



**THIS TERMSHEET SHALL SUPERSEDE ALL PREVIOUS TERMSHEETS RELATING TO THIS TRANSACTION (ISIN: CH0244016561) – 24 June 2014**

## **UPDATED TERMS AND CONDITIONS FOR USD Lyra Asian Value (the “Note”)**

The Notes are complex products and you should exercise caution in relation to the Notes and this document. The content of this document has not been reviewed by any regulatory authorities in Hong Kong and Singapore. Investors are advised to exercise caution in relation to any offer. In respect of offers in Hong Kong, this is a complex product only available to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

This is a structured product involving derivatives. Do not invest in it unless you fully understand and are willing to assume the risks associated with it. If you have purchased a structured product from an intermediary, the investment decision is yours but you should not invest in the structured product unless the intermediary who sells it to you has explained to you that the structured product is suitable for you having regard to your financial situation, investment experience and investment objectives.

Investors should note that the Notes are not principal-protected upon maturity and they may receive cash which is less than 100% of the principal amount of the Notes upon maturity. Also, if an investor elects to redeem or otherwise dispose of the Notes or the Notes are otherwise early redeemed prior to the Valuation Date they may not receive 100% of the amount invested.

---

|                                  |   |   |
|----------------------------------|---|---|
| Issuer                           | : | UBS AG acting through its London Branch   |
| Issuer Credit Rating (long term) | : | A+ (by Standard & Poor's) / AA- (by Fitch) / Aa3 (by Moody's)<br><b>For the avoidance of doubt, this is credit rating (long term) of the Issuer and it does not represent ratings of the Notes.</b>   |
| Holder                           | : | Registered holder of a Note   |
| Trade Date                       | : | 19 May 2014   |
| Settlement Date                  | : | 26 May 2014 provided that if such date is not a Currency Business Day, the Settlement Date shall be the next following Currency Business Day.   |
| Valuation Date                   | : | Originally 27 May 2019, first extended to 28 May 2024 and currently extended to 28 May 2029 provided that, in respect of each Reference Portfolio Component, if it is not an Exchange Business Day for such Reference Portfolio Component, the next Exchange Business Day, subject further to the provisions under “Effects of Disruptions Events”. At the end of such 5-year period, the Notes will be further extended automatically for additional 5-year periods, on a rolling basis, unless the Issuer gives 30 days notice prior to the Valuation Date in accordance with the terms of the Notes that the Valuation Date of the Notes will not be extended. There is no limit to the number of times the Issuer may extend the maturity of the Notes. |
| No. of Notes to be issued        | : | 2,000   |
| Note Denomination                | : | USD 10,000 (value of one Reference Portfolio as of the Trade Date)  |
| Issue Amount                     | : | USD 20,000,000; No. of Notes to be issued * Note Denomination   |

- Issue Price per Note : 100% of Note Denomination
- Initial Commission : 0.20%
- Minimum Trading Units : 1 Note
- Reference Portfolio : The Reference Portfolio represents a notional exposure to (A) an equally weighted Underlying Share Basket (each a “**Reference Portfolio Component**”, together the “**Reference Portfolio Components**”) by applying the Reference Portfolio Component Selection Criteria and (B) cash, including any Dividends and interest accrual, subject to Rebalancing and a deduction of Management Fee on a daily basis and a deduction of Performance Fee on each Performance Fee Calculation Date (through a reduction cash or if there is insufficient cash, a reduction in the Number of Reference Portfolio Components referenced by each Reference Portfolio as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner).

From (and including) the Second Restructuring Date, the interest will accrue at (a) the prevailing Reference Rate, if the cash position is positive or (b) the prevailing Reference Rate plus 1.00%, if the cash position is negative.

The rate for interest accrual can be negative from time to time.

- Reference Rate : The Reference Rate is observed on every Currency Business Day and shall be equal to the United States SOFR Secured Overnight Financing Rate (Bloomberg page: SOFRRATE<Index>) (the “**Relevant Screen Page**”), which for the avoidance of doubt may be negative from time to time.

If the relevant screen page is not available or if the relevant rate is not displayed, the Reference Rate shall be the equivalent rate as displayed on the corresponding page of another financial information service. If the Reference Rate is no longer displayed in one of these forms, the Calculation Agent is entitled to specify at its reasonable discretion a successor Reference Rate calculated on the basis of the standard market practices applicable at that time as the Reference Rate.

- Note Value : In respect of the Trade Date, the Reference Portfolio Level as of the Trade Date and in respect of any calendar day other than the Performance Fee Calculation Date, the Note Value is calculated as follows:

Note Value = Reference Portfolio Level as of such calendar day (after deduction of Management Fees)

If such calendar day is a Performance Fee Calculation Date,

Note Value [Pre-Deduction] = Reference Portfolio Level as of such Performance Fee Calculation Date (after deduction of Management Fee but before deduction of the Performance Fee in respect of the relevant Performance Fee Calculation Date)

Note Value [Post-Deduction] = Reference Portfolio Level as of such Performance Fee Calculation Date (after deduction of Management Fee and the Performance Fee in respect of the relevant Performance Fee Calculation Date)

Note Value = Note Value [Post-Deduction]

For the avoidance of doubt, from (but excluding) the First Restructuring Date, Note Value is always equal to the Reference Portfolio Level.

Management Fee : In respect of each calendar day, 2% p.a. x Reference Portfolio Level as of that day plus certain expenses commonly associated with establishing, maintaining and rebalancing a portfolio similar to the notional portfolio mirrored by the Reference Portfolio, provided if such day is not a Exchange Business Day, the Reference Portfolio Level as of the immediately preceding Exchange Business Day.

First Restructuring Date : 31 December 2019

Second Restructuring Date : 23 May 2023

Performance Fee Calculation Date : - Prior to (and including) the First Restructuring Date, each monthly anniversary of the [Settlement Date], up to and including the Valuation Date provided if such day is not an Exchange Business Day, the Reference Portfolio Level as of the immediately preceding Exchange Business Day.

- From (but excluding) the First Restructuring Date, each Reference Portfolio Calculation Day.

**Prior to (and including) the First Restructuring Date**

Performance Fee Calculation Date : Each monthly anniversary of the [Settlement Date], up to and including the Valuation Date provided if such day is not an Exchange Business Day, the Reference Portfolio Level as of the immediately preceding Exchange Business Day.

Performance Fees : On each Performance Fee Calculation Date,  
 $20.00\% \times \text{Max} [0, (\text{Note Value [Pre-Deduction]} - \text{High Watermark})]$

High Watermark : In respect of the first Performance Fee Calculation Date, the Note Value on Trade Date and in respect of each subsequent Performance Fee Calculation Date, the Max (Note Value [Post-Deduction], High Watermark as of the preceding Performance Fee Calculation Date).

**The following definition of “Performance Fee” shall apply from (but excluding) the First Restructuring Date to (but excluding) the Second Restructuring Date**

Performance Fee : A fee, as defined below, levied on the positive daily performance of the Reference Portfolio, as calculated by the Calculation Agent.

On any Reference Portfolio Calculation Day, the Performance Fee will be applied as a percentage number to the positive difference, if any, between the Gross Reference Portfolio Level in respect of the current Reference Portfolio Calculation Day, as calculated by the Calculation Agent and as described below, to the High Water Mark Level (“HWM”) on the Reference Portfolio Calculation

Day immediately preceding the current Reference Portfolio Calculation Day, as calculated by the Calculation Agent and as further described below. The product of the Performance Fee and this difference is deducted from the Gross Reference Portfolio Level in respect of the current Reference Portfolio Calculation Day to provide the Reference Portfolio Level in respect of the current Reference Portfolio Calculation Day:

$$RPL_t = GRPL_t - \text{Max} [ PF \times (GRPL_{t-1} - HWM_{t-1}) ; 0 ]$$

Where:

"**PF**": the Performance Fee of 20% plus any notional amount equivalent to any applicable taxes payable by Issuer in connection with the payment of the Performance Fee.

Reference Portfolio Level ("**RPL<sub>t</sub>**"): the Reference Portfolio Level in respect of Reference Portfolio Calculation Day "t";

Gross Reference Portfolio Level ("**GRPL<sub>t</sub>**"): the Gross Reference Portfolio Level on each Reference Portfolio Calculation Day "t" is the Reference Portfolio Level as of the immediately preceding Reference Portfolio Calculation Day "t-1", adjusted for the performance of the Reference Portfolio on Reference Portfolio Calculation Day "t", net of the Management Fee (if applicable) for such Reference Portfolio Calculation Day "t", and before the application or deduction of the Performance Fee for such Reference Portfolio Calculation Day, if any, as described above; and

High Water Mark Level ("**HWM<sub>t</sub>**"): the HWM on the First Restructuring Date shall be 100% of the Reference Portfolio Level as of such day. On each subsequent Reference Portfolio Calculation Day "t", the HWM Level shall be the greater of the HWM Level on the immediately preceding Reference Portfolio Calculation Day "t-1" and the Gross Reference Portfolio Level in respect of the current Reference Portfolio Calculation Day.

**The Note bought in the secondary market will be bought with the current High Water Mark Level and will benefit from this HWM if it is set at a level above the purchase price and thus new investors will only be charged performance fees above the current High Water Mark Level.**

**The following definition of "Performance Fee" shall apply from (and including) the Second Restructuring Date**

Performance Fee : A fee, as defined below, levied on the positive daily performance of the Reference Portfolio, as calculated by the Calculation Agent.

On any Reference Portfolio Calculation Day, the Performance Fee will be applied as a percentage number to the positive difference, if any, between the Gross Reference Portfolio Level in respect of the current Reference Portfolio Calculation Day, as calculated by the Calculation Agent and as described below, to the High Water Mark Level ("**HWM**") on the Reference Portfolio Calculation Day immediately preceding the current Reference Portfolio Calculation Day, as calculated by the Calculation Agent and as further described below. The product of the Performance Fee and this difference is deducted from the Gross Reference Portfolio Level in respect of the current Reference Portfolio Calculation Day to

provide the Reference Portfolio Level in respect of the current Reference Portfolio Calculation Day:

$$RPL_t = GRPL_t - \text{Max} [ PF \times (GRPL_{t-1} - HWM_{t-1}) ; 0 ]$$

Where:

"**PF**": the Performance Fee of 20% plus any notional amount equivalent to any applicable taxes payable by Issuer in connection with the payment of the Performance Fee.

Reference Portfolio Level ("**RPL<sub>t</sub>**"): the Reference Portfolio Level in respect of Reference Portfolio Calculation Day "t";

Gross Reference Portfolio Level ("**GRPL<sub>t</sub>**"): the Gross Reference Portfolio Level on each Reference Portfolio Calculation Day "t" is the Reference Portfolio Level as of the immediately preceding Reference Portfolio Calculation Day "t-1", adjusted for the performance of the Reference Portfolio on Reference Portfolio Calculation Day "t", net of the Management Fee (if applicable) for such Reference Portfolio Calculation Day "t", and before the application or deduction of the Performance Fee for such Reference Portfolio Calculation Day, if any, as described above; and

High Water Mark Level ("**HWM<sub>t</sub>**"): the HWM on the Second Restructuring Date shall be 100% of the Reference Portfolio Level as of such day. On each subsequent Reference Portfolio Calculation Day "t", the HWM Level shall be the greater of the HWM Level on the immediately preceding Reference Portfolio Calculation Day "t-1" and the Gross Reference Portfolio Level in respect of the current Reference Portfolio Calculation Day.

**The Note bought in the secondary market will be bought with the current High Water Mark Level and will benefit from this HWM if it is set at a level above the purchase price and thus new investors will only be charged performance fees above the current High Water Mark Level.**

Reference Portfolio Calculation Day

Any weekday

Reference Portfolio Component Selection Criteria

The Reference Portfolio Components are selected in accordance with the following guidelines:

- A selection of stocks in the Asian region or multinational companies having strong operational presence and revenue share in Asia.
- Reference Portfolio Components are drawn from the equity universe in but not limited to: Malaysia, Thailand, South Korea, Philippines, Indonesia, China, Vietnam,

The Calculation Agent has the right to reject any Reference Portfolio Component from forming part of the Reference Portfolio and any change in weighting of any Reference Portfolio Component. The Reference Portfolio Components in the Reference Portfolio are subject to Rebalancing.

These Reference Portfolio Component Selection Criteria may be amended by mutual agreement in writing between the Calculation Agent and the Reference Portfolio Advisor.

Reference Portfolio Component

Details regarding the Reference Portfolio Components as of the Trade Date are as follows:

| <b>Bloomberg Code</b> | <b>Reference Portfolio Component Issuer (i = 1 to 20)</b> | <b>No. of Reference Portfolio Components</b> | <b>Execution Price in USD (Pi)</b> | <b>Portfolio Weight (i)</b> | <b>FX Rate</b> |
|-----------------------|---|--|------------------------------------|-----------------------------|----------------|
| 2020 HK Equity        | Anta Sports Products Ltd                                  | 205.15                                       | 1.535                              | 3.15%                       | 7.752          |
| BIDU US Equity        | Baidu INC   | 2.44   | 154.759                            | 3.78%                       | 1              |
| 1169 HK Equity        | Haier Electronics Group CO                                | 158.84                                       | 2.378                              | 3.78%                       | 7.752          |
| 168 HK Equity         | Tsingtao Brewery CO LTD                                   | 40.82  | 7.713                              | 3.15%                       | 7.752          |
| UNVR IJ Equity        | Unilever Indonesia TBK PT                                 | 93.02  | 2.708                              | 2.52%                       | 11400          |
| ICBP IJ Equity        | Indofood CBP SUKES MAKMUR T                               | 207.14                                       | 0.912                              | 1.89%                       | 11400          |
| MR US Equity          | Mindray Medical INTL LTD-ADR                              | 8.23   | 30.59                              | 2.52%                       | 1              |
| MAHB MK Equity        | Malaysia Airport Holdings BHD                             | 105.21                                       | 2.394                              | 2.52%                       | 3.211          |
| NESZ MK Equity        | Nestle Malaysia BHD                                       | 11.86  | 21.241                             | 2.52%                       | 3.211          |
| LMC MK Equity         | Lafarge Malaysia BHD                                      | 86.90  | 2.898                              | 2.52%                       | 3.211          |
| AIRA MK Equity        | AirAsia BHD   | 608.79                                       | 0.724                              | 4.41%                       | 3.211          |
| URC PM Equity         | Universal Robina Corp                                     | 106.05                                       | 3.562                              | 3.78%                       | 43.59          |
| 005930 KS Equity      | Samsung Electronics CO LTD                                | 0.27   | 1411.116                           | 3.78%                       | 1021.8         |
| CENTEL TB Equity      | Centel Plaza Hotel PCL                                    | 330.61                                       | 0.952                              | 3.15%                       | 32.44          |
| VGI TB Equity         | VGI Global Media PCL                                      | 886.28                                       | 0.355                              | 3.15%                       | 32.44          |
| SPF TB Equity         | Samui Airport Property Fund Leasehold                     | 243.95                                       | 0.516                              | 1.26%                       | 32.44          |

|                 |                            |          |        |        |       |
|-----------------|----------------------------|----------|--------|--------|-------|
| MAJOR TB Equity | Major Cineplex Group PCL   | 455.79   | 0.553  | 2.52%  | 32.44 |
| AOT TB Equity   | Airports of Thailand PCL   | 52.13    | 6.039  | 3.15%  | 32.44 |
| AAV TB Equity   | Asia Aviation PCL          | 1,582.89 | 0.119  | 1.89%  | 32.44 |
| VNM US Equity   | Market Vectors Vietnam ETF | 19.21    | 19.668 | 3.78%  | 1     |
| EWT US Equity   | iShares MSCI Taiwan ETF    | 25.38    | 14.887 | 3.78%  | 1     |
| Cash            |                            | 3703.7   | 1      | 37.04% | 1     |

Reference Portfolio Advisor : Lyra Capital Pte Ltd. The Reference Portfolio Advisor assumes responsibility for the creation, management, maintenance and rebalancing of the Reference Portfolio.

The performance of the Notes is largely dependent on the skill and decisions made by the Reference Portfolio Advisor. Decisions made by the Reference Portfolio Advisor may not always be profitable and therefore may have a material adverse impact on the value of the Notes. Moreover, past performance of other products managed by the Reference Portfolio Advisor does not guarantee future positive performance of the Notes.

The Issuer does not guarantee the quality, experience, track record or performance of the Reference Portfolio Advisor. The Issuer is not in any manner responsible or liable for any loss resulting from the performance of the Reference Portfolio Advisor. The Issuer does not imply its endorsement or recommendation of the Reference Portfolio Advisor and the Notes.

One or more key individuals employed by the Reference Portfolio Advisor play a key role in the delivery of services provided by the Reference Portfolio Advisor, and accordingly the unexpected departure or absence of such individual(s) may materially affect the Reference Portfolio Advisor's ability to deliver such services, including in respect of the services it provides in connection with the Notes.

Number of Reference Portfolio Components referenced by each Reference Portfolio : Such number of Reference Portfolio Components in respect of each Reference Portfolio Component in one Reference Portfolio as determined by the Calculation Agent (the “**Number of Reference Portfolio Components**”) after the completion of the Applicable Hedge position in respect of the relevant Reference Portfolio Components in the Reference Portfolio. The Number of Reference Portfolio Components may be adjusted by the Calculation Agent from time to time pursuant to the Rebalancing provisions. Such Number of Reference Portfolio Components referenced by one Reference Portfolio is subject to adjustment pursuant to deduction of Management Fee and the Performance Fee.

Number of Reference Portfolio referenced by each Note : 1

|  |   |  |
|--|---|--|
| Reference Portfolio Component Issuer       | : | In respect of a Reference Portfolio Component, the issuer of such Reference Portfolio Component.   |
| Exchange(s)                                | : | For each Reference Portfolio Component, means the primary share exchange on which the relevant Reference Portfolio Component is listed or publicly quoted.   |
| Dividends                                  |   | <p>In respect of each Reference Portfolio Component, an amount in USD equal to the value (as determined by the Calculation Agent) of all dividend or other distribution (other than those in respect of which adjustment is made under "Adjustments" and provided that if the distribution is non-cash payment, such distribution will only be made if distribution is in a form that can be realized in the market) paid or made by the issuer of the relevant Reference Portfolio Component, where the ex-date of such dividend or distribution falls within the period from and excluding the Trade Date to and including the Valuation Date (where such Reference Portfolio Component forms part of the Reference Portfolio at the relevant ex-date) net of any Costs, to a holder of the relevant Reference Portfolio Component on the relevant dividend or entitlement record date.</p> <p>Dividends shall be kept notionally in the Reference Portfolio Component Currency until a Rebalancing Date and the Reference Portfolio Advisor may reinvest the Dividend into any Reference Portfolio Component and if any of such Dividend is required to be converted into another Reference Portfolio Component Currency or the Settlement Currency, such conversion shall take place on or about the Rebalancing Date.</p> |
| Costs                                      | : | All payments by the Issuer in respect of the Notes will be made subject to any commissions, costs, expenses, duties, taxes (including but not limited to any capital gains tax or withholding tax but excluding the benefit of any tax treaty applicable to the Issuer), levies, registration fees, custodial fees or other charges which may be required to be made, paid, withheld or deducted by the Issuer and/or any of its affiliates or nominees or any notional investor as a result of, or in connection with, the Issuer and/or any of its affiliates or nominees (a) being the direct holder of the Reference Portfolio Component and/or selling and/or realising the Reference Portfolio Component or (b) entering into and/or unwinding any Applicable Hedge positions.   |
| Listing                                    | : | Not applicable.  |
| Exchange Business Day                      | : | In respect of a Reference Portfolio Component, means a day (1) which is a trading day on the relevant Exchange (or if more than one, one or more of the Exchanges) other than a day on which trading on the relevant Exchange (or if more than one, all of the Exchanges) (if open at all for trading) is scheduled to close prior to its regular weekday closing time and (2) on which the Reference Portfolio Component Currency / USD exchange markets are open for business in the Reference Portfolio Component Jurisdiction.   |
| Reference Portfolio Component Jurisdiction | : | In respect of a Reference Portfolio Component, the jurisdiction of the primary listing of such Reference Portfolio Component.  |
| Reference Portfolio Component Currency     | : | In respect of a Reference Portfolio Component, the currency (legal tender) of the corresponding Reference Portfolio Component Jurisdiction.  |



- Currency Business Day : A day on which commercial banks are open in New York (including dealings in foreign exchange and foreign currency deposits) and the Clearing Systems are open for business.
- Reference Portfolio Level : In respect of an Exchange Business Day *m*, the sum of Value of Reference Portfolio Component *m* in respect of each Reference Portfolio Component comprising in one Reference Portfolio as of such Exchange Business Day *m* and the value of any cash within the Reference Portfolio

Where:

“Value of Reference Portfolio Component *m*” means in respect of a Reference Portfolio Component, the Closing Price of the Reference Portfolio Component multiplied by the Number of Reference Portfolio Components referenced by each Reference Portfolio in respect of such Reference Portfolio Component on such Exchange Business Day *m* converted into USD at the prevailing exchange rate, as determined by the Calculation Agent provided that:

- i) for the purposes of determining the Redemption Amount/Early Redemption Amount/Secondary Repurchase Amount, “Value of Reference Portfolio Component *m*” means in respect of a Reference Portfolio Component, the weighted average of the executed prices in unwinding the Applicable Hedge positions corresponding to such Number of Reference Portfolio Components in respect of such Reference Portfolio Component on or about the Valuation Date or the Early Redemption Valuation Date or the Secondary Repurchase Date (as applicable) less any applicable commission, tax or Costs converted into USD at the prevailing exchange rate, as determined by the Calculation Agent;
- ii) for the purposes of determining the Secondary Sale Amount, “Value of Reference Portfolio Component *m*” means in respect of a Reference Portfolio Component, the weighted average of the executed prices in establishing the Applicable Hedge positions corresponding to such Number of Reference Portfolio Components in respect of such Reference Portfolio Component on or about the Secondary Sale Date plus any applicable commission, tax or Costs converted into USD at the prevailing exchange rate, as determined by the Calculation Agent;

- Closing Price : In respect of a Reference Portfolio Component and an Exchange Business Day, the official closing price of such Reference Portfolio Component as published by the relevant Exchange for that day, subject to the provisions under "Effects of Disruption Events", or if such price is not published for whatever reason other than as a result of the occurrence of Disruption Events, the value of such Reference Portfolio Component as of the actual closing time of the relevant Exchange on that Exchange Business Day in the good faith estimation of the Calculation Agent.

- Redemption Amount / Early Redemption Amount : Note Value as of the Valuation Date or the Early Redemption Valuation Date  $\times$  (1 - 0.20%)

- Applicable Hedge positions : means, at any time, Hedge positions that the Calculation Agent determines that the Issuer, acting in a commercially reasonable manner, would consider necessary to hedge through the Hedge positions the equity price risk and other risks (including but not limited to dividend risk, currency risk and market risk) of entering into and performing its obligations with respect to the Notes at that time.
- Hedge positions : means any actual or notional purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) in order to hedge individually or on a portfolio basis, the Notes.
- Early Redemption by Issuer : Subject to paragraph (1) of the provisions under “Adjustment”, the Issuer may terminate the Notes on any Exchange Business Day (an "**Early Redemption Valuation Date**") and redeem all but not some of the Notes by giving no less than 45 Currency Business Days prior notice in accordance with the terms and conditions of the Notes by the payment of the Early Redemption Amount on the relevant Early Redemption Date, in which case the Early Redemption Valuation Date shall be deemed to be the Valuation Date.
- Redemption at Maturity : Subject to Early Redemption by the Issuer or purchase and cancellation, the Notes will be redeemed at the Redemption Amount on the Maturity Date.
- Settlement : Cash Settlement
- Settlement Currency : USD
- Maturity Date / Early Redemption Date : 5 Currency Business Days (excluding any Exchange Business Day on which there is a Disruption Event unless the Issuer agrees otherwise) after the last occurring (i) Valuation Date; or (ii) in the case of Early Redemption by the Issuer, Early Redemption Valuation Date, as the case may be, subject to the provisions under “Effects of Disruption Events” and “Limited Recourse Provisions”.
- Rebalancing : Rebalancing means any change in the Reference Portfolio Components by the Reference Portfolio Advisor after the Settlement Date (including changing the weighting of any Reference Portfolio Component, or adding or removing a Reference Portfolio Component from the Reference Portfolio). A rebalancing may occur at the discretion of the Reference Portfolio Advisor on a date determined by the Calculation Agent (a “**Rebalancing Date**”), provided that no Disruption Event is occurring with respect to Reference Portfolio Component subject to such Rebalancing.

The Calculation Agent has the right to reject shares that form part of a Rebalancing.

A transaction fee of 0.20% applies to the total notional amount of Reference Portfolio Components subject to such Rebalancing which will result in a reduction of the Reference Portfolio Level after rebalancing and the Number of Reference Portfolio Component for certain Reference Portfolio Component. Such percentage may be adjusted by the Issuer from time to time.

Adjustments : (1) If the Calculation Agent determines that the Reference Portfolio is definitively not maintained, calculated and published by the Reference Portfolio Advisor anymore, then the Issuer may, by giving not less than 5 days prior notice, elect to early redeem the Notes by setting a date to be an Early Redemption Valuation Date and the Notes shall be redeemed by the payment of the Early Redemption Amount on the relevant Early Redemption Date.

(2) If the Reference Portfolio Advisor determines in its absolute discretion that an event has occurred which has a diluting, concentrative or any other effect on a Reference Portfolio Component, then following each such event, the Calculation Agent shall determine, in its absolute discretion the corresponding adjustments to the terms and conditions of the Notes (including adjusting the Reference Portfolio Level, Redemption Amount, Early Redemption Amount, or Number of Reference Portfolio Components), which is appropriate to account for the diluting, concentrative or other effect of the relevant event and the Issuer shall effect such adjustments (if any) as of a date determined by it provided that if the Calculation Agent determines that a Reference Portfolio Component in the Reference Portfolio in relation to the occurrence of any of the above events should be replaced by another Eligible Share, the Calculation Agent shall, give notice to the Reference Portfolio Advisor and the Reference Portfolio Advisor shall select a suitable replacement Reference Portfolio Component for the affected Reference Portfolio Component, which shall satisfy the Reference Portfolio Component Selection Criteria.

Following selection of the replacement Reference Portfolio Component by the Reference Portfolio Advisor, the Calculation Agent may adjust the terms and conditions of the Notes as appropriate to account for the Reference Portfolio Component replacement, including the cost to the Issuer of making the Reference Portfolio Component replacement and adjusting any positions hedging the Notes.

(3) The adjustments and determinations of the Issuer and the Calculation Agent at their reasonable discretion shall be conclusive and binding, except where there is a manifest error.

(4) Any effected adjustment and determination described above shall be notified by the Issuer to the Holders in accordance with the terms of the Notes.

(5) The Issuer's right to early redemption remains unaffected.

Limited Recourse Provisions : The parties acknowledge and agree that to the extent the Issuer (or its affiliates or nominees) enter into securities, futures or derivatives transaction(s) ("Hedge Transactions") with any party in any jurisdiction, including, without limitation, an entity affiliated, related to or controlled by the Issuer or any entity through which the Issuer or its affiliates or nominees purchase and/or hold interests in Reference Portfolio Components or other relevant securities or contracts ("Hedge Counterparty") to hedge the Issuer's position under the Notes and the Hedge Counterparty for such transactions fails or delays for any reason (including a default by the local exchange or clearinghouse, a change in laws, rules or regulations applicable to the holding of the Reference Portfolio Components or Notes, or a failure by the underlying issuer to pay or deliver any dividend, distribution of any kind or other properties receivable pursuant to corporate actions on the Reference Portfolio Components) to make any payment

or delivery with respect to a Hedge Transaction, then the Issuer's obligation to pay any amounts due hereunder shall be reduced and/or delayed accordingly.

- Redemption Disruption Event : (A) Any event, as determined by the Calculation Agent in its sole discretion, that occurs at any time and from time to time:
- a. which has the effect of preventing the entering into, maintenance or the unwind of Hedge Transactions, or
  - b. result in the Hedge Counterparty incurring a materially increased cost, tax, expenses or fees in performing its obligations under the Hedge Transaction;
- including but not limited to any change in laws or regulations or any actions by taxing authority or any material (as determined by the Calculation Agent) disruption in trading or settlement of any Reference Portfolio Component or any options or futures contract relating to any Reference Portfolio Component.
- (B) The delisting of any Reference Portfolio Component from the relevant Exchange or any announcement of intention or decision to delist.
- (C) All the shares or all or substantially all the assets of a Reference Portfolio Component Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.
- FX Disruption Event : (A) As determined by the Calculation Agent in its sole discretion, the occurrence and/or existence of an event on any day with respect to Reference Portfolio Component Currency that has the effect of preventing or delaying the Issuer or any of its affiliates or nominees or the Hedge Counterparty directly or indirectly from:
- (i) converting Reference Portfolio Component Currency into USD through customary legal channels,
  - (ii) converting Reference Portfolio Component Currency into the USD at a rate at least as favorable as the rate for domestic institutions located in the relevant Reference Portfolio Component Jurisdiction,
  - (iii) delivering the USD from accounts inside a Reference Portfolio Component Jurisdiction to accounts outside the relevant Reference Portfolio Component Jurisdiction,
  - (iv) delivering Reference Portfolio Component Currency between accounts inside the relevant Reference Portfolio Component Jurisdiction or to a party that is a non-resident of such Reference Portfolio Component Jurisdiction, or
  - (v) effectively realizing the value of its underlying hedge in USD at any time,
- OR
- (B) the government of a Reference Portfolio Component Jurisdiction gives public notice of its intention to impose any capital controls which the Calculation Agent determines in good faith are likely to materially affect the Issuer's ability to hedge its position under the Notes or to unwind such hedge.
- Effects of Disruption Events : Upon the occurrence of either a FX Disruption Event or a Redemption Disruption Event in respect of a Reference Portfolio Component (each a "Disruption Event"), as determined in the sole discretion of the Calculation Agent, the Issuer in its sole discretion shall either (i) unilaterally accelerate the Valuation Date in respect of the relevant Reference Portfolio Component or all Reference Portfolio Components so that the date of such Disruption Event shall be the newly accelerated Valuation Date in respect of the relevant Reference Portfolio Component or all Reference Portfolio Components (as the case may

be) (where the Calculation Agent considers appropriate and commercially feasible, where the Valuation Date in respect of the relevant Reference Portfolio Component (but not all Reference Portfolio Components) is accelerated, the Calculation Agent shall give notice to the Reference Portfolio Adviser to substitute the relevant Reference Portfolio Component with another Reference Portfolio Component which satisfies the Reference Portfolio Component Selection Criteria in a manner to be decided by the Reference Portfolio Adviser); (ii) unilaterally extend the Valuation Date in respect of the relevant Reference Portfolio Component, and/or Maturity Date and/or any relevant Early Redemption Valuation Date in respect of the relevant Reference Portfolio Component and/or Early Redemption Date or Rebalancing Date in respect of the relevant Reference Portfolio Component or Secondary Purchase (Sale) Date in respect of the relevant Reference Portfolio Component or Secondary Purchase (Sale) Settlement Date to a date when such event no longer exists; or (iii) unilaterally extend the Valuation Date in respect of the relevant Reference Portfolio Component, and/or Maturity Date or any relevant Early Redemption Valuation Date in respect of the relevant Reference Portfolio Component or Early Redemption Date or Rebalancing Date in respect of the relevant Reference Portfolio Component or Secondary Purchase (Sale) Date in respect of the relevant Reference Portfolio Component or Secondary Purchase (Sale) Settlement Date to a date when such event is still continuing, and in each case make a determination of a USD amount that will be used as the redemption amount.

#### Secondary Market

UBS AG, London Branch may (but is under no legal obligation to), subject to normal market conditions (as determined by the Calculation Agent) and in market standard denominations, make a secondary market until the Valuation Date. A Holder request for any such secondary market making must be notified to UBS AG, Singapore Branch by 6:00pm Singapore time on any Singapore Business Day (the following calendar day being, in the case of a sale by the Issuer to a prospective Holder, the “Secondary Sale Date” and in the case of repurchase by the Issuer from a Holder, the “Secondary Repurchase Date”, provided that in respect of a Reference Portfolio Component, if it is not an Exchange Business Day in respect of such Reference Portfolio Component, the next Exchange Business Day), submitting the number of Notes for sale/repurchase, provided that such amount of Notes shall not be less than the Minimum Trading Size.

#### **Repurchase by the Issuer**

The Calculation Agent will determine the amount at which the Notes are to be repurchased by the Issuer, i.e., the “Secondary Repurchase Amount” per Note in accordance with the following formula:

Note Value as of the Secondary Repurchase Date x (1 – 0.20%).

The Issuer will repurchase the Notes by paying the Secondary Repurchase Amount to a Holder on the 5<sup>th</sup> Currency Business Day (excluding any Exchange Business Day on which there is a Disruption Event unless the Issuer agrees otherwise) after the last occurring Secondary Repurchase Date (the “Secondary Repurchase Settlement Date”), subject to the provisions under “Effects of Disruption Events” and “Limited Recourse Provisions”.

#### **Further sale by the Issuer**

The Calculation Agent will determine the amount at which the Notes are to be sold on the secondary market by the Issuer, i.e., the “Secondary Sale Amount” per Note in accordance with the following formula:

Note Value as of the Secondary Repurchase Date x (1 + 0.20%)

The Issuer will sell the Notes to the investor upon payment of the Secondary Sale Amount by the investor on the 5<sup>th</sup> Currency Business Day (excluding any Exchange Business Day on which there is a Disruption Event unless the Issuer agrees otherwise) after the last occurring Secondary Sale Date (the “Secondary Repurchase Settlement Date”), subject to the provisions under “Effects of Disruption Events” and “Limited Recourse Provisions” (the “Secondary Sale Settlement Date”).

|                                  |  |
|----------------------------------|--|
| Notice                           | All notices, requests, instructions or other documents to be given pursuant to the terms of the Notes will be deemed to have been properly delivered if sent by email to the email addresses as separately notified.   |
| Voting rights                    | None   |
| Further Issues                   | : The Issuer may, from time to time without the consent of the Holders, issue further notes having the same terms and conditions as the Notes so as to form a single series and be fungible with the Notes.  |
| Clearing Systems                 | : Euroclear and Clearstream  |
| Security No.                     | : ISIN: CH0244016561   |
| Redemption for taxation reasons: | If the Issuer is required to pay any additional amounts in respect of taxes, then the Issuer may set a date for the early redemption of the Notes (the "Tax Redemption Settlement Date") and upon the Issuer giving not less than 30 days' notice to the Holders of the early redemption, the Notes may be redeemed by delivering on the Tax Redemption Settlement Date a USD amount equal to the value in USD of a Note as at the Tax Redemption Date as determined by the Calculation Agent in its absolute discretion based on, inter alia, the fair market value of the Reference Portfolio on or about the Tax Redemption Date. The date by reference to which such cash amount deliverable upon an early redemption of the Notes in accordance with this provision (the “Tax Redemption Date”) shall be specified in the notice. |
| Sales Restrictions               | : No action has been or will be taken by the Issuer that would permit a public offering of the Notes or possession or distribution of any offering material in relation to the Notes in any jurisdiction where action for that purpose is required. No offer, sale or delivery of the Notes, or distribution or publication of any offering material relating to the Notes, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer. Restrictions in relation to offers, sales and resales of the Notes are set out in detail in the Global Security.   |

#### **Note 1- USA Selling Restrictions**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended ("Securities Act") and may not be offered or

sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. The tax treatment of the Notes is uncertain. Therefore, if you are a US taxpayer that is not a US person (as defined under Regulation S under the U.S. Securities Act) you are urged to consult with your own tax advisors to determine the appropriate characterization of this Note for US federal income tax purposes. Please contact UBS for any additional information that you may require in making your determination.

**Note 2 – Hong Kong Selling Restrictions**

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

**Note 3 - Singapore Selling Restrictions**

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore as modified and/or amended from time to time (the "SFA")),) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA pursuant to Section 275(1,) of the SFA, or any person pursuant to Section 275(1A,) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six

months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Pursuant to section 309B(1)(c) of the SFA, the Issuer hereby notifies the relevant persons (as defined in the SFA) that the Notes are classified as “capital markets products other than prescribed capital markets products” (as defined in the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018) and “Specified Investment Products” (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

#### **Note 4 - Switzerland Selling Restrictions**

The Notes may not be distributed to non-qualified investors in Switzerland.

#### **Note 5 - EEA and UK Selling Restrictions.**

##### **EEA**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended “**MiFID II**”); (ii) a customer within the meaning of Directive 2016/97/EU (the “**EU Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**EU Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**EU PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

##### **UK**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive



(EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

|                        |   |   |
|------------------------|---|---|
| Governing Law          | : | English law   |
| Calculation Agent      | : | UBS AG, London Branch   |
| Disclosure Requirement | : | Details of the Notes (including the identity of the Holders) may, (1) upon request or order by any competent authority, regulatory or enforcement organisation, governmental or otherwise, including the stock exchange on which the underlying shares are listed, (2) as required by applicable law, rules, regulations, codes or guidelines (whether having the force of law or otherwise), be disclosed in accordance with such request, order, law, rules, regulations, codes or guidelines (whether such disclosure is to be made to third parties or otherwise). By purchasing the Notes, the Holder agrees to such disclosure and releases UBS AG and its subsidiaries and affiliates from any duty of confidentiality owed to it in relation to such information. |

---

#### **DISCLAIMER**

This information is communicated by UBS AG and/or its affiliates ("UBS"). UBS may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities, currencies, financial instruments or other assets underlying the transaction to which the termsheet relates. UBS may provide investment banking and other services to and/or have officers who serve as directors of the companies referred to in this term sheet. UBS's trading and/or hedging activities related to this transaction may have an impact on the price of the underlying asset and may affect the likelihood that any relevant barrier is crossed. UBS has policies and procedures designed to minimise the risk that officers and employees are influenced by any conflicting interest or duty and that confidential information is improperly disclosed or made available.

In certain circumstances UBS sells these notes to dealers and other financial institutions at a discount to the issue price or rebates to them for their own account some proportion of the issue price. Further information is available on request.

Structured transactions are complex and may involve a high risk of loss. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction) based upon your own judgement and advice from those advisers you consider necessary. Save as otherwise expressly agreed in writing, UBS is not acting as your financial adviser or fiduciary in any transaction.

This document is for information purposes only and should not be construed as an offer, personal recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice.

The terms of any investment will be exclusively subject to the detailed provisions, contained in the global security relating to the Notes (the "Global Security").

UBS makes no representation or warranty relating to any information herein which is derived from independent sources. This term sheet shall not be copied or reproduced without UBS's prior written permission.

No action has been or will be taken in any jurisdiction that would permit a public offering of the securities described herein, save where explicitly stated in the Global Security. The securities must be sold in accordance with all applicable selling restrictions in the jurisdictions in which they are sold.