered offices of the Issuer:

- (a) a copy of the Articles of Association of UBS AG dated 4 May 2016;
- (b) a copy of the Registration Document of UBS AG dated 19 December 2016, as supplemented by Supplement No. 1 dated 23 February 2017 and Supplement No. 2 dated 3 May 2017;

- (c) a copy of the Annual Report of UBS AG as of 31 December 2014, comprising the sections (1) Operating environment and strategy, (2) Financial and operating performance, (3) Risk, treasury and capital management, (4) Corporate governance, responsibility and compensation, (5) Financial information (including the "Report of the statutory auditor and the independent registered public accounting firm on the consolidated financial statements" and the "Report of the statutory auditor on the financial statements");
- (d) a copy of the annual report of UBS Group AG and UBS AG as of 31 December 2015, comprising the introductory section, as well as the sections (1) Operating environment and strategy, (2) Financial and operating performance, (3) Risk, treasury and capital management, (4) Corporate governance, responsibility and compensation, (5) Consolidated financial statements (including the "Report of the statutory auditor and the independent registered public accounting firm on the consolidated financial statements"), (6) Legal entity financial and regulatory information (including the "Report of the statutory auditor on the financial statements"), (7) Additional regulatory information, and the Appendix;
- (e) a copy of the Securities Note dated 9 May 2017, as supplemented from time to time; and
- (f) a copy of the Summary dated 9 May 2017, as supplemented from time to time.

Copies of the above documents shall, as long as any of the Securities are outstanding, also be maintained in printed format, for free distribution, at the registered offices of the Issuer. In addition, any annual and quarterly reports of UBS AG are published on the UBS website, at [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) or any successor address notified by the Issuer to the Securityholders for this purpose by way of publication on [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest).

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

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

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

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

Save for the Manager and the Reference Portfolio Advisor regarding its fees, as far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer.

**I. SIGNATORIES**

9 May 2017

Signed on behalf of the Issuer:

**UBS AG**

By:

\_\_\_\_\_  
(signed by Thomas Ulrich)

By:

\_\_\_\_\_  
(signed by Stefanie Ganz)



**The following information comprises a legally non-binding German translation of the section “D. Terms and Conditions of the Securities”, which has neither been reviewed nor approved by the Federal Financial Services Supervisory Authority**

**APPENDIX 1:** Abschnitt D: Wertpapierbedingungen

## **D. Wertpapierbedingungen**

### **Wertpapierbedingungen**

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

*Die Bedingungen der Wertpapiere sind gegliedert in*

**Teil 1: Ausstattungsmerkmale und Definitionen der Wertpapiere**

**Teil 2: Besondere Wertpapierbedingungen** (für die einzelnen Arten von Wertpapieren)

**Teil 3: Allgemeine Wertpapierbedingungen** (für alle Arten von Wertpapieren)

## Wertpapierbedingungen Teil 1: Ausstattungsmerkmale und Definitionen der Wertpapiere

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

### A.

**Gesamtsumme der Emission:** Ausgabepreis x Ausgabevolumen.

### B.

**Geschäftstag:** Der Geschäftstag steht für jeden Tag, an dem die Banken in London, Frankfurt am Main und Zürich für den Geschäftsverkehr geöffnet sind und das Trans-European Automated Real-time Gross settlement Express Transfer System („**TARGET2**“) geöffnet ist.

### C.

**Berechnungsstelle:** Die Berechnungsstelle bezeichnet UBS AG, Bahnhofstrasse 45, 8001 Zürich, Schweiz, und Aeschenvorstadt 1, 4051 Basel, Schweiz, handelnd durch ihre Niederlassung London, 5 Broadgate, London EC2M 2QS, Vereinigtes Königreich.

### CS-Regeln:

CS-Regeln steht für die Vorschriften und Verfahren, die auf das Clearingsystem Anwendung finden und/oder von diesem herausgegeben werden.

### Clearingsystem:

Das Clearingsystem steht für SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Schweiz („**SIS**“) oder jeden Nachfolger in dieser Funktion. Der Begriff „Clearingsystem“ umfasst sämtliche Clearingsysteme.

### Provisionen:

Die Emittentin kann Verkaufs- und Bestandsprovisionen als umsatzabhängige Vertriebsvergütungen an die jeweilige Vertriebsstelle zahlen (vgl. (i) bis (iv)). Verkaufsprovisionen werden aus dem Emissionserlös als einmalige Zahlung geleistet; alternativ gewährt die Emittentin der jeweiligen Vertriebsstelle einen entsprechenden Abschlag auf den Ausgabepreis (ohne Ausgabeaufschlag). Bestandsprovisionen werden bestandsabhängig wiederkehrend gezahlt. Ist UBS beim Vertrieb eigener Wertpapiere sowohl Emittentin als auch Vertriebsstelle, werden der vertreibenden Stelle der UBS entsprechende Beträge bankintern gutgeschrieben.

- (i) **Übernahme- und/oder Platzierungsprovision:** Keine
- (ii) **Verkaufsprovision:** Keine
- (iii) **Börsenzulassungsprovision:** Keine
- (iv) **Sonstige:** Referenz-Portfolio Gebühren und Anpassungsgebühren, wie weitergehend in dem Abschnitt „Informationen über das virtuelle Referenz-Portfolio“, der einen Bestandteil der Bedingungen der Wertpapiere bildet, beschrieben.

### Komponenten-Geschäftstag:

Komponenten-Geschäftstag in Bezug auf eine Komponente entspricht jedem Tag, an dem (i) die Maßgebliche Börse und die maßgebliche Terminbörse für den Handel geöffnet sind, ungeachtet jener Tage, an welchen sie vor deren regulärer Wochentagsschließzeit schließen und (ii) die Berechnungsstelle für den Handel geöffnet hat.

- E.**  
**Verfalltag:** Der Verfalltag entspricht, **vorbehaltlich einer Verlängerung der Laufzeit der Wertpapiere gemäß § 2 (2) der Bedingungen der Wertpapiere und einer Markstörung gemäß § 9 der Bedingungen der Wertpapiere**, dem 3. Juli 2024.
- F.**  
**Festlegungstag:** Der Festlegungstag bezeichnet den 3. Juli 2017. Bei Verkürzung oder Verlängerung der Zeichnungsfrist kann sich der Festlegungstag entsprechend verschieben.
- I.**  
**Ausgabetag:** Der Ausgabetag der Wertpapiere entspricht dem 7. Juli 2017. Bei Verkürzung oder Verlängerung der Zeichnungsfrist kann sich der Ausgabetag entsprechend verschieben.
- Ausgabepreis:** Der Ausgabepreis entspricht EUR 100,00.
- Emittentin:** Die Emittentin bezeichnet die UBS AG, Bahnhofstrasse 45, 8001 Zürich, Schweiz, und Aeschenvorstadt 1, 4051 Basel, Schweiz.
- Ausgabevolumen:** Das Ausgabevolumen entspricht 250.000 Wertpapieren.
- L.**  
**Level des Referenz-Portfolios:** Der Level des Referenz-Portfolios wird durch die Berechnungsstelle basierend auf dem Schlusskurs oder dem Wert jeder Aktien-Komponente am jeweiligen Referenz-Portfolio-Berechnungstag und wie im Abschnitt „Informationen über das virtuelle Referenz-Portfolio“ beschrieben, der einen Bestandteil der Bedingungen der Wertpapiere bildet, bestimmt. Die Berechnung berücksichtigt die Auswirkungen der Referenz-Portfolio Gebühren und der Anpassungsgebühren.
- Der anfängliche Level des Referenz-Portfolios entspricht EUR 100,00.
- Der Level des Referenz-Portfolios wird, vorbehaltlich des Auftretens einer Markstörung gemäß der Wertpapierbedingungen, an jedem Referenz-Portfolio Berechnungstag berechnet, wie weitergehend im Abschnitt „Informationen über das virtuelle Referenz-Portfolio“ beschrieben, der einen Bestandteil der Bedingungen der Wertpapiere bildet.
- Informationen in Bezug auf den Level des Referenz-Portfolios werden auf der Internetseite [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) oder auf jeder Nachfolgeadresse veröffentlicht, die die Emittentin zu diesem Zweck den Wertpapiergläubigern im Wege der Veröffentlichung auf [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) mitgeteilt.
- M.**  
**Fälligkeitstag:** Der Fälligkeitstag entspricht dem fünften Geschäftstag nach dem maßgeblichen Bewertungstag.
- Kleinste handelbare Einheit:** Die Kleinste handelbare Einheit entspricht einem (1) Wertpapier bzw. einem ganzzahligen Vielfachen davon.
- P.**  
**Zahlstelle:** Die Zahlstelle bezeichnet die UBS AG, Bahnhofstrasse 45, 8001 Zürich, Schweiz, und Aeschenvorstadt 1, 4051 Basel, Schweiz.
- R.**

**Auszahlungswährung:**

Die Auszahlungswährung entspricht Euro ("**EUR**").

**Referenz-Portfolio:**

Das Referenz-Portfolio bezeichnet das virtuelle Euro ("**EUR**") denominierte GBC Directors' Dealings Value Strategy Referenz Portfolio (der "**Basiswert**" oder das virtuelle "**Referenz-Portfolio**"), das von der Dialog Vermögensmanagement GmbH, Stuttgart, Deutschland, (der "**Referenz-Portfolio Advisor**") erstellt und, vorbehaltlich von Anpassungen durch die Emittentin im Fall des Eintritts von Potenziellen Anpassungsereignissen gemäß § 7 (a) (*Anpassungen des Referenzportfolios*) und § 7 (b) (*Anpassungen in Bezug auf eine Aktie als Referenz-Portfolio Bestandteil*) der Wertpapierbedingungen, aktiv verwaltet wird.

Das Referenz-Portfolio wird am 3. Juli 2017 (der "**Referenz-Portfolio Entstehungstag**", vorbehaltlich einer Verkürzung oder Erweiterung der Zeichnungsfrist) von dem Referenz-Portfolio Advisor mit einem anfänglichen Level von EUR 100.00 geschaffen (der "**Anfängliche Referenz-Portfolio Level**").

Das Referenz-Portfolio zielt darauf ab, die Entwicklung (i) eines aus sog. Long Positionen bestehenden Korbs aus ausgewählten Aktien (jeweils eine „**Aktie**<sub>(i)</sub>“ bzw. eine „**Aktien-Komponente**<sub>(i)</sub>“ und gemeinsam die „**Aktien**“ bzw. die „**Aktien-Komponenten**“), die in einer Liste von Indices enthalten sind, wie im Abschnitt „Informationen über das virtuelle Referenz-Portfolio“, der einen Bestandteil der Bedingungen der Wertpapiere bildet, beschrieben, (ii) eine gelegentliche EUR denominierte Barmittel-Position, die jederzeit gleich oder größer Null sein muss, (die „**Barmittel-Position**“, die zusammen mit den Aktien-Komponenten als „**Referenz-Portfolio Bestandteile**“ bezeichnet wird) abzüglich bestimmter Gebühren, Kosten und Auslagen, abzubilden.

Die Barmittel-Position wird zur geltenden Referenz-Zinssatz verzinst (wie im Abschnitt „Informationen über das virtuelle Referenz-Portfolio“ beschrieben, der einen Bestandteil der Bedingungen der Wertpapiere bildet), die, zur Klarstellung, auch gegebenenfalls auch negativ sein kann.

Das Referenz-Portfolio, die Referenz-Portfolio Bestandteile und die Vorgaben gemäß welcher das Referenz-Portfolio durch den Referenz-Portfolio Advisor verwaltet wird, sind weitergehend in dem Abschnitt „Informationen über das virtuelle Referenz-Portfolio“, der einen Bestandteil der Bedingungen der Wertpapiere bildet, beschrieben.

**Referenz-Portfolio  
Berechnungstag:**

Der Referenz-Portfolio Berechnungstag entspricht jedem Komponenten-Geschäftstag.

**Maßgebliche Börse:**

Die Maßgebliche Börse bezeichnet den Hauptbörsenplatz, an welchem die Aktie<sub>(i)</sub> überwiegend notiert und öffentlich kotiert und gehandelt wird, wie jeweils durch die Berechnungsstelle nach billigem Ermessen bestimmt.

Der Begriff „Maßgebliche Börse“ umfasst sämtliche Maßgeblichen Börsen.

**Maßgebliche Terminbörse:**

Die Maßgebliche Terminbörse bezeichnet diejenige Terminbörse, an der der umsatzstärkste Handel in Bezug auf Termin- oder Optionskontrakte auf die Aktie<sub>(i)</sub> als Aktien-Komponente des Referenz-Portfolios stattfindet, wie von Zeit zu Zeit durch die Berechnungsstelle nach billigem Ermessen bestimmt.

## Unverbindliche Übersetzung der Wertpapierbedingungen

Der Begriff „Maßgebliche Terminbörse“ umfasst sämtliche Maßgeblichen Terminbörsen.

### S.

#### Wertpapiere:

Wertpapiere bezeichnet die EUR denominierten von der Emittentin im Umfang des Ausgabevolumens begebenen GBC Directors' Dealings Value Strategy Zertifikate mit den Wertpapier-Kenn-Nummern ISIN CH0358664750; WKN UBS1GB; Valor 35866475.

Die Wertpapiere werden als Wertrechte („**Wertrechte**“) i.S.v. Art. 973c des Schweizerischen Obligationenrechts („**OR**“), welche Bucheffekten („**Bucheffekten**“) i.S. des Bundesgesetzes über die Bucheffekten („**Bucheffektengesetz**“; „**BEG**“) darstellen, ausgegeben; die Umwandlung in einzelne Wertpapiere i.S.v. Art. 965 OR ist ausgeschlossen.

#### Abwicklungszyklus:

Der Abwicklungszyklus entspricht derjenigen Anzahl von Tagen nach einem Geschäftsabschluss über eine im Referenz-Portfolio enthaltene Aktie an der Maßgeblichen Börse, innerhalb derer die Abwicklung nach den Regeln der Maßgeblichen Börse üblicherweise erfolgt.

### U.

#### Übernahme- Platzierungsprovision:

und/oder Siehe „Provisionen“.

### V.

#### Bewertungstag:

Der Bewertungstag entspricht

(i) im Fall einer Tilgung der Wertpapiere nach § 1 der Bedingungen der Wertpapiere, dem Verfalltag,

(ii) im Fall einer Kündigung der Wertpapiere durch die Emittentin nach § 2 (4) der Bedingungen der Wertpapiere, dem maßgeblichen Emittentin-Kündigungstag,

(iii) im Fall einer automatischen Beendigung der Laufzeit der Wertpapiere nach § 3 der Bedingungen der Wertpapiere, dem maßgeblichen Automatischen Beendigungstag, bzw.

(iv) im Fall einer außerordentlichen Kündigung durch die Emittentin nach § 8 der Bedingungen der Wertpapiere, dem maßgeblichen Außerordentlichen Kündigungstag.

Falls dieser Tag kein Komponenten-Geschäftstag ist, dann gilt der unmittelbar darauf folgende Komponenten-Geschäftstag als der Bewertungstag.

## Wertpapierbedingungen Teil 2: Besondere Wertpapierbedingungen

### § 1 Wertpapierrecht

#### (1) Wertpapierrecht der Wertpapiergläubiger

Die Emittentin gewährt hiermit dem Wertpapiergläubiger (§ 4 (2)) von je einem (1) Wertpapier bezogen auf den Level des Referenz-Portfolios nach Maßgabe dieser Bedingungen das Recht (das „**Wertpapierrecht**“), den gegebenenfalls auf zwei Dezimalstellen kaufmännisch gerundeten Abrechnungsbetrag (§ 1 (2)) in der Auszahlungswährung (der „**Auszahlungsbetrag**“) zu beziehen.

#### (2) Abrechnungsbetrag

Der "**Abrechnungsbetrag**", wird in Übereinstimmung mit der folgenden Formel berechnet:

$$\text{EUR } 100,00 \times \text{Max} \left( 0; \frac{\text{Finaler Referenz-PortfolioLevel}}{\text{Anfänglicher Referenz-PortfolioLevel}} \right)$$

Dabei gilt

Der "**Finale Referenz-Portfolio Level**" bezeichnet, vorbehaltlich einer Marktstörung (§ 9 (1)), den Wert des virtuellen Referenz-Portfolios, wie er an dem maßgeblichen Bewertungstag von der Berechnungsstelle berechnet wird, wobei der maßgebliche Wert des Referenz-Portfolios dem folgenden Betrag entspricht:

- (i) Summe der Veräußerungserlöse, unter Verwendung des jeweiligen maßgeblichen Währungswechselkurses, wie von der Berechnungsstelle nach billigem Ermessen bestimmt, in EUR umgerechnet, die erzielt worden wären, wenn ein hypothetischer Investor (in derselben Position wie die Emittentin) die in dem Referenz-Portfolio jeweils enthaltenen virtuellen Komponenten veräußert bzw. aufgelöst hätte, **zuzüglich**
- (ii) des Werts der Barmittel-Position **abzüglich**
- (iii) der angefallenen, aber noch nicht abgezogenen, Referenz-Portfolio Gebühren und Anpassungsgebühren.

**Zur Klarstellung:** Obwohl der Auszahlungsbetrag unter Bezugnahme auf den Marktwert der Referenz-Portfolio Bestandteile berechnet wird, ist die Emittentin nicht verpflichtet, die Erlöse der Ausgabe der Wertpapiere zu irgendeinem Zeitpunkt in die Referenz-Portfolio Bestandteile zu investieren und die Wertpapiergläubiger haben zu keinem Zeitpunkt Anteile an den Referenz-Portfolio Bestandteilen.

Der "**Anfängliche Level des Referenz-Portfolios**" entspricht EUR 100.00.

#### (3) Festlegungen und Berechnungen im Zusammenhang mit dem Wertpapierrecht

Sämtliche im Zusammenhang mit dem Wertpapierrecht vorzunehmenden Festlegungen und Berechnungen, insbesondere die Berechnung des Auszahlungsbetrags, erfolgen durch die Berechnungsstelle (§ 10). Die insoweit von der Berechnungsstelle getroffenen Festlegungen und Berechnungen sind, außer in Fällen offensichtlichen Irrtums, abschließend und für alle Beteiligten bindend.

### § 2 Laufzeit der Wertpapiere; Verlängerung der Laufzeit der Wertpapiere; Kündigung durch die Wertpapiergläubiger oder die Emittentin

#### (1) Laufzeit der Wertpapiere

Die Laufzeit der Wertpapiere endet, vorbehaltlich einer Kündigung der Wertpapiere in Übereinstimmung mit diesen Bedingungen, am Verfalltag, es sei denn, die Emittentin hat ihre Option zur Verlängerung der Laufzeit

der Wertpapiere gemäß § 2 (2) dieser Bedingungen ausgeübt.

## (2) Verlängerung der Laufzeit der Wertpapiere

Die Emittentin ist berechtigt, die Laufzeit aller ausstehenden Wertpapiere durch Bekanntmachung gemäß § 12 dieser Bedingungen an die Wertpapiergläubiger (die „**Ausübungsmitteilung der Verlängerungsoption der Emittentin**“) mit einer Frist von mindestens einhundertachtzig (180) Kalendertagen vor dem zu diesem Zeitpunkt geltenden Verfalltag (oder einem aus der Verlängerung der Laufzeit der Wertpapiere resultierenden späteren Verfalltag) um einen zusätzlichen Zeitraum von sieben (7) Kalenderjahren zu verlängern (die „**Verlängerungsoption der Emittentin**“); in einem solchen Fall ist der „Verfalltag“ der Tag, der sieben (7) Kalenderjahre auf den vorher festgelegten Verfalltag folgt.

Die Emittentin kann die Laufzeit der Wertpapiere beliebig oft verlängern.

## (3) Kündigungsrecht des Wertpapiergläubigers

Bei Ausübung der Verlängerungsoption der Emittentin ist jeder Wertpapiergläubiger berechtigt, sämtliche, aber nicht einzelne, dann ausstehenden und von ihm gehaltenen Wertpapiere mit einer Frist von mindestens neunzig (90) Kalendertagen vor dem zu diesem Zeitpunkt geltenden Verfalltag (oder einem aus der Verlängerung der Laufzeit der Wertpapiere resultierenden späteren Verfalltag) durch Ausübung der Wertpapiergläubiger Nicht-Verlängerungsoption zu kündigen.

Zur Ausübung der "**Wertpapiergläubiger Nicht-Verlängerungsoption**" muss bei der Emittentin eine schriftliche und rechtsverbindlich unterzeichnete Erklärung des Wertpapiergläubigers, dass er seine Wertpapiergläubiger Nicht-Verlängerungsoption ausübt (die "**Ausübungserklärung**"), eingegangen sein. Die Ausübungserklärung ist unwiderruflich und bindend und hat unter anderem folgende Angaben zu enthalten: (a) den Namen des Wertpapiergläubigers, (b) die Anzahl der von ihm gekündigten Wertpapiere und (c) das Konto des Wertpapiergläubigers bei einem Kreditinstitut, auf das der gegebenenfalls zu zahlende Auszahlungsbetrag überwiesen werden soll.

Nach wirksamer Ausübung der Wertpapiergläubiger Nicht-Verlängerungsoption durch den Wertpapiergläubiger werden die Wertpapiere dieses Wertpapiergläubigers durch die Emittentin getilgt und der Wertpapiergläubiger ist berechtigt, am Fälligkeitstag in Bezug auf den planungsgemäßen Verfalltag bzw. den verschobenen planungsgemäßen Verfalltag den Auszahlungsbetrag (wie in § 1(1) dieser Bedingungen definiert) je Wertpapier zu erhalten.

## (4) Ordentliche Kündigung durch die Emittentin

Die Emittentin ist jeweils zum 31. März, 30. Juni, 30. September und 31. Dezember (jeweils ein "**Kündigungstag der Emittentin**"), erstmals zum 30. September 2017 (einschließlich), berechtigt, sämtliche und nicht nur einzelne Wertpapiere unter Einhaltung einer Frist von dreißig (30) Geschäftstagen durch Veröffentlichung gemäß § 12 dieser Bedingungen mit Wirkung zu dem jeweiligen Kündigungstag der Emittentin zu kündigen und zu tilgen.

In dem Fall der Kündigung und Tilgung durch die Emittentin, zahlt die Emittentin jedem Wertpapiergläubiger einen Betrag in Höhe des Auszahlungsbetrags (wie in § 1(1) dieser Bedingungen definiert) (der "**Kündigungsbetrag**").

## § 3

### Automatische Beendigung der Wertpapiere

#### (1) Wertpapierrecht der Wertpapiergläubiger im Fall des Vorliegens eines Automatischen Beendigungsereignisses

Im Fall des Vorliegens eines Automatischen Beendigungsereignisses (wie unten definiert) wird die Laufzeit aller ausstehenden Wertpapiere automatisch am Automatischen Beendigungstag (wie unten definiert) gekündigt und jeder Wertpapiergläubiger hat gemäß dieser Bedingungen das Wertpapierrecht, den Vorzeitigen Abrechnungsbetrag (§ 3 (3)) in der Auszahlungswährung zu erhalten, gegebenenfalls auf zwei Dezimalstellen kaufmännisch gerundet (der "**Automatische Beendigungsbetrag**").



## (2) Vorliegen eines Automatischen Beendigungsereignisses

Die Emittentin wird die Wertpapiergläubiger gemäß § 12 dieser Bedingungen unverzüglich über (i) das Vorliegen eines Automatischen Beendigungsereignisses und über (ii) den Tag, an welchem das Automatische Beendigungsereignis eingetreten ist (ein solcher Tag wird als "**Automatischer Beendigungstag**" bezeichnet) benachrichtigen (jedoch wird eine fehlende Benachrichtigung oder der Nichterhalt hiervon, die Wirksamkeit der automatischen Beendigung der Laufzeit der Wertpapiere nicht beeinflussen)

In diesem Zusammenhang gilt:

Ein "**Automatische Beendigungsereignis**" liegt vor, wenn die Dialog Vermögensmanagement GmbH, Stuttgart, Deutschland nicht mehr als Referenz-Portfolio Advisor fungiert.

## (3) Vorzeitiger Abrechnungsbetrag

Der "**Vorzeitige Abrechnungsbetrag**" wird in Übereinstimmung mit der folgenden Formel berechnet:

$$\text{EUR } 100,00 \times \text{Max} \left( 0; \frac{\text{Vorzeitiger Referenz-PortfolioLevel}}{\text{Anfänglicher Referenz-PortfolioLevel}} \right)$$

Wobei

Der "**Vorzeitige Referenz-Portfolio Level**" bezeichnet, vorbehaltlich einer Marktstörung (§ 9 (1)), den Wert des virtuellen Referenz-Portfolios wie durch die Berechnungsstelle in Bezug auf den maßgeblichen Bewertungstag bestimmt, wobei der maßgebliche Wert des Referenz-Portfolios dem folgenden Betrag entspricht:

- (i) Summe der Veräußerungserlöse, unter Verwendung des jeweiligen maßgeblichen Währungswechselkurses, wie von der Berechnungsstelle nach billigem Ermessen bestimmt, in EUR umgerechnet, die erzielt worden wären, wenn ein hypothetischer Investor (in derselben Position wie die Emittentin) die in dem Referenz-Portfolio jeweils enthaltenen virtuellen Komponenten veräußert bzw. aufgelöst hätte, **zuzüglich**
- (ii) des Werts der Barmittel-Position **abzüglich**
- (iii) der angefallenen, aber noch nicht abgezogenen, Referenz-Portfolio Gebühren und Anpassungsgebühren.

**Zur Klarstellung:** Obwohl der Automatische Beendigungsbetrag unter Bezugnahme auf den Marktwert der Referenz-Portfolio Bestandteile berechnet wird, ist die Emittentin nicht verpflichtet, den Nettoerlös der Ausgabe der Wertpapiere zu irgendeinem Zeitpunkt in die Referenz-Portfolio Bestandteile zu investieren. Die Nettoemissionserlöse werden ausschließlich für Absicherungs- und allgemeine Unternehmenszwecke der Emittentin verwendet. Die Wertpapiergläubiger haben zu keinem Zeitpunkt direkte Anteile oder Eigentumsrechte an den Referenz-Portfolio Bestandteilen.

## § 4

### Form der Wertpapiere; Eigentum und Übertragbarkeit; Status

#### (1) Form der Wertpapiere

Die Wertpapiere stellen Bucheffekten dar. Bucheffekten sind vertretbare Forderungs- oder Mitgliedschaftsrechte eines Anlegers gegenüber einer Emittentin, die einem Effektenkonto bei einer Verwahrungsstelle gemäß Art. 4 BEG („**Verwahrungsstelle**“; wie z.B. Banken oder Effekthändler) gutgeschrieben sind und über welche die Kontoinhaberin oder der Kontoinhaber nach den Vorschriften des Bucheffektengesetzes verfügen können (Art. 3 Abs. 1 BEG).

Bucheffekten werden durch Immobilisierung von Wertpapieren oder Wertrechten und einer entsprechenden Gutschrift auf einem Effektenkonto eines Wertpapiergläubigers bei einer Verwahrungsstelle geschaffen (Art. 4 und 6 BEG). Für jede einzelne Serie von Wertpapieren führt eine einzige Verwahrungsstelle das Hauptregister, das öffentlich zugänglich ist. Wertpapiergläubiger können Informationen über ihre Berechtigung an

Bucheffekten einer bestimmten Serie von Wertpapieren bei ihrer Verwahrungsstelle beziehen.

## **(2) Wertpapiergläubiger; Eigentum und Übertragbarkeit**

„**Wertpapiergläubiger**“ bezeichnet jede nach Schweizer Recht als Eigentümer der Wertpapiere anerkannte Person. Der Wertpapiergläubiger wird in jeder Hinsicht von der Emittentin und den Wertpapierstellen (§ 10 (1)) als Berechtigter und Begünstigter bezüglich der in den Wertpapieren repräsentierten Rechte behandelt.

Bucheffekten werden gemäß Art. 24 ff. BEG sowie dem Vertrag zwischen dem Wertpapiergläubiger und seiner Verwahrungsstelle durch Verfügung des Wertpapiergläubigers an die Verwahrungsstelle, die Bucheffekten zu übertragen, und der Gutschrift der entsprechenden Bucheffekten im Effektenkonto der Erwerberin oder des Erwerbers übertragen. Wertpapiergläubiger können ihre Rechte an den Bucheffekten nur über ihre Verwahrungsstelle geltend machen. Weder die Bucheffekten noch Rechte an den Bucheffekten dürfen ohne vorherige schriftliche Zustimmung der Emittentin durch Zession gemäß den Artikeln 164 ff. OR übertragen werden.

Die Wertpapiergläubiger haben kein Recht, die Auslieferung von Wertpapieren (einschließlich Schweizer Globalurkunden) oder Wertrechten zu erhalten. Einzelurkunden werden nicht erstellt.

## **(3) Status der Wertpapiere**

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

### **§ 5**

#### **Abrechnung; Vorlegungsfrist**

## **(1) Tilgung der Wertpapiere**

Die Emittentin wird, vorbehaltlich einer Marktstörung (§ 9 (3)) und in jedem Fall vorbehaltlich sämtlicher anwendbarer steuerlicher oder sonstiger Gesetze und Vorschriften im Zusammenhang mit der Zahlung oder sonstiger Gesetze und Vorschriften, denen sich die Emittentin unterwirft, am maßgeblichen Fälligkeitstag durch Zahlung des Auszahlungsbetrags, des Kündigungsbetrags bzw. des Automatischen Beendigungsbetrags oder aller sonstigen Zahlungen gemäß den Bedingungen in Bezug auf den maßgeblichen Fälligkeitstag in der Auszahlungswährung über die Zahlstelle zur Gutschrift auf das Konto des jeweils maßgeblichen Wertpapiergläubigers über die jeweils maßgebliche Verwahrungsstelle gemäß den anwendbaren Vorschriften in deren Regelwerken veranlassen.

In Übereinstimmung mit Schweizer Recht verjähren jegliche Ansprüche gegen die Emittentin, die unter den Wertpapieren entstehen innerhalb von 10 Jahren nach dem Tag an welchem die vorzeitige Tilgung oder an dem die ordentliche Tilgung der Wertpapiere fällig geworden ist, außer im Hinblick auf Ansprüche auf Zinsen, die nach 5 Jahren nach Fälligkeit solcher Zinsansprüche verjähren.

## **(2) Befreiende Leistung**

Die Emittentin wird mit der vorstehend beschriebenen Leistung an das Clearingsystem von den ihr unter diesen Bedingungen der Wertpapiere obliegenden Tilgungsverpflichtungen bzw. sonstigen Zahlungsverpflichtungen befreit.

## **(3) Steuern, Gebühren oder sonstige Kosten**

Sämtliche gegenwärtigen und zukünftigen Steuern, Gebühren oder sonstige Abgaben im Zusammenhang mit den Wertpapieren sind von den Wertpapiergläubigern zu tragen und zu zahlen. Die Emittentin und die Zahlstelle sind berechtigt, jedoch nicht verpflichtet, von den erforderlichen Leistungen unter diesen Bedingungen jede dieser Steuern, Gebühren oder sonstige Abgaben, die von dem Wertpapiergläubiger gemäß vorstehendem Satz zu zahlen sind, einzubehalten (einschließlich – klarstellend – sämtlicher Einbehalte oder Abzüge, die gemäß Abschnitt 871(m) ("**871(m)**") oder der Abschnitte 1471 bis 1474 ("**FATCA**") des US-Bundessteuergesetzes (*U.S. Internal Revenue Code*) von 1986, eines Abkommens, Gesetzes sonstigen Verordnung oder gemäß sonstigen offiziellen Auslegungen zur Umsetzung von FATCA oder gemäß einer

Vereinbarungen (bzw. entsprechenden Auslegung) zwischen der Emittentin, der Zahlstelle oder einer sonstigen Person mit den USA, einer anderen Jurisdiktion oder einer derer Behörden, die FATCA umsetzt, vorzunehmen sind) und weder die Emittentin noch die Zahlstelle oder sonstige Dritte sind verpflichtet, mögliche Einbehalte oder Abzüge, die auf Grund von FATCA oder 871(m) im Zusammenhang mit den Wertpapieren anfallen können, durch Zahlungen zu kompensieren.

## **§ 6 Steuern**

Zahlungen auf die Wertpapiere werden in jedem Fall nur nach Abzug und Einbehalt gegenwärtiger oder zukünftiger Steuern, Abgaben oder staatlicher Gebühren gleich welcher Art, die unter jedwedem anwendbaren Rechtssystem oder in jedwedem Land, das die Steuerhoheit beansprucht, von oder im Namen einer Gebietskörperschaft oder Behörde des Landes, die zur Steuererhebung ermächtigt ist, auferlegt, erhoben oder eingezogen werden (die "**Steuern**") geleistet, soweit ein solcher Abzug oder Einbehalt gesetzlich oder behördlich vorgeschrieben ist. Die Emittentin hat gegenüber den zuständigen Regierungsbehörden Rechenschaft über die abgezogenen oder einbehaltenen Steuern abzulegen.

## **§ 7 (a) Anpassungen des Referenz-Portfolios**

### **(1) Veränderungen in der Berechnung; Vornahme von Anpassungen**

Veränderungen in der Berechnung (einschließlich Bereinigungen) des Referenz-Portfolios oder der Zusammensetzung oder Gewichtung der Referenz-Portfolio Bestandteile, auf deren Grundlage das Referenz-Portfolio berechnet wird, führen nicht zu einer Anpassung, es sei denn, dass das maßgebende Konzept und die Berechnung des Referenz-Portfolios infolge einer Veränderung (einschließlich einer Bereinigung) nach Auffassung der Emittentin und der Berechnungsstelle, nach billigem Ermessen, nicht mehr vergleichbar sind mit dem bisher maßgebenden Konzept oder der maßgebenden Berechnung des Referenz-Portfolios. Dies gilt insbesondere, wenn sich aufgrund irgendeiner Änderung trotz gleich bleibender Kurse der in dem Referenz-Portfolio enthaltenen Komponenten und ihrer Gewichtung eine wesentliche Änderung des Level des Referenz-Portfolios ergibt.

Zum Zweck einer Anpassung ermitteln die Emittentin und die Berechnungsstelle nach billigem Ermessen einen angepassten Level des Referenz-Portfolios, der bei der Bestimmung des Level des Referenz-Portfolios zugrunde gelegt wird und in seinem wirtschaftlichen Ergebnis der bisherigen Regelung entspricht, und bestimmen unter Berücksichtigung des Zeitpunktes der Veränderung den Tag, zu dem der angepasste Level des Referenz-Portfolios erstmals zugrunde zu legen ist. Der angepasste Level des Referenz-Portfolios sowie der Zeitpunkt seiner erstmaligen Anwendung werden unverzüglich gemäß § 12 dieser Bedingungen bekannt gemacht.

### **(2) Vornahme von Anpassungen und Festlegungen; Bekanntmachung**

Anpassungen und Festlegungen nach den vorstehenden Absätzen werden durch die Emittentin nach billigem Ermessen bzw. von der Berechnungsstelle nach billigem Ermessen, vorgenommen und von der Emittentin nach § 12 dieser Bedingungen bekannt gemacht. Anpassungen und Festlegungen sind (sofern nicht ein offensichtlicher Fehler vorliegt) für alle Beteiligten endgültig und bindend.

## **§ 7 (b) Anpassungen in Bezug auf eine Aktie als Referenz-Portfolio Bestandteil**

### **(1) Folgen des Eintritts eines Potenziellen Anpassungsereignisses**

Die Emittentin ist bei Vorliegen eines Potenziellen Anpassungsereignisses (§ 7 (b) (2)) in Bezug auf eine als Referenz-Portfolio Bestandteil verwendete Aktie berechtigt, Anpassungen dieser Bedingungen in der Weise und in dem Verhältnis vorzunehmen, wie entsprechende Anpassungen im Hinblick auf die an der Maßgeblichen Terminbörse gehandelten Options- und Terminkontrakte auf die Aktie als Referenzportfolio-Bestandteil (die "**Termin- und Optionsbestandteile**") vorgenommen werden, sofern der nachstehend bezeichnete Stichtag vor oder auf den Bewertungstag fällt.

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

Der "**Stichtag**" ist der erste Handelstag an der Maßgeblichen Terminbörse, an dem die Termin- und Optionsbestandteile auf die Aktie als Referenz-Portfolio Bestandteil unter Berücksichtigung der erfolgten Anpassung gehandelt werden oder gehandelt werden würden, wenn entsprechende Optionskontrakte dort gehandelt werden würden.

## (2) Vorliegen eines Potenziellen Anpassungsereignisses

"**Potenzielles Anpassungsereignis**" bezeichnet jede Maßnahme in Bezug auf die Aktie als Referenzportfolio-Bestandteil, durch die sich die Maßgebliche Terminbörse zu einer Anpassung des Basispreises, der Kontraktgröße des Basiswerts, der Bezugsgröße des Basiswerts oder des für die Bestimmung des Kurses des Basiswerts zuständigen Börse veranlasst sieht oder veranlasst sähe, wenn Termin- und Optionsbestandteile gehandelt werden würden.

Bei den Potenziellen Anpassungsereignissen handelt es sich *insbesondere*, aber nicht abschließend, um folgende Maßnahmen, wobei, vorbehaltlich von § 7 (b) (3), jedoch die tatsächliche oder hypothetische Entscheidung der Maßgeblichen Terminbörse maßgeblich ist:

- (i) Kapitalerhöhung der Aktiengesellschaft, deren Aktie(n) den Referenz-Portfolio Bestandteil bildet/bilden (die "**Gesellschaft**") durch Ausgabe neuer Aktien gegen Einlage unter Einräumung eines unmittelbaren oder mittelbaren Bezugsrechts an ihre Aktionäre, Kapitalerhöhung der Gesellschaft aus Gesellschaftsmitteln, Ausgabe von Schuldverschreibungen oder sonstigen Wertpapieren mit Options- oder Wandelrechten auf Aktien unter Einräumung eines unmittelbaren oder mittelbaren Bezugsrechts an ihre Aktionäre.
- (ii) Kapitalherabsetzung der Gesellschaft durch Einziehung oder Zusammenlegung von Aktien der Gesellschaft. Kein Anpassungsereignis liegt vor, wenn die Kapitalherabsetzung durch Herabsetzung des Nennbetrags der Aktien der Gesellschaft erfolgt.
- (iii) Ausschüttung außergewöhnlich hoher Dividenden, Boni oder sonstige Bar- oder Sachausschüttungen („**Sonderausschüttungen**“). Die Ausschüttungen von normalen Dividenden, die keine Sonderausschüttungen sind, begründen kein Anpassungsereignis. Hinsichtlich der Abgrenzung zwischen normalen Dividenden und Sonderausschüttungen ist die von der Maßgeblichen Terminbörse vorgenommene Abgrenzung maßgeblich.
- (iv) Durchführung eines Aktiensplits (Herabsetzung des Nennbetrags und entsprechende Vergrößerung der Anzahl der Aktien ohne Kapitalveränderung) oder einer ähnlichen Maßnahme.
- (v) Angebot der Gesellschaft gemäß Regelungen des für die Gesellschaft anwendbaren Rechts an die Aktionäre, die Aktien der Gesellschaft in Aktien einer anderen Aktiengesellschaft oder Altaktien der Gesellschaft in neue Aktien umzutauschen.
- (vi) Die nach Abgabe eines Übernahmeangebots gemäß Wertpapiererwerbs- und Übernahmegesetz oder gemäß einer vergleichbaren Regelung des für die Gesellschaft anwendbaren Rechts erfolgte Übernahme von Aktien der Gesellschaft durch einen Aktionär.
- (vii) Ausgliederung eines Unternehmensteils der Gesellschaft in der Weise, dass ein neues rechtlich selbstständiges Unternehmen entsteht oder der Unternehmensteil von einem dritten Unternehmen aufgenommen wird, den Aktionären der Gesellschaft unentgeltlich oder zu einem geringeren Preis als dem Marktpreis Anteile entweder an dem neuen Unternehmen oder an dem aufnehmenden Unternehmen gewährt werden, und für die den Aktionären gewährten Anteile ein Markt- oder Börsenpreis festgestellt werden kann.
- (viii) Endgültige Einstellung der Notierung oder des Handels der Aktien an der Maßgeblichen Börse aufgrund einer Verschmelzung durch Aufnahme oder Neubildung oder aus einem sonstigen vergleichbaren Grund, insbesondere als Folge einer Einstellung der Börsennotierung der Gesellschaft.

Auf andere als die vorstehend bezeichneten Ereignisse, die nach Auffassung der Emittentin und der Berechnungsstelle nach billigem Ermessen in ihren wirtschaftlichen Auswirkungen diesen Ereignissen vergleichbar sind, und die Einfluss auf den rechnerischen Wert der Aktien haben können, sind die beschriebenen Regeln entsprechend anzuwenden.

### **(3) Abweichungen der Emittentin von der Maßgeblichen Terminbörse**

Die Emittentin ist berechtigt, gegebenenfalls von den durch die Maßgebliche Terminbörse vorgenommenen Anpassungen abzuweichen, sofern die Emittentin dies für erforderlich hält, um Unterschiede zwischen diesen Wertpapieren und den an der Maßgeblichen Terminbörse gehandelten Termin- und Optionsbestandteile zu berücksichtigen. Unabhängig davon, ob und welche Anpassungen zu welchem Zeitpunkt tatsächlich an der Maßgeblichen Terminbörse erfolgen, kann die Emittentin Anpassungen mit dem Ziel vornehmen, die Wertpapiergläubiger wirtschaftlich soweit wie möglich so zu stellen, wie sie vor den Maßnahmen nach § 7 (b) (2) standen.

### **(4) Aufhebung oder Ersetzung der Aktie**

Wird die Aktie als Referenz-Portfolio Bestandteil zu irgendeiner Zeit aufgehoben und/oder durch einen anderen Wert ersetzt, legen die Emittentin und die Berechnungsstelle nach billigem Ermessen, sofern die Emittentin die Wertpapiere nicht gemäß § 8 dieser Bedingungen gekündigt hat, gegebenenfalls unter Vornahme von Anpassungen nach dem vorstehenden Absatz, fest, welcher mit dem bisher maßgebenden Konzept der Aktie als Referenz-Portfolio Bestandteil künftig zugrunde zu legen ist (der "**Nachfolge-Referenz-Portfolio Bestandteil**"). Der Nachfolge-Referenz-Portfolio Bestandteil sowie der Zeitpunkt seiner erstmaligen Anwendung werden unverzüglich gemäß § 12 dieser Bedingungen bekannt gemacht.

### **(5) Bestimmung einer Ersatz-Börse**

Im Fall der endgültigen Einstellung der Notierung oder des Handels der Aktie als Referenz-Portfolio Bestandteil an der Maßgeblichen Börse und des gleichzeitigen Bestehens oder des Beginns der Notierung oder des Handels an einer anderen Börse ist die Emittentin berechtigt, eine solche andere Börse durch Bekanntmachung gemäß § 12 dieser Bedingungen als neue maßgebliche Börse (die "**Ersatz-Börse**") zu bestimmen, sofern die Emittentin die Wertpapiere nicht gemäß § 8 dieser Bedingungen gekündigt hat. Im Fall einer solchen Ersetzung gilt jede in diesen Bedingungen enthaltene Bezugnahme auf die Maßgebliche Börse fortan als Bezugnahme auf die Ersatz-Börse. Die vorgenannte Anpassung wird spätestens nach Ablauf eines Monats nach der endgültigen Einstellung der Notierung oder des Handels des Referenz-Portfolio Bestandteils an der Maßgeblichen Börse gemäß § 12 dieser Bedingungen bekannt gemacht.

### **(6) Berichtigter Kurs**

Wenn der durch die Maßgebliche Börse festgelegte und veröffentlichte Kurs der Aktie als Referenz-Portfolio Bestandteil im Nachhinein berichtigt wird, und die Berichtigung (der "**Berichtigte Kurs**") von der Maßgeblichen Börse nach der ursprünglichen Veröffentlichung, jedoch noch innerhalb eines Abwicklungszyklus bekanntgegeben und veröffentlicht wird, sind die Emittentin und die Berechnungsstelle berechtigt, nach billigem Ermessen, unter Berücksichtigung des Berichtigten Kurses Anpassungen dieser Bedingungen vorzunehmen, um der Berichtigung Rechnung zu tragen. Die Anpassung sowie der Zeitpunkt ihrer erstmaligen Anwendung werden unverzüglich gemäß § 12 dieser Bedingungen bekannt gemacht.

### **(7) Vornahme von Anpassungen und Festlegungen; Bekanntmachung**

Anpassungen und Festlegungen nach den vorstehenden Absätzen werden durch die Emittentin bzw. von der Berechnungsstelle nach billigem Ermessen, unter Berücksichtigung der herrschenden Marktgegebenheiten und unter Wahrung des bisherigen wirtschaftlichen Ergebnisses der Wertpapiere vorgenommen. In Zweifelsfällen über (i) die Anwendung der Anpassungsregeln der Maßgeblichen Terminbörse und (ii) die jeweils vorzunehmende Anpassung entscheidet die Emittentin über die Anwendung der Anpassungsregeln nach billigem Ermessen. Anpassungen und Festlegungen werden von der Emittentin nach § 12 dieser Bedingungen bekannt gemacht und sind (sofern nicht ein offensichtlicher Fehler vorliegt) für alle Beteiligten endgültig und bindend.

### **(8) Inkrafttreten von Anpassungen und Festlegungen**

. Anpassungen und Festlegungen treten zu dem Zeitpunkt in Kraft, zu dem entsprechende Anpassungen an der Maßgeblichen Terminbörse in Kraft treten oder in Kraft treten würden, wenn entsprechende Termin- und Optionsbestandteile dort gehandelt werden würden.

## **§ 8**

### **Außerordentliches Kündigungsrecht der Emittentin**

### (1) Außerordentliche Kündigung durch die Emittentin

Die Emittentin ist bei Vorliegen eines der nachstehenden Kündigungsereignisse, berechtigt, sämtliche, aber nicht einzelne Wertpapiere durch eine Bekanntmachung an die Wertpapiergläubiger gemäß § 12 dieser Bedingungen zu kündigen und vorzeitig zu tilgen. Eine derartige Kündigung wird zum Zeitpunkt der Mitteilung gemäß § 12 dieser Bedingungen beziehungsweise zu dem in der Mitteilung angegebenen Zeitpunkt wirksam (der "**Kündigungstag**").

### (2) Vorliegen eines Kündigungsereignisses

Ein "**Kündigungsereignis**" bezeichnet jedes der folgenden Ereignisse:

- (a) Die Ermittlung und/oder Veröffentlichung des Level des Referenz-Portfolios wird endgültig eingestellt, oder der Emittentin oder der Berechnungsstelle wird eine entsprechende Absicht bekannt.
- (b) Der Eintritt eines potenziellen Anpassungsereignisses gemäß § 7 (a) bis § 7 (b) dieser Bedingungen.
- (c) Die Berechnungsstelle ist nach Ausübung billigen Ermessens der Ansicht, dass eine sonstige erhebliche Änderung der Marktbedingungen an der maßgeblichen Börse eingetreten ist.
- (d) Das Vorliegen einer Rechtsänderung und/oder einer Hedging-Störung und/oder gestiegenen Hedging-Kosten

In diesem Zusammenhang:

**Rechtsänderung**" bedeutet, dass aufgrund (A) des Inkrafttretens von Änderungen der Gesetze oder Verordnungen (einschließlich aber nicht beschränkt auf Steuergesetze) oder (B) einer Änderung der Rechtsprechung oder Verwaltungspraxis (einschließlich der Verwaltungspraxis der Steuerbehörden), nach billigem Ermessen der Emittentin (X) das Halten, der Erwerb oder die Veräußerung eines Referenz-Portfolio Bestandteiles für die Emittentin ganz oder teilweise rechtswidrig ist oder wird oder (Y) die Kosten, die mit den Verpflichtungen unter den Wertpapieren verbunden sind, wesentlich gestiegen sind (einschließlich aber nicht beschränkt auf Erhöhungen der Steuerverpflichtungen, der Senkung von steuerlichen Vorteilen oder anderen negativen Auswirkungen auf die steuerrechtliche Behandlung), falls solche Änderungen an oder nach dem Ausgabetag der Wertpapiere wirksam werden.

**Hedging-Störung**" bedeutet, dass die Emittentin nicht in der Lage ist, zu Bedingungen, die den am Ausgabetag der Wertpapiere herrschenden wirtschaftlich wesentlich gleichwertig sind, (A) Transaktionen abzuschließen, fortzuführen oder abzuwickeln bzw. Vermögenswerte zu erwerben, auszutauschen, zu halten oder zu veräußern, welche nach billigem Ermessen der Emittentin zur Absicherung von Preisrisiken oder sonstigen Risiken im Hinblick auf ihre Verpflichtungen aus den Wertpapieren notwendig sind, oder (B) Erlöse aus solchen Transaktionen bzw. Vermögenswerten zu realisieren, zurückzugewinnen oder weiterzuleiten; und

**"Gestiegene Hedging-Kosten"** bedeutet, dass die Emittentin im Vergleich zum Ausgabetag einen wesentlich höheren Betrag an Steuern, Abgaben, Aufwendungen und Gebühren (außer Maklergebühren) entrichten muss, um (A) Transaktionen abzuschließen, fortzuführen oder abzuwickeln bzw. Vermögenswerte zu erwerben, auszutauschen, zu halten oder zu veräußern, welche nach billigem Ermessen der Emittentin zur Absicherung von Preisrisiken oder sonstigen Risiken im Hinblick auf ihre Verpflichtungen aus den Wertpapieren erforderlich sind, oder (B) Erlöse aus solchen Transaktionen bzw. Vermögenswerten zu realisieren, zurückzugewinnen oder weiterzuleiten, wobei Kostensteigerungen aufgrund einer Verschlechterung der Kreditwürdigkeit der Emittentin nicht als Gestiegene Hedging-Kosten zu berücksichtigen sind.

### (3) Zahlung des Kündigungsbetrag

Im Fall der Kündigung durch die Emittentin zahlt die Emittentin an jeden Wertpapiergläubiger bezüglich jedes von ihm gehaltenen Wertpapiers einem Geldbetrag je Wertpapier in der Auszahlungswährung, der von der Berechnungsstelle, nach billigem Ermessen, gegebenenfalls unter Berücksichtigung des dann maßgeblichen Level des Referenz-Portfolios und der durch die Kündigung bei der Emittentin angefallenen Kosten, als angemessener Marktpreis eines Wertpapiers bei Kündigung festgelegt wird (der "**Kündigungsbetrag**").

## § 9

### Marktstörung, FX Störung; Abwicklungsstörung

#### (1) Folgen einer Marktstörung

- (a) In dem Fall, dass die Berechnungsstelle bestimmt, dass ein Komponenten-Geschäftstag ein Gestörter Tag (§ 9 (2)) in Bezug auf Geeignete Aktien oder Geeignete Aktien-Komponente ist, die durch den Referenz-Portfolio Advisor zum Zwecke einer Umschichtung ausgewählt wurden, werden solche Geeigneten Aktien oder Geeigneten Aktien-Bestandteile nicht virtuell verkauft oder gekauft bei der maßgeblichen Umschichtung.
- (b) In dem Fall, dass die Berechnungsstelle bestimmt, dass ein Referenz-Portfolio Berechnungstag ein Gestörter Tag (§ 9 (2)) in Bezug auf Geeignete Aktien oder Geeignete Aktien-Komponenten ist, wird, zum Zwecke der Bestimmung des Werts des Referenz-Portfolios an einem solchen Referenz-Portfolio Berechnungstag, (a) der Preis jeder Aktien-Komponente, welche nicht durch das Vorliegen eines Gestörten Tags beeinträchtigt ist, dem Closing-Preis einer solchen Aktien-Komponente an der Maßgeblichen Börse entsprechen und (b) der Preis jeder Aktien-Komponente, welche nicht durch das Vorliegen eines Gestörten Tags beeinträchtigt ist, wird durch die Berechnungsstelle nach Ausübung billigen Ermessens sowie unter Berücksichtigung des Verkehrswerts (welcher gleich Null sein kann) einer solchen Aktien-Komponente an einem solchen Referenz-Portfolio Berechnungstag bestimmt.
- (c) Sofern die Berechnungsstelle bestimmt, dass der maßgebliche Bewertungstag ein Gestörter Tag (ein solches Ereignis in Bezug auf einen Bewertungstag stellt eine "**Marktstörung**" dar) in Bezug auf eine Aktien-Komponente ist, stellt ein solcher Tag für diejenigen Aktien-Komponente, die nicht durch das Vorliegen eines Gestörten Tags beeinträchtigt sind, einen Bewertungstag dar, während der Bewertungstag für all diejenigen Aktien-Komponenten, die durch das Vorliegen eines Gestörten Tags beeinträchtigt sind, auf den folgenden Komponenten-Geschäftstag in Bezug auf diese Aktien-Komponenten verschoben wird, mit der Maßgabe, dass wenn ein solcher Tag nicht innerhalb von acht (8) Komponenten-Geschäftstagen unmittelbar nach dem Bewertungstag eintritt, wird der Preis einer solchen Aktien-Komponente durch die Berechnungsstelle nach Ausübung billigen Ermessens sowie unter Berücksichtigung des Verkehrswerts dieser Aktien-Komponente an diesem achten Komponenten-Geschäftstag bestimmt.
- (d) Bei Vorliegen eines FX Störungereignisses (§ 9 (2)) wird der Wert einer nicht auf EUR lautenden Aktien-Komponente durch die Berechnungsstelle nach billigem Ermessen bestimmt und die Berechnungsstelle hat das Recht, den Wert des Referenz-Portfolios anzupassen, um ein solches FX-Störungereignis auszugleichen.
- (e) Sofern die Berechnungsstelle bestimmt, dass an einem Bewertungstag eine Abwicklungs-Störung (§ 9 (2)) vorliegt oder wahrscheinlich vorliegen wird, ist die Emittentin berechtigt den maßgeblichen Bewertungstag auf einen Tag zu verschieben, an dem ein virtueller Anleger die Aktien-Komponenten vollständig gegen Barmittel abzuwickeln. Die Emittentin wird sich bemühen, den Beteiligten unverzüglich gemäß § 12 dieser Bedingungen mitzuteilen, dass eine Abwicklungsstörung eingetreten ist. Eine Pflicht zur Mitteilung besteht jedoch nicht.

Die Emittentin wird sich bemühen, den Beteiligten unverzüglich gemäß § 12 dieser Bedingungen mitzuteilen, dass eine Gestörter Tag eingetreten ist. Eine Pflicht zur Mitteilung besteht jedoch nicht.

#### (2) Weitere Definitionen

"**Gestörter Tag**" bezeichnet jeden Komponenten Geschäftstag, an dem die Berechnungsstelle feststellt, dass ein Handel und/oder der Abschluss von Transaktionen in Bezug auf eine Geeignete Aktie bzw. eine Geeignete Aktien-Komponente nachteilig beeinträchtigt sind (einschließlich von Fällen, in denen der Handel und/oder Transaktionen auf Grund von Illiquidität, Umständen von Markt- oder Handelsstörungen oder der Nicht-Verfügbarkeit von Kursen, offiziellen Preisen oder Bewertungen der Geeigneten Aktie bzw. Geeigneten Aktien-Komponente eingeschränkt ist).

"**FX Störungereignis**" bezeichnet (i) ein Ereignis, das es rechtswidrig, unmöglich, nicht praktikabel oder empfehlenswert macht, eine Einheit einer Währung, auf die ein nicht-EUR denominierter Bestandteil lautet, (eine "**Denominierungs-Währung**") in die Auszahlungswährung umzutauschen, oder ein Ereignis, das es unmöglich macht, die Auszahlungswährung von Konten, auf denen sie abgebildet wird, auf Konten außerhalb der Jurisdiktion der Denominierungs-Währung zu transferieren, oder (ii) die grundsätzliche Unmöglichkeit, die

## Unverbindliche Übersetzung der Wertpapierbedingungen

Auszahlungswährung zur Spot-Rate (anwendbar für den Kauf der Auszahlungswährung in der Denominierungswährung) auf rechtmäßigen Währungsmärkten der Hauptfinanzzentren für die Denominierungswährung umzutauschen, soweit dieses Ereignis nach Feststellung der Berechnungsstelle wesentlich ist.

"**Abwicklungsstörung**" bezeichnet jedes Ereignis, bei dem ein virtueller Investor (in derselben Position wie die Emittentin) nicht in der Lage wäre, seine Investition in die Aktien-Komponenten an dem maßgeblichen Bewertungstag aufzulösen.

### § 10

#### Berechnungsstelle; Zahlstelle

##### (1) Allgemeines

Die Berechnungsstelle und die Zahlstelle (die "**Wertpapierstellen**") übernehmen die Funktion als Wertpapierstelle jeweils in Übereinstimmung mit diesen Bedingungen.

##### (2) Erfüllungsgehilfin

Jede der Wertpapierstellen handelt ausschließlich als Erfüllungsgehilfin der Emittentin und hat keinerlei Pflichten gegenüber dem Wertpapiergläubiger.

##### (3) Ersetzung, Bestellung und Widerruf

Die Emittentin ist berechtigt, jederzeit jede oder alle der Wertpapierstellen durch eine andere Gesellschaft zu ersetzen, eine oder mehrere zusätzliche Wertpapierstellen zu bestellen und deren Bestellung zu widerrufen. Ersetzung, Bestellung und Widerruf werden gemäß § 12 dieser Bedingungen bekannt gemacht.

##### (4) Niederlegung durch die Wertpapierstellen

Jede der Wertpapierstellen ist berechtigt, durch schriftliche Anzeige gegenüber der Emittentin jederzeit ihr Amt niederzulegen. Die Niederlegung wird nur wirksam mit der Bestellung einer anderen Gesellschaft als Berechnungsstelle, Ausübungsstelle bzw. als Zahlstelle durch die Emittentin. Niederlegung und Bestellung werden gemäß § 12 dieser Bedingungen bekannt gemacht.

### § 11

#### Ersetzung der Emittentin

##### (1) Ersetzung der Emittentin

Vorausgesetzt, dass die Emittentin nicht mit ihrer Verpflichtungen unter den Wertpapieren in Verzug ist, ist die Emittentin jederzeit berechtigt, ohne Zustimmung der Wertpapiergläubiger eine andere Gesellschaft der UBS Gruppe als Emittentin (die "**Neue Emittentin**") hinsichtlich aller Verpflichtungen aus oder in Verbindung mit den Wertpapieren an die Stelle der Emittentin zu setzen, sofern

- (i) die Neue Emittentin alle Verpflichtungen der Emittentin aus oder in Verbindung mit den Wertpapieren übernimmt,
- (ii) (A) die Emittentin und die Neue Emittentin alle erforderlichen Genehmigungen und Zustimmungen erhalten haben, und (B) die sich aus diesen Wertpapieren ergebenden Zahlungsverpflichtungen in der Auszahlungswährung an die Hauptzahlstelle transferieren können, ohne dass irgendwelche Steuern oder Abgaben einbehalten werden müssten, die von oder in dem Land erhoben werden, in dem die Neue Emittentin oder die Emittentin ihren Sitz hat oder für Steuerzwecke als ansässig gilt;
- (iii) die Neue Emittentin sich verpflichtet hat, alle Wertpapiergläubiger von jeglichen Steuern, Abgaben oder sonstigen staatlichen Gebühren freizustellen, die den Wertpapiergläubigern auf Grund der Ersetzung auferlegt werden;
- (iii) die Emittentin unbeding und unwiderruflich die Verpflichtungen der Neuen Emittentin garantiert.

##### (2) Bezugnahmen



Im Fall einer solchen Ersetzung der Emittentin gilt jede Bezugnahme auf die Emittentin in diesen Bedingungen als Bezugnahme auf die Neue Emittentin. Ferner gilt jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz hat oder für Steuerzwecke als ansässig gilt, als Bezugnahme auf das Land, in dem die Neue Emittentin ihren Sitz hat.

### **(3) Bekanntmachung**

Die Ersetzung der Emittentin ist für die Wertpapiergläubiger endgültig und bindend und wird den Wertpapiergläubigern unverzüglich gemäß § 12 dieser Bedingungen bekannt gemacht.

## **§ 12 Bekanntmachungen**

### **(1) Allgemeines**

Soweit diese Bedingungen eine Mitteilung nach diesem § 12 der Bedingungen vorsehen, werden diese auf den Internetseiten der Emittentin unter [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) veröffentlicht und mit dieser Veröffentlichung den Wertpapiergläubigern gegenüber wirksam, soweit nicht in der Mitteilung ein späterer Wirksamkeitszeitpunkt bestimmt wird.

Wenn und soweit zwingende Bestimmungen des geltenden Rechts oder Börsenbestimmungen Veröffentlichungen an anderer Stelle vorsehen, erfolgen diese gegebenenfalls zusätzlich an jeweils vorgeschriebener Stelle.

Jede Mitteilung wird am Tag ihrer Veröffentlichung wirksam (oder im Fall von mehreren Veröffentlichungen am Tag der ersten solchen Veröffentlichung).

### **(2) Mitteilung an das Clearingsystem**

Soweit rechtlich zulässig ist die Emittentin berechtigt, Bekanntmachungen ausschließlich durch Mitteilung an das Clearingsystem zur Weiterleitung an die Wertpapiergläubiger (wie in den anwendbaren Vorschriften der Regelwerke des maßgeblichen Clearingsystems vorgesehen) zu bewirken, vorausgesetzt, dass in den Fällen, in denen die Wertpapiere an einer Wertpapier-Börse notiert sind, die anwendbaren Regeln dieser Wertpapier-Börse diese Form der Mitteilung zulassen. Bekanntmachungen durch Mitteilung an das Clearingsystem gelten am siebten Tag nach dem Tag der Mitteilung an das Clearingsystem als bewirkt.

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

### **(1) Begebung weiterer Wertpapiere**

Die Emittentin ist berechtigt, ohne Zustimmung der Wertpapiergläubiger, jederzeit weitere Wertpapiere mit gleicher Ausstattung in der Weise zu begeben, dass sie mit diesen Wertpapieren eine einheitliche Serie bilden, wobei in diesem Fall der Begriff "Wertpapier" entsprechend auszulegen ist.

### **(2) Ankauf von Wertpapieren**

Die Emittentin und jedes ihrer Tochterunternehmen ist berechtigt, ohne Zustimmung der Wertpapiergläubiger, jederzeit Wertpapiere im Markt oder anderweitig zu einem beliebigen Preis zu kaufen. Sofern diese Käufe durch öffentliches Angebot erfolgen, muss dieses Angebot allen Wertpapiergläubigern gegenüber erfolgen.

Die von der Emittentin erworbenen Wertpapiere können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder entwertet werden.

### **(3) Entwertung von Wertpapieren**

Sämtliche vollständig zurückgezahlten Wertpapiere sind unverzüglich zu entwerten und können nicht wiedergeben oder wiederverkauft werden.

#### **§ 14 Sprache**

Diese Bedingungen sind in der englischen Sprache abgefasst. Der englische Text ist bindend und maßgeblich. Eine Übersetzung in die deutsche Sprache ist unverbindlich.

#### **§ 15 Anwendbares Recht; Gerichtsstand**

##### **(1) Anwendbares Recht**

Form und Inhalt der Wertpapiere sowie alle Rechte und Pflichten aus den in diesen Bedingungen geregelten Angelegenheiten bestimmen sich in jeder Hinsicht nach, und werden in Übereinstimmung ausgelegt mit, dem Recht der Schweizerischen Eidgenossenschaft.

##### **(2) Gerichtsstand**

Gerichtsstand für alle Klagen oder sonstigen Verfahren aus oder im Zusammenhang mit den Wertpapieren ist, soweit rechtlich zulässig, Zürich (1), Schweiz.

#### **§ 16 Berichtigungen; Teilunwirksamkeit**

##### **(1) Ergänzungen und Änderungen**

Die Emittentin ist berechtigt, an diesen Bedingungen, jeweils ohne die Zustimmung der Wertpapiergläubiger, in der Weise, die die Emittentin für notwendig hält, Änderungen oder Ergänzungen vorzunehmen, sofern die Änderungen oder Ergänzungen

- (i) formaler, geringfügiger oder technischer Natur ist; oder
- (ii) zur Behebung eines offensichtlichen oder erwiesenen Fehlers erfolgt; oder
- (iii) zur Behebung einer Mehrdeutigkeit oder zur Berichtigung oder Ergänzung fehlerhafter Bestimmungen dieser Bedingungen erfolgt; oder
- (iv) zur Berichtigung eines Fehlers oder einer Auslassung erfolgt, wenn ohne eine solche Berichtigung die Bedingungen nicht die beabsichtigten Bedingungen, zu denen die Wertpapiere verkauft wurden und zu denen sie seitdem gehandelt werden, darstellen würden; oder
- (v) keine wesentlichen nachteiligen Auswirkungen auf die Interessen der Wertpapiergläubiger in Bezug auf die Wertpapiere hat.

##### **(2) Bekanntmachung**

Eine solche Änderung bzw. Ergänzung wird gemäß ihren Bestimmungen wirksam, ist für die Wertpapiergläubiger bindend und wird den Wertpapiergläubigern gemäß § 12 dieser Bedingungen bekannt gemacht (wobei jedoch eine versäumte Übermittlung einer solchen Mitteilung oder deren Nichterhalt die Wirksamkeit der betreffenden Änderung bzw. Ergänzung nicht beeinträchtigt).

Die Emittentin kann sich auch auf die unrechtmäßige Verwendung einer falschen Begrifflichkeit gegenüber dem jeweiligen Wertpapiergläubiger berufen, soweit dies im Hinblick auf die Umstände des jeweiligen Einzelfalles zweckmäßig ist.

##### **(3) Ganz oder teilweise Unwirksamkeit**

## Unverbindliche Übersetzung der Wertpapierbedingungen

Sollte eine Bestimmung dieser Bedingungen ganz oder teilweise unwirksam sein oder werden, so bleiben die übrigen Bestimmungen wirksam. Die unwirksame Bestimmung ist durch eine wirksame Bestimmung zu ersetzen, die den wirtschaftlichen Zwecken der unwirksamen Bestimmung so weit wie rechtlich möglich entspricht.

### **§ 17**

#### **Keine kollektiven Kapitalanlagen**

Dieses Produkt stellt keine Beteiligung an einer kollektiven Kapitalanlage im Sinne von Art. 7 ff. des schweizerischen Bundesgesetzes über die kollektiven Kapitalanlagen (KAG) dar und untersteht somit nicht der Aufsicht der Eidgenössischen Finanzmarktaufsicht. Deshalb besteht für den Investor in dieses Produkt kein Anlegerschutz nach dem KAG.