

Equity Insulator 105 Instalments

Series of UBS Rolling Self Funding Instalments

Supplementary Product Disclosure Statement dated 3 June 2014 ("SPDS")

Issued by UBS AG, Australia Branch

(ABN 47 088 129 613, AFSL 231087)

Arranger: Mason Stevens Limited

(ABN 91 141 447 207, AFSL 351578)



This SPDS supplements the Product Disclosure Statement for UBS Rolling Self Funding Instalments dated 2 February 2009 (“PDS”) and, along with the PDS and the supplementary product disclosure statements mentioned below, sets out the terms of issue of the UBS Rolling Self Funding Instalments referred to in this SPDS. You should read this SPDS together with the PDS and the supplementary product disclosure statements for UBS Rolling Self Funding Instalments dated 21 April 2013, 6 December 2011 and 15 February 2011 before making an investment in Equity Insulator 105 Instalments. Words defined in the PDS have the same meaning in this SPDS.

This SPDS relates to the offer of the Series of UBS Rolling SFIs specified below, which are referred to as “Equity Insulator 105 Instalments”.

Equity Insulator 105 Instalments

The gearing level of a UBS Rolling SFI is the ratio of the Loan Amount to the market price of the Underlying Parcel. The Equity Insulator 105 Instalments offered under this SPDS are UBS Rolling SFIs which will be issued with a gearing level of around 88.5% to 93.0% on the Strike Date (the “Initial Gearing Level”), and an expected gearing level at maturity (assuming that all factors remain unchanged and that Dividends on the Underlying Securities are in line with expectations) of around 105% of the Closing Price of the Underlying Parcel on the Strike Date (such price being the “Share Reference Price”). The actual gearing level at maturity will be impacted by the price of the Underlying Parcel at that time, the Interest Amount charged on the Annual Interest Date and the Dividends received on the Underlying Securities, as explained in the PDS.

The Initial Gearing Level for each Series will be determined by UBS in its discretion on or prior to the Strike Date. Once the Initial Gearing Level is determined, the Loan Amount applicable to the Series on the Strike Date will be calculated as the Initial Gearing Level for that Series multiplied by the Share Reference Price. For example, if the Share Reference Price for a Series is \$10 and UBS sets the Initial Gearing Level at 91%, the Loan Amount will be \$9.10. Different Series will most likely have different Initial Gearing Levels and different Loan Amounts.

The Initial First Payment Percentage is the ratio of the First Payment amount to the Share Reference Price on the Strike Date, i.e. $\text{Share Reference Price} \times \text{Initial First Payment Percentage} = \text{First Payment amount}$. The First Payment amount is impacted by various factors as described in the PDS—see “Pricing Considerations” under “Investment Overview” and “Part 4—Fees and Other Costs” for more information. First Payment amounts may also vary from one investor to another depending on whether a Borrow Fee is applicable to their Equity Insulator 105 Instalment application.

The Initial First Payment Percentage for each Series will be determined by UBS in its discretion on or prior to the Strike Date. Different Series will mostly likely have different Initial First Payment Percentages and different First Payment amounts.

Numerical example

The following is an illustrative example only. The actual gearing level, Loan Amount, First Payment, Interest Amount and Interest Rate for any Series may differ materially. The amounts shown are not based on any historical data and are not an indicator of what the actual gearing level, Loan Amount, First Payment, Interest Amount and Interest Rate may be in the future for any Series.

As explained in the PDS, the First Payment for a UBS Rolling SFI is calculated as follows:

$\text{First Payment} = \text{Price of Underlying Security} - \text{Loan Amount} + \text{Interest Amount} + \text{Borrow Fee}$

Assume:

- the Share Reference Price on the Strike Date is \$10;
- the Initial Gearing Level determined by UBS on the Strike Date is 91%;
- Borrow Fee is not applicable; and
- the Initial First Payment Percentage determined by UBS on the Strike Date is 9.45%.

This means that:

- the Loan Amount on the Strike Date is $\$10 \times 91\% = \9.10 ; and
- the First Payment on the Strike Date is $\$10 \times 9.45\% = \0.945 .

If a Borrow Fee of 2.2% of the Loan Amount is applicable then the Borrow Fee will be $(\$9.1 \times 2.2\%) = \0.2002 , and the First Payment Amount will therefore be $\$0.945 + \$0.2002 = \$1.1452$.

The Interest Amount prepaid from the Strike Date to the Annual Interest Date is calculated as:

First Payment + Loan Amount—Share Reference Price

so, assuming Borrow Fee is not applicable and the first period is 10 days:

Interest Amount = $\$0.945 + \$9.1 - \$10 = \0.045

which means Interest Rate = $\$0.045 \div \$9.10 \div 10/365 = 18.05\%$ p.a.

Based on pricing parameters applicable as at the date of this SPDS, UBS has calculated the indicative Initial Gearing Levels which would result in the relevant Series having indicative Initial First Payment Percentages as set out in Table 1 below. UBS took into account a number of factors when calculating the indicative Initial Gearing Levels and indicative Initial First Payment Percentages and those factors may change between the date of this SPDS and the Strike Date. If that occurs, the actual Initial Gearing Level and Initial First Payment Percentage for a Series may be different to the indicative amounts shown in Table 1. Table 1 also sets out the "Maximum Initial Gearing Level" and "Maximum Initial First Payment Percentage" for each Series of Equity Insulator 105 Instalments. If UBS determines that the Initial Gearing Level and/or Initial First Payment Percentage for a Series is/are greater than the Maximum Initial Gearing Level or Maximum Initial First Payment Percentage respectively then UBS will not proceed with the issuance of that Series. In those circumstances, all Applications for the relevant Series will be rejected and application amounts will be returned without interest.

The key factors that will affect UBS' determination of the Initial Gearing Level and Initial First Payment Percentage for a Series and the impact they are expected to have are as follows (assuming the other factors remain constant):

- Assuming the Initial Gearing Level is to remain unchanged:

Factor	Change in Factor between SPDS date and Issue Date	Impact on Initial First Payment Percentage
Underlying Security price volatility	↑	↑
Expected Dividends for Underlying Security	↑	↓
UBS funding rate (the rate at which UBS can borrow money)	↑	↑

- Assuming the Initial First Payment Percentage is to remain unchanged:

Factor	Change in Factor between SPDS date and Issue Date	Impact on Initial Gearing Level
Underlying Security price volatility	↑	↑
Expected Dividends for Underlying Security	↑	↓
UBS funding rate (the rate at which UBS can borrow money)	↑	↑

After the Strike Date, UBS will issue a supplementary product disclosure statement to confirm the Initial Gearing Level, Loan Amount and Initial First Payment Percentage for each Series as at the Strike Date. Thereafter, the Loan Amount and First Payment for each Series will vary over time as described in the PDS.

Risk of high gearing level

Each Series of Equity Insulator Instalments will be highly leveraged/geared (at least on the Strike Date). A high gearing level means that for the same dollar investment, Holders have greater exposure to decreases in the price of the Underlying Security (as they do for increases). This means that there are increased risks associated with highly leveraged UBS Rolling SFIs.

Equity Insulator 105 Instalments

Issuer	UBS AG, Australia Branch
Offer Period Opens:	3 June 2014
Strike Date and first Issue Date:	11 June 2014
Expected Quotation Date on the ASX:	12 June 2014
Final Maturity Date:	17 June 2015, if the UBS Rolling SFIs are rolled on the Annual Interest Date and no other Early Maturity Date has been called.
Annual Interest Date:	18 June 2014
Initial Issue Size:	10,000,000 warrants per Series
Arranger Fee:	<p>Masons Stevens Limited is acting as an arranger and distributor to the issue, and will promote the Equity Insulator 105 Instalments to various licensed financial advisers. Masons Stevens will not provide financial advice to retail clients (as defined in the Corporations Act 2001 (Cth)) in relation to this issue. Retail clients should contact their own financial adviser in relation to this issue.</p> <p>UBS will pay Mason Stevens (if permitted by law) a fee of up to 1.1% per annum (incl. GST) of 105% of the Share Reference Price on the Strike Date per Equity Insulator 105 Instalment. This fee is paid at UBS' discretion out of UBS' own funds and is payable only if the payment or receipt of the fee is not prohibited by law.</p>
Maximum Borrow Fee: <i>(applicable only to wholesale clients)</i>	<p>The Borrow Fee is only applicable to wholesale clients (as defined in the Corporations Act 2001 (Cth)).</p> <p>The maximum Borrow Fee for each Series of Equity Insulator 105 Instalments is an amount up to 2.2% (incl. GST) of the Loan Amount and is payable by you when you acquire Equity Insulator 105 Instalments (other than on the secondary market).</p> <p>The amount of the Borrow Fee will equal the amount of any commission you agree with your adviser. UBS will pay the amount of the Borrow Fee as a commission to the Australian Financial Services Licensee ("Adviser Group") for whom your adviser acts as a representative who may then pay a portion of this amount to your adviser. Payments will only be made once UBS is satisfied you qualify as a wholesale client as defined in the Corporations Act 2001 (Cth) and provided that payment or receipt of the Borrow Fee and commission is not prohibited by law.</p> <p>Please see Part 4 of the PDS for further details, or contact either UBS or your broker or adviser.</p> <p>This supplementary PDS also amends the supplementary PDS dated 6 December 2011, that amends the PDS, by replacing the first sentence in part 4.3.2 "Borrow Fee" under 'Part 4: Fees and other costs', with the following "The Borrow Fee is the up-front fee, if any, charged by UBS for the Loan and will only be charged if you are a wholesale client as that term is defined in the Corporations Act".</p>

<p>Adviser Group Fee (applicable to all clients)</p>	<p>The Adviser Group Fee may apply to any applicant. However, if you are a wholesale client and have paid a Borrow Fee, the Advisor Group Fee will not apply.</p> <p>This supplementary PDS also amends the supplementary PDS dated 6 December 2011, that amends the PDS by inserting the following sentence at the end of part 4.3.3 "Adviser remuneration" under 'Part 4: Fees and other costs', "Please also see part 4.3.8 on the "Adviser Group Fee" that may be payable to the Adviser Group and your adviser."</p> <p>This supplementary PDS also amends the PDS by inserting a new part 4.3.8 under 'Part 4: Fees and other costs' as follows:</p> <p>4.3.8 Adviser Group Fee</p> <p>Where permitted by law and where specifically authorised by you in your Application Form, UBS may collect from you an amount in respect of the Adviser Group Fee, being the fixed dollar fee selected in your Application Form, and pay it to the Adviser Group for whom your adviser acts as a representative (as specified in your Application Form) on your behalf. Where authorised by you, the Adviser Group may then hold the amount in respect of the Adviser Group Fee on trust and pay to your adviser all or such part of that amount as disclosed to you by your adviser in the statement of advice or financial services guide relevant to the financial services they provide to you in respect of the Equity Insulator 105 Instalments or as otherwise disclosed to you by your adviser.</p> <p>If you authorise the payment of the Adviser Group Fee in your Application Form, it will be collected from you by UBS in addition to your First Payment Amount. The Adviser Group Fee is not payable when you buy Equity Insulator 105 Instalments on the secondary market, e.g. on the ASX.</p> <p>The maximum Adviser Group Fee that can be authorised by you is \$7,500 (incl. GST). For example, if you agree to pay an Adviser Group Fee of \$7,500 and your First Payment Amount is \$30,000, UBS will collect from you \$37,500 and will then pay will pay \$7,500 of the amount it collects to the Adviser Group. The remaining amount constitutes your First Payment Amount (i.e. \$30,000) which will be used to purchase your Equity Insulator 105 Instalments.</p>
<p>Update to Taxation Summary</p>	<p>The following information supplements Part 5 of the PDS 'Taxation Summary':</p> <p><i>On the basis that the Adviser Group Fee is payable by the investor in connection with entering into their Equity Insulator 105 Instalments, that Adviser Group Fee would not generally be immediately deductible but should be eligible for inclusion in the investor's cost base and reduced cost base in the Underlying Securities.</i></p> <p><i>However, where the Adviser Group Fee is payable by the investor in connection with managing their existing investments, that Adviser Group Fee may be immediately deductible. Affected investors (such as Rollover Applicants) should seek their own specific advice in this regard.</i></p>

Other Fees	In certain circumstances other fees or costs may be payable to UBS such as costs arising as a result of UBS enforcing its Security Interest over UBS Rolling SFIs. Please refer to Part 4 of the PDS and the supplementary product disclosure statements dated 15 February 2011 and 6 December 2011 for further details. In addition to the costs outlined in Part 4 of the PDS, if you hold UBS Rolling SFIs at 6.00pm on the Final Maturity Date and have not given a valid Completion Notice, or rolled your UBS Rolling SFIs into a new Series, any fees, costs, charges, liabilities, Taxes and expenses incurred by or payable to UBS or the Security Trustee in connection with the transfer of the Underlying Parcel to UBS or at its direction may be deducted from the Assessed Value Payment. UBS may elect not to deduct some or all of these amounts from your Assessed Value Payment amount. As at the date of this PDS, UBS does not intend to deduct any such fees, costs, charges, liabilities, Taxes or expenses incurred in connection with the transfer of Underlying Securities.
Registrar	Computershare Investor Services Pty Limited Level 3, 60 Carrington Street Sydney NSW 2000, Australia Phone: 1300 85 05 05 Website: www.computershare.com.au

Application has been made and approval given for the UBS Rolling SFIs offered under the PDS and this Supplementary PDS to be admitted to trading status on the ASX.

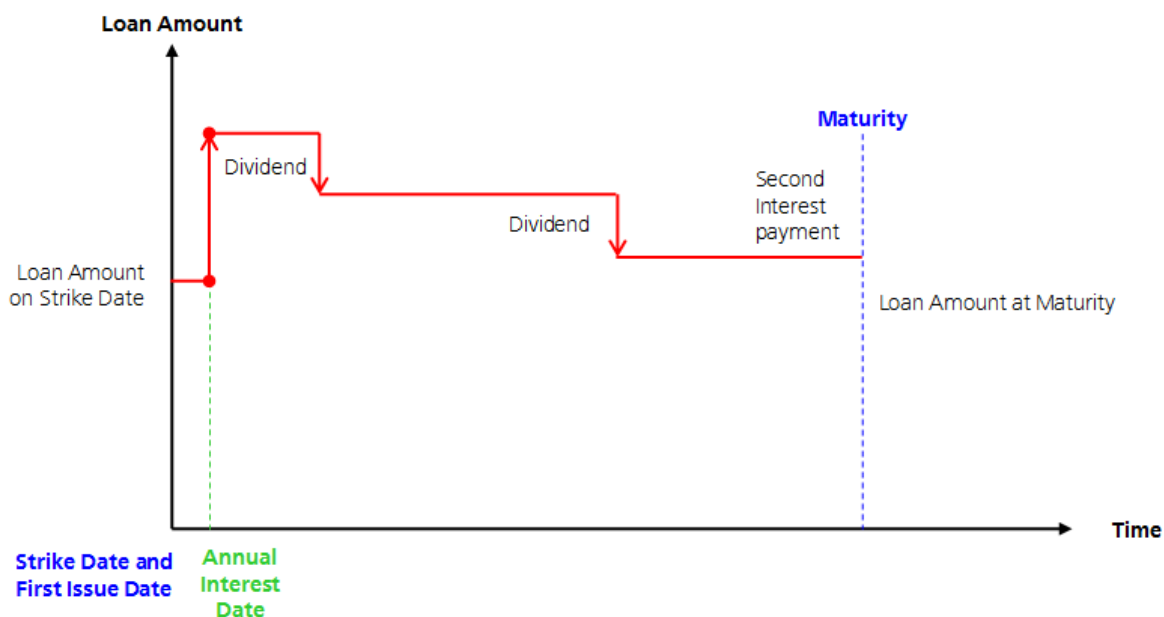
UBS reserves the right to increase or decrease the issue size at any time during the offer period or to issue further UBS Rolling SFIs without the consent of Holders.

Notes for Table 1: Equity Insulator 105 Instalments "SSY" Series

Table 1 below sets out for each Series of Equity Insulator 105 Instalments the ASX Code, details of each Underlying Security, indicative Initial Gearing Level, Maximum Initial Gearing Level, indicative Initial First Payment Percentage (assuming 0% Borrow Fee and 2.2% Borrow Fee), Maximum Initial First Payment Percentage (assuming 0% Borrow Fee and 2.2% Borrow Fee), indicative First Payment amount on Strike Date to gain exposure to Underlying Securities worth \$10,000 (assuming 0% Borrow Fee and 2.2% Borrow Fee) and the indicative annualised Interest Rate as at the Strike Date. Each indicative amount or percentage is estimated as at the date of this SPDS.

Loan Amount: As described above, the initial Loan Amount for each Series will be determined by UBS on the Strike Date when the Initial Gearing Level is set and will be rounded to the nearest 4 decimal places. Where the gearing level exceeds 100%, the excess of the Loan Amount over the Underlying Parcel price will be applied towards payment of the Interest Amount for the first interest period. Being a UBS Rolling SFI, the Loan Amount for an Equity Insulator 105 Instalment is expected to vary during the Term as described in the PDS. You can obtain the current Loan Amount by contacting UBS on 1800 633 100, by visiting www.asx.com.au/instalments or by visiting www.ubs.com/instalments. If UBS determines that the Initial Gearing Level for a Series on the Strike Date is greater than the Maximum Initial Gearing Level then UBS will not proceed with the issuance of that Series. In those circumstances, all Applications for the relevant Series will be rejected and application amounts will be returned without interest.

Diagrammatic representation of how the Loan Amount of an Equity Insulator 105 Instalment will be reduced by dividends paid and increased by Interest Amounts payable (note this is not a forecast of changes in Loan Amount for any particular Series as dividends may not be paid by the Underlying Entity):



First Payment: As described above, the First Payment applicable to each Series on the Strike Date will be determined by UBS when the Initial First Payment Percentage is set and will be rounded to the nearest 4 decimal places. If UBS determines that the Initial First Payment Percentage for a Series on the Strike Date is greater than the Maximum Initial First Payment Percentage then UBS will not proceed with the issuance of that Series. In those circumstances, all Applications for the relevant Series will be rejected and application amounts will be returned without interest.

The column in Table 1 headed “Maximum First Payment amount on Strike Date to gain exposure to Underlying Securities worth \$10,000” sets out, for each Series, the maximum First Payment amount required to buy Equity Insulator 105 Instalments over Underlying Securities with an aggregate market value of \$10,000 calculated at the Share Reference Price. If you pay this amount to acquire Equity Insulator 105 Instalments as at the first Issue Date and the Initial First Payment Percentage turns out to be less than the Maximum Initial First Payment Percentage then you will acquire exposure to more than \$10,000 worth of Underlying Securities calculated at the Share Reference Price. For example, assume the Maximum Initial First Payment Percentage for a Series is 11% and you pay \$1,100 for your Application. If the actual Initial First Payment Percentage set on the Strike Date is 11% then you will gain exposure to \$10,000 worth of Underlying Securities, whereas if the actual Initial First Payment Percentage is 10% then you will gain exposure to $\$1,100 \div 10\% = \$11,000$ worth of Underlying Securities.

Interest Rate: The Interest Rate for each Series will vary from time to time and will be determined by UBS as described in the Investment Overview and in Part 2.3.3 of the PDS. The indicative Interest Rate for each Series shown in Table 1 is calculated as at the date of this SPDS based on the indicative Initial Gearing Level and the indicative Initial First Payment Percentage. The Interest Rate applicable from time to time is available from UBS by calling 1800 633 100.

Interest for second interest period: The Interest Rate applicable to a Series for the period from the Annual Interest Date to the Final Maturity Date is expected to be similar to the indicative Interest Rate shown in Table 1. Interest Rate for the second interest period will be determined by UBS on the Annual Interest Date as described in Part 2.2 of the PDS and the Loan Amount will be increased accordingly.

The indicative amounts and percentages set out in Table 1 are estimates only, calculated as at the date of this SPDS. They are subject to change on or before the Strike Date due to changes in market conditions for each Series. Also, the indicative amounts and percentages apply only on the Strike Date—after the Strike Date, these amounts and percentages could change significantly. The tables in the Investment Overview section of the PDS explain some of the main factors that impact on UBS’ ongoing calculation of the Loan Amount, First Payment and Interest Rate.

Instructions for Application Form

An Application Form specific to Equity Insulator 105 Instalments is annexed to the end of this SPDS (see page 11 onwards).

- For investors applying for Equity Insulator 105 Instalments to be issued on the first Issue Date, please note the following:

Since the Initial Gearing Level and Initial First Payment Percentage will not be determined until the Strike Date, investors who are applying for Equity Insulator 105 Instalments to be issued on the first Issue Date should complete the 'Adviser Details and Agreement to Pay the Borrow Fee or Adviser Group Fee' section of the Application Form (pages 20 to 22) and section H of the Application Form by:

- a) completing the relevant information to indicate whether a Borrow Fee is applicable, the amount of the rate of this fee (up to 2.2% of the Loan Amount), and provide the relevant signature and acknowledgments in that section; and
- b) taking into account whether a Borrow Fee is applicable (and therefore what the First Payment amount is likely to be), specify in column "(iii) Total Amount Receivable/Payable" of Section H, the amount that they would like to pay as their total First Payment and leave columns (i) and (ii) blank.

UBS will calculate the number of Equity Insulator 105 Instalments to be issued to the approved Applicant after the Initial Gearing Level and Initial First Payment Percentage are set. A confirmation and holding statement will be issued to the approved Applicant thereafter.

Investors who wish to apply for Equity Insulator 105 Instalments to be issued on the first Issue Date of 11 June 2014 should submit their Application Forms by close of business (5 pm Sydney time) on **10 June 2014**.

- For investors applying for Equity Insulator 105 Instalments to be issued after the first Issue Date, please note the following:

Please follow the general instructions on how to apply for UBS Rolling SFIs in Parts 11 and 12 (pages 48 to 54) of the PDS dated 2 February 2009 attached to this SPDS.

TABLE 1: EQUITY INSULATOR 105 INSTALMENTS—UBS ROLLING SFI “SSY” SERIES

** Reference to “Borrow Fee” is to a Borrow Fee of 2.2% of the Loan Amount (applicable only to wholesale clients), calculated using the Initial Gearing Level for the relevant Series.

ASX Code	Underlying Entity and Underlying Security	Indicative Initial Gearing Level (%)	Maximum Initial Gearing Level (%)	No Borrow Fee (%)		With Borrow Fee of 2.2%** (%)		Maximum First Payment amount on Strike Date to gain exposure to Underlying Securities worth \$10,000 (\$)		Indicative Interest Rate (annualised rate) as at Strike Date
				Indicative Initial First Payment Percentage	Maximum Initial First Payment Percentage	Indicative Initial First Payment Percentage	Maximum Initial First Payment Percentage	No Borrow Fee	With Borrow Fee of 2.2% **	
AMCSSY	Arcor Limited – 1 fully paid ordinary share	90.36%	92.36%	9.93%	10.93%	11.92%	12.96%	\$1,093.18	\$1,296.37	17.0%
AMPSSY	AMP Limited—1 fully paid ordinary share	90.20%	92.20%	10.11%	11.11%	12.09%	13.14%	\$1,110.74	\$1,313.57	17.5%
ANZSSY	Australia and New Zealand Banking Group Limited—1 fully paid ordinary share	91.53%	93.53%	8.77%	9.77%	10.78%	11.82%	\$976.67	\$1,182.44	17.0%
BHPSSY	BHP Billiton Limited—1 fully paid ordinary share	89.58%	91.58%	10.72%	11.72%	12.69%	13.73%	\$1,171.79	\$1,373.28	17.5%
BXBSSY	Brambles Limited—1 fully paid ordinary share	89.61%	91.61%	10.68%	11.68%	12.65%	13.70%	\$1,168.06	\$1,369.60	16.9%
CBASSY	Commonwealth Bank of Australia Ltd—1 fully paid ordinary share	91.99%	93.99%	8.30%	9.30%	10.32%	11.37%	\$930.01	\$1,136.78	16.2%
CSLSSY	CSL Limited—1 fully paid ordinary share	90.26%	92.26%	10.01%	11.01%	11.99%	13.04%	\$1,100.74	\$1,303.71	15.4%
IAGSSY	Insurance Australia Group Limited – 1 fully paid ordinary share	91.07%	93.07%	9.25%	10.25%	11.25%	12.29%	\$1,024.70	\$1,229.44	18.0%
MQGSSY	Macquarie Group Limited – 1 fully paid ordinary share	88.93%	90.93%	11.39%	12.39%	13.35%	14.39%	\$1,238.85	\$1,438.91	19.0%
NABSSY	National Australia Bank Limited – 1 fully paid ordinary share	91.63%	93.63%	8.68%	9.68%	10.69%	11.74%	\$967.56	\$1,173.55	17.3%

ASX Code	Underlying Entity and Underlying Security	Indicative Initial Gearing Level (%)	Maximum Initial Gearing Level (%)	No Borrow Fee (%)		With Borrow Fee of 2.2%** (%)		Maximum First Payment amount on Strike Date to gain exposure to Underlying Securities worth \$10,000 (\$)		Indicative Interest Rate (annualised rate) as at Strike Date
				Indicative Initial First Payment Percentage	Maximum Initial First Payment Percentage	Indicative Initial First Payment Percentage	Maximum Initial First Payment Percentage	No Borrow Fee	With Borrow Fee of 2.2% **	
ORGSSY	Origin Energy Limited – 1 fully paid ordinary share	89.59%	91.59%	10.70%	11.70%	12.67%	13.72%	\$1,170.37	\$1,371.88	17.3%
RIOSSY	RIO Tinto Limited – 1 fully paid ordinary share	88.25%	90.25%	12.07%	13.07%	14.01%	15.06%	\$1,306.95	\$1,505.50	18.8%
STOSSY	Santos Limited – 1 fully paid ordinary share	88.80%	90.80%	11.50%	12.50%	13.45%	14.50%	\$1,249.77	\$1,449.53	17.7%
SUNSSY	Suncorp Group Limited – 1 fully paid ordinary share	90.95%	92.95%	9.36%	10.36%	11.36%	12.40%	\$1,035.79	\$1,240.29	17.8%
TCLSSY	Transurban Group – 1 fully paid stapled security	91.95%	93.95%	8.33%	9.33%	10.36%	11.40%	\$933.22	\$1,139.92	16.3%
TLSSSY	Telstra Corporation Limited – 1 fully paid ordinary share	92.74%	94.74%	7.54%	8.54%	9.58%	10.63%	\$854.33	\$1,062.76	16.0%
WBCSSY	Westpac Banking Corporation – 1 fully paid ordinary share	91.48%	93.48%	8.81%	9.81%	10.83%	11.87%	\$981.31	\$1,186.97	16.9%
WESSY	Wesfarmers Limited – 1 fully paid ordinary share	91.67%	93.67%	8.62%	9.62%	10.64%	11.68%	\$961.85	\$1,167.92	16.3%
WOWSSY	Woolworths Limited – 1 fully paid ordinary share	91.58%	93.58%	8.70%	9.70%	10.72%	11.76%	\$970.09	\$1,175.96	15.8%
WPLSSY	Woodside Petroleum Limited—1 fully paid ordinary share	91.69%	93.69%	8.61%	9.61%	10.62%	11.67%	\$960.64	\$1,166.76	17.1%

IMPORTANT INFORMATION

The information in this SPDS has been prepared without taking into account the objectives, financial situation and particular needs of investors. Accordingly, before making a decision to acquire UBS Rolling SFIs, you should consider whether such an investment is appropriate having regard to your objectives, financial situation and particular needs, and consult your adviser or broker or tax adviser. You should read this SPDS, the PDS, and the supplementary product disclosure statements for UBS Rolling Self Funding Instalments dated 21 April 2013, 6 December 2011 and 15 February 2011 and consider them before making any decision as to whether to acquire Instalments.

UBS does not accept any liability or responsibility for, and makes no representation or warranty, whether express or implied, as to the affairs of any Underlying Entity included in this SPDS. You should obtain independent advice from a stockbroker or licensed financial adviser or tax adviser on the nature, activities and prospects of the Underlying Entities and the merits of an investment in the Underlying Entities or any Series of Equity Insulator 105 Instalments. You should not take the historical prices of any Security or any other financial product as an indication of future performance.

UBS disclosure of interests

Options traders in a UBS Entity may buy UBS Rolling SFIs and/or exchange traded options in Securities comprising the Underlying Parcel as principal. UBS Entities as principal will be conducting transactions in various Securities and other financial products, including UBS Rolling SFIs and Securities comprising the Underlying Parcel. UBS Securities may conduct such transactions as agent for UBS Entities, as well as for other principals.

UBS Entities may have previously acted, and may currently or in the future from time to time act as an adviser to the Underlying Entity for which it may receive fees and commissions.

Acknowledgement Form

An 'Acknowledgement Form' specific to Equity Insulator 105 Instalments (SSY Series) is annexed to the end of this SPDS.

DIRECTORY

Issuer

UBS AG, Australia Branch
Level 16
Chifley Tower
2 Chifley Square
Sydney NSW 2000

Registrar

Computershare Investor Services Pty Limited
Level 3
Carrington Street
Sydney NSW 2000
☎ 1300 850 505

Security Trustee

UBS Nominees Pty Ltd
Level 16
Chifley Tower
2 Chifley Square
Sydney NSW 2000

Arranger

Mason Stevens Limited
GPO Box 5003 Level 18, 1 Macquarie Place
SYDNEY Sydney
NSW 2001 NSW 2000

Application Form

***** Equity Insulator 105 Instalments *****

THIS FORM IS TO BE USED IF YOU ARE MAKING A CASH APPLICATION, A SHAREHOLDER APPLICATION OR A ROLLOVER APPLICATION FOR UBS ROLLING SELF FUNDING INSTALMENTS

ONLY PERSONS WITHIN AUSTRALIA MAY USE THIS APPLICATION FORM TO APPLY FOR EQUITY INSULATOR 105 INSTALMENTS—BEING SERIES OF UBS ROLLING SELF FUNDING INSTALMENTS.

To: UBS Instalment Applications
UBS AG, Australia Branch
Level 16, Chifley Tower
2 Chifley Square, Sydney NSW 2000

Please refer to the Instructions in the PDS and SPDS for Equity Insulator 105 Instalments when filling out this Application Form.

The PDS and relevant Supplementary PDS for the relevant Series of UBS Rolling SFIs contain important information about investing in UBS Rolling SFIs which you are advised to read before completing this Application Form. UBS, Australia Branch (ASFL No. 231087) will send you paper copies of the PDS and any relevant Supplementary PDS to which this Application Form relates on request and without charge. Terms defined in the PDS have the same meaning in this Application Form.

I/we hereby apply for the following UBS Rolling Self Funding Instalments to be issued by UBS pursuant to the Product Disclosure Statement dated 2 February 2009 (the “PDS”) as supplemented by the Supplementary PDS for each relevant Series:

A. FULL DETAILS OF APPLICANT:

If an individual applicant, please provide:

- the full account name 1) below
- your full name, date of birth, residential address, occupation nationality, government issued unique identification number (e.g. driver's license or passport) and source of wealth under 2) below.

If a company applicant, please provide:

- the full account name 1) below
- the details of all directors under 2) below
- the name of the company and ABN/ACN/ARBN under 3) below
- the details of the beneficial owners under 5) below.

If a super fund applicant with and individual trustee, please provide:

- The full account name 1) below
- The details of the trustee under 2) below
- the name of the super fund and ABN under 4) below
- the source of assets contributed into trust under 8) below.

If a super fund applicant with and corporate trustee, please provide:

- The full account name below
- The details of all directors of the trustee under 1) below
- the name of the corporate trustee and ABN/ARBN or ACN (if there is no ABN) under 2) below
- the name of the super fund and ABN under 2) below
- details of the beneficial owners of the corporate trustee under 3) below
- the source of assets contributed into trust under 6) below.

If a trust Applicant with an individual trustee, please provide:

- the full account name under **1)** below
- the details of the trustees under **2)** below
- the name of the trust under **4)** below
- the details of the trust beneficiaries of the trust under **6)** below
- the details of the contributors to trust assets under **7)** below
- the source of assets contributed into trust under **8)** below.

Application Number:

Financial Adviser Stamp

Adviser Name:

Telephone:

Application Form

**** Equity Insulator 105 Instalments ****

If a trust Applicant with a corporate trustee, please provide

- the full account name under **1)** below
- the details of all directors of the trustee under **2)** below
- the name of the corporate trustee and ABN/ARBN or ACN (if there is no ABN) under **3)** below
- the name of the trust under **4)** below
- the details of the beneficial owners of the corporate trustee under **5)** below
- the details of the trust beneficiaries under **6)** below
- the details of the contributors to trust assets under **7)** below
- the source of assets contributed into trust under **8)** below.

1) Account Designation

Please insert your Account Designation Below

--

2) Applicant 1 Individual/Trustee/Director/Partner

First Name	Middle Name	Last Name
Date of Birth	Occupation	
Country of Birth and Nationality	Source of Wealth <i>(e.g. employment, investments, other)</i>	Government issued unique Identification number <i>(e.g. passport number or drivers licence number)</i>

Residential Address (number and street; suburb, city or town; state; and postcode—**Please note that a PO Box is not acceptable**)

Applicant 2 Individual/Trustee/Director/Partner

First Name	Middle Name	Last Name
Date of Birth	Occupation	
Country of Birth and Nationality	Source of Wealth <i>(e.g. employment, investments, other)</i>	Government issued unique Identification number <i>(e.g. passport number or drivers licence number)</i>

Residential Address (number and street; suburb, city or town; state; and postcode—**Please note that a PO Box is not acceptable**)

If there are more than two applicants please tick this box and provide the same details for each of them as set out above on a separate page to be attached to this application form:

☐ Yes, additional applicants' details are attached.

If there are more than two directors/partners please provide the full name, residential address, date of birth and occupation of each additional director/partner, and if there are more than two trustees please provide the full name, residential address, date of birth and occupation of each additional trustee, in the box below:

--

Application Form

**** Equity Insulator 105 Instalments ****

3) Company/Corporate Trustee/Partnership

Name (as registered by ASIC)

ABN/ACN/ARBN

4) Trust/Super Fund

Trust or Super Fund Name

ABN

5) Details of beneficial owners (who own through one or more share holdings more than 25% of the issued capital) in the company Company/Corporate Trustee)

Full Name

Date of Birth

Country of Residence

6) Details of all Trust beneficiaries (Not required for complying super funds)

Full Name

Date of Birth

Country of Residence

7) Details of all contributors to Trust assets (Not required for complying super funds)

Full Name

Date of Birth

Country of Residence

8) Source of assets contributed into trust

Please include a brief description of the source of assets contributed into the trust

--

Application Form

***** Equity Insulator 105 Instalments *****

B. POSTAL ADDRESS DETAILS:

Number and Street (PO Box is acceptable for a postal address):

Suburb, City or Town:

State:

Postcode:

C. TELEPHONE DETAILS:

Daytime Number
(include area code)

Contact Name

D. CHESS DETAILS (for delivery of UBS Rolling SFIs):

Broker

PID

HIN

E. METHOD OF PAYMENT

☐

Cheque payable to "UBS
AG, Australia Branch"

☐

Direct Debit Request Form
Attached (see pages 23 to 25
of this SPDS)

F. BANK ACCOUNT DETAILS (for direct credit of funds to your account):

I/We request that payments due to me/us by UBS be deposited directly into the following account. I/We acknowledge that these instructions supersede and have priority over all previous instructions, but will only apply in respect of UBS Rolling Self Funding Instalments whether issued pursuant to the PDS or another PDS held by me/us. Unless advised in writing otherwise, I/we acknowledge that all payments due to me/us will be paid into the nominated account.

Bank/Financial Institution Name

BSB

Account Number

Account Name

Name of Branch/Suburb

G. TFN/ABN:

Applicant 1

Applicant 2

If there are additional Applicants please provide TFN/ABN for each of them as applicable on the separate page to be attached in accordance with 1) above.

You are not obliged to provide either your tax file number ("TFN") or Australian Business Number ("ABN") but if you do not provide either your TFN, ABN or proof of an exemption, UBS will be required to deduct tax at the highest marginal tax rate (plus Medicare levy). By inserting the ABN and signing this Application Form, you declare that this investment is made in the course or furtherance of your enterprise. In order for UBS to meet the ATO's requirements, collection of TFN information is authorised and its use and disclosure are strictly regulated by the tax laws and the Privacy Act.

Application Form

**** Equity Insulator 105 Instalments ****

H. DETAILS OF EQUITY INSULATOR 105 INSTALMENTS APPLIED FOR:

UBS Rolling SFI (ASX Code)	(i) Number of Instalments Applied For	(ii) First Payment, Shareholder Cashback or Rollover Cashback/Payment per Instalment (as applicable)	(iii) Total Amount Receivable/Payable <i>(Applicants who wish to acquire Instalments on the first Issue Date should complete this column only)*</i>	(iv) If you are a Shareholder Applicant or a Rollover Applicant, provide the PID + HIN, or SRN for your current holding
AMCSSY		\$	\$	
AMPSSY		\$	\$	
ANZSSY		\$	\$	
BHPSSY		\$	\$	
BXBSSY		\$	\$	
CBASSY		\$	\$	
CSLSSY		\$	\$	
IAGSSY		\$	\$	
MQGSSY		\$	\$	
NABSSY		\$	\$	
ORGSSY		\$	\$	
RIOSSY		\$	\$	
STOSSY		\$	\$	
SUNSSY		\$	\$	
TCLSSY		\$	\$	
TLSSSY		\$	\$	
WBCSSY		\$	\$	
WESSSY		\$	\$	
WOWSSY		\$	\$	
WPLSSY		\$	\$	
I. TOTAL:			\$	

* The First Payment amount per Instalment and the number of Instalments to be issued to an approved Applicant on the first Issue Date will be calculated on the Strike Date, after the Initial Gearing Level and Initial First Payment Percentage are determined by UBS. Approved Applicants will receive a Confirmation with relevant details. The Total Amount Payable/Receivable excludes any Adviser Group Fee, however includes Borrow Fees (if any) in relation to wholesale clients.

J. CHEQUE DETAILS (if paying for Equity Insulator 105 Instalments by cheque)

Drawer	Bank	Branch	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Application Form

**** Equity Insulator 105 Instalments ****

K. ADVISER RCTI AGREEMENT (for Adviser use only)

Refer to "Investor Declaration 2 – Advisers" and "Adviser Details and Agreement to Pay Borrow Fee or Adviser Group Fee".

L. INVESTMENT OF CASHBACK AMOUNT FOR SHAREHOLDER APPLICANTS AND ROLLOVER APPLICANTS:

If you are a Shareholder Applicant or a Rollover Applicant, your Shareholder Cashback or Rollover Cashback (as applicable) will automatically be reinvested in further Equity Insulator 105 Instalments of the same Series. However, please tick the box below and sign Investor Declaration 1 below if you would like to elect to receive the Shareholder Cashback or Rollover Cashback in cash or reinvest it in a different Series of UBS Rolling SFIs. You will also need to complete and sign below Investor Declaration 2.

Do not tick either of the boxes if you would like your Shareholder Cashback or Rollover Cashback (as applicable) to be reinvested in further Equity Insulator 105 Instalments of the same Series.

If you wish to receive your Shareholder Cashback or Rollover Cashback in cash please tick the box below:

☐ Yes, I/We wish to receive any Shareholder Cashback or Rollover Cashback due to me/us in cash.

If you wish to reinvest your Shareholder Cashback or Rollover Cashback in a different Series of UBS Rolling SFIs then please tick the box below and include the details of the relevant Series for the cashback to be reinvested in:

☐ Yes, I/We wish to reinvest any Shareholder Cashback or Rollover Cashback due to me/us in the following Series of UBS Rolling SFIs:

ASX Code of UBS Rolling SFIs applied for through a Shareholder Application or Rollover Application	ASX Code of UBS Rolling SFIs for the relevant Shareholder Cashback or Rollover Cashback to be reinvested into

SIGNATURE AND ACKNOWLEDGEMENT

If you are a Cash Applicant, or a Shareholder Cashback or Rollover Cashback Applicant (as applicable) reinvesting in further UBS Rolling SFIs of the same Series, you will not need to make this Investor Declaration 1. Please proceed to Investor Declaration 2.

INVESTOR DECLARATION 1

Business Purpose Declaration—Loan ("credit")

Note: UBS AG, Australia Branch ("credit provider") will make loans to you as a Holder of UBS Rolling Self Funding Instalments. The declaration below records your agreement that these loans are provided as part of the UBS Rolling Self Funding Instalments, which is an investment product.

I/We declare that the credit to be provided to me/us by UBS is to be applied wholly or predominantly for business or investment purposes (or for both purposes).

IMPORTANT: You should **not** sign this declaration unless this loan is wholly or predominantly for business or investment purposes. By signing this declaration you may **lose** your protection under the Consumer Credit Code.

Application Form

***** Equity Insulator 105 Instalments *****

SIGNED, SEALED AND DELIVERED BY:

(Individual Applicant or Joint Applicants)

Date of signing:

First Applicant's Signature

Second Applicant's Signature (if applicable)

First Applicant's Name

Second Applicant's Name (if applicable)

If there are additional Applicants please provide signatures for each of them as above, on the separate page to be attached in accordance with 1) above.

(Company Applicant including corporate trustee)

Date of signing:

Name of Company/Corporate Trustee (This form is executed by the Company in accordance with the Corporations Act):

Director Signature

Director Name

Director/Secretary Signature

Director/Secretary Name

You also have to sign on page 22, and if you are providing direct debit details, also on page 23 of this SPDS.

INVESTOR DECLARATION 2

General Declarations

1. BY THIS POWER OF ATTORNEY, I/we for valuable consideration irrevocably appoint UBS Nominees Pty Limited (AFSL No. 231088) or its nominee as my nominee on the terms of the Nominee Deed in respect of any Securities to which this Application relates.
2. BY THIS POWER OF ATTORNEY, I/we for valuable consideration irrevocably appoint UBS, or any employee of UBS whose title includes the word "director", severally as my/our attorney to do:
 - (a) everything necessary or expedient to bind me/us to the Loan Agreement substantially in the form set out in Part 9 of the PDS, complete any blanks in the Loan Agreement and date and execute the Loan Agreement on my/our behalf;
 - (b) anything which I/we must do under or in relation to the Loan Agreement or any other agreement or arrangement between me/us and UBS relating to the Loan; and
 - (c) anything incidental or necessary in relation to the above (including, but not limited to, completing any blanks in this Application Form and appointing any person as sub-attorney to do any of the above).
3. I/We indemnify the attorney against all claims, losses, damages and expenses suffered or incurred as a result of anything done under this power of attorney.
4. I/We have read and understood, and agree to accept the UBS Rolling Self Funding Instalments on the conditions set out in the PDS and the relevant Supplementary PDS for each Series. In particular, I/we:

Application Form

***** Equity Insulator 105 Instalments *****

- (a) acknowledge that I/we am/are aware of the restrictions in respect of ownership that apply to the Securities. In particular, I/we have read Part 3.14 of the PDS;
- (b) represent that if the relevant Underlying Parcel(s) is/are delivered to me/us those restrictions on ownership will not be breached;
- (c) acknowledge that if by reason of the restrictions on ownership applicable in respect of the Securities:
 - (i) UBS or the Security Trustee is prevented from delivering the relevant Underlying Parcel(s) to me/us;
 - (ii) I/we am/are prevented from taking delivery of the relevant Underlying Parcel(s); or
 - (iii) I/we am/are required to divest any or all of the Underlying Parcel(s);UBS will not be required to make any payment to me/us in substitution for the Underlying Parcel(s) and will not otherwise be liable to me/us for damages or otherwise;
- (d) acknowledge that I/we received a complete copy/print-out of the PDS and relevant Supplementary PDS for the UBS Rolling Self Funding Instalments applied for under this Application Form before I/we completed this Application Form;
- (e) agree to be bound by the Instalment Deed, and as the borrower by the Loan Agreement on the terms set out in Part 9 of the PDS, and as the beneficiary by the Nominee Deed;
- (f) acknowledge that neither UBS nor any of its related entities have provided any tax advice or otherwise made any representations regarding the tax consequences of an application for or an investment in UBS Rolling Self Funding Instalments;
- (g) agree to receive financial services guides and supplementary financial services guides from UBS or its related entities (including UBS Securities and the Security Trustee) by having them made available via www.ubs.com/instalments or such other internet website notified to me/us and represent and warrant that I/we have received in printable form and read and understood the Financial Services Guides of UBS Securities and the Security Trustee prior to signing this application form;
- (h) acknowledge that to the extent I/we deem appropriate, I/we have or will obtain my/our own financial and taxation advice from an independent professional adviser;
- (i) waive and agree not to assert any claim against UBS or any of its related entities with respect to the tax aspects of this investment in UBS Rolling Self Funding Instalments; and
- (j) acknowledge that (i) UBS Rolling SFIs are not deposits with UBS and are subject to investment risk, including possible delays in repayment and loss of principal invested; and (ii) none of UBS, or any other UBS Entity guarantees any particular return or the performance of the UBS Rolling SFIs.

5. Where bank account details have not been provided to enable direct credit of funds to my/our account, I/we acknowledge that I/we will receive all cash payments due to me by cheque. I/we acknowledge that UBS may impose a charge reflecting the cost of processing cheque payments, provided UBS gives prior notice to me/us of its intention to impose such a charge. Neither UBS nor the Registry will be responsible for any delays in crediting funds to my/our nominated account as a result of transaction procedures or errors by any financial institution.

Shareholder Applicant and Rollover Applicant Declarations

If I am/we are a Shareholder Applicant or Rollover Applicant, by completing the Applicant Form, I/we further acknowledge, represent, warrant and undertake as follows:

1. BY THIS POWER OF ATTORNEY, I/we for valuable consideration irrevocably appoint UBS Nominees Pty Limited (AFSL No. 231088) or its nominee as my nominee on the terms of the Nominee Deed in respect of any Existing Instalments ("My Instalments") or underlying parcels of My Instalments or Securities held by me/us ("My Securities") to which this Application relates; and authorise and direct the Security Trustee to do all things necessary for it or its nominee to become the registered holder of My Instalments or My Securities (as applicable); and do anything incidental or necessary to complete any of the above.
2. BY THIS POWER OF ATTORNEY, I/we for valuable consideration irrevocably appoint UBS, or any employee of UBS whose title includes the word "director", severally as my/our attorney to do where

Application Form

***** Equity Insulator 105 Instalments *****

the Final Instalment for my Existing Instalments becomes payable on the giving of a notice or the exercise of a right or anything to be done by the Rollover Applicant, give such notice or exercise such right or do such thing;

3. I/We direct UBS Securities to do anything necessary to effect the transfer to the Security Trustee of any of My Instalments, and My Securities (as applicable), including, but not limited to, completing the second payment notice or completion notice in respect of my Existing Instalments.
4. I/We represent and warrant that: I am/we are the sole legal and beneficial owner(s) of My Instalments and that I/we will not transfer any of My Instalments other than to the Security Trustee in accordance with the PDS; I/we will not transfer My Securities other than to the Security Trustee in accordance with the PDS; I/we am/are the beneficial owner of My Securities and if applicable, am/are entitled to become the legal owner of My Securities upon payment of the Final Instalment; My Instalments or My Securities (as applicable) are free from any Encumbrances and I/we am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets to make an arrangement, compromise or composition with any of my/our creditors.

Privacy

The Personal Information (as defined in the Privacy Act 1998 (Cth)) we ask you to supply in this Application Form (other than your address, date of birth and information required by AML legislation) is not required by law but we may not be able to accept your application if the information is not supplied. The Personal Information collected from you will be used, held or disclosed for the purposes set out below, or for a purpose related to one of the purposes set out below that you would reasonably expect, or where required or permitted by law. You may have rights to access and correct your Personal Information, and in some circumstances make complaints regarding the use, holding or disclosure of your Personal information by UBS. The privacy policy of UBS contains information regarding the exercise of such rights.

1. I/We acknowledge that the Personal Information about me/us provided to UBS in this Application Form may be used for any of the following purposes:
 - to assess whether to accept my/our application;
 - to prepare any documentation relevant to, and to maintain, my/our investment in the Instalments;
 - to effect investments in the Instalments in my/our name(s);
 - to communicate with me/us in relation to the Instalments;
 - to comply with legislative or regulatory requirements;
 - to perform the UBS's administrative operations; and
 - for any other purpose identified in the Privacy Statement in Section 12 of this PDS.
2. I/We agree and consent to UBS:
 - giving Personal Information about me/us to:
 - a) the UBS's agents, contractors and external advisers;
 - b) regulatory bodies, government agencies, law enforcement bodies and courts; and
 - c) the entities in which investments are made and/or to any agents or contractors, for the purpose of administering my/our investment or administering or enforcing a loan guarantee (if applicable);
 - collecting Personal Information about me/us from, and giving it to, my/our executor, administrator, trustee, guardian or attorney and my/our agents and representatives (including my finance broker, legal and financial adviser); and
 - providing my/our ABN to UBS and its related entities,even if the disclosure of my/our Personal Information is to an organisation overseas, including any jurisdiction set out in the Privacy Statement the PDS, regardless of whether or not such entity is subject to privacy obligations equivalent to those which apply to UBS.
- 3) I/We represent and warrant that, if at any time I/we supply UBS with Personal Information about another individual, I/we have obtained, or will at the relevant time will have obtained, the consent of such individual to the collection, use, holding or disclosure of their information in accordance with, and for any the purposes, stated in the Privacy Statement in the PDS and this Privacy Consent, and have made such individual aware of the information set out in such Privacy Statement.

Application Form

***** Equity Insulator 105 Instalments *****

Advisers

- (a) Advisers adding their Adviser Stamp to this Application Form provide the following acknowledgements and representations:
- i) I acknowledge that I am either an Australian financial services licensee or an authorised representative of an Australian financial services licensee and that, in relation to this Application, I have only provided financial services that are within the scope of the Australian financial services licence applicable to me;
 - ii) I acknowledge that I have complied with the relevant disclosure requirements, including all relevant requirements in relation to the disclosure of fees, and any requirement to provide Product Disclosure Statements, Financial Services Guides, Statements of Advice or any other disclosures required by the Corporations Act;
 - iii) I represent that in compliance with the provisions of the AML/CTF Act and Rules, I have taken the steps required to identify and verify the Applicant's identity (including the directors, beneficial owners and trustees listed in the Application Form) by checking and verifying the identity, nationality, residential address and signature of the Applicant, and any other relevant details, in compliance with the AML/CTF Act and Rules and any Distribution Agreement entered into for purposes of compliance with the AML/CTF Act and Rules; and
 - iv) I represent that I have taken adequate steps to assist in the prevention of money laundering activities which steps may include, without limitation, identifying the Applicant's source of wealth and monitoring of any unusual transactions.
- (b) **Adviser RCTI Agreement**—this section relates to supplies made by an Adviser (acting on behalf of the entity ("Supplier") that holds the requisite Australian Financial Services Licence) to UBS in consideration of a placement fee trail fee, or other similar fee ("Adviser Fees"). By completing the details in Section J and affixing its stamp to this Application Form, and in consideration of the Adviser Fees, the Adviser:
- i) represents and warrants that it is authorised to enter into this agreement on the Supplier's behalf;
 - ii) represents and warrants that the Supplier is registered for ABN and GST purposes and that it will promptly notify UBS if it ceases to be so registered; and
 - iii) agrees that UBS may, and will issue to the Supplier, self generated tax invoices (called "Recipient Created Tax Invoices" or "RCTIs") in respect of the supplies that the Supplier has made (or will make) to UBS; and
 - iv) agrees that the Supplier will not issue tax invoices for those same supplies, except where first agreed in writing with UBS.

UBS declares that it is registered for GST purposes and that it will promptly notify the Adviser if it ceases to be so registered or if it ceases to be entitled to issue RCTIs.

ADVISER DETAILS AND AGREEMENT TO PAY THE BORROW FEE OR ADVISER GROUP FEE

By signing on the following page, I/we specify the following to be my Adviser Group and the following person to be my adviser referred to in the fee arrangements below in this section:

Name of Adviser Group (AFSL holder for which adviser acts as a representative):

Name of adviser (Full Name/Company Name):

Address Details—Number and Street

Suburb, City or Town

State

Postcode



Application Form

**** Equity Insulator 105 Instalments ****

Please fill in **one** of the following two parts:

1. Borrow Fee (applicable only to wholesale clients)

Please only fill in this section if you are a wholesale client (as defined in the Corporations Act 2001 (Cth)).

By signing on the following page, I/we confirm the following:

- (a) I/we have read and understood the Supplementary PDS;
- (b) Along with this Application Form, I/we will provide to UBS a valid certificate signed by a qualified accountant (for the purposes of the Corporations Act 2001 (Cth) that was issued not more than 2 years prior to the Strike Date confirming the details required under the Corporations Act 2001 (Cth) in order to qualify as a wholesale client (please refer to Appendix 2 for a template of a wholesale client certificate acceptable by UBS);
- (c) I/we acknowledge that I/we are aware of the Borrow Fee indicated below and consent to the Borrow Fee being paid by UBS to the Adviser Group and the Adviser Group paying a portion of that amount to my adviser, being the amount of commission I/we agree that my/our adviser will receive (provided UBS is satisfied you qualify as a wholesale client as defined in the Corporations Act 2001 (Cth) and provided that payment or receipt of the Borrow Fee and commission is not prohibited by law);
- (d) I/we acknowledge that this Borrow Fee is payable when I/we acquire UBS Equity Insulator 105 Instalments (other than on the ASX).

Borrow Fee (% of the Loan Amount)

%

Note: This percentage includes GST and cannot exceed 2.20%

2. Adviser Group Fee (applicable to all clients however if you are a wholesale client and have paid a Borrow Fee, the Adviser Group Fee will not apply)

By signing on the following page, I/we consent to:

- (a) Pay an amount in respect of the Adviser Group Fee which is a fixed dollar amount as specified below and direct UBS to collect that amount from me/us in addition to the First Payment Amount, and I/we consent and direct UBS to pay that amount to my/our Adviser Group specified above on my/our behalf;
- (b) Where applicable, the Adviser Group holding that amount in respect of the Adviser Group Fee on trust and pay to my adviser all or part of that amount as disclosed to me by my adviser in the statement of advice or financial services guide relevant to the financial services they provide to me in respect of the Equity Insulator 105 Instalments or as otherwise disclosed to me by my adviser.

Adviser Group Fee: (please tick the relevant box)

\$0

☐

\$2,500

☐

\$1,000

☐

\$5,000

☐

Note: These fees are inclusive of GST

Application Form

***** Equity Insulator 105 Instalments *****

SIGNATURE AND ACKNOWLEDGEMENT

ONLY PERSONS WITHIN AUSTRALIA MAY USE THIS APPLICATION FORM TO APPLY FOR UBS ROLLING SELF FUNDING INSTALMENTS.

DATED:

SIGNED, SEALED AND DELIVERED by:

(Individual Applicant or Joint Applicants)

First Applicant's Signature

First Applicant's Name

Second Applicant's Signature (if applicable)

Second Applicant's Name (if applicable)

If there are additional Applicants please provide signatures for each of them as above, on the separate page to be attached in accordance with 1) above.

(Company Applicant including corporate trustee)

Name of Company/Corporate Trustee (This form is executed by the Company in accordance with the Corporations Act):

Director Signature

Director Name

Director/Secretary Signature

Director/Secretary Name

Direct Debit Request Form

Please complete this form if you wish to make a payment to UBS by direct debit from your account.

Request and Authority to debit the account named below to pay **UBS Securities Australia Ltd**

Request and Authority to debit

Surname/company name:

Given names/ACN/ABN:

("YOU")

request and authorise UBS Securities Australia Ltd (User ID number 181244) to arrange, through its own financial institution, for any amount UBS Securities Australia Ltd or UBS AG, Australia Branch may debit or charge you to be debited through the Bulk Electronic Clearing System from an account held at the financial institution identified below and paid to UBS Securities Australia Ltd, subject to the terms and conditions of the Direct Debit Request Service Agreement.

Insert the name and address of financial institution at which account is held

Financial institution name:

Address:

Insert details of account to be debited

Name of account:

BSB Number:

				-			
--	--	--	--	---	--	--	--

Account number:

--	--	--	--	--	--	--	--

Must exactly match the bank account details in Section F of your Application Form.

Acknowledgement

By signing this Direct Debit Request you acknowledge having read and understood the terms and conditions governing the debit arrangements between you and UBS Securities Australia Ltd as set out in this Request and in your Direct Debit Request Service Agreement (**refer to Appendix 1 of this Request**).

Insert your signature and address

Signature 1:

Signature 2:

- If you have a joint account both signatures are required.
- If signing for a company, sign and print full name and capacity for signing (e.g. Director).

Address:

Date:

Appendix 1 - Direct Debit Request Service Agreement

Definitions:

"Account" means the account held at Your Financial Institution from which We are authorised to arrange for funds to be debited.

"Agreement" means this Direct Debit Request Service Agreement between You and Us.

"Banking Day" means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

"Debit Day" means the day that payment by You to Us is due.

"Debit Payment" means a particular transaction where a debit is made.

"Direct Debit Request" means the Direct Debit Request between Us and You .

"Us" or "We" means UBS AG , Australia Branch, the Debit User You have authorised by signing a Direct Debit Request.

"You" means the customer who signed the Direct Debit Request.

"Your Financial Institution" is the financial institution where You hold the Account that You have authorised Us to arrange to debit.

1. Debiting Your account

- 1.1 By signing a Direct Debit Request, You have authorised Us to arrange for funds to be debited from Your Account. You should refer to the Direct Debit Request and this Agreement for the terms of the arrangement between Us and You.
- 1.2 We will only arrange for funds to be debited from Your Account as authorised in the Direct Debit Request.
- 1.3 If the Debit Day falls on a day that is not a Banking Day, We may direct Your financial institution to debit Your Account on the following Banking Day. If You are unsure about which day Your Account has or will be debited You should ask Your financial institution.

2. Changes by Us

We may vary any details of this Agreement or a Direct Debit Request at any time by giving You at least fourteen (14) days' written notice.

3. Changes by You

- 3.1 Subject to 3.2 and 3.3, You may change the arrangements under a Direct Debit Request by contacting Us on 1800 633 100.
- 3.2 If You wish to stop or defer a Debit Payment You must notify Us in writing at least fourteen (14) days before the next Debit Day. This notice should be given to Us in the first instance.
- 3.3 You may also cancel Your authority for Us to debit Your Account at any time by giving Us fourteen (14) days notice in writing before the next Debit Day. This notice should be given to Us in the first instance at the following address:

UBS Instalments

Equity Operations

GPO Box 4151

Sydney NSW 2001

4. Your obligations

- 4.1 It is Your responsibility to ensure that there are sufficient clear funds available in Your Account to allow a Debit Payment to be made in accordance with the Direct Debit Request.
- 4.2 If there are insufficient clear funds in Your Account to meet a Debit Payment:
 - (a) You may be charged a fee and/or interest by Your financial institution;
 - (b) You may also incur fees or charges imposed or incurred by Us; and
 - (c) You must arrange for the Debit Payment to be made by another method or arrange for sufficient clear funds to be in Your Account by an agreed time so that We can process the Debit Payment.

Appendix 1 - Direct Debit Request Service Agreement

4.3 You should check Your Account statement to verify that the amounts debited from Your Account are correct

4.4 If UBS AG, Australia Branch is liable to pay goods and services tax ("GST") on a supply made in connection with this Agreement, then You agree to pay UBS AG, Australia Branch on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

5. Dispute

5.1 If You believe that there has been an error in debiting Your Account, You should notify Us directly on 1800 633 100 and confirm that notice in writing with Us as soon as possible so that We can resolve Your query more quickly.

5.2 If We conclude as a result of our investigations that Your Account has been incorrectly debited We will respond to Your query by arranging for Your financial institution to adjust Your Account (including interest and charges) accordingly. We will also notify You in writing of the amount by which Your Account has been adjusted.

5.3 If We conclude as a result of our investigations that Your Account has not been incorrectly debited We will respond to Your query by providing You with reasons and any evidence for this finding.

5.4 Any queries You may have about an error made in debiting Your Account should be directed to Us in the first instance so that We can attempt to resolve the matter between Us and You. If We cannot resolve the matter You can still refer it to Your financial institution which will obtain details from You of the disputed transaction and may lodge a claim on Your behalf.

6. Accounts

You should check:

- (a) with Your financial institution whether direct debiting is available from Your Account as direct debiting is not available on all Accounts offered by financial institutions.
- (b) Your Account details which You have provided to Us are correct by checking them against a recent Account statement; and
- (c) with Your financial institution before completing the Direct Debit Request if You have any queries about how to complete the Direct Debit Request.

7. Confidentiality

7.1 We will keep any information (including Your Account details) in Your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that We have about You secure and to ensure that any of our employees or agents who have access to information about You do not make any unauthorised Use, modification, reproduction or disclosure of that information.

7.2 We will only disclose information that We have about You:

- (a) to the extent specifically required by law; or
- (b) for the purposes of this Agreement (including disclosing information in connection with any query or claim).

8. Notice

8.1 If You wish to notify Us in writing about anything relating to this Agreement, You should write to Us at the following address:

UBS Instalments

Equity Operations

GPO Box 4151, Sydney NSW 2001

8.2 We will notify You by sending a notice in the ordinary post to the address You have given Us in the Direct Debit Request.

8.3 Any notice will be deemed to have been received on the third Banking Day after posting.

Appendix 2 - Wholesale Client Certificate

Issued under Chapters 6D and 7 of the Corporations Act 2001 (Cth)

Dear UBS,

(a) Individual/Company

I certify that:

Print Full Legal Name of Person (Individual or Company)

- has net assets¹ of at least A\$2.5million (or A\$10million for a super fund Applicant); or
- a gross income² for each of the last 2 financial years of at least A\$250,000 per year

(b) Controlled companies and/or trusts

It is also confirmed for the purposes of the Corporations Act the above named person controls³ the following companies and trusts:

Print Full Name of Company/Trust

ABN/ACN/ARBN (if any)

I confirm that I am a member of one or more of the following professional bodies (tick appropriate box):

- ☐ CPA Australia ("CPA" or "FCPA") or
- ☐ Institute of Chartered Accountants in Australia ("CA", "ACA" or "FCA"); or
- ☐ Other foreign eligible professional body for the purposes of the Corporations Act⁴

(please specify if other) _____, and I have at least 3 years practical experience as an accountant or auditor and I am giving this certificate in respect of a resident of my country of qualification, not being Australia

- I am subject to and in compliance with that professional body's continuing education requirements
- I am aware that UBS AG and any subsidiary of UBS AG may rely on this certificate for such period of time as is permitted by the Corporations Act.
- I confirm that I am independent of the above-named person and/or entities.

(c) Signature

Signature of Accountant

Date (DD/MM/YYYY)

Name

Name of firm

Business Address

Guidance Notes for completing the Wholesale Client Certificate

¹In determining the net assets of the person, the net assets of a company or trust controlled by the person may be included in the calculations.

²In determining the gross income of the person, the gross income of a company or trust controlled by the person may be included in the calculations/

³Refer section 708(8)(d) and section 761G(7). For this purpose "control" has the meaning given to it in section 50AA of the Corporations Act 2001 and, in general, means having the capacity to determine the outcome of decisions about the relevant company's or trust's financial and operating policies.

⁴A list of approved foreign eligible professional bodies is listed by ASIC at <http://www.asic.gov.au/asic/asic.nsf/byheadline/Certificates+issued+by+a+qualified+accountant?openDocument>



Completion Notice

**** Equity Insulator 105 Instalments ****

NOTE TO HOLDERS: This form is to be used if you wish to give a Completion Notice to UBS as described in the PDS for UBS Rolling SFIs (see especially Parts 2.5 and 2.6 of that PDS). You must select (by a tick in the relevant box or boxes) at least one of boxes A, B, or C below to advise UBS of the election or elections you are making pursuant to this Completion Notice.

UBS Instalment Warrants—Completion Notice

To: The Manager, Equity Operations
UBS AG, Australia Branch
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Dear Sir/Madam,

This is to notify you that I/we, being the Holder/entitled to be registered as Holder of the number of UBS Rolling Self Funding Instalments in the Series specified below hereby give a Completion Notice in respect of those UBS Rolling Self Funding Instalments which applies only in the circumstances which I/we have elected by placing a tick in one or more of the corresponding boxes at A through D below:

A. ☐ This Completion Notice is given in respect of potential termination on the next Annual Interest Date after the date of this notice only, and this election A is conditional on UBS electing to terminate the UBS Rolling SFI on that next Annual Interest Date which falls after the date of this Notice by UBS publishing to ASX a notice confirming that UBS's notice to terminate on that Annual Interest Date is unconditional and immediately effective. This notice is accompanied by a completed Direct Debit Request Form for the total Completion Payment in respect of each of those UBS Rolling SFI.

B. ☐ This Completion Notice is given in respect of the next Annual Interest Date after the date of this notice only, and this election B is in any event effective on the next Annual Interest Date whether or not UBS elects to terminate the UBS Rolling SFI on that next Annual Interest Date which falls after the date of this Notice by UBS publishing to ASX a notice confirming that UBS's notice to terminate on that Annual Interest Date is unconditional and immediately effective. This notice is accompanied by a completed Direct Debit Request Form for the total Completion Payment in respect of each of those UBS Rolling Self Funding Instalments.

C. ☐ This Completion Notice is unconditional and is given as a Completion Notice of immediate effect on the first Completion Notice Date which is available. This notice is accompanied by a payment in cleared funds (e.g. bank cheque) for the total Completion Payment in respect of each of those UBS Rolling Self Funding Instalments in favour of UBS AG, Australia Branch.

Terms defined in the PDS have the same meaning in this notice.

Name of Holder

Address (number and street)

Suburb, City or Town

State

Postcode

Completion Notice

**** Equity Insulator 105 Instalments ****

Exercise Details:

ASX UBS Rolling SFI Code	Number of UBS Rolling SFIs to be exercised	Completion Payment	Total Completion Payment Due	If you are a Shareholder Applicant or a Rollover Applicant, provide the PID + HIN, or SRN for your current holding
AMCSSY		\$	\$	
AMPSSY		\$	\$	
ANZSSY		\$	\$	
BHPSSY		\$	\$	
BXBSSY		\$	\$	
CBASSY		\$	\$	
CSLSSY		\$	\$	
IAGSSY		\$	\$	
MQGSSY		\$	\$	
NABSSY		\$	\$	
ORGSSY		\$	\$	
RIOSSY		\$	\$	
STOSSY		\$	\$	
SUNSSY		\$	\$	
TCLSSY		\$	\$	
TLSSSY		\$	\$	
WBCSSY		\$	\$	
WESSY		\$	\$	
WOWSSY		\$	\$	
WPLSSY		\$	\$	
TOTAL			\$	

*If your existing instalment holding is broker sponsored, please insert your PID and HIN. If your existing instalment holding is issuer sponsored, please insert your SRN.

Cheque details:

Drawer	Bank	Branch	Amount of Cheque

Completion Notice

***** Equity Insulator 105 Instalments *****

DATED:

(Individual Applicant or Joint Applicants)

First Applicant's Signature

First Applicant's Name

Second Applicant's Signature (if applicable)

Second Applicant's Name (if applicable)

If there are additional Applicants please provide signatures for each of them as above, on the separate page to be attached in accordance with 1) above.

(Company Applicant including corporate trustee)

Name of Company/Corporate Trustee (This form is executed by the Company in accordance with the Corporations Act):

Director Signature

Director Name

Director/Secretary Signature

Director/Secretary Name

UBS Rolling Self Funding Instalments

Supplementary Product Disclosure Statement dated 21 April 2013 ("SPDS")

Issued by UBS AG, Australia Branch

(ABN 47 088 129 613, AFSL number 231087)

This SPDS supplements the Product Disclosure Statement for UBS Rolling Self Funding Instalments dated 2 February 2009 ("PDS") and, along with the PDS, sets out the terms of issue of the UBS Rolling Self Funding Instalments referred to in this SPDS. You should read this SPDS together with the PDS and the supplementary product disclosure statements for UBS Rolling Self Funding Instalments dated 7 March 2013, 29 June 2012, 27 June 2012, 4 June 2012 30 May 2012, 13 December, 2011, 7 December 2011, 6 December 2011, 18 November 2011, 30 June 2011, 7 June 2011, 16 May 2011, 4 May 2011, 15 February 2011, 30 June 2010, 9 November 2009, 26 August 2009, 30 June 2009, 25 May 2009, 22 May 2009, 30 March 2009, 11 March 2009 and 2 February 2009. Words defined in the PDS have the same meaning in this SPDS.

This SPDS relates to the offer of UBS Rolling Self Funding Instalments and is relevant to all open Series of UBS Rolling SFIs and all Series issued after the date of this SPDS.

The following amendments are made to the PDS:

Part 2.3.3—What amount is advanced and what interest payments are made under the Loan?

- In the first paragraph, at the end of the sentence "The leverage (gearing) level incorporated in the UBS Rolling SFI will be determined by the Loan Amount and the prevailing price of the Underlying Security" insert the words "and may vary during the term".
- In the first paragraph, delete the sentence "In most cases the leverage will be around 40-50% for UBS Rolling SFIs at the time each new Series is first issued but may vary during the term."

Part 10: Glossary:

- Replace "Part 2.5.2" in the definition of Assessed Value Payment with "Part 2.6.2".

Part 5—Taxation Summary:

- The following information supplements Part 5 of the PDS:

General deductibility

The Australian Taxation Office ("ATO") is currently examining wholesale and retail financial products in order to identify products and product features that are of concern to the ATO. Issues being examined include the deductibility of Interest Amounts.

The general position is outlined in the Taxation Summary at part 5 of the PDS and can be summarised as follows:

- Subject to the comments below regarding the 'capital protected borrowings' rules, interest is generally deductible if it is incurred in respect of monies borrowed for use in producing assessable income or in carrying on a business for that purpose.
- An Interest Amount will not be deductible to the extent that borrowed funds are used for private or domestic purposes, or solely for the purpose of generating capital gains.
- If a Holder uses borrowed funds in order to produce assessable income, deductions should normally be available for their interest expenses, provided that the assessable income (excluding capital gains) which is reasonably expected to be received from the investment is greater than the expected interest expenses.

Further, the timing of the deductibility of the Interest Amounts could be affected where the interest amounts are prepaid by investors, e.g. apportionment may be required.

A Holder should seek independent professional taxation advice before lodging a tax return claiming a tax deduction for any portion of the Interest Amount paid.

Capital protected borrowing rules

The Government has enacted changes which means that the Incurred Date Benchmark Rate is now equal to the Reserve Bank of Australia's Indicator Lending Rate for Standard Variable Housing Loans, plus 100 basis points (currently, for March 2013, adding to, 7.45%).

This rate must be used for the purpose of determining the portion of the Total Costs payable by an investor which can be deducted in a particular year.

The new Benchmark Rate is historically lower than the former Benchmark Rate noted in the PDS.

Accordingly, it is possible that a greater portion of the Total Costs incurred by investors would be included in the CGT cost base of the Notional Put Option, and so would not be deductible.

The new Benchmark Rate for determining the cost of capital protection applies to capital protected borrowings entered into or extended after 7.30 pm AEST on 13 May 2008, and applies to capital protected borrowings entered into or extended at or before 7:30 pm on 13 May 2008 from 1 July 2013.

Tax Reform

The Government has announced that it will amend the income tax law to confirm the practice of treating the investor in an instalment warrant over a single exchange traded security in a company, trust or stapled entity as the owner of the listed security for income tax purposes. This will also be extended to instalment warrants and receipts over direct and indirect interests in listed securities, as well as unlisted securities in widely held entities and bundles of these assets. This is consistent with the tax treatment outlined in the PDS.

The tax treatment outlined in the PDS therefore assumes that the ATO will accept tax returns lodged by Holders on the basis that each Holder is to be treated as holding the Securities in the Underlying Parcel directly for CGT purposes, even though those securities are held on Separate Trust for that Holder. This is consistent with the ATO's announcement on 4 November 2010 which stated that the ATO would not be undertaking any compliance action with respect to investments in instalment warrants in the period prior to the Government amending the tax law to confirm this longstanding practice of the Holder being treated as holding the Securities in the Underlying Parcel directly.

However, draft legislation in relation to these amendments has not yet been released. Potential Holders should monitor developments.

Potential Holders should also note that significant reforms of the Australian trust income tax provisions have been proposed and other developments have occurred (such as the Federal Court decision in *Colonial First State Investments Limited v Commissioner of Taxation* [2011] FCA 16 dealing with the application of those provisions, and the release by the Government in July 2012 of a discussion paper in connection with that decision) which may impact on their investment. Potential Holders should similarly monitor developments in this area.

It cannot be determined how future changes to the law or associated administrative practices could impact on a Holder covered by the taxation summary in the PDS. A potential Holder should seek independent professional advice as required.

Other comments

The assumptions outlined in the Taxation Summary at part 5.18 of the PDS can be replaced with:

“The comments in this Part 5.18 assume that no person (together with their “related persons” for the purpose of stamp duty law) holds 90% or more of the Underlying Securities in that Underlying Entity.”

Further, the treatment under the commercial debt forgiveness rules as outlined in the PDS should remain the same notwithstanding that those rules have been rewritten.

IMPORTANT INFORMATION

The information in this SPDS has been prepared without taking into account the objectives, financial situation and particular needs of investors. Accordingly, before making a decision to acquire UBS Rolling SFIs, you should consider whether such an investment is appropriate having regard to your objectives, financial situation and particular needs, and consult your adviser or broker or tax adviser. You should read this SPDS and the PDS and consider them before making any decision as to whether to acquire Instalments.

UBS does not accept any liability or responsibility for, and makes no representation or warranty, whether express or implied, as to the affairs of any Underlying Entity included in this SPDS. You should obtain independent advice from a stockbroker or licensed financial adviser or tax adviser on the nature, activities and prospects of the Underlying Entities and the merits of an investment in the Underlying Entities or any Series of SFIs. You should not take the historical prices of any Security or any other financial product as an indication of future performance.

UBS disclosure of interests

Options traders in a UBS Entity may buy UBS Rolling SFIs and/or exchange traded options in Securities comprising the Underlying Parcel as principal. UBS Entities as principal will be conducting transactions in various Securities and other financial products, including UBS Rolling SFIs and Securities comprising the Underlying Parcel. UBS Securities may conduct such transactions as agent for UBS Entities, as well as for other principals.

UBS Entities may have previously acted, and may currently or in the future from time to time act as an adviser to the Underlying Entity for which it may receive fees and commissions.

DIRECTORY

Issuer

UBS AG, Australia Branch

Level 16

Chifley Tower

2 Chifley Square

Sydney NSW 2000

Registrar

Computershare Investor Services Pty Limited

Level 3

Carrington Street

Sydney NSW 2000

☎ 1300 850 505

Security Trustee

UBS Nominees Pty Ltd

Level 16

Chifley Tower

2 Chifley Square

Sydney NSW 2000

UBS Rolling Self Funding Instalments

Supplementary Product Disclosure Statement dated 6 December 2011 ("SPDS")

UBS AG, Australia Branch

ABN 47 088 129 613

(AFSL number 231087)

This SPDS supplements the Product Disclosure Statement for UBS Rolling Self Funding Instalments dated 2 February 2009 ("PDS") and, along with the PDS, sets out the terms of issue of the UBS Rolling Self Funding Instalments referred to in this SPDS. You should read this SPDS together with the PDS and the supplementary product disclosure statements for UBS Rolling Self Funding Instalments dated 18 November 2011, 30 June 2011, 7 June 2011, 16 May 2011, 4 May 2011, 15 February 2011, 30 June 2010, 9 November 2009, 26 August 2009, 30 June 2009, 25 May 2009, 22 May 2009, 30 March 2009, 11 March 2009 and 2 February 2009. Words defined in the PDS have the same meaning in this SPDS.

This SPDS relates to the update of the following information relevant to all series of UBS Rolling Self Funding Instalments.

1. Update to Capital Protect Borrowing Rules

Taxation—Capital protected borrowing rules (confirmation of change to benchmark rate)

As noted in SPDS dated 15 February 2011, and SPDS dated 16 May 2011, the Government had introduced legislation to change the relevant benchmark interest rate in the capital protected borrowing rules. On 29 June 2011, the Tax Laws Amendment (2010 Measures No 5) Bill 2010 received Royal Assent, providing confirmation that the benchmark interest rate should be set at the RBA indicator rate for standard variable housing loans + 1%.

The changes have retrospective effect by applying to any arrangements entered into from after 7:30pm AEST on 13 May 2008.

2. Update to Page 3 of the UBS Rolling SFIs PDS

On page 3 of the "Investment Overview" of the PDS dated 2 February 2009, replace the following wording in the third column "Part 4.2: "Fees and payments to advisers"" with "Part 4 "Fees"".

3. Update to Page 17 of the UBS Rolling SFIs PDS

On Page 17 of Part 3.9 of the PDS dated 2 February 2009, replace the following wording in the last paragraph "(see Parts 2.1.4 and 4.4)" with "(see Parts 2.1.4 and 4.3.5)".

4. Update to Fee Disclosure of the UBS Rolling SFIs PDS

Replace Part 4 of the UBS Rolling SFIs PDS dated 2 February 2009 with the following:

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

4.1 Fees and other costs

This part shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Underlying Entity. Information on tax appears in Part 5 of the PDS for UBS Rolling SFIs.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out		
<i>Establishment Fee</i> The fee to open your investment	Nil	Not applicable
<i>Contribution fee</i> ¹ The fee on each amount contributed to your investment	The Borrow Fee is the up-front fee, if any, charged by UBS for the Loan. The amount of the Borrow Fee will equal the amount of any up-front commission you agree with your adviser. The maximum Borrow Fee for a Series is set out in the relevant Supplementary PDS.	Payable to UBS when you are issued UBS Rolling SFIs. No Borrow Fee is payable when you acquire UBS Rolling SFIs on the secondary market. UBS will pay an amount equal to the Borrow Fee to your adviser as a commission.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	Not applicable
<i>Termination fee</i> The fee to close your investment	Nil	Not applicable
Management costs		
The fees and costs for managing your investment ²	The Interest Amount for each period is equal to the Interest Rate multiplied by the Loan Amount multiplied by the number of days to the earlier of the next Annual Interest Date and the Final Maturity Date, divided by 365. Information about how UBS will determine the Interest Rate is set out in the Investment Overview. Where the Underlying Entity for a Series is a managed investment scheme, the management costs for the Underlying Entity are set out in the relevant Supplementary PDS.	For Applications for UBS Rolling SFIs, the Interest Amount is payable by the Applicant (out of the Loan Amount) on the Issue Date. For purchases on the secondary market, the Interest Amount is payable (out of their Loan Amount) by the purchaser on the Transfer Date. On each Annual Interest Date Holders pay the applicable Interest Amount by drawing down the Loan and paying the amount to UBS.

Notes:

- ¹ This fee includes an amount payable to an adviser. (See 'adviser remuneration' under the heading 'Additional Explanation of Fees and Costs'.)
- ² See 'Additional Explanation of Fees and Costs' in Section 4.3 of the PDS.

4.2 Example of annual fees and costs

This table gives an example of how the fees and costs for this product can affect your investment over a 1 year period.

Example	Balance of \$50,000 (Loan Amount) with a contribution of \$5,000 (Loan Amount) during the year	
Contribution Fees	0–3.3% of the Loan Amount for the contribution	For every additional \$5,000 of Loan Amount you put in, you will be charged between \$0 and \$165 (see explanation below)
PLUS Management Costs	10% (Interest Rate on the Loan Amount—see explanation below)	And , for every \$50,000 of Loan Amount you have in UBS Rolling SFIs you will be charged \$5,000 each year (see explanation below)
EQUALS Cost of product		If you had UBS Rolling SFIs with \$50,000 Loan Amount at the beginning of the year, and you put in an additional \$5,000 (of Loan Amount) during that year, you would be charged fees of from: \$5,000 - \$5,165 What it costs you will depend on the investment option you choose and the fees you negotiate with your financial advisor.

Explanation of the example

We are required by law to include the example above, which is based on a template example for managed investment products in the Corporations Regulations. However, the template example is for a fund, not warrants. The following clarifications are necessary:

- The reference to “Contribution Fee” should be read as a reference to the Borrow Fee which is calculated by UBS as a percentage of your Loan Amount when you are issued UBS Rolling SFIs. The amount of the Borrow Fee will equal the amount of any up-front commission you agree with your adviser. The maximum Borrow Fee for a Series (expressed as a percentage of the Loan Amount) is set out in the relevant Supplementary PDS for that Series.
- The reference to “\$5,000 of Loan Amount you put in”, should be read as a reference to an Application for additional UBS Rolling SFIs with an aggregate Loan Amount (at the time of their issue) equal to \$5,000.
- The reference to an “investment of \$50,000” should be read as a reference to an investment in UBS Rolling SFIs with a Loan Amount equal to \$50,000 at the beginning of the year. The example assumes the additional investment with a Loan Amount of \$5,000 is put in at the end of the year. The example ignores the First Payment amounts.
- The reference to “Management Costs” should be read as a reference to the Interest Amount on the Loan for the year. The example assumes an Interest Rate of 10% for the year.
- Where the Underlying Entity for a Series is a managed investment scheme, the management costs for the Underlying Entity are set out in the relevant Supplementary PDS for that Series of UBS Rolling SFIs.

The example above should not be construed as an indication of the expected Interest Rate, Loan Amount, First Payment amount, or leverage level of any Series of UBS Rolling SFIs.

4.3 Additional Explanation of Fees and Costs

4.3.1 Interest Amounts

The Interest Amount on a Loan for a period will be determined by multiplying the Loan Amount by the Interest Rate by the number of days remaining until the earlier of the next Annual Interest Date and the Final Maturity Date divided by 365. The factors affecting UBS' determination of the Interest Rate are explained in the Investment Overview. You can find out the Interest Rate for any Series at a particular time by contacting UBS on 1800 633 100.

4.3.2 Borrow Fee

The Borrow Fee is the up-front fee, if any, charged by UBS for the Loan. The amount of the Borrow Fee will equal the amount of any up front commission you agree with your adviser. The maximum Borrow Fee for a Series is set out in the relevant Supplementary PDS.

A Borrow Fee is not payable when you buy UBS Rolling SFIs on the secondary market, e.g. on the ASX.

The proportion your Borrow Fee is to your First Payment amount will be a factor of the level of the Borrow Fee and the leverage level of your UBS Rolling SFIs on the applicable Issue Date (the higher the leverage level, the higher the proportion your Borrow Fee will be to your First Payment). If your UBS Rolling SFIs are highly leveraged, the percentage your Borrow Fee is to your First Payment could be significantly higher than the percentage your Borrow Fee is to your Completion Amount (ie Loan Amount).

For example, assume the Price of Underlying Securities for a Series of UBS Rolling SFIs is \$10, the Loan Amount is \$9.50, Interest Amount is \$1.40, and your Borrow Fee is 3.3% of the Loan Amount (\$9.50). The Borrow Fee will be \$0.3135 and your First Payment will be \$2.2135. In this example, the Borrow Fee is approximately 14% of the First Payment amount.

4.3.3 Adviser remuneration

UBS will pay an amount equal to any Borrow Fee to your adviser as an upfront commission.

In addition to the commission referred to in "Borrow Fee" above, UBS may also pay your adviser an adviser trail payments of up to 0.50% per annum (excl. GST) of the current Completion Payment per UBS Rolling SFI at the time of calculation (e.g. \$0.005 on a \$1 Completion Payment). This is paid at UBS' discretion out of UBS' own funds annually to your adviser.

4.3.4 Tax liabilities

As noted in Part 2.1.4, you will be liable to pay a TFN Amount to UBS where the Security Trustee is required to withhold and pay an amount to the ATO (or any relevant Tax Authority) from any Ordinary Dividends or Special Dividends paid on the Underlying Securities where you do not provide your TFN, ABN or proof of an exemption.

Part 5 sets out information about tax considerations in relation to UBS Rolling SFIs.

4.3.5 Costs of enforcing Security Interest and transfer of Underlying Parcel on Final Maturity Date

UBS may enforce the Security Interest over UBS Rolling SFIs in certain circumstances, such as when you are liable to pay UBS a TFN Amount. If UBS exercises the Security Interest, you will incur any fees, costs, Taxes and liabilities incurred by UBS or the Security Trustee in connection with enforcing the Security Interest. You will also incur any fees, costs, Taxes and liabilities incurred by UBS or the Security Trustee in connection with the transfer of the Underlying Parcel to UBS on the Final Maturity Date where you have not given a valid and effective Completion Notice for the UBS Rolling SFI. As at the date of this PDS, UBS does not intend to deduct any such fees, costs, charges, liabilities, Taxes or expenses incurred in connection with enforcing its Security Interest.

4.3.6 Costs deducted if UBS sells Underlying Parcel

If you hold UBS Rolling SFIs at 6.00pm on the Final Maturity Date and have not given a valid Completion Notice, or rolled your UBS Rolling SFIs into a new Series, any fees, costs, charges, liabilities, Taxes and expenses incurred by or payable to UBS or the Security Trustee in connection with the transfer of the Underlying Parcel to UBS or at its direction will be deducted from the Assessed Value Payment. UBS may elect not to deduct some or all of these amounts from your Assessed Value Payment amount. As at the date of this PDS, UBS does not intend to deduct any such fees, costs, charges, liabilities, Taxes or expenses incurred in connection with the transfer of Underlying Securities.

4.3.7 Interest Rate changes

UBS is entitled to change the Interest Rate on any Issue Date and on any Annual Interest Date in its discretion without your consent.

Important Information

The information in this SPDS has been prepared without taking into account the objectives, financial situation and particular needs of investors. Accordingly, before making a decision to acquire UBS Rolling SFIs, you should consider whether such an investment is appropriate having regard to your objectives, financial situation and particular needs, and consult your adviser or broker or tax adviser. You should read this SPDS and the PDS and consider them before making any decision as to whether to acquire Instalments.

UBS does not accept any liability or responsibility for, and makes no representation or warranty, whether express or implied, as to the affairs of any Underlying Entity included in this SPDS. You should obtain independent advice from a stockbroker or licensed financial adviser or tax adviser on the nature, activities and prospects of the Underlying Entities and the merits of an investment in the Underlying Entities or any Series of SFIs. You should not take the historical prices of any Security or any other financial product as an indication of future performance.

UBS disclosure of interests

Options traders in a UBS Entity may buy UBS Rolling SFIs and/or exchange traded options in Securities comprising the Underlying Parcel as principal. UBS Entities as principal will be conducting transactions in various Securities and other financial products, including UBS Rolling SFIs and Securities comprising the Underlying Parcel. UBS Securities may conduct such transactions as agent for UBS Entities, as well as for other principals.

UBS Entities may have previously acted, and may currently or in the future from time to time act as an adviser to the Underlying Entity for which it may receive fees and commissions.

DIRECTORY

Issuer

UBS AG, Australia Branch

Level 16

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2 Chifley Square

Sydney NSW 2000

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Computershare Investor Services Pty Limited

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☎ 1300 850 505

Security Trustee

UBS Nominees Pty Ltd

Level 16

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2 Chifley Square

Sydney NSW 2000

UBS Rolling Self Funding Instalments

Supplementary Product Disclosure Statement dated 15 February 2011 ("SPDS")

UBS AG, Australia Branch

ABN 47 088 129 613
(AFSL number 231087)

This SPDS supplements the Product Disclosure Statement for UBS Rolling Self Funding Instalments dated 2 February 2009 ("PDS") and, along with the PDS, sets out the terms of issue of the UBS Rolling Self Funding Instalments referred to in this SPDS. You should read this SPDS together with the PDS and the supplementary product disclosure statements for UBS Rolling Self Funding Instalments dated 30 June 2010, 9 November 2009, 26 August 2009, 30 June 2009, 25 May 2009, 22 May 2009, 30 March 2009, 11 March 2009 and 2 February 2009. Words defined in the PDS have the same meaning in this SPDS.

This SPDS relates to the offer of UBS Rolling Self Funding Instalments as specified below. The SPDS is divided into three sections:

- Section 1 sets out information that is specific to the TLSSSS Series offered under this SPDS.
- Section 2 sets out information that is relevant to the TLSSSS Series offered under this SPDS and to each Series of UBS Rolling SFIs first issued after 15 February 2011.
- Section 3 sets out information relevant to all open Series of UBS Rolling SFIs.

Important information

If you are considering an investment in the TLSSSS Series offered under this SPDS, read all sections of this SPDS and the PDS.

If you are considering an investment in a Series (other than the TLSSSS Series offered under this SPDS) that is first issued after 15 February 2011, read sections 2 and 3 of this SPDS as well as the supplementary product disclosure statement for the relevant Series and the PDS.

If you are considering an investment in a Series that was first issued before 15 February 2011, you should read section 3 of this SPDS as well as the supplementary product disclosure statement for the relevant Series and the PDS.

Section 1: information relevant to the TLSSSS Series offered under this SPDS

UBS Rolling Self Funding Instalments	
Issuer	UBS AG, Australia Branch
Offer Period Opens:	15 February 2011
Expected Quotation Date on the ASX:	15 February 2011
Final Maturity Date:	30 September 2011.
Annual Interest Dates:	None. Due to the short period until the Final Maturity Date there will be no Annual Interest Date in relation to the Series of UBS Rolling Self Funding Instalments offered under the SPDS.
Initial Issue Size:	10,000,000 per Series
Borrow Fee:	<p>The Borrow Fee is the up-front fee, if any, charged by UBS for the Loan. The amount of the Borrow Fee will equal the amount of the commission you agree with your adviser. UBS will pay an amount equal to the amount of the Borrow Fee to your adviser as a commission.</p> <p>The Borrow Fee for this Series of UBS Rolling SFIs is an amount up to 3.30% of the current Completion Payment per UBS Rolling SFI as specified by UBS from time to time and is payable by you when you acquire a UBS Rolling SFI (other than on the secondary market).</p>
Adviser Fees:	In addition to the commission referred to in the "Borrow Fee" row above, UBS may also pay your adviser an adviser trail payment of up to 0.50% per annum (excl. GST) of the current Completion Payment per UBS Rolling SFI at the time of calculation (eg \$0.005 on a \$1 Completion Payment). This is paid at UBS' discretion out of UBS' own funds as set out in Part 4 of the PDS.
Other Fees	<p>In certain circumstances other fees or costs may be payable to UBS such as costs arising as a result of UBS enforcing its Security Interest over UBS Rolling SFIs. Please refer to Part 4 of the PDS for further details.</p> <p>In addition to the costs outlined in Part 4 of the PDS, if you hold UBS Rolling SFIs at 6.00pm on the Final Maturity Date and have not given a valid Completion Notice, or rolled your UBS Rolling SFIs into a new Series, any fees, costs, charges, liabilities, Taxes and expenses incurred by or payable to UBS or the Security Trustee in connection with the transfer of the Underlying Parcel to UBS or at its direction may be deducted from the Assessed Value Payment. UBS may elect not to deduct some or all of these amounts from your Assessed Value Payment amount. As at the date of this PDS, UBS does not intend to deduct any such fees, costs, charges, liabilities, Taxes or expenses incurred in connection with the transfer of Underlying Securities.</p>
Registrar	Computershare Investor Services Pty Limited Level 3, 60 Carrington Street Sydney NSW 2000, Australia Phone: 1300 85 05 05 Website: www.computershare.com.au

Application has been made and approval given for the UBS Rolling SFIs offered under the PDS and this Supplementary PDS to be admitted to trading status on the ASX.

UBS reserves the right to increase or decrease the issue size at any time during the offer period or to issue further UBS Rolling SFIs without the consent of Holders.

NOTES FOR TABLE OF UBS ROLLING SFI SERIES

Amounts as at 15 February 2011: The table below sets out the Loan Amount and Completion Payment as at the date of this SPDS (ie 15 February 2011). These amounts vary during the Term of each Series of UBS Rolling SFIs as set out in the PDS. You can obtain the current Loan Amount and Completion Payment by contacting UBS on 1800 633 100.

Interest Rate: The current Interest Rate, determined by UBS as described in Part 2.3.3 of the PDS, is available from UBS by calling **1800 633 100**.

ASX Code	Underlying Entity	Underlying Security	Loan Amount per UBS Rolling SFI	Initial Completion Payment
TLSSSS	Telstra Corporation Ltd	1 ordinary share	\$2.90	\$2.90

Section 2: information relevant to the TLSSSS Series offered under this SPDS and to each Series of UBS Rolling SFIs first issued after 15 February 2011

- For the TLSSSS Series offered under this SPDS, and for each Series of UBS Rolling SFIs first issued after 15 February 2011, Parts 2.6.2 and 2.6.3 of the PDS are deleted and replaced with the following:

2.6.2 How is the Assessed Value Payment calculated?

If you hold UBS Rolling SFIs at 6.00pm on the Final Maturity Date and have not given a Completion Notice that is or becomes valid and effective, or rolled your UBS Rolling SFIs into a new Series, you are deemed to agree that:

- the Underlying Parcel will be transferred to UBS; and
- UBS will pay you an amount (the "**Assessed Value Payment**") calculated as follows:
 - if the Closing Price of the Underlying Parcel on the Final Maturity Date is less than or equal to the Loan Amount, the Closing Price of the Underlying Parcel on the Final Maturity Date; or
 - if the Closing Price of the Underlying Parcel on the Final Maturity Date is greater than the Loan Amount on the Final Maturity Date, the VWAP of the Underlying Parcel on the first Trading Day after the Final Maturity Date;
less;
 - any fees, costs, charges, liabilities, Taxes and expenses incurred by or payable to UBS or the Security Trustee in connection with the transfer of the Underlying Parcel to UBS or at its direction. UBS may elect not to deduct some or all of these amounts from your Assessed Value Payment amount. As at the date of this PDS, UBS does not intend to deduct any such fees, costs, charges, liabilities, Taxes or expenses incurred in connection with the transfer of Underlying Securities; and
 - the Loan Amount.

Recourse for the Loan is limited so you will not be required to pay any shortfall in the event that the amount payable to you is insufficient to repay the Loan Amount in full. That is, if the Closing Price of the Underlying Parcel at the Closing Time on the Final Maturity Date is less than or equal to the Loan Amount, you will not be required to pay any amount in respect of the Loan and your Assessed Value Payment will be zero.

2.6.3 Hypothetical example of the Assessed Value Payment

Assume that a Holder held XYZ UBS Rolling SFIs at 6.00pm on the Final Maturity Date (that is not an Early Final Maturity Date) with a Loan Amount of \$20.00, the Holder did not give a valid and effective Completion Notice or roll their UBS Rolling SFIs into a new Series, the Closing Price on the Final Maturity Date was \$24.95, the VWAP of the Underlying Parcel on the Trading Day after the Final Maturity Date was \$25.00 and there were no costs incurred in connection with the transfer of the Underlying Parcel. In this example, because the Closing Price on the Final Maturity Date (i.e. \$24.95) was greater than the Loan Amount, the Holder is entitled to receive an

Assessed Value Payment equal to the VWAP on the Trading Day after the Final Maturity Date less the Loan Amount (i.e. \$5.00 which is \$25 less \$20). If the Closing Price of the Underlying Parcel in this example was equal to or less than \$20 then no Assessed Value Payment would be made to the Holder and the Holder would not be required to make any further payments to repay the outstanding Loan Amount. In addition, if the VWAP on the Trading Day after the Final Maturity Date was less than or equal to the Loan Amount then no Assessed Value Payment would be made to the Holder and the Holder would not be required to make any further payments to repay the outstanding Loan Amount.

For each Series of UBS Rolling SFIs first issued before 15 February 2011, Parts 2.6.2 and 2.6.3 of the PDS remain unchanged.

2. Include in Part 10 the following definition:

Closing Price means, in relation to an Underlying Security, the official closing price for such Security as quoted by the principal exchange on which such Underlying Security is listed.

Section 3: information relevant to all Series of UBS Rolling SFIs

Summary of Terms of UBS Rolling SFIs

In Part 7.26 ("UBS Discretion and Other Adjustments (clause 20)"):

- (a) the following sentence is added at the beginning of the first paragraph:
- "Any determination made by UBS will be made in its sole discretion, acting in good faith and in a commercially reasonable manner."; and
- (a) the following words are added before the full stop at the end of the first paragraph:
- "provided such alteration is not unfair (as defined in section 12BG of the ASIC Act)"

ASX Rules and Entity Updates

- The definition of "ASTC" in Part 10 of the PDS is deleted and replaced with: "**ASX Settlement** means ASX Settlement Pty Limited (ABN 49 008 504 532)". Each reference to "ASTC" in the PDS is deleted and replaced with "ASX Settlement".
- The definition of "ASTC Settlement Rules" in Part 10 of the PDS is deleted and replaced with: "**ASX Settlement Operating Rules** means the operating rules of the clearing and settlement facility operated by ASX Settlement". Each reference to "ASTC Settlement Rules" in the PDS is deleted and replaced with "ASX Settlement Operating Rules".
- The definition of "ASX Market Rules" in Part 10 of the PDS is deleted and replaced with: "**ASX Operating Rules** means the operating rules of the ASX.". Each reference to "ASX Market Rules" in the PDS is deleted and replaced with "ASX Operating Rules".
- The definition of "Option Market Contract" in Part 10 of the PDS is replaced with: "**Option Market Contract** has the meaning it is given in section 7100 of the ASX Operating Rules".
- The reference to Australian Clearing House Pty Ltd in Part 3.3 of the PDS is deleted and replaced with "ASX Clear Pty Limited".

Fees and Expenses that apply to Borrow Fee

Part 4.2 is deleted and replaced with the following:

4.2 Borrow Fees and adviser fees payable to advisers

Borrow Fee

The Borrow Fee is the up-front fee, if any, charged by UBS for the Loan. The amount of the Borrow Fee will equal the amount of the commission you agree with your adviser. UBS will pay an amount equal to the amount of the Borrow Fee to your adviser as a commission.

The Borrow Fee for each Series of UBS Rolling SFIs is an amount up to 3.30% of the current Completion Payment per UBS Rolling SFI as specified by UBS from time to time and is payable by you when you acquire a UBS Rolling SFI (other than on the secondary market).

The proportion your Borrow Fee is to your First Payment amount (for a Cash Application) will be a factor of the level of the Borrow Fee and the leverage level of your UBS Rolling SFIs on the applicable issue date (the higher the leverage level, the higher the proportion your Borrow Fee will be to your First Payment). If your UBS Rolling SFIs are highly leveraged, the percentage your Borrow Fee is to your First Payment could be significantly higher than the percentage your Borrow Fee is to your Completion Amount (ie Loan Amount).

For example, assume the Price of Underlying Securities for a Series of UBS Rolling SFIs is \$10.00, the Loan Amount is \$9.50, Interest Amount is \$1.40, and your Borrow Fee is 3.3% of the Completion Amount (being the Loan Amount of \$9.50). The Borrow Fee will be \$0.3135 and your First Payment will be \$2.2135. In this example, the Borrow Fee is approximately 14% of the First Payment amount.

Adviser Fees

In addition to the commission referred to in "Borrow Fee" above, UBS may also pay your adviser an adviser trail payment of up to 0.50% per annum (excl. GST) of the current Completion Payment per UBS Rolling SFI at the time of calculation (eg \$0.005 on a \$1 Completion Payment). This is paid at UBS' discretion out of UBS' own funds as set out in Part 4 of the PDS.

Taxation

Capital protected borrowing rules

The Government has introduced into Parliament *Tax Laws Amendment (2010 Measures No.5) Bill 2010* ("the Bill") which proposes to amend the Incurred Date Benchmark Rate from the Reserve Bank of Australia's Indicator Rate for Personal Unsecured Loans - Variable Rate to the Reserve Bank of Australia's Indicator Rate for Standard Housing Loans - Variable Rate, plus 100 basis points. If this Bill is enacted in its current form, it will change the calculation of the capital protected borrowing cost amount in the PDS. These rules are relevant to determining the portion of the Total Costs payable by an investor which can be deducted in a particular income year.

By way of general comment, investors who are affected by the changes proposed in the Bill, the proposed Benchmark Rate is historically lower than the existing Benchmark Rate. For example, for January 2011, the existing Benchmark Rate was 15.25% and the proposed Benchmark Rate was 8.80%. Accordingly, it would be expected that a greater portion of the Total Costs incurred by investors would be included in the CGT cost base of the Notional Put Option, and so would not be deductible.

The changes are proposed to have retrospective effect by, in general terms, applying to any arrangements entered into or extended after 7:30pm AEST on 13 May 2008. The proposed changes also apply to capital protected borrowings entered into or extended at or before 7:30pm on 13 May 2008 from 1 July 2013.

Investors should monitor developments in relation to the Bill.

Taxation of Financial Arrangements ("TOFA") rules

The *Tax Laws Amendment (Taxation of Financial Arrangements) Act 2009* (the "**TOFA Act**") has been enacted.

The TOFA rules represent a separate regime for the taxation of gains and losses from financial arrangements.

The TOFA Act states that generally the TOFA rules are to apply to financial arrangements entered into from the first tax year beginning on or after 1 July 2010. (However, under the TOFA Act, a taxpayer may elect for the TOFA rules to apply to all financial arrangements that the taxpayer starts to have in the income years commencing on or after 1 July 2009.) Under the TOFA Act, a taxpayer may also elect for the TOFA rules to apply to all financial arrangements existing at the start date.

Individuals are generally excluded from the TOFA rules if:

- a) the arrangement is to end not more than 12 months after they start to have it; or

- b) the arrangement is not a “qualifying security” for the purposes of Division 16E in Part III of the Tax Act.

Based on the TOFA Act, the TOFA regime should not apply to the Holder of a UBS Rolling SFI who is an individual, unless the Holder elects for the TOFA regime to apply.

The TOFA regime may also not apply to a Holder of a UBS Rolling SFI that is not an individual if either paragraph (a) or (b) above is satisfied and the entity is (very broadly):

- a) a superannuation entity or a managed investment scheme with assets of less than \$100 million;
- b) a financial entity with an aggregated turnover of less than \$20 million; or
- c) any other kind of entity with an aggregated turnover of less than \$100 million, financial assets of less than \$100 million and total assets of less than \$300 million,

unless they elect for the TOFA regime to apply.

Other Holders may be subject to the TOFA regime. Prospective investors and Holders should seek their own advice in relation to the potential applicability of the rules contained in the TOFA Act in light of their own particular circumstances.

Tax reform

The Government has announced that it will amend the income tax law to confirm the practice of treating the investor in an instalment warrant over a single exchange traded security in a company, trust or stapled entity as the owner of the listed security for income tax purposes. This is consistent with the tax treatment outlined in the PDS.

However, draft legislation in relation to these amendments has not yet been released. Prospective investors should monitor developments.

Superannuation

1. The text under the heading “Superannuation Investments” on page 7 is deleted and replaced with the following:

UBS will not accept Shareholder Applications from superannuation entity applicants. Refer to Part 3.15 for further information.

Superannuation entities should obtain independent advice on the suitability of instalments as part of their overall investment strategy.

2. Part 3.15 is deleted and replaced with the following:

Superannuation entities are subject to restrictions on entering into borrowing arrangements, granting charges over fund assets, and on the type of investments that can be made. On 16 December 2002 the Australian Prudential Regulation Authority (“APRA”) and the ATO (together “the Regulators”) issued joint guidelines to superannuation entities investing in instalment warrants. In the guidelines, the Regulators restated that investments of this type require careful consideration by superannuation entities. In addition UBS Rolling SFIs are derivatives and the investor should consider whether an investment in UBS Rolling SFIs is in accordance with the investment strategy of the fund and should ensure that they have sufficient liquidity to make any required payments should they wish to exercise their rights in respect of the UBS Rolling SFIs.

From 24 September 2007, section 67(4A) of the Superannuation Industry (Supervision) Act 1993 (“SIS”) explicitly permitted superannuation fund trustees to invest in certain types of instalment warrants. This is an express exception to the borrowing restriction contained in section 67(1) of SIS. From 7 July 2010, this exception was replaced with a new exception contained in section 67A, which is to the former section 67(4A), although there are some significant differences.

However, the Regulators stated in the 16 December 2002 announcement that they have formed the view that an investment in instalment warrants by superannuation entities via a Shareholder Application is generally not appropriate as it is likely to contravene SIS Regulation 13.14, which prohibits trustees from giving a charge over assets of a fund. Such a charge would not be permitted by the exception in section 67A(1) of SIS (or the repealed section 67(4A)). Consequently, UBS will not accept Shareholder Applications from superannuation entity applicants. This does not however

prohibit superannuation entities from acquiring UBS Rolling SFIs via a Cash Application or on the secondary market (i.e. purchase on ASX).

A superannuation entity that holds UBS Rolling SFIs may be liable to pay a TFN Amount to UBS where the Security Trustee is required to withhold and pay an amount to the ATO from any Ordinary Dividends or Special Dividends paid on the Underlying Securities where the superannuation entity does not provide their TFN, ABN or proof of an exemption. As a result, a superannuation entity may be deemed to be borrowing in contravention of section 67 of SIS if it does not provide its TFN or ABN and a TFN Amount becomes due and payable to UBS. Accordingly, superannuation entities should not consider investing in UBS Rolling SFIs unless they intend to and are able to provide UBS with a TFN, ABN or proof of an exemption.

UBS Rolling SFIs are expected to come within the exception in section 67A(1) of SIS if acquired through a Cash Application or through purchase on ASX. **However, superannuation entities should obtain independent advice on the suitability of investing in instalment warrants such as UBS Rolling SFIs, including by taking into account the geared exposure to the Underlying Parcel acquired through UBS Rolling SFIs. No determination by the Regulators has been sought in respect of the UBS Rolling SFIs offered under this PDS and any relevant Supplementary PDS.**

A Rollover Application might be available to a trustee of a regulated superannuation fund (including a SMSF). Given the serious ramifications that a breach could have for a SMSF (including the loss of the entity's concessional status), trustees of regulated superannuation funds should consider the terms of any new series of UBS Rolling SFIs and obtain their own advice before investing in UBS Rolling SFIs by Rollover Application.

3. The first paragraph in Part 7.14 is replaced with the following:

Where the relevant Underlying Entity pays an Ordinary Dividend or Special Dividend wholly or partly in cash, subject to withholding tax obligations, the Holder irrevocably directs the Security Trustee to apply the cash distribution against the Loan Amount on the relevant UBS Rolling SFI, and to pay that cash amount as soon as practicable after receipt and clearance to UBS. UBS must apply the distribution to reduce the Loan Amount on the relevant UBS Rolling SFI. The amount remaining (if any) is paid to the Holder.

4. In the Glossary in Part 10, insert the following new definition after the definition of "Shareholder Cashback":

SMSF means a self-managed superannuation fund.

Important Information

The information in this SPDS has been prepared without taking into account the objectives, financial situation and particular needs of investors. Accordingly, before making a decision to acquire UBS Rolling SFIs, you should consider whether such an investment is appropriate having regard to your objectives, financial situation and particular needs, and consult your adviser or broker or tax adviser. You should read this SPDS and the PDS and consider them before making any decision as to whether to acquire Instalments.

UBS does not accept any liability or responsibility for, and makes no representation or warranty, whether express or implied, as to the affairs of any Underlying Entity included in this SPDS. You should obtain independent advice from a stockbroker or licensed financial adviser or tax adviser on the nature, activities and prospects of the Underlying Entities and the merits of an investment in the Underlying Entities or any Series of SFIs. You should not take the historical prices of any Security or any other financial product as an indication of future performance.

UBS disclosure of interests

Options traders in a UBS Entity may buy UBS Rolling SFIs and/or exchange traded options in Securities comprising the Underlying Parcel as principal. UBS Entities as principal will be conducting transactions in various Securities and other financial products, including UBS Rolling SFIs and Securities comprising the Underlying Parcel. UBS Securities may conduct such transactions as agent for UBS Entities, as well as for other principals.

UBS Entities may have previously acted, and may currently or in the future from time to time act as an adviser to the Underlying Entity for which it may receive fees and commissions.

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Product Disclosure Statement

UBS Rolling Self Funding Instalments

Issued by UBS AG, Australia Branch ABN 47 088 129 613, AFSL 231087
Product Disclosure Statement Dated 2 February 2009



IMPORTANT NOTICE

This document is a Product Disclosure Statement ("PDS") dated 2 February 2009 and relates to the issue of UBS Rolling Self Funding Instalments. UBS AG, Australia Branch (ABN 47 088 129 613) (AFSL No. 231087) is the issuer of this PDS and the UBS Rolling Self Funding Instalments.

Supplementary Product Disclosure Statement

This PDS contains general information about UBS Rolling SFIs. This PDS is not a stand alone document. The additional information relating to each Series of UBS Rolling SFIs (eg, the Underlying Securities, Loan Amount, Completion Payment, Annual Interest Dates and Final Maturity Date for the Series) is set out in the relevant Supplementary PDS for the Series. The relevant Supplementary PDS for each Series should accompany this PDS and be read in conjunction with this PDS. Please contact UBS on 1800 633 100 if a Supplementary PDS does not accompany this PDS.

Applications

Applications must be made on the Application Form accompanying this PDS. The offer period for a Series of UBS Rolling SFIs will open on the date specified for that Series in the relevant Supplementary PDS for the Series and close on a date nominated by UBS.

Your Decision to Invest

The information in this PDS is general information only and does not take into account your own investment objectives, financial situation or particular needs. Accordingly, you should consider whether the information is appropriate in light of your objectives, financial situation and particular needs and obtain independent financial and taxation advice before you invest.

UBS Rolling SFIs not Deposits with UBS

UBS AG, Australia Branch is an authorised foreign Authorised Deposit-Taking Institution under the Banking Act 1959 (Cth), and is supervised by the Australian Prudential Regulation Authority. However, it is important for you to note that your investment in UBS Rolling SFIs is not a deposit product or other deposit liability and will not be covered by the depositor protection provisions set out in Division 2 of the Banking Act 1959 (Cth), as these provisions do not apply to foreign Authorised Deposit-Taking Institutions.

An investment in UBS Rolling SFIs is subject to investment risk, including possible delays in repayment and loss of income or principal invested. Neither UBS nor any of its related bodies corporate guarantees the performance of or repayment of principal or any particular rate of return from the UBS Rolling SFIs.

Offering restrictions

The offer to which this PDS relates is available to persons receiving this PDS (electronically or otherwise) in Australia. The distribution of this PDS and the relevant Supplementary PDS in jurisdictions outside Australia may be restricted by law and any person who resides outside Australia into whose possession this PDS and the relevant Supplementary PDS comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions. Each UBS Rolling SFI is not a security under the US Securities Act 1933 (as amended) and has not been, and will not be, registered under the US Securities Act 1933 (as amended) and may not be offered or sold in the United States or to, or for the account of or benefit of, US persons. Accordingly neither this PDS nor the Application Form may be sent to persons in the United States or otherwise distributed in the United States.

Updating of information in this PDS

This PDS is current as at 2 February 2009. Information in this PDS may change from time to time. Where those changes are not materially adverse to investors, UBS may update the information by posting a notice on its website at www.ubs.com/instalments. UBS will, on request, provide investors with a free paper copy of that information to investors who contact UBS on 1800 633 100.

Underlying Securities

References in this PDS or any Supplementary PDS to an Underlying Security or Underlying Entity are included solely for the purposes of identification of the Securities to which the UBS Rolling SFIs relate. No Underlying Entity has authorised, been involved in the preparation of, or caused the issue of this PDS nor any Supplementary PDS. The references are not an express or implied endorsement of the UBS Rolling SFIs by the Underlying Entity.

Information in this PDS and any relevant Supplementary PDS in respect of the Underlying Securities has been prepared by UBS from publicly available information only and has not been independently verified. To the extent permitted by law, UBS does not accept any liability or responsibility for, and makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. Investors should make their own enquiries.

No representations other than in this PDS

Investors should also note that no person is authorised by UBS to give any information to investors or to make any representation not contained in this PDS or any relevant Supplementary PDS. Nothing contained in this PDS nor any relevant Supplementary PDS is to be relied on as implying that there has been no change in the affairs of an Underlying Entity or UBS since the date of this PDS or the relevant Supplementary PDS. No representation as to future performance, assets or dividends of an Underlying Entity are made in this PDS, any relevant Supplementary PDS nor in any offer or invitation to subscribe for, sell or issue the UBS Rolling SFIs.

Admission to Trading Status on the ASX

Application has been made and approval given for the UBS Rolling SFIs offered under this PDS and the relevant Supplementary PDS to be admitted to trading status by ASX. The fact that ASX has admitted the UBS Rolling SFIs to trading status is not to be taken in any way as an indication of the merits of UBS or of the UBS Rolling SFIs.

In admitting the UBS Rolling SFIs to trading status ASX has not authorised or caused the issue of this PDS nor any relevant Supplementary PDS and is not in any way a party to or concerned in authorising or causing the issue of this PDS and the relevant Supplementary PDS or the making of offers or invitations with respect to the UBS Rolling SFIs. ASX takes no responsibility for the contents of this PDS and the relevant Supplementary PDS. ASX makes no representation as to whether this PDS and the relevant Supplementary PDS or the UBS Rolling SFIs comply with the Corporations Act or the ASX Market Rules.

To the extent permitted by the ASIC Act 2001, the Trade Practices Act 1974 or any other relevant law, ASX will be under no liability for any claim whatsoever, including for any financial or consequential loss or damage suffered by Holders or any other person, whether that claim arises wholly or substantially out of reliance on any information contained in this PDS and the relevant Supplementary PDS or any error in or omission from this PDS and the relevant Supplementary PDS.

Cooling off

There is no cooling off period when you acquire UBS Rolling SFIs issued under this PDS and the relevant Supplementary PDS.

Interpretation

Capitalised terms used in this PDS are defined in Part 10

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Investment overview

Feature	Summary	More information
Issuer details	UBS AG, Australia Branch (ABN 47 088 129 613) Level 16, Chifley Tower 2 Chifley Square, Sydney NSW 2000 Phone: 1800 633 100 Website: www.ubs.com/instalments Email: sh-warrants@ubs.com	Part 6: "Description of UBS and Security Trustee"
What are UBS Rolling Self Funding Instalments?	UBS Rolling Self Funding Instalments (" UBS Rolling SFIs ") are a way of borrowing to invest in listed Securities through instalment payments. For a fraction of the price of the Security you can gain leveraged exposure through a Loan made to you and an Underlying Security held on your behalf by the Security Trustee. UBS Rolling SFIs differ from other forms of instalment warrants due to the "self funding" concept. UBS Rolling SFI's also differ from other Self Funding Instalments issued by UBS previously and by other issuers, due to the potential rolling of the UBS Rolling SFIs on each Annual Interest Date.	Part 2: "Key Features of UBS Rolling SFIs"
The "self funding" concept: Dividends used to fund interest charges.	UBS Rolling SFIs are "self funding" because Ordinary Dividends and Special Dividends paid on the relevant Underlying Security are applied to reduce the Loan Amount and the Interest Amounts are applied to increase the Loan Amount.	Part 2.1: "Dividends and Special Dividends"
The "rolling" concept	On each Annual Interest Date UBS will decide whether or not it may roll the UBS Rolling SFI for a further year to the next Annual Interest Date, or terminate the UBS Rolling SFIs. If UBS decides to terminate as at an Annual Interest Date, that date will be an Early Final Maturity Date. A Series of UBS Rolling SFIs issued under this PDS cannot be rolled beyond the Final Maturity Date. Unless UBS decides to terminate on an Annual Interest Date, the UBS Rolling SFIs will automatically roll for another year (until the Final Maturity Date) unless the Holder gives a valid Completion Notice.	Part 1.2.4: Roll or termination on Annual Interest Date
Interest Amount and Borrow Fee	Interest is prepaid on the Loan made to you on the Issue Date or purchase date of the UBS Rolling SFIs and on each Annual Interest Date. On each Annual Interest Date the Interest Amount is prepaid by automatically drawing down and adding the Interest Amount to the Loan. You may also be required to pay a Borrow Fee to UBS on the Issue Date which represents the cost of acquiring the Loan.	Part 4: "Fees and Other Costs"
Interest Rate	The Interest Rate used to calculate the Interest Amount is a floating rate determined on the Issue Date (for primary market Applications) and Transfer Date (for secondary market purchases) and thereafter on each Annual Interest Date. The Interest Rate (which includes a capital protection component) varies depending on the Underlying Security and other factors. Information about the method for determining the Interest Rate is set out in Parts 2.2 and 2.3.3 and can be obtained from UBS by calling 1800 633 100 .	Part 2.2 and 2.3.3: "What Happens on Annual Interest Dates" and "What amount is advanced and interest payments made under the Loan"

Investment overview

Feature	Summary	More information
Protection through a built in limited recourse Loan	The leveraged exposure to the relevant Underlying Security is provided through a limited recourse Loan from UBS. If you choose not to repay the Loan at maturity, your Underlying Securities will be transferred to UBS and the proceeds of the transfer used to repay the Loan. This means that the most you can lose is the amount you initially invest ¹ . However, if you elect to receive the Underlying Security at maturity, you agree to pay the Completion Payment and are liable to pay that amount to UBS as a separate obligation.	Part 9: "Form of Loan Agreement"
Series of UBS Rolling SFIs	UBS is offering various Series of UBS Rolling SFIs as specified in the relevant Supplementary PDS for each Series. UBS Rolling SFIs form part of the same Series if they are over the same Underlying Securities and have the same Loan Amount, Annual Interest Dates and Final Maturity Date.	See relevant Supplementary PDS for the Series
Further information in the Supplementary PDS	The Underlying Securities, Loan Amount, Completion Payment, Annual Interest Dates and Final Maturity Date for a Series are specified in the relevant Supplementary PDS for the Series that accompanies this PDS.	See relevant Supplementary PDS for the Series
Completion Payment—Loan Amount	You can obtain full legal ownership of the Underlying Security by giving a valid and effective Completion Notice and making the Completion Payment at any time prior to the Final Maturity Date or before the Closing Time on the Final Maturity Date. The Completion Payment is equal to the outstanding Loan Amount for the UBS Rolling SFI on the relevant day. If you wish to obtain full legal ownership of the Underlying Security, you should consider providing a valid and effective Completion Notice in sufficient time before any Annual Interest Date, in case UBS does not roll the UBS Rolling SFI for another year on any relevant Annual Interest Date.	Part 2.5: "Completion Payments" and Part 7.17: "Early Final Maturity Date"
Final Maturity Date, Early Final Maturity Date and Assessed Value Payment	If the UBS Rolling SFIs are not rolled by UBS on each Annual Interest Date, there will be an Early Final Maturity Date before the Final Maturity Date. The Final Maturity Date is specified in the relevant Supplementary PDS for each Series, and this series of UBS Rolling SFIs may not be rolled beyond that date (except into a new Series). If you hold UBS Rolling SFIs at 6.00pm on the Final Maturity Date, including on an Early Final Maturity Date, and have not given a valid and effective Completion Notice by the required deadline, the Underlying Parcel will be transferred to UBS and you will receive the Assessed Value Payment (if any).	Part 2.6: "Final Maturity Date including Early Final Maturity Date" and Part 2.8: "Early Final Maturity Date—Extraordinary Events and Termination on Annual Interest Dates"
Admission to trading status on ASX	UBS Rolling SFIs will be quoted on the ASX and can be bought and sold just like ordinary shares. The expected date of commencement of trading on the ASX is specified in the relevant Supplementary PDS for each Series.	See relevant Supplementary PDS for the Series

¹ As long as you provide UBS with your TFN, ABN or proof of an exemption before any unfranked dividends are paid.

Investment overview

Feature	Summary	More information
Offer opens	As specified in the relevant Supplementary PDS for each Series.	See relevant Supplementary PDS for the Series
Primary Market Applications	Investors can apply for UBS Rolling SFIs by completing the relevant Application Form attached to this PDS.	Part 11: "How to Apply"
Fees paid to Advisers	UBS may pay out of its own funds, a placement fee or trail fee to licensed advisers in connection with your investment in UBS Rolling SFIs.	Part 4.2: "Fees and payments to advisers"
Tax Implications	<p>UBS Rolling SFIs will have income tax and capital gains tax implications for Holders. Generally: Interest Amounts are expected to be deductible for most investors (but subject to the potential application of the capital protected borrowing rules explained in Part 5.2); dividends will be regarded as assessable income for the Holder and; tax benefits such as franking credits should flow through to the Holder.</p> <p>Transfers of the Underlying Parcel to the Security Trustee (for a Shareholder Application or Rollover Application) and from the Security Trustee to the Holder at maturity should be ignored for capital gains tax purposes.</p> <p>Investors should read Part 5 of this PDS and seek their own taxation advice before investing in UBS Rolling SFIs.</p>	Part 5: "Taxation Summary"

Rolling SFI Product Lifecycle

Purchase	During the Term	At Maturity
Cash Applicants —pay the First Payment amount to UBS	<i>Loan decreased by Dividends</i> All Ordinary Dividends and Special Dividends (subject to any reduction for tax withheld) are used to repay the Loan Amount. Investors must account for receipt of Dividends in their tax return and should generally be entitled to any associated tax benefits such as franking credits.	Pay Completion Payment —receive Underlying Parcel; or
Shareholder Applicants —deliver Underlying Parcel and receive cashback amount	<i>Loan increased by Interest Amounts</i> Subject to UBS's right to terminate on an Annual Interest Date, each year on the Annual Interest Date, the interest charge for the following year is calculated based on the prevailing Interest Rate for the Series and funded by a drawdown from the Loan.	Roll into new Series of UBS instalments if one is available; or
Rollover Applicants —deliver Existing Instalment and either receive cashback amount or pay a Rollover Payment	<i>Tax statements</i> Each year UBS will send you a concise Tax Statement setting out the amount of any Dividends (and associated tax benefits) received by you in relation to the Underlying Parcel plus any Interest Amounts paid by you which have been funded by the Loan.	Do Nothing —receive Assessed Value Payment equal to value of Underlying Parcel less the Completion Payment; or
ASX Purchasers —buy UBS Rolling Self	<i>Traded on ASX</i> UBS Rolling SFIs can be bought or sold on the ASX just like ordinary shares.	Sell your UBS Rolling Self Funding Instalments on ASX

Investment overview

Funding	<i>Nothing to Pay!</i>
Instalments on ASX through broker	Provided you supply UBS with your TFN or ABN (or an exemption) you will have nothing to pay during the term of your investment.

Pricing Considerations

The First Payment for a UBS Rolling SFI is calculated as follows:

$$\text{First Payment} = \text{Price of Underlying Security} - \text{Loan Amount} + \text{Interest Amount} + \text{Borrow Fee}$$

The First Payment for a UBS Rolling SFI (for Cash Applicants) or Shareholder Cashback (for Shareholder Applicants) or Rollover Cashback or Rollover Payment (for Rollover Applicants) is not fixed and will vary depending on a number of factors including the following:

Event	Impact on UBS Rolling SFI first instalment if increase in event	Impact on UBS Rolling SFI first instalment if decrease in event
Price of Underlying Securities	↑	↓
Volatility of Underlying Securities	↑	↓
Interest Rates applied on the Loan Amount	↑	↓
Borrow Fee	↑	↓
Forecast Dividends	↑	↓
Time to Final Maturity Date	na	↓

See Parts 2.3.4 to 2.3.6 for examples and further information about how some of the factors above and the level of the Loan Amount, Interest Amount and Borrow Fee impact on the First Payment (for Cash Applicants), Shareholder Cashback (for Shareholder Applicants) and Rollover Cashback or Rollover Payment (for Rollover Applicants).

Superannuation Investments

From 24 September 2007, section 67(4A) of the Superannuation Industry (Supervision) Act 1993 ("SIS") has explicitly permitted superannuation fund trustees to invest in certain types of instalment warrants. This is an express exception to the borrowing restriction contained in section 67(1) of SIS. Although UBS Rolling SFIs are expected to come within the exception in section 67(4A) of SIS, UBS will not accept Shareholder Applications from superannuation entity applicants. Refer to Part 3.15 for further information.

Superannuation entities should obtain independent advice on the suitability of investing in instalment warrants such as UBS Rolling SFIs.

Part 1: Key features of UBS Rolling SFIs

1.1 Key Benefits of Investing in UBS Rolling SFIs

1.1.1 Leveraging to invest in the share market

UBS Rolling SFIs enable you to leverage your exposure to particular listed Underlying Securities for a smaller initial outlay than the market price of the Underlying Security. This leveraged exposure means that for the same dollar investment you will have the potential to enjoy greater capital gains and/or income (but conversely you may also incur greater losses).

1.1. Enhanced franked income

Subject to your individual circumstances, you may be entitled to receive tax credits such as franking credits on Dividends paid in respect of the listed Securities that comprise the Underlying Parcel of the UBS Rolling SFI. If the leverage obtained from the UBS Rolling SFIs is used to acquire interests in entities that pay franked distributions, this could increase the amount of your franked income.

1.1.3 Simple “set and forget” investment

UBS Rolling SFIs are a simple “set and forget” investment because no physical payments are required to be made by you during the term of the UBS Rolling SFI (provided that you give UBS your TFN, ABN or proof of an exemption) unless you elect to receive the Underlying Security in which case you are liable to pay the Completion Payment as a separate obligation to UBS. UBS will notify you before any possible termination on an Annual Interest Date, and UBS will notify you if the Final Maturity Date is otherwise brought forward. For example, cash Ordinary Dividends and Special Dividends (subject to any deduction for tax) on the Underlying Securities are applied to reduce the Loan and interest is prepaid on the Loan annually by drawing down against the Loan.

1.1.4 Tax effectiveness through a built in Loan

The leveraged exposure is provided through the limited recourse Loan built into each UBS Rolling SFI. Borrowing costs (such as interest payments and Borrow Fees) are incurred in connection with the Loan which will affect your returns. However, depending on your personal circumstances, you may be entitled to a tax deduction for the interest paid on the Loan and Borrow Fees.

Recourse for the Loan is also limited so you will not be required to pay any shortfall in the event that the price of the Underlying Security is less than the Completion Payment when your UBS Rolling SFI expires (eg, on the Final Maturity Date or on earlier termination on an Annual Interest Date), unless you elect to receive the Underlying Security by giving a Completion Notice and do not provide funds for the Completion Payment when required.

1.1.5 No Margin Calls

Unlike other forms of geared equity investments, Holders of UBS Rolling SFIs will not be required to pay margin calls during the term of their investment. In fact, you don't even have to pay the Completion Payment at maturity, unless you elect to receive the Underlying Security.

1.1.6 Option to receive Underlying Security

UBS Rolling SFIs give you the option to make the Completion Payment at any time on or before the Final Maturity Date and receive the Underlying Securities.

1.1.7 Self Managed Super Funds

UBS Rolling SFIs are an eligible investment for self managed superannuation funds if made via a Cash Application or purchased on the ASX. Shareholder Applications are not permitted.

1.1.8 Easy to buy and sell

UBS Rolling SFIs can be bought and sold on the ASX, just like ordinary shares.

1.2 Key Risks of Investing in UBS Rolling SFIs

1.2.1 Leverage increases downside risk

Because of the leverage in UBS Rolling SFIs, for the same dollar investment, you have greater exposure to decreases in the Underlying Securities (as you do for increases).

1.2.2 Interest Rate exposure

Interest Rates are variable and are set when you acquire UBS Rolling SFIs and each year on the Annual Interest Date. Increases in Interest Rates will lead to higher interest charges and a higher Loan Amount. The Interest Rates applicable to UBS Rolling SFI's may be influenced by a number of factors including UBS's funding costs and other factors which affect the cost for UBS providing the

Part 2: Key features of UBS Rolling SFIs

capital protection feature for a further year—see section 2.2 for more details.

1.2.3 Dividend Risk

Cash Dividends paid on the Underlying Securities are used to reduce the Loan. If the Dividends are less than the Interest Amounts during the term, the Loan Amount will increase which reduces the value of your investment.

1.2.4 Roll or termination on Annual Interest Date

UBS may either roll the UBS Rolling SFI for another year until the next Annual Interest Date (until the Final Maturity Date) or terminate the UBS Rolling SFIs, on any Annual Interest Date. UBS has an absolute discretion to terminate a Series on an Annual Interest Date. If UBS elects to terminate, that Annual Interest Date will be an Early Final Maturity Date and investors may not therefore have the opportunity to maintain their exposure under their UBS SFI until the last Final Maturity Date. Unless UBS decides to terminate on an Annual Interest Date, the UBS Rolling SFI will automatically roll for another year (until the Final Maturity date). See Part 7.17 for more details.

See Part 3 for further information about the risks of investing in UBS Rolling SFIs.

2.1 DIVIDENDS AND SPECIAL DIVIDENDS

2.1.1 How are Ordinary Dividends and Special Dividends applied?

Cash Ordinary Dividends and Special Dividends on the Underlying Security received during the term of the UBS Rolling SFIs are applied to repay the Loan Amount, effective from the Ex-Dividend Date of the Ordinary Dividend or Special Dividend.

2.1.2 Are you entitled to franking credits?

You will receive the benefit of franking credits (if eligible) in respect of the Ordinary Dividends and Special Dividends. Refer to Part 5.5 for further information.

2.1.3 Do you receive a refund of prepaid interest when the Loan is repaid?

You will not receive a refund of interest prepaid in respect of Ordinary Dividends that are applied to reduce the Loan Amount. However, the calculation of the Interest Amount takes into account the value and timing of Ordinary

Dividends which are forecast by UBS to be paid during the year.

You will however receive an interest refund for a portion of the Interest Amount prepaid on the portion of the Loan Amount that is reduced by Special Dividends from the expected payment date of the Special Dividend. The interest refund will be calculated based on an interest rate equal to the prevailing wholesale interest rate (BBSY Rate) plus a margin of 1% per annum and will be applied to reduce the Loan Amount of the UBS Rolling SFI.

Where the Final Maturity Date is brought forward due to an Extraordinary Event or due to UBS terminating the UBS Rolling SFI on an Annual Interest Date (see Part 7.17 of this PDS), except if an Early Final Maturity Date is nominated due to the Loan Amount being reduced to zero, the Holder is entitled to a refund in respect of the Interest Amount it has prepaid (see clause 3.6 of the Loan Agreement in Part 9 of this PDS).

2.1.4 What may happen if you don't provide UBS with your TFN, ABN or proof of an exemption?

Where you have not provided UBS with your TFN, ABN or proof of an exemption, the Security Trustee is required to withhold a portion of Ordinary Dividends or Special Dividends which are not fully franked and pay that amount to the ATO. In such circumstances, UBS will reduce the Loan Amount of your UBS Rolling SFI by the amount withheld ("TFN Amount") and the TFN Amount withheld will be a full recourse debt payable to UBS. UBS will notify you as soon as reasonably practicable of the TFN Amount you are required to pay and the date by which it must be paid. If you fail to pay the TFN Amount by that date then UBS may recover the TFN Amount (and other amounts owed to it) by enforcing the Security Interest over the Underlying Security and lapsing some or all of your UBS Rolling SFIs.

See Part 3.15 for an explanation as to why superannuation entities should only invest in a UBS Rolling SFI if they provide a TFN or ABN (or proof of an exemption) to UBS.

2.2 WHAT HAPPENS ON ANNUAL INTEREST DATES?

On each Annual Interest Date UBS may either roll the UBS Rolling SFI until the next Annual Interest Date (until the Final Maturity Date) or terminate the UBS Rolling SFI. If UBS elects to terminate, that

Part 2: Key features of UBS Rolling SFIs

Annual Interest Date will be an Early Final Maturity Date. If UBS does not elect to terminate, the UBS Rolling SFI will automatically roll for another year (until the Final maturity Date). See Part 7.17 for more details. If UBS does not elect to terminate, the following annual reset procedure will apply.

Annual Interest Dates are dates on which interest is prepaid on the Loan for the period from that date to the earlier of the next Annual Interest Date or Final Maturity Date. The Interest Amount prepaid is based on the Loan Amount and an Interest Rate which is determined by UBS on Annual Interest Dates for each Series. The Interest Rate will vary (as determined by UBS) from the Interest Rate set on the Issue Date based on a number of factors such as (but not limited to):

UBS's cost of funds—if UBS's cost of funds changes from the date of the initial Supplementary PDS or from the previous Annual Interest Date then the Interest Rate is likely to change in proportion to those changes; and

the cost of UBS providing the capital protection feature which forms part of the Interest Rate and is determined on each Annual Interest Date by UBS by reference to factors such as volatility and expected Ordinary Dividends of the Underlying Security for the period to the earlier of the next Annual Interest Date or the Final Maturity Date and time to the earlier of the next Annual Interest date or the Final Maturity Date.

The Interest Amount payable on an Annual Interest Date takes into account the value and timing of Ordinary Dividends which are forecast by UBS to be paid during the year. Investors should note that there is no adjustment to the Interest Amount should actual Dividend amounts differ from the future expected Dividends used by UBS to determine the Interest Rate.

You are not required to make a separate cash payment to UBS for the prepaid interest because the Interest Amount is prepaid by automatically drawing down an amount on the Loan equal to the Interest Amount and increasing the Loan Amount.

2.3 APPLICATIONS FOR UBS Rolling SFIs

2.3.1 How do I apply for UBS Rolling SFIs?

You apply for UBS Rolling SFIs by making an Application and delivering consideration to UBS, the nature of which differs depending on what

type of Application you make. For Cash Applications, you will pay the First Payment in cash, for Shareholder Applications you will deliver the Underlying Security to UBS and for Rollover Applications you will deliver the Existing Instalment plus in some circumstances a cash payment (Rollover Payment) to UBS.

2.3.2 What occurs on acquiring a UBS Rolling SFI?

For each UBS Rolling SFI acquired in a particular Series (irrespective of the type of Application) you will:

- (a) receive a limited recourse Loan on which interest is prepaid;
- (b) have the Underlying Security for the relevant Series held in a Separate Trust on your behalf by the Security Trustee; and
- (c) be able to receive legal title to the Underlying Securities by giving a valid and effective Completion Notice and paying the Completion Payment to UBS for the UBS Rolling SFI.

2.3.3 What amount is advanced and what interest payments are made under the Loan?

The amount of the Loan advanced to you is equal to the Loan Amount for the relevant Series of UBS Rolling SFIs at the time of issue of the UBS Rolling SFI. You can obtain the current Loan Amount for a Series of UBS Rolling SFIs by contacting UBS on 1800 633 100. The leverage (gearing) level incorporated in the UBS Rolling SFI will be determined by the Loan Amount and the prevailing price of the Underlying Security. In most cases the leverage will be around 40-50% for UBS Rolling SFIs at the time each new Series is first issued but may vary during the term. The Loan is made under the Loan Agreement entered into between you and UBS (a sample of which is set out in Part 9).

Interest is prepaid on the Loan from the Issue Date of the UBS Rolling SFI to the earlier of the next Annual Interest Date or Final Maturity Date. The Interest Rate used to determine the Interest Amount is variable, may differ for each Series and is equal to the rate specified by UBS from time to time. The Interest Rate on the Issue Date and each Annual Interest Date is determined by UBS based on matters such as:

- factors that impact on the capital protection component of the UBS Rolling SFIs, for example, the volatility of the Underlying

Part 2: Key features of UBS Rolling SFIs

Security, expected Ordinary Dividends, time to the earlier of the next Annual Interest Date or the Final Maturity Date; and

- UBS' cost of funds.

You can obtain the current applicable Interest Rate for each Series of UBS Rolling SFIs by contacting UBS on **1800 633 100** or at **www.ubs.com/instalments**.

You may also be required to pay a Borrow Fee to UBS on the Issue Date which represents the cost of acquiring the Loan. The Borrow Fee is a percentage of the Completion Payment per UBS Rolling SFI as specified in the relevant Supplementary PDS.

2.3.4 How is the first instalment and Loan used for each type of Application?

Cash Applicants

If you make a Cash Application, the First Payment made in cash to UBS and the Loan Amount advanced to you are applied as follows:

- (a) First Payment—to pay the Borrow Fee to UBS;
- (b) Loan Amount—to pay the Interest Amount to UBS; and
- (c) Balance of First Payment and Loan Amount—to acquire the Security to be held in the Separate Trust on your behalf.

The First Payment for a UBS Rolling SFI is variable and depends on a number of factors including the market price of the Underlying Security, Loan Amount, Interest Amount and Borrow Fee for the Series of UBS Rolling SFIs on the Issue Date. The First Payment is determined by UBS on receipt of cleared application monies unless agreed otherwise by you and UBS. See Part 4 "Fees and Other Costs" for further information.

Shareholder Applicants

If you make a Shareholder Application, the relevant Security must be transferred to the Security Trustee and the Loan Amount is still advanced to you and is applied to pay the Borrow Fee and Interest Amount to UBS. You will receive a Shareholder Cashback equal to the Loan Amount less the Borrow Fee and Interest Amount. The Shareholder Cashback is reinvested in further UBS Rolling SFIs of the same Series unless you elect to receive the Shareholder Cashback in cash or elect to reinvest it in a different Series of UBS Rolling SFIs.

Rollover Applicants

If you make a Rollover Application the Loan Amount advanced to you (and any Rollover Payment) will be applied to complete your Existing Instalment and the relevant Security from your Existing Instalment will be held by the Security Trustee on your behalf for the new UBS Rolling SFI. You will receive a Rollover Cashback if the Loan Amount for the UBS Rolling SFI exceeds the amount required to pay the Final Instalment on your Existing Instalment and the Borrow Fee and Interest Amount for the UBS Rolling SFI. Alternatively, you will be required to pay a Rollover Payment to UBS if the Loan Amount is not sufficient to pay those amounts, equal to the shortfall.

2.3.5 How do you "lock in" the First Payment, Shareholder Cashback, Rollover Cashback or Rollover Payment

Your investment adviser acting on your behalf, may contact UBS and agree the amount of the First Payment, Shareholder Cashback, Rollover Cashback or Rollover Payment for an Application for UBS Rolling SFIs. In such case, UBS will notify you or your adviser of a unique Application Number that must be noted in your Application Form that is subsequently lodged with UBS.

The First Payment, Shareholder Cashback, Rollover Cashback or Rollover Payment will be calculated on the issue of the UBS Rolling SFIs in accordance with Part 2.3.4 above if you (through your adviser) do not contact UBS and "lock in" the relevant amount.

2.3.6 Hypothetical examples for each type of Application

The following examples are based on a hypothetical application for UBS Rolling SFIs over XYZ shares with a market price of \$41.00 made on 24 July 2009 where the Loan Amount is \$21.00 with an Interest Rate of 9.50%p.a.), the Borrow Fee is \$0.34 and next Annual Interest Date is 30 June 2010 for the XYZ UBS Rolling SFI. The example also assumes that the Applicant has not contacted UBS to "lock in" the First Payment, Shareholder Cashback, Rollover Cashback or Rollover Payment (as applicable).

The following dividends for XYZ shares are expected during the period to 30 June 2010:

Dividend 1: \$0.90 payable 11 September 9 and

Dividend 2: \$0.85 payable 11 March 2010.

The Interest Amount in this example would be \$1.771 and is calculated as follows:

Interest Amount = Interest Rate x Loan Amount x
no. days to next Annual Interest Date/365 -
Interest Rate x ((Dividend 1 x no. days from

Part 2: Key features of UBS Rolling SFIs

Dividend 1 payment date to next Annual Interest Date/365) + (Dividend 2 x no. days from Dividend 2 payment date to next Annual Interest Date/365))

$$\text{Interest Amount} = 9.50\% \times \$21 \times 341/365 - 9.50\% \times ((\$0.90 \times 292/365) + (\$0.85 \times 111/365))$$

Interest Amount = \$1.771

Cash Applicants

Also assume that the First Payment for the Cash Application as determined by UBS on receipt of cleared application monies is \$22.111. In this example, the First Payment would be applied to pay the Borrow Fee of \$0.34 and the Loan Amount would be applied to pay the Interest Amount of \$1.771. The balance of the First Payment and the Loan Amount would then be used to acquire and transfer the XYZ share to the Security Trustee to be held on behalf of the Cash Applicant.

Shareholder Applicants

In this example, a Shareholder Applicant will be entitled to receive a Shareholder Cashback of \$18.889 which is calculated as the Loan Amount (\$21.00) less the Borrow Fee (\$0.34) and Interest Amount (\$1.771). The Shareholder Cashback would be reinvested in further UBS Rolling SFIs of the same Series unless the Shareholder Applicant elected to receive the Shareholder Cashback in cash or elected to reinvest it in a different Series of UBS Rolling SFIs.

Rollover Applicants

Also assume that the Final Instalment on the Rollover Applicant's Existing Instalment is \$17. In this example, the Rollover Applicant would be entitled to receive a Rollover Cashback of \$1.889 calculated as the Loan Amount (\$21.00) less the Final Instalment on the Existing Instalment (\$17.00), the Borrow Fee (\$0.34) and Interest Amount (\$1.771). The Rollover Cashback would be reinvested in further UBS Rolling SFIs of the same Series unless the Applicant elected to receive the Rollover Cashback in cash or elected to reinvest it in a different Series of UBS Rolling SFIs. Alternatively, if the Final Instalment on the Existing Instalment was \$21, the Rollover Applicant would be required to pay a Rollover Payment to UBS of \$2.111 calculated as the aggregate of the Final Instalment on the Existing Instalment (\$21.00), Borrow Fee (\$0.34) and Interest Amount (\$1.771) less the Loan Amount (\$21.00).

2.4 BUYING AND SELLING UBS Rolling SFIs

2.4.1 How do you transfer UBS Rolling SFIs?

You may transfer (or acquire) UBS Rolling SFIs on the ASX by placing an order with a broker (or by off-market transfer). When you buy or sell a UBS Rolling SFI the only amount paid or received by you will be the purchase or sale consideration plus or minus any brokerage or commission paid to your broker.

Several other cashflows occur (as set out below) as a result of the transfer. However, no cash payments are required to be made by you because these cashflows will in all cases net out to zero.

For each UBS Rolling SFI transferred:

- (a) you will transfer your interest in the Underlying Parcel to the relevant Transferee (subject to the Security Interest);
- (b) your Loan Amount is reduced by an Interest Refund you receive for interest prepaid from the Transfer Date to the earlier of the next Annual Interest Date or Final Maturity Date;
- (c) you may receive from or be required to pay Transfer Costs to UBS;
- (d) a Loan will be made by UBS to the Transferee for the Loan Amount at the Transfer Date under a Loan Agreement entered into between UBS and the Transferee on which the Transferee will prepay interest until the earlier of the next Annual Interest Date or Final Maturity Date; and
- (e) no cash payments are required to be made by you or the Transferee, because the remainder of the Loan made to the Transferee will be applied to repay your Loan in full.

2.4.2 What are Transfer Costs?

Transfer Costs are payable on a Transfer where the Interest Rates applying on your Loan and the Transferee's Loan are different. In these circumstances, the Interest Refund paid to you will be different to the Interest Amount prepaid by the Transferee. Transfer Costs will be payable:

- (a) by UBS to you (as the Transferor) where your Interest Refund is less than the Transferee's prepaid Interest Amount, with such costs equal to the difference and paid by applying the costs against your Loan; or
- (b) by you to UBS where the Transferee's prepaid Interest Amount is less than your Interest Refund, with such costs equal to the difference and paid by the costs being added to your Loan to increase the amount of the Loan.

However, as stated above in Part 2.4.1, these Transfer Costs will be netted against the other cashflows occurring as a result of the transfer so that you are not required to make any cash payment.

Part 2: Key features of UBS Rolling SFIs

2.4.3 Hypothetical example of Transfer Costs

Assume that an investor purchased XYZ UBS Rolling SFIs with a Loan Amount (at that time) of \$19.25 from a Cash Applicant that acquired UBS Rolling SFIs with an Interest Rate of 9.75%p.a. On the purchase date, the term to the next Annual Interest Date was 100 days and the Interest Rate had increased from 9.75%p.a. to 10.75%p.a. The Interest Amount payable by the Transferee would be \$0.567 (ie $10.75\% \times \$19.25 \times 100/365$) and the Interest Refund payable to the Transferor would be \$0.514 (ie $9.75\% \times \$19.25 \times 100/365$). Accordingly, Transfer Costs of \$0.053 (equal to the difference between the Transferee's Interest Amount and Transferor's Interest Refund) would be payable by UBS to the Transferor in this example because the Transferee's Interest Amount is greater than the Transferor's Interest Refund.

2.4.4 Hypothetical example—no cash payments are required on Transfer

In the above example, the Transfer Costs of \$0.053 and Interest Refund of \$0.514 are applied to reduce the Transferor's Loan Amount (\$19.25) so that the balance of the Transferor's Loan Amount is \$18.683. No cash payments are required to be made by the Transferor, Transferee or UBS because the Transferee's Loan (\$19.25) is applied to pay the Transferee's Interest Amount (\$0.567) and the balance (\$18.683) is applied to repay the Transferor's Loan in full.

2.5 COMPLETION PAYMENTS

2.5.1 How do you make the Completion Payment and receive the Underlying Parcel?

You may obtain full legal ownership of the Underlying Parcel by giving a valid and effective Completion Notice and paying the Completion Payment to UBS in respect of your UBS Rolling SFIs. You may give the Completion Notice at any time before the Final Maturity Date, but must give the Completion Notice before the relevant deadline explained in Part 2.6 in order for the Completion Notice to be valid. If you wish to obtain full legal ownership of the Underlying Security, you should consider providing a valid and effective Completion Notice in sufficient time before any Annual Interest Date, in case UBS does not roll the UBS Rolling SFI for another year on any relevant Annual Interest Date.

A Completion Notice relates to a particular Completion Notice Date on which the notice is taken to be given.

The Completion Notice Date is:

- for Completion Notices received by UBS at the Office on or before the Closing Time on an Annual Interest Date in respect of potential termination on an Annual Interest Date, the relevant Annual Interest Date;
- otherwise, for Completion Notices received by UBS at the Office on a Business Day before the Closing Time, that Business Day; and
- otherwise, for Completion Notices received by UBS at the Office on a day which is not a Business Day or after the Closing Time on a Business Day, the next Business Day.

2.5.2 When is a Completion Notice valid and effective?

A Completion Notice is valid and effective if:

- it has been duly completed;
- the Completion Payment for each relevant UBS Rolling SFI is received by UBS in cleared funds on or before the Business Day which is five Business Days after the Completion Notice Date;
- the person who gives the Completion Notice is the Holder of each relevant UBS Rolling SFI on the Completion Notice Date or becomes the Holder on or before the Business Day which is five Business Days after the Completion Notice Date.

2.5.3 What is the Completion Payment?

The Completion Payment is an amount payable to UBS equal to the outstanding Loan Amount for the UBS Rolling SFI on the relevant Completion Notice Date. The outstanding Loan Amount for each Series is specified in the Supplementary PDS for the Series as at the date of the Supplementary PDS. The Loan Amount varies in accordance with the Instalment Deed and Loan Agreement from time to time. You can obtain the current outstanding Loan Amount for a Series on any day by contacting UBS on **1800 633 100**.

2.5.4 When will the Underlying Parcel be delivered to you?

On receiving a valid and effective Completion Notice and the Completion Payment in respect of UBS Rolling SFIs, and (if relevant) that Completion Notice having become unconditional, UBS will notify the Security Trustee that a valid Completion Notice has been received and the Security Trustee will transfer the unencumbered legal title to the Underlying Parcel to you within 20 Business Days after the Completion Notice Date. UBS may in its discretion (but need not) elect to treat a Completion Notice as valid and effective even if it would not otherwise be.

Part 2: Key features of UBS Rolling SFIs

2.5.5 What rights do you have under the Instalment Deed if the Underlying Parcel is not delivered to you?

You may give a default notice to UBS if the Security Trustee fails to deliver the unencumbered legal title to the Underlying Parcel to you on a Completion Notice becoming valid and effective and (if relevant) unconditional. If a default notice is given then UBS must pay you a liquidated damages amount within 10 Business Days of the default notice equal to 110% of the average daily volume weighted average price of the relevant Underlying Parcel on the five Trading Days following the Completion Notice Date excluding special, late and overseas sales. In such case, the Underlying Parcel is transferred to UBS or its nominee and the UBS Rolling SFI will cease to exist on payment of the liquidated damages amount.

2.5.6 Hypothetical example of a liquidated damages payment

For example, if you gave a valid and effective Completion Notice in respect of your UBS Rolling SFIs, which (if relevant) becomes unconditional, and the Securities weren't delivered to you within 20 Business Days and a default notice was given where the weighted average sale price for the five days following the Completion Notice Date was \$20, UBS would be required to pay a liquidated damages amount of \$22 (ie 110% of \$20) to you per UBS Rolling SFI. Alternatively, you could elect to not give a default notice requiring payment of the liquidated damages amount and pursue any other available remedies against UBS.

2.6 FINAL MATURITY DATE INCLUDING EARLY FINAL MATURITY DATE

2.6.1 What options are available to you on the Final Maturity Date?

UBS Rolling SFIs in a Series will expire at the latest at the Closing Time on the Final Maturity Date for the Series. You have the following options on or before the Final Maturity Date:

- (a) defer making the Completion Payment by rolling your UBS Rolling SFIs into a new Series of UBS instalments (if available);
- (b) give a Completion Notice before the relevant deadline for that Final Maturity Date that is or becomes valid and effective (and, if relevant, unconditional) and be delivered the Underlying Parcel;
- (c) sell your UBS Rolling SFIs on the ASX on or before the Final Maturity Date;

- (d) do nothing and receive the Assessed Value Payment (if any).

The relevant deadline for giving a Completion Notice is:

- for a Final Maturity Date which is not an Early Final Maturity Date, Closing Time on the Final Maturity Date;
- for a Final Maturity Date which is an Early Final Maturity Date because UBS has terminated the UBS Rolling SFIs on an Annual Interest Date, Closing Time on the relevant Annual Interest Date; and
- for a Final Maturity Date which is an Early Final Maturity Date because UBS has nominated an extraordinary event as described in Part 2.8, Closing Time on that Early Final Maturity Date.

2.6.2 How is the Assessed Value Payment determined?

If you hold UBS Rolling SFIs at 6.00pm on the relevant date which is the last date for giving a Completion Notice as described in Part 2.6.1 and have not given a Completion Notice that is or becomes valid and effective:

- (a) you are deemed to agree that the Underlying Parcel will be transferred to UBS, and it will be;
- (b) UBS will pay you the VWAP of the Underlying Parcel on the first Trading Day after the Final Maturity Date less any fees, costs, charges, liabilities, Taxes and expenses incurred by or payable to UBS or the Security Trustee in connection with the transfer of the Underlying Parcel to UBS or at its direction; and
- (c) the amount payable to you will be first applied to repay the Loan Amount and the balance (being the "Assessed Value Payment") will be paid to you within 10 Business Days of the Final Maturity Date.

Recourse for the Loan is limited so you will not be required to pay any shortfall in the event that the amount payable to you (ie the VWAP of the Underlying Parcel) is insufficient to repay the Loan Amount. However, if you give a Completion Notice electing to obtain full legal ownership of the Underlying Security, you are liable to pay the Completion Payment.

2.6.3 Hypothetical example of an Assessed Value Payment

Assume that a Holder held XYZ Instalments at 6.00pm on the Final Maturity Date (that is not an

Part 2: Key features of UBS Rolling SFIs

Early Final Maturity Date) with a Loan Amount of \$10.00, the Holder did not give a valid and effective Completion Notice, the VWAP of the Underlying Parcel on the Trading Day after the Final Maturity Date is \$25.00 and there were no costs incurred in connection with the transfer of the Underlying Parcel. In this example, the Holder would be entitled to receive an Assessed Value Payment equal to \$15.00 (ie \$25 less \$10). If the VWAP of the Underlying Parcel in this example was equal to or less than \$10 then no Assessed Value Payment would be made to the Holder and the Holder would not be required to make any further payments to repay the outstanding Loan Amount.

2.7 ADJUSTMENT EVENTS IN RESPONSE TO CORPORATE ACTIONS

Corporate actions in respect of the Underlying Entity may occur and includes but is not limited to events such as the Underlying Entity reducing its share capital, declaring a rights issue, making a buy back offer, issuing bonus securities and entering into a scheme of arrangement to name a few.

The Instalment Deed sets out specific provisions dealing with various corporate actions which include the property or benefit the subject of the corporate action being:

- paid in accordance with the Order of Payment;
- treated as an Accretion and held in the Separate Trust; or
- distributed to you as the Holder of the UBS Rolling SFI.

Refer to Parts 7.19 to 7.26 for more information.

2.8 EARLY FINAL MATURITY DATE - EXTRAORDINARY EVENTS AND TERMINATION ON ANNUAL INTEREST DATES

UBS may elect to bring forward the Final Maturity Date for a Series of UBS Rolling SFIs in response to certain extraordinary events (with the consent of ASX). Extraordinary events include events such as the Security comprising the Underlying Parcel being the subject of a buy-back offer, a proposed takeover offer or a proposed scheme of arrangement or merger in the nature of a scheme of arrangement, or the Loan Amount being equal to zero, to name a few. See Part 7.17 for a complete description of the relevant extraordinary events.

UBS may also (without the consent of ASX) bring forward the Final Maturity Date for a Series of UBS Rolling SFIs by electing to terminate the Series on

an Annual Interest Date instead of rolling the UBS Rolling SFI. See Part 7.17.

Either of the above actions by UBS give rise to an Early Final Maturity Date.

UBS must give at least 10 Business Days written notice of an Early Final Maturity Date to Holders in the Series of UBS Rolling SFIs, which may be a conditional notice as described in Part 7.17. UBS will refund interest prepaid on the Loan on an Early Final Maturity Date, other than where an extraordinary event has been caused by the Loan Amount being reduced to zero, in accordance with clause 3.6 of the Loan Agreement.

2.9 CONTRACTUAL TERMS OF THE UBS ROLLING SFIS

The contractual terms of UBS Rolling SFIs are contained in the Instalment Deed which comprises the Instalment Deed and Nominee Deed (a summary of which is set out in Part 7) and a Loan Agreement (a sample of which is set out in Part 9). It is important that you read and understand the terms of the Instalment Deed and sample Loan Agreement before investing in UBS Rolling SFIs. You can obtain a copy of the Instalment Deed by contacting UBS on **1800 633 100**.

In addition to the key features of UBS Rolling SFIs described in this Part 2, the Instalment Deed also contains provisions (among others) dealing with:

- (a) the Separate Trusts and creation of the Security Interest (see Parts 7.7 and 7.16);
- (b) the rights, powers and obligations of the Security Trustee in respect of the Separate Trusts and Security Interest (see Parts 7.27 and 7.28);
- (c) the amendment of the Instalment Deed (see Part 7.34); and
- (d) limitations placed on voting rights of Holders in respect of the Underlying Parcel (see Part 7.15).

Part 3: Risks

3.1 GENERAL

You should note that there are risks associated with an investment in UBS Rolling SFIs. UBS Rolling SFIs may become significantly less valuable on maturity and in certain circumstances may automatically lapse. Further, you may lose money or even sustain a total loss on your investment.

The information in this PDS is general information only and does not take into account your investment objectives, financial situation or particular needs. Accordingly, nothing in this PDS nor any relevant Supplementary PDS is a recommendation by UBS, UBS Securities or any other person in relation to the UBS Rolling SFIs, an Underlying Entity, Securities or any financial product.

You should reach an investment decision only after carefully considering, with your financial and taxation advisers, the suitability of the UBS Rolling SFIs in light of your particular financial and taxation circumstances, objectives and needs.

3.2 ABILITY OF UBS TO FULFIL ITS OBLIGATIONS

The value of the UBS Rolling SFIs depends on, among other things, the ability of UBS to fulfil its obligations under the Instalment Deed.

The obligations of UBS under the UBS Rolling SFIs are unsecured contractual obligations, which will rank equally with UBS' other unsecured contractual obligations and unsecured debt (other than liabilities preferred by law or statute).

Accordingly, investors have credit exposure to UBS. Investors must make their own assessment of the ability of UBS to meet its obligations. See Part 6.1 for information about UBS.

3.2 ABILITY OF SECURITY TRUSTEE TO FULFIL ITS OBLIGATIONS

The value of the UBS Rolling SFIs also depends on, among other things, the ability of the Security Trustee to fulfil its obligations under the Instalment Deed. The Security Trustee is a wholly owned subsidiary of UBS. See Part 6.2 for information about the Security Trustee. UBS does not guarantee or otherwise provide assurance in respect of the obligations of the Security Trustee.

3.3 NO GUARANTEE

The capacity of UBS to settle all outstanding UBS Rolling SFIs is not guaranteed by the ASX, the National Guarantee Fund or the Australian Clearing House Pty Ltd. Claims against the National Guarantee Fund may only be made in

respect of secondary trading in UBS Rolling SFIs between ASX market participants and cannot be made in relation to the primary issue of UBS Rolling SFIs, an off market transfer of UBS Rolling SFIs or settlement obligations of UBS arising from the exercise or maturity of a UBS Rolling SFI.

3.4 FACTORS AFFECTING THE VALUE OF UBS Rolling SFIs

There are a number of variable factors which impact on the value of UBS Rolling SFIs in the primary market and secondary market. See Part 4 "Fees and Other Costs" for more information.

General risks applicable to the equity markets on which the Underlying Securities are traded will also impact upon the value of UBS Rolling SFIs. These include changes in indices, interest rates, the strength of the Australian and world economy, investor perceptions, government policy and laws affecting the price and trading of options.

3.5 PRICE OF OR PAYMENTS FOR UNDERLYING PARCEL

The UBS Rolling SFIs may be of significantly less value if the market price of the Underlying Parcel falls or payment obligations arise in respect of the Underlying Parcel, or of no value if the market price of (less any payments arising in respect of) the Underlying Parcel falls below the Completion Payment payable to UBS in order to acquire the Underlying Parcel.

Investors should be prepared to sustain a total loss of their investment in the UBS Rolling SFIs.

3.6 CHANGE OF LAW

Changes to laws or their interpretation in Australia including taxation laws could have a negative impact on the returns to investors. This PDS (including Part 5 in respect of taxation matters) is based on Australian laws as at the date of this PDS. Investors should seek independent advice on the tax consequences which may apply to them when they invest in UBS Rolling SFIs and they should remain alert to any taxation changes.

3.7 ADJUSTMENTS TO THE UNDERLYING PARCEL AND/OR TERMINATION OF THE UBS ROLLING SFIs

The UBS Rolling SFIs may be terminated or the Underlying Parcel may be varied in response to corporate actions, and the UBS Rolling SFI's may be terminated on any Annual Interest Date. See Parts 2.7, 2.8 and 7.17 to 7.26.

3.8 LEVERAGE/GEARING LEVELS

Part 3: Risks

An investment in UBS Rolling SFIs may increase or decrease at a greater rate compared to a holding in the Underlying Security because of the leverage (gearing) incorporated in the UBS Rolling SFIs. The leverage (gearing) level is determined by comparing the Completion Payment and market price of the Underlying Security for the UBS Rolling SFIs.

3.9 PAYMENT OF TFN AMOUNT AND OTHER RELATED AMOUNTS

A Holder may be required to pay a TFN Amount to UBS. If they do not pay the TFN Amount to UBS and when required, UBS may recover the TFN Amount (and other amounts owed to it) by enforcing the Security Interest over the Underlying Security and some or all of a Holder's UBS Rolling SFI's may lapse (see Parts 2.1.4 and 4.4).

3.10 POSSIBLE ILLIQUIDITY OF TRADING MARKET

Investors should note that at present there is no accurate indication as to how the UBS Rolling SFIs will trade in the secondary market and as to whether the market will be liquid or illiquid. However, UBS will, as and when practicable, arrange for buy and sell quotations to be made on the ASX for UBS Rolling SFIs.

3.1 EXERCISE OF DISCRETION BY UBS

Investors should also note that a number of provisions of the Instalment Deed confer discretions on UBS which could affect the value of the UBS Rolling SFIs. These include the powers to nominate certain events as extraordinary events and bring forward the Final Maturity Date (see Part 7.17), to elect any Annual Interest Date to be the Final Maturity Date by terminating on that date (see Part 7.17), to deal with Adjustments Events (see Parts 7.19 to 7.26) and to amend the Instalment Deed in certain circumstances (see Part 7.34). UBS may in its sole and absolute discretion nominate an extraordinary event, or terminate on an Annual Interest Date instead of rolling the UBS Rolling SFI. See Part 7.17 of this PDS for more details.

Holders do not have the power to direct UBS concerning the exercise of any discretion. However, the ASX is required to approve some (but not all) discretions that UBS may wish to exercise.

3.12 CONFLICTS OF INTEREST

UBS and its related bodies corporate may, in their absolute discretion, buy and sell UBS Rolling SFIs, exchange traded options and other financial products relating to UBS Rolling SFIs or Securities, either as principal or agent. UBS and its related

bodies corporate may also advise Underlying Entities (for which it may receive fees and commissions) in relation to matters not related to the UBS Rolling SFIs such as corporate advisory services, mergers and acquisitions advisory and capital markets transactions. Please refer to the relevant Supplementary PDS for each Series for further information about conflicts of interests in respect of an Underlying Entity for a Series (if any).

3.13 SUSPENSION OF UBS Rolling SFI TRADING

Trading of the UBS Rolling SFIs on the ASX may be halted or suspended if ASX deems that action appropriate in the interests of maintaining a fair and orderly market in those UBS Rolling SFIs or otherwise deems the action advisable in the public interest or to protect investors.

3.14 LEGAL CONSEQUENCES OF HOLDING UBS ROLLING SFIS

3.14.1 Relevant interests and disclosure by substantial holders

The acquisition and exercise of a UBS Rolling SFI will have implications for Holders under Chapters 6 and 6C of the Corporations Act. The precise implications depend on the Holder's particular circumstances.

The following explanation is provided to assist Holders in identifying the practical obligations that may arise from holding and from exercising a UBS Rolling SFI. The obligations of Holders will, however, be affected by circumstances peculiar to individual Holders and Holders should obtain their own advice on the obligations they may have under the Corporations Act.

Holders will hold the Beneficial Interest in the Underlying Parcel and will also have power to control the exercise of the Security Trustee's right to dispose of the Underlying Parcel (by giving a Completion Notice, for example). This will generally give a Holder a "relevant interest" (as contemplated by section 608 of the Corporations Act) in the Securities constituting the Underlying Parcel at the time of acceptance of that Holder's Application or when the UBS Rolling SFIs are acquired in the secondary market. Shareholder Applicants and Rollover Applicants will have a "relevant interest" in the Securities constituting the Underlying Parcels at the time of submitting their Application and acceptance of that Application will not change their "relevant interest" in those Securities.

The consequence of having a "relevant interest" is that disclosure obligations under Chapter 6C of

Part 3: Risks

the Corporations Act and limitations on acquisitions under Chapter 6 of the Corporations Act affect Holders in respect of acquisitions, continuing holdings, and disposals of UBS Rolling SFIs. Whether the restrictions apply depends on the Holder's other "relevant interests" as provided in the Corporations Act. In addition, ASIC provides an exemption under section 655A pursuant to class order modifications 02/925 (10 September 2002), 02/926 (10 September 2002), 02/927 (10 September 2002) with respect to section 609 of the Corporations Act.

3.14.2 Ownership restrictions

The acquisition and exercise of UBS Rolling SFIs may have implications for Holders under specific legislation such as the Foreign Acquisitions and Takeovers Act 1975 (Cth), the Broadcasting Services Act 1992 (Cth), the Financial Sector (Shareholdings) Act 1998 (Cth), the Telstra Corporation Act 1991 (Cth), the Qantas Sale Act 1992 (Cth) or the Gas Industry Restructuring Act 1986 (NSW), and under the constitutions of the specific Underlying Entities.

Potential investors and Holders should obtain independent legal advice applicable to their particular circumstances in relation to all aspects of their proposed investment in UBS Rolling SFIs including, but not limited to, the possible effects of the legislation referred to above.

3.15 Superannuation funds

Superannuation entities are subject to restrictions on entering into borrowing arrangements, granting charges over fund assets, and on the type of investments that can be made. On 16 December 2002 the Australian Prudential Regulation Authority ("APRA") and the ATO (together "the Regulators") issued joint guidelines to superannuation entities investing in instalment warrants. In the guidelines, the Regulators restated that investments of this type require careful consideration by superannuation entities. In particular UBS Rolling SFIs are derivatives and the investor should ensure that they have sufficient liquidity to make any required payments should they wish to exercise their rights in respect of the UBS Rolling SFIs.

From 24 September 2007, section 67(4A) of the Superannuation Industry (Supervision) Act 1993 ("SIS") has explicitly permitted superannuation fund trustees to invest in certain types of instalment warrants. This is an express exception to the borrowing restriction contained in section 67(1) of SIS.

However, the Regulators stated in the 16 December 2002 announcement that they have formed the view that an investment in instalment warrants by superannuation entities via a Shareholder Application is generally not appropriate as it is likely to contravene SIS Regulation 13.14 which prohibits trustees from giving a charge over assets of a fund. Consequently, UBS will not accept Shareholder Applications from superannuation entity applicants. This does not however, prohibit superannuation entities from acquiring UBS Rolling SFIs via a Cash Application or on the secondary market (i.e. purchase on ASX).

A superannuation entity that holds UBS Rolling SFIs may be liable to pay a TFN Amount to UBS where the Security Trustee is required to withhold and pay an amount to the ATO from any Ordinary Dividends or Special Dividends paid on the Underlying Securities where the superannuation entity does not provide their TFN, ABN or proof of an exemption. As a result, a superannuation entity may be deemed to be borrowing in contravention of section 67 of the Superannuation Industry (Supervision) Act 1993 if it does not provide its TFN or ABN and a TFN Amount becomes due and payable to UBS. Accordingly, superannuation entities should not consider investing in UBS Rolling SFIs unless they intend to and are able to provide UBS with a TFN, ABN or proof of an exemption.

UBS Rolling SFIs are expected to come within the exception in section 67(4A) of SIS if acquired through a Cash Application or through purchase on ASX. **However, superannuation entities should obtain independent advice on the suitability of investing in instalment warrants such as UBS Rolling, including by taking into account the geared exposure to the Underlying Parcel acquired through UBS Rolling SFIs. No determination by the Regulators has been sought in respect of the UBS Rolling SFIs offered under this PDS and any relevant Supplementary PDS.**

Part 4: Fees and other costs

4.1 Fees and expenses that apply to UBS Rolling SFIs

The Interest Amount and Borrow Fee payable on issue of a Series of UBS Rolling SFIs is available by contacting UBS on **1800 633 100**. See Parts 2.2 and 2.3.3 for information about how the Interest Amount and Borrow Fee are respectively calculated.

4.2 Fees and payments to advisers

UBS may pay adviser fees of up to 3.0% (excluding GST) of the Completion Payment outstanding per UBS Rolling SFI to your financial adviser. Adviser fees are payable by UBS at its discretion out of its own funds on issue of UBS Rolling SFIs.

UBS may also pay adviser trail payments of up to 0.50% per annum (excluding GST) of the Completion Payment per UBS Rolling SFI for the term that you hold the investment. Adviser trail payments are payable by UBS at its discretion out of its own funds annually to your adviser.

4.3 Tax liabilities

As noted in Part 2.1.4, you will be liable to pay a TFN Amount to UBS where the Security Trustee is required to withhold and pay an amount to the ATO from any Ordinary Dividends or Special Dividends paid on the Underlying Securities where you do not provide your TFN, ABN or proof of an exemption.

4.4 Costs of enforcing Security Interest and transfer of Underlying Parcel on Final Maturity Date

UBS may enforce the Security Interest over UBS Rolling SFIs in certain circumstances, such as when you are liable to pay UBS a TFN Amount. If UBS exercises the Security Interest, you will incur any fees, costs, Taxes and liabilities incurred by UBS or the Security Trustee in connection with enforcing the Security Interest. You will also incur any fees, costs, Taxes and liabilities incurred by UBS or the Security Trustee in connection with the transfer of the Underlying Parcel to UBS on the Final Maturity Date where you have not given a valid and effective Completion Notice for the UBS Rolling SFI.

Part 5: Taxation summary

This summary has been prepared by Mallesons Stephen Jaques for the purposes of inclusion in this PDS. Any opinions expressed in this Part 5 are those of Mallesons Stephen Jaques. This summary sets out the views of Mallesons Stephen Jaques on the main Australian tax consequences for Australian resident individuals, companies and trustees of complying superannuation funds who acquire UBS Rolling SFIs otherwise than in the course of carrying on a business and who hold them on capital account.

Preliminary Comments

This Part contains a summary of some of the main Australian taxation consequences expected to arise for Australian resident taxpayers who are natural persons, companies or the trustees of complying superannuation funds, whose activities cannot be described as the conduct of a business of trading or dealing in shares or other marketable securities and who acquire and hold their UBS Rolling SFIs on capital account. (For example, Holders who acquire their UBS Rolling SFIs for the purpose of exercising them and holding the Underlying Parcel for long term investment should generally hold their UBS Rolling SFIs on capital account. In contrast, Holders who acquire UBS Rolling SFIs in the ordinary course of a business of trading or dealing in shares or other marketable securities, or for the purpose of disposing of them or the Underlying Parcel at a profit, should generally hold their UBS Rolling SFIs on revenue account.)

Except where otherwise expressly indicated, this Part is based on Australian tax laws, and the administrative practice of the Australian Taxation Office (“ATO”), as at the date of this PDS. However, the laws, their interpretation by the courts and administrative practice can change from time to time.

Importantly, this Part also assumes that Cash Applicants acquire their UBS Rolling SFIs for the purpose of producing assessable income and that Shareholder Applicants and Rollover Applicants apply any cash amount received for an assessable income producing purpose.

This Part does not cover the taxation consequences of corporate actions in respect of the Underlying Entity of the kind referred to in Part 2.7 of this PDS. Nor does it cover the tax

(including GST) consequences for an Investor who acquires their UBS Rolling SFIs in the course of carrying on a business of trading or dealing in shares or other marketable securities, or for the purpose of disposing of them or the Underlying Parcel at a profit, or for a non-resident Investor.

Potential investors should not rely on this summary but should seek their own taxation advice in relation to the taxation consequences of investing in UBS Rolling SFIs prior to making any investment decision, as those consequences may differ, depending on the investor’s own particular circumstances.

5.1 SUMMARY OF CONCLUSIONS

Subject to the general principles regarding the deductibility of interest and the capital protected borrowings rules (both of which are discussed below), and to the detailed comments below, the main expected tax consequences of acquiring and holding a UBS Rolling SFI may be summarised broadly as follows:

Deductibility of interest

- (a) Subject to paragraph (d) below, any Interest Amount which is prepaid by an individual who is a Cash Applicant or a Transferee in respect of a period no greater than 12 months should be deductible when paid, as long as the individual either does not incur the interest in carrying on a business or is a “small business entity” for the relevant year of income (see Part 5.3 below).
- (b) Any deductible Interest Amount which is prepaid by any other Cash Applicant or Transferee should be apportioned over the relevant interest period on a pro-rata basis (see Part 5.3 below).
- (c) The deductibility of any Interest Amount prepaid by a Shareholder Applicant or a Rollover Applicant depends on their particular circumstances (see Part 5.3 below).

Cost of Capital Protection

- (d) Under the rules related to capital protected borrowings, any original Applicant or Transferee of a UBS Rolling SFI may be treated as having purchased a notional put option (see Part 5.2 below). The deemed cost (if any) of that notional put option would effectively reduce the amount of an Interest

Part 5: Taxation summary

Amount which otherwise would be deductible (see Parts 5.2 and 5.3(a) below).

Distributions

- (e) Broadly, any distributions on the Underlying Parcel should be included in the Holder's assessable income as if the Underlying Parcel was directly held by the Holder, and generally the Holder should be entitled to any associated tax benefits such as franking credits (see Part 5.5 below).

Capital Gains Tax ("CGT")

- (f) A Cash Applicant and a Transferee should acquire the Underlying Parcel for CGT purposes at the time of issue or purchase of the UBS Rolling SFIs, respectively (see Part 5.14 below).
- (g) A Shareholder Applicant or Rollover Applicant neither acquires nor disposes of their Underlying Parcel for CGT purposes at the time of issue of the UBS Rolling SFIs (as the Holder will previously have acquired the Underlying Parcel to which the UBS Rolling SFI relates) (see Part 5.7 below).
- (h) The payment of the Completion Payment and the receipt of the Underlying Parcel should have no CGT consequences for the Holder in relation to the Underlying Parcel, as the Holder will be treated as already owning the Underlying Parcel (see Part 5.9 below).
- (i) The disposal of the UBS Rolling SFIs prior to the payment by the Holder of the Completion Payment should result in a disposal of the Underlying Parcel by the Holder for CGT purposes (see Part 5.10 below).
- (j) If the Holder rolls over their UBS Rolling SFI into a new UBS series (if available), the roll over should not involve a CGT Event for the Holder in relation to the Underlying Parcel (see Part 5.11 below).
- (k) If the Holder fails to pay the Completion Payment when required, the Holder should be deemed to have disposed of the Underlying Parcel for CGT purposes, and (though the wording of the legislation is not clear) by exercising any Notional Put Option (if applicable) (see Part 5.12 below).

- (l) Any Notional Put Option should be regarded as having expired on the date of payment of the Completion Payment, or earlier disposal of the UBS Rolling SFI, as the case may be, and also if the Holder fails to pay the Completion Payment when required but the Loan Amount is repaid in full to UBS. The deemed expiry should give rise to a capital loss to the Holder for CGT purposes, under CGT Event C2, equal to the amount (if any) of the deemed cost of the Notional Put Option (see Parts 5.9, 5.10 and 5.12 below).
- (m) The other consequences of a Transfer of a UBS Rolling SFI are dealt with in detail in Part 5.10 below.

Commercial debt forgiveness rules

- (n) None of the tax attributes of a Holder should be affected by the commercial debt forgiveness rules if the limited recourse feature of the Loan comes into effect.

5.2 IS THERE A DEEMED COST OF CAPITAL PROTECTION UNDER THE RULES IN THE CAPITAL PROTECTED BORROWINGS RULES?

Special rules relating to capital protected borrowings are contained in Division 247 of the Tax Act. Where a "capital protected borrowing" exists, a portion of a Holder's total expenses in relation to that "capital protected borrowing" may be treated for tax purposes as the cost of capital protection in respect of the Loan.

Because the Loan is a limited recourse facility, it is a "capital protected borrowing" for the purposes of the capital protected borrowing rules. Accordingly, the Holder will be required to determine each year whether the Holder has a capital protected borrowing cost for that year under the method statement in section 247-20(3) of the 1997 Tax Act that gives rise to a notional put option under section 247-20(6) of that Act. Thus, even though a UBS Rolling SFI does not confer an explicit put option on a Holder, in certain circumstances the rules can deem the Holder to have incurred an amount for a notional put option granted by UBS.

The rules are very specific for a capital protected borrowing entered into on or after 1 July 2007 and also involve a different methodology for fixed rate, compared to variable rate, loans. In determining which methodology to apply, a

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Holder should assume that a UBS Rolling SFI involves a series of fixed rates for the period of up to one year to which each prepayment of interest relates (and not a variable rate for either the whole or any part of the term of the UBS Rolling SFI). On that basis, the application of the rules to a UBS Rolling SFI is summarised below.

How to determine if there is a Deemed Cost of a Notional Put Option under the capital protected borrowing rules

Broadly, under the capital protected borrowing rules, if an Applicant or Transferee:

- (a) has incurred costs in an income year in respect of the UBS Rolling SFI ("**Total Costs**" (described in detail further below)); and
- (b) the Total Costs exceed the total amount of interest that would have been incurred for the income year on a borrowing equal to the Loan Amount as at the Issue Date (or, in the case of a Transferee, the Transfer Date) or the relevant Annual Interest Date (including as increased by the Interest Amount on that Annual Interest Date), as the case may be, at the Reserve Bank of Australia's Indicator Rate for Personal Unsecured Loans—Variable Rate (which may change when legislation is enacted, see (ii) below) on the date on which the relevant pre-paid Interest Amount was incurred (ie the Issue Date/Transfer Date or the relevant Annual Interest Date, as the case may be) ("**Incurred Date Benchmark Rate**"),

then the excess amount (the "**capital protected borrowing cost**") would be deemed to be an amount paid to acquire a notional put option ("**Notional Put Option**"), under the so-called "ongoing methodology" in the capital protected borrowing rules.

Note, in respect of paragraph (b) above:

- i. Typically, an Applicant and a Transferee will incur two Interest Amounts in the income year in which they acquire their UBS Rolling SFI: one for the period from the date of acquisition up until the next Annual Interest Date, and a second for the period from that Annual Interest Date until the succeeding Annual Interest Date or the Final Maturity Date (as the case may be). Accordingly, in that income year, the Applicant or Transferee

should make a separate calculation for each period using a separate Incurred Date Benchmark Rate (even though the Rate may be the same as at the different incurred dates), and then aggregate them for the purpose of determining the total amount of interest.

- ii. The Federal Government announced in the 2008-09 Budget that the benchmark indicator rate in the capital protected borrowing rules would be changed to the Reserve Bank of Australia's Indicator Variable Rate for Standard Housing Loans, for arrangements entered into after 7.30pm AEST on 13 May 2008. If this change is implemented as announced, it will change the calculation of the capital protected borrowing cost amount in (b) above. No legislation has been introduced or enacted in this regard as at the date of this PDS and the ATO has announced that it will continue to apply the existing law until the relevant legislative amendments have been made which should have retrospective effect by applying to any arrangements entered in after 7:30pm AEST on 13 May 2008. Further, the Federal Government has recently announced that it proposes to introduce the Tax Laws Amendment (2009 Measures No 2) Bill into parliament in the Autumn 2009 sitting, through which the capital protected borrowing provisions should be amended.

For this purpose, the Holder's "Total Costs" for an income year include all amounts (whether revenue or capital in nature) incurred by the Holder in respect of the UBS Rolling SFI for that income year. However, the Holder's Total Costs do not include amounts that are not for capital protection or interest. The Total Costs of:

- a Cash Applicant, a Shareholder Applicant or a Rollover Applicant should include any Interest Amounts incurred in the income year, but not any Borrow Fee or Taxes; and
- a Transferee should include any Interest Amounts incurred in the income year, but not any Transfer Costs or Taxes.

5.3 IS THE INTEREST AMOUNT DEDUCTIBLE?

Subject to the comments in paragraphs (a) to (c) below, any prepaid Interest Amount on so much of the funds borrowed on the Issue Date (in the

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case of an Applicant) or on the Transfer Date (in the case of a Transferee) under the Loan should be allowed as a deduction if:

- a Cash Applicant or Transferee acquires their UBS Rolling SFIs for the purpose of producing assessable income; or
- a Shareholder Applicant applies the “excess Loan Amount” (referred to below) to produce assessable income; or
- a Rollover Applicant applies the funds borrowed under the Loan to repay the amount outstanding under the loan for the Existing Instalment, and, to the extent that the Rollover Applicant has an “excess Loan Amount” (referred to below), applies that “excess Loan Amount” to produce assessable income.

For a Shareholder Applicant, the “excess Loan Amount” is the proceeds of the Loan remaining after payment of their Interest Amount, Borrow Fee (if any) and Taxes. For a Rollover Applicant, the “excess Loan Amount” is the proceeds of the Loan remaining after payment of their Interest Amount, Borrow Fee (if any) and the Final Instalment on any Eligible Instalments.

(a) *Capital protected borrowing rules*

If in any income year the Holder has a capital protected borrowing cost (under the ongoing methodology referred to in Part 5.2 above), a portion of the Interest Amount equal to the capital protected borrowing cost would not be deductible in that income year. (Instead, it should be treated as the cost of a Notional Put Option.)

(b) *Borrowing not incurred to produce assessable income*

The amount of an interest deduction might be further reduced, or denied, if the Holder’s purpose in incurring the Interest Amount was other than to produce assessable income (for example, under section 51AAA of the Tax Act, if, or to the extent that, the purpose was to produce capital gains).

(c) *Prepayment rules*

If a deductible prepaid Interest Amount relates to a borrowing period that ends after the income year in which the interest prepayment is made, the interest prepayment will generally be fully deductible in the year of payment if:

- (i) the amount of the payment is less than \$1,000; or

- (ii) the Holder either is an individual who does not incur the prepaid interest in carrying on a business or is a “small business entity” (for the purposes of Division 328 of the Tax Act) for the relevant year of income and in either case the period to which the interest prepayment relates is 12 months or less.

In other cases, generally a Holder must spread the deduction on a straight line basis over the entire period to which the interest prepayment relates.

However, a Shareholder Applicant or Rollover Applicant will not be entitled to the full deduction in the year of payment, but instead must spread the deduction on a straight line basis over the entire period to which the prepayment relates, if the Shareholder Applicant or Rollover Applicant applies the “excess Loan Amount” in relation to a “tax shelter arrangement”. (Generally, negatively geared investments in real property, interests in real property, units in certain widely held unit trusts or listed shares would not be “tax shelter arrangements”.)

5.4 IS A BORROW FEE DEDUCTIBLE?

Provided an Applicant acquires their UBS Rolling SFIs for the purpose of producing assessable income, the Borrow Fee, being a payment for UBS making the Loan available, should be deductible to the Holder under section 25-25 of the Tax Act. If the relevant Borrow Fee is greater than \$100, section 25-25 requires the deduction for the Borrow Fee to be spread on a straight line basis over the shorter of the term of the Loan and five years. If the Loan ends before the Borrow Fee has been fully deducted, the Holder should be entitled to a deduction in the income year in which the Loan ends equal to any part of the Borrow Fee that has not been deducted in a previous income year.

5.5 HOW ARE DISTRIBUTIONS TO BE TREATED FOR TAX PURPOSES?

Broadly, all of the distributions in respect of the Underlying Parcel while the Underlying Parcel is the subject of the Separate Trust should be considered to have been received by the Holder as they are made, as if the Holder directly held the Securities in the Underlying Parcel, and notwithstanding that they are applied to reduce the Loan Amount. Specific issues are outlined below. The exact consequences depend on

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whether the Underlying Securities comprise shares in a company or units in a trust.

Dividends

Where the Securities in the Underlying Parcel are shares, Dividends will be in the form of a dividend or other distributions in respect of the shares.

Where a dividend or other distribution is franked, the Holder should include in their assessable income the amount of the Dividend and the franking credit attaching to the dividend. A Holder should generally be allowed a tax offset equal to the franking credit. This offset should reduce the tax liability of the Holder to the extent that the Holder has such a liability. Holders who are resident individuals or complying superannuation entities and who receive franking tax offsets in excess of their tax liability should be entitled to a refund of those excess tax offsets. Holders who are companies will not be entitled to a refund of any excess franking tax offsets, but may be entitled, in effect, to convert any excess tax offsets into tax losses.

However, this treatment assumes that the franking/imputation anti-avoidance provisions (which are aimed at ensuring that the benefit of the franking credits is available only to the true economic owner of the shares) do not apply. Potential investors and Holders should seek their own taxation advice in relation to the potential application of those provisions to their own particular circumstances from year to year.

Distributions from public trading trusts or corporate unit trusts

Where the Underlying Parcel is a unit in a trust that is a public trading trust or a corporate unit trust for the purposes of the Tax Act, distributions should be treated for tax purposes as if they were dividends or other distributions in respect of shares (that is, as described under the heading "Dividends" above).

Distributions from trusts that are not public trading trusts or corporate unit trusts

Where the Securities in the Underlying Parcel are units in a trust other than a public trading trust or a corporate unit trust, the tax treatment of the distribution of income or capital will depend on the character of the amount in the trustee's hands before it was distributed to the Holder.

If the distribution represents an amount that was dividend income in the trustee's hands, the tax consequences for the Holder of receiving the distribution should be the same as if the distribution were a dividend (see under the heading "Dividends" above). However, the application of the franking/imputation anti-avoidance provisions is even more complicated than where the Securities are shares.

If the distribution represents an amount that was a capital gain in the trustee's hands, broadly, the distribution should be treated as a capital gain for the Holder. The capital gain may be offset against revenue or capital losses of the Holder. Where the capital gain has been treated as a discount capital gain by the trustee before distribution, the Holder will be required to gross up the discount capital gain for the purposes of offsetting any capital losses, before applying the CGT discount to any remaining discount capital gains.

If the distribution represents an amount that was not included in the taxable income of the trust (for example, an amount that was capital in the trustee's hands or that represents tax deductions available to the trust and which is typically referred to as a "tax deferred distribution"), the distribution will reduce the cost base of the Holder's units in the trust which are included in the Underlying Parcel. However, once the cost base has been reduced to zero, any excess distribution is assessable in full as a capital gain.

Interest refund if a Special Dividend is paid

Any Interest Refund paid by UBS to the Holder, consequent upon the payment of a Special Dividend in respect of an Underlying Security, will be assessable income to the Holder in the year of receipt, to the extent that the Holder has been entitled to a deduction for payment of the relevant Interest Amount.

5.6 WHAT IS THE HOLDER'S COST BASE IN THE UNDERLYING PARCEL FOR CGT PURPOSES?

The following comments assume that both the prepaid Interest Amount and any Borrow Fee are deductible in full to the Applicant. (If this is not the case, a Holder should seek their own specific advice on the taxation consequences for themselves.)

(a) Cash Applicant

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The cost base for CGT purposes (see Part 5.14 below) of a Cash Applicant in the Security which is comprised in the relevant Underlying Parcel should be equal to the amount paid by the Security Trustee to acquire the Security and any other incidental costs incurred in acquiring the Underlying Parcel. This is calculated as:

- (i) the sum of the First Payment, the Loan Amount and any incidental costs;
- (ii) less the sum of the Interest Amount and the Borrow Fee.

(b) Shareholder Applicant or Rollover Applicant

The cost base in the Underlying Parcel:

- for a Shareholder Applicant is, broadly, whatever the Shareholder Holder originally paid or gave to acquire the Underlying Parcel and any incidental costs incurred in that regard; and
- for a Rollover Applicant is determined as set out in the PDS for the Existing Instalment. A Rollover Applicant should not include any Rollover Payment to UBS in their cost base. (The effect of the Rollover Payment is merely to reduce the amount of the Loan in respect of the Underlying Parcel or to meet the Interest Amount, the Borrow Fee, Taxes or the Final Instalment on the Existing Instalment.)

The Shareholder Applicant or Rollover Applicant already holds the Underlying Parcel and may acquire another asset ("3rd Asset") with the "excess Loan Amount" (if any) (referred to in Part 5.3 above). The cost base in the 3rd Asset would include so much of the "excess Loan Amount" as is applied to acquire the 3rd Asset.

(c) Transferee

The cost base of a Transferee in the Underlying Parcel is the sum of the amount that the Transferee pays to the Transferor and the Loan Amount advanced by UBS to the Transferee at the time of Transfer, less the prepaid Interest Amount incurred by the Transferee at that time.

5.7 WHAT HAPPENS WHEN A SHAREHOLDER APPLICANT OR ROLLOVER APPLICANT TRANSFERS THEIR UNDERLYING PARCEL TO THE SECURITY TRUSTEE?

The transfer of the Underlying Parcel to the Security Trustee by a Shareholder Applicant or Rollover Applicant should not result in a CGT Event happening for CGT purposes.

5.8 WHAT HAPPENS WHEN A ROLLOVER APPLICANT TRANSFERS AN EXISTING INSTALMENT TO THE SECURITY TRUSTEE?

The transfer of an Existing Instalment to the Security Trustee should not result in a CGT Event happening for CGT purposes.

The Rollover Applicant's explicit or notional put option (if any) in respect of their Existing Instalment will cease when the Applicant "rolls over" to the UBS Rolling SFI. The Applicant may thereby realise a capital loss equal to the cost base of any explicit or notional put option in respect of the Existing Instalment.

5.9 WHAT HAPPENS IF THE HOLDER PAYS THE COMPLETION PAYMENT ON OR BEFORE THE FINAL MATURITY DATE AND SUBSEQUENTLY RECEIVES THE UNDERLYING PARCEL?

The Completion Payment is an amount equal to the aggregate of the outstanding Loan Amount .

If the Holder pays the Completion Payment, the Underlying Parcel should be delivered to the Holder. No CGT Event will occur for CGT purposes when the legal title to the Underlying Parcel is transferred by the Security Trustee to the Holder.

Under the capital protected borrowing rules, although the position is not clear, any Notional Put Option should be taken to have expired at the end of the term of a Loan if the Holder has repaid the full Loan Amount to UBS (including if the Holder pays the Completion Payment). In these circumstances, the Holder should realise a capital loss equal to the cost base (if any) of the Notional Put Option. (The cost base of the Notional Put Option is described in Part 5.2 above.)

5.10 WHAT HAPPENS IF THE HOLDER TRANSFERS THEIR UBS ROLLING SFIs BEFORE THE FINAL MATURITY DATE?

On Transfer, the Transferor:

- disposes of their interest in the Underlying Parcel to the relevant Transferee (subject to the Security Interest);
- obtains from UBS an Interest Refund, which is applied to reduce the Loan Amount;
- may be required to pay to UBS, or be entitled to receive from UBS, Transfer Costs (any Transfer Costs payable by UBS to the

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Transferor are applied to reduce the Loan Amount); and

- repays the outstanding Loan Amount to UBS in full, as a result of the application of a new Loan made by UBS to the Transferee.

On Transfer, separate CGT events happens for the Transferor in respect of the Underlying Parcel and any Notional Put Option.

(a) Underlying Parcel

At the time that the contract for the Transfer of the UBS Rolling SFIs is entered into, CGT Event A1 should happen, as the Holder would be taken to have disposed of their beneficial interest in the Underlying Parcel.

This should result in the Holder realising:

- (i) a capital gain, to the extent that the capital proceeds received are more than the cost base of the Underlying Parcel; or
- (ii) a capital loss, to the extent that the reduced cost base of the Underlying Parcel is less than the capital proceeds.

The capital proceeds will include the amount received (or that is receivable) from the Transferee plus the Loan Amount, reduced by any Interest Refund.

The cost base of the Underlying Parcel for the Transferor will be as described in Part 5.6 above, plus any Transfer Costs the Transferor is required to pay to UBS.

In the case of a Shareholder Applicant or a Rollover Applicant, they would need to determine and consider when they acquired their relevant Underlying Parcel or their beneficial ownership of the relevant Underlying Parcel, respectively, in order to determine whether the disposal satisfies the 12 months requirement outlined in Part 5.14 below in determining whether any capital gains realised on the disposal of UBS Rolling SFIs are eligible for the CGT discount capital gains concession.

In the unexpected and rare case where the sale price of the Underlying Parcel is less than the Secured Monies (the difference being the “deficit amount”), the ATO may require a non-business Cash Applicant or Transferee to reduce the cost base of their Underlying Parcel by the deficit amount. Other types of Holders may also be

subject to tax consequences in respect of this deficit amount.

(b) Notional Put Option

At the time that the contract for the Transfer is entered into, the Notional Put Option should be taken to have expired and the Transferor should make a capital loss equal to the deemed cost base of the Notional Put Option (described in Part 5.2 above).

(c) Interest Refund

Any Interest Refund paid by UBS to the Transferor will be assessable income to the Transferor in the year of receipt, to the extent that the Transferor has been entitled to a deduction for payment of the relevant Interest Amount.

5.11 WHAT HAPPENS IF THE HOLDER ROLLS OVER THEIR UBS ROLLING SFIS INTO A NEW UBS SERIES (IF AVAILABLE)?

The transfer of a UBS Rolling SFI by the Holder to the Security Trustee in respect of the new UBS series (if available) should not result in a CGT Event happening in relation to the transfer of the Underlying Parcel.

However, the Holder’s Notional Put Option (if any) in respect of their UBS Rolling SFI would cease when the Holder “rolled over” to the new UBS series (if available). The Holder may thereby realise a capital loss equal to the cost base of any UBS Rolling SFI Notional Put Option (see Parts 5.2 and 5.3(a) above).

5.12 WHAT HAPPENS IF THE HOLDER DOES NOTHING ON THE FINAL MATURITY DATE (INCLUDING AN EARLY FINAL MATURITY DATE)?

On the Final Maturity Date (including an Early Final Maturity Date) the Holder can pay the Completion Payment (see Part 5.9 above), roll their UBS Rolling SFIs into a new Series of UBS instalments (if available) (see Part 5.11 above), or do nothing and receive the Assessed Value Payment (if any).

If the Holder does nothing:

1. For CGT purposes, (but subject to the next dot point) the Holder will be taken to have disposed of the Underlying Parcel to UBS. For this purpose, the capital proceeds will be the sale price of the Underlying Parcel payable by UBS under Part 2.6.2(b) of this PDS and the

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cost base will be as described in Part 5.6 above. In addition, under the capital protected borrowing rules, although the position is not clear, any Notional Put Option should be taken to have expired if the Loan Amount is repaid in full to UBS. In these circumstances, the Holder should incur a capital loss equal to the cost base (if any) of the Notional Put Option. The cost base of the Notional Put Option is as described in Part 5.2 above.

2. In the unexpected and rare case where the sale price of the Underlying Parcel is less than the Secured Monies (the difference being the "shortfall"), the Holder will not be required to pay the shortfall. But, if, under the capital protected borrowing rules, the Holder is deemed to have acquired a Notional Put Option, then the capital protection under the UBS Rolling SFI will be taken to have been invoked. Accordingly, the Underlying Parcel that is sold to UBS should be taken to have been disposed of by the Holder, as the result of the exercise of any Notional Put Option (if applicable). In these circumstances, the Holder should be taken to have made a capital loss in respect of the disposal of the Underlying Parcel equal to the aggregate of Holder's cost base in the Underlying Parcel plus the cost base in any Notional Put Option and any incidental costs, less the sale price of the Underlying Parcel. However, the ATO may require a non-business Cash Applicant or Transferee to reduce the cost base of their Underlying Parcel by the shortfall amount. Other types of Holders may also be subject to tax consequences in respect of this shortfall amount.

5.13 WHAT HAPPENS IF THERE IS AN EARLY FINAL MATURITY DATE, INCLUDING IF UBS ELECTS TO TERMINATE THE UBS ROLLING SFI ON AN ANNUAL INTEREST DATE?

If UBS elects (with the consent of the ASX) an Early Final Maturity Date, other than a termination by UBS on an Annual Interest Date instead of rolling the UBS Rolling SFI for another year (see below) then, in addition to the normal consequences described in Part 5.9, 5.11 or 5.12, as the case may be, any Interest Refund paid by UBS to the Holder will be assessable income to the

Holder in the year of receipt, to the extent that the Holder has been entitled to a deduction for payment of the relevant Interest Amount.

If UBS terminates the UBS Rolling SFI on an Annual Interest Date instead of rolling the UBS Rolling SFI for another year, no Interest Refund should be required to be made to the Holder. Accordingly, the normal consequences described in Part 5.9, 5.11 or 5.12 above should apply. If an Interest Refund is due to the Holder in these circumstances, the same consequences as described in the previous paragraph should apply to the Holder.

5.14 CAPITAL GAINS TAX ("CGT")

The capital gains tax provisions in the Tax Act apply if a "CGT event" stipulated in the Tax Act occurs.

A capital gain will arise for a taxpayer if the "capital proceeds" received in respect of the occurrence of a relevant CGT event are greater than the "cost base" of the asset which is the subject of the CGT event. A capital loss will arise if the "reduced cost base" (which, in most cases, is equal to (and in the remainder of this Part, unless otherwise expressly indicated, is assumed to equal) the "cost base") exceeds the "capital proceeds".

If a capital gain arises and the asset has been held for at least 12 months (excluding the acquisition and disposal dates) prior to the date of the CGT event, the taxpayer may be able to claim the discount capital gains concession, which reduces the nominal capital gain by 50% for individuals and trusts and by 33⅓% for complying superannuation entities.

This Part 5 assumes that (as in the case of other instalment warrants) the ATO accepts that, even though the Underlying Securities are held by the Security Trustee on trust for the Holder, the Holder is to be treated as holding the Underlying Parcel for capital gain tax purposes.

The date of acquisition of the beneficial interest in the Underlying Parcel in the case of a Cash Applicant is the date of acceptance of their application by UBS. In the case of a Transferee, the date of acquisition is the date of the contract for the Transfer of the UBS Rolling SFIs.

As was noted above, in the case of a Shareholder Applicant or a Rollover Applicant, they would

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need to determine and consider when they acquired their relevant Underlying Parcel or their beneficial ownership of the relevant Underlying Parcel, respectively, in order to determine whether the disposal of their UBS Rolling SFIs or the relevant Underlying Parcel satisfies the 12 months requirement outlined above in order for any disposal of their UBS Rolling SFIs to be eligible for the discount capital gains concession.

Capital losses cannot be used to reduce the tax payable on ordinary income, but they can be offset against any capital gains arising in the current or future income years.

5.15 WILL THE COMMERCIAL DEBT FORGIVENESS RULES AFFECT THE TAX ATTRIBUTES OF THE HOLDER IF THE LIMITED RECOURSE FEATURE OF THE LOAN COMES INTO EFFECT?

If the limited recourse feature of the Loan comes into effect, there should be a commercial debt forgiveness under Schedule 2C to the Tax Act. However, despite this, none of the tax attributes of Holders of such Loans should be adjusted under the commercial debt forgiveness rules as a result of that commercial debt forgiveness. This is because there should be no “net forgiven amount” in respect of such a commercial debt forgiveness to be applied against the tax attributes of such a Holder, due to the operation of the special rule that applies to non-recourse debts in section 245-60 of Schedule 2C to the Tax Act.

5.16 PROPOSED REGIME FOR TAXATION OF FINANCIAL ARRANGEMENTS

On 4 December 2008, the Tax Laws Amendment (Taxation of Financial Arrangements) Bill 2008 (“TOFA Bill”) was introduced into the Federal Parliament. The new rules (if enacted) would represent a new regime for the taxation of gains and losses from financial arrangements.

The TOFA Bill states that generally the proposed new rules are to apply to financial arrangements entered into from the first tax year beginning on or after 1 July 2010. (However, under the TOFA Bill, a taxpayer may elect for the new rules to apply to all financial arrangements that the taxpayer starts to have in the income years commencing on or after 1 July 2009.) Under the TOFA Bill, a taxpayer may also elect for the new rules to apply to all financial arrangements existing at the start date.

Individuals are generally excluded from the new rules if:

- (a) the arrangement is to end not more than 12 months after they start to have it; or
- (b) the arrangement is not a “qualifying security” for the purposes of Division 16E in Part III of the Tax Act.

Based on the TOFA Bill, the new regime should not apply to the Holder of a UBS Rolling SFI who is an individual, unless the Holder elects for the new regime to apply.

The new regime may also not apply to a Holder of a UBS Rolling SFI that is not an individual if either paragraph (a) or (b) above is satisfied and the entity is (very broadly):

- (a) a superannuation entity or a managed investment scheme with assets of less than \$100 million;
- (b) a financial entity with an aggregated turnover of less than \$20 million; or
- (c) any other kind of entity with an aggregated turnover of less than \$100 million, financial assets of less than \$100 million and total assets of less than \$300 million,

unless they elect for the new regime to apply.

Other Holders may be subject to the new regime. Prospective investors and Holders should seek their own advice in relation to the potential applicability of the proposed rules contained in the TOFA Bill in light of their own particular circumstances.

5.17 GST

Generally, GST applies to the supply of goods, services or other things. A range of supplies are input tax “financial supplies” and are not subject to GST.

No direct GST implications should arise to a Holder where the supplies they acquire or make as a result of their investment in a UBS Rolling SFI do not relate to the carrying on of an enterprise (which includes, among other things, an activity or series of activities in the form of a business or trade).

A Holder should seek and rely on their own GST advice where the supplies they acquire or make in connection with their investment in a UBS Rolling

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SFI relate to the carrying on of an enterprise by them.

5.18 STAMP DUTY

Assuming that the UBS Rolling SFIs and the relevant Underlying Securities will be quoted on the ASX at the time of the relevant transaction, there should be no stamp duty payable in respect of:

- the issue or creation of UBS Rolling SFIs;
- the on-market transfer of a UBS Rolling SFI as a consequence of the on-market purchase or sale of a UBS Rolling SFI;
- any transfer of an Underlying Security to the Security Trustee on acceptance of an Application by UBS;
- the transfer of Underlying Securities to a Holder on or following payment of the Completion Payment;
- the Loan; or
- the Security Interest.

The comments in this Part 5.18 assume that:

- no person (together with their “related persons” for the purpose of stamp duty law) holds 90% or more of the Underlying Securities in that Underlying Entity; and
- where the Underlying Entity is a unit trust scheme, provided it has (i) not less than 50 unrelated unitholders, and (ii) no fewer than 20 unitholders in that Underlying Entity are beneficially entitled to 75% or more of the total issued Underlying Securities (where “related persons” are treated as a single holder for the purposes of stamp duty law).

5.19 TFN/ABN

As outlined in Parts 2.1.4 and 3.9 of this PDS, if the Holder does not provide the Security Trustee with their TFN or ABN (as applicable) or proof of an exemption, the Security Trustee may be required to withhold an amount from any dividends or distributions paid on the Underlying Securities.

Part 6: Description of UBS and Security Trustee

The information in this Part 6 is intended to be a brief summary only of UBS and the Security Trustee. Investors must make their own assessment of the ability of UBS and the Security Trustee to meet their obligations in relation to the UBS Rolling SFIs.

6.1 UBS AG, Australia Branch

UBS AG was formed on 29 June 1998 from the merger of Swiss Bank Corporation and Union Bank of Switzerland. UBS AG is the largest Swiss bank and one of the strongest financial institutions in the world. Securities in UBS AG are listed on the New York, Zurich and Tokyo Stock Exchanges.

UBS AG established its Australian Branch on 1 January 2004. UBS AG, Australia Branch is a foreign Authorised Deposit-Taking Institution under section 9 of the *Banking Act 1959* (Cth). It is therefore regulated by the Australian Prudential Regulation Authority.

UBS will provide a copy, free of charge, of any of the following documents to any person who requests such copies during the life of this PDS, by contacting the Warrants Operations Team on 02 9324 2606:

- the latest available annual financial report of UBS; and
- the latest available half-yearly financial report of UBS.

UBS' latest available annual and half-yearly financial reports can also be downloaded from www.ubs.com.

Rating Agencies

UBS is rated by Standard & Poor's, Fitch Ratings and Moody's Investors Service. Current ratings are available from various sources including the ASX, brokers and UBS.

The rating agencies do not independently verify information provided to them by UBS, and therefore, the rating agencies make no representation or warranty with respect to the accuracy of their ratings. The rating agencies have not been involved in the preparation, or authorised the issue of, this PDS.

Investors should note that credit ratings assigned by the rating agencies address only credit risk, which is only one element of any investment decision. Ratings are not recommendations to

buy, hold or sell any UBS Rolling SFIs. By publishing a rating, the rating agencies are not inducing or advising investors to take any action with respect to UBS Rolling SFIs or any other security or financial product. Ratings and rating reports should not be construed as investment advice, personalised or other. Accordingly, each investor should conduct their own evaluation of UBS Rolling SFIs and consult with their investment advisers.

Ratings are subject to change or withdrawal at anytime, and such change or withdrawal is within each rating agency's sole discretion.

6.2 SECURITY TRUSTEE

The Security Trustee is the trustee of the Separate Trusts and holds the Underlying Securities on trust for the Holder. The Security Trustee is a wholly owned subsidiary of UBS and holds an Australian financial services licence number 231088. Its principal activities are to act as a custodian.

Part 7: Summary of Terms of UBS Rolling SFIs

This summary of the terms of the Instalment Deed does not purport to be a comprehensive summary of all the terms of the Instalment Deed but highlights particular provisions that UBS wishes to encourage prospective investors to consider in detail and discuss with their professional advisers. Prospective investors should contact their financial adviser or UBS in order to obtain a copy of the complete Instalment Deed.

Clause references are to clauses in the Instalment Deed.

7.1 Structure

UBS (as issuer) and UBS Nominees Pty Limited (as Security Trustee) are parties to the Instalment Deed. The Instalment Deed sets out the terms of issue of any UBS Rolling SFIs offered under this PDS and any relevant Supplementary PDS.

Pursuant to the Instalment Deed, the Security Trustee will execute a Nominee Deed in respect of UBS Rolling SFIs issued under the Instalment Deed and this PDS and any relevant Supplementary PDS. Under the Nominee Deed, the Security Trustee undertakes to hold each Underlying Parcel transferred to the Security Trustee (or its nominee) by UBS, or an Applicant, as bare trustee for the Applicant on a Separate Trust until the Final Maturity Date or, if earlier, payment of the Completion Payment.

The Security Trustee may appoint a nominee to hold the Underlying Security and Accretions on trust. Each Separate Trust will terminate on the Security Trustee (or its nominee) ceasing to hold the legal title to the Underlying Security. The Security Trustee is a wholly owned subsidiary of UBS, and has a limited range of discretions, choices and responsibilities beyond those required by the ASX Market Rules, the ASX Listing Rules and the ASTC Settlement Rules.

7.2 Copies of the Instalment Deed

The Instalment Deed (which includes as a schedule the form of the Nominee Deed) is available for inspection at the Office. A copy of the Instalment Deed is available free of charge by contacting UBS on 1800 633 100.

The following is a summary of the material terms of the Instalment Deed.

7.3 Interpretation (clause 1)

The Instalment Deed has been prepared such that the UBS Rolling SFIs to be issued conform to the ASX Market Rules and the ASTC Settlement Rules, and the Instalment Deed is to be interpreted so that it conforms to any applicable relief on which UBS wishes to rely under the Corporations Act, ASX Market Rules or ASTC Settlement Rules.

7.4 Rights and Obligations of the Holder (clause 1)

Each Holder is entitled to the benefit of the obligations of the Security Trustee and UBS under the Instalment Deed. Each Holder is bound by the Instalment Deed.

7.5 Application process of UBS Rolling SFIs (clause 2)

The Instalment Deed contains provisions which set out the process for applying for UBS Rolling SFIs. This process is described in Part 2.3 of this PDS and differs depending on whether the Applicant is a Cash Applicant, Shareholder Application or Rollover Applicant.

7.7 The Separate Trusts (clause 3)

Each Holder is the beneficiary under a Separate Trust established under the Nominee Deed in relation to each Underlying Security corresponding to the UBS Rolling SFI held by the Holder.

The Security Trustee must keep separate and must not pool the interests or property of or in the Separate Trusts. However, it may aggregate holdings in certain circumstances and deposit monies in respect of the Separate Trusts into the same bank account.

Each UBS Rolling SFI corresponds to an individual Underlying Security registered in the name of the Security Trustee, and UBS must allocate or cause to be allocated discrete numbers to each Underlying Security and its related UBS Rolling SFI.

Where a Completion Notice is given in respect of some but not all of a Holder's UBS Rolling SFIs, or if the amount or proceeds of a cheque for a Completion Payment is insufficient, or a Disposal Event happens in relation to some but not all of a Holder's Underlying Securities, the Security Trustee or UBS may determine which of the Underlying Parcels will be retained and remain subject to any Security Interest.

Part 7: Summary of Terms of UBS Rolling SFIs

No Encumbrance (except for any Security Interest) may be created or permitted to subsist in respect of the Underlying Parcel.

7.8 No Third Party Interests (clause 3)

No person may control the transfer or disposal of Underlying Securities (other than the Holder and the Security Trustee in accordance with the Instalment Deed or the Nominee Deed) except in certain circumstances which includes for the purposes of complying with the Instalment Deed in relation to the UBS Rolling SFIs, or pursuant to the Security Interest.

7.9 Holding statements (clause 4)

UBS does not have to issue a certificate evidencing the Holder's title to a UBS Rolling SFI but it must comply with the ASTC Settlement Rules governing CHESS and the ASX Market Rules concerning the issue of notices relating to the UBS Rolling SFIs.

Each Holder, however, will receive a holding statement concerning the Holder's UBS Rolling SFIs as required by the Corporations Act, the ASX Market Rules and the ASTC Settlement Rules.

7.10 The Register (clause 4)

UBS must establish and maintain, or direct the Registrar to establish and maintain, a Register of Holders in respect of each Series.

The Register must be open at all reasonable times during business hours on Business Days for inspection by Holders. Except as required by law, no notice of any trust will be entered in the Register.

7.11 Transfer (clause 5)

No fee will be charged for the registration of a Transfer of UBS Rolling SFIs.

Transfers must be in accordance with Division 4 of Part 7.11 of the Corporations Act and the applicable ASTC Settlement Rules. The Transfer takes effect on the name of the Transferee being entered into the Register.

The Instalment Deed contains provisions which set out process for transferring UBS Rolling SFIs. This process is described in Part 2.4 of this PDS.

7.12 Record Dates (clause 6)

UBS must use reasonable endeavours to ensure that the Registrar fixes Record Dates at the same time (or as nearly as possible) as fixed by the

relevant Underlying Entity for Dividends and other entitlements in respect of Underlying Parcels.

Division 4 of Part 7.11 and Regulation 7.11.39 of the Corporations Regulations apply as far as possible to determine the entitlement of Holders to Dividends and Accretions.

7.13 Annual Interest Dates (clause 6)

UBS, the Holder and Security Trustee agree to do all things contemplated by the Loan Agreement in respect of the Annual Interest Drawdown Procedure.

7.14 Ordinary Dividends and Special Dividends (clause 7)

Where the relevant Underlying Entity pays an Ordinary Dividend or Special Dividend wholly or partly in cash, subject to withholding tax obligations, the Security Trustee must pay the cash amount of that distribution to UBS as soon as practicable after receipt and clearance of the distribution. UBS must apply the distribution to reduce the Loan Amount on the relevant UBS Rolling SFI. The amount remaining (if any) is paid to the Holder.

If a Holder holds UBS Rolling SFI as trustee of a trust, the Holder must immediately notify the Registrar and, if required, provide to the Security Trustee all information required for the Security trustee to make a "correct UB (ie ultimate beneficiary) statement" under section 102UG of the Tax Act. The Security Trustee must, at the direction of UBS, take all reasonable action to disclose to the Holder information necessary to determine their entitlement of any franking credit or tax offset.

If a distribution is paid to the Security Trustee after the Final Maturity Date in respect of an Underlying Parcel for which a valid Completion Notice has been given, or which has been disposed of ex-distribution by the Security Trustee, then the cash amount of the distribution will be payable by the Security Trustee to the Holder, but not otherwise.

The Instalment Deed contains provisions which may require a TFN Amount to be paid to UBS as described in Part 2.1.4 of this PDS.

The Security Trustee and the Holder will not participate in any dividend reinvestment plan or other distribution plans in relation to an Underlying Security.

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7.15 Voting (clause 8)

Holders are not entitled to receive notices of meetings or attend at any meeting of members of the relevant Underlying Entity or compel the Security Trustee to attend or speak on behalf of the Holder.

The Security Trustee may not vote in respect of an Underlying Security at any meeting of members of an Underlying Entity.

7.16 Security Interest (clause 9)

UBS has an equitable mortgage over the trust property (including each Underlying Security and Accretion) of each Separate Trust granted to it by the Security Trustee. This Security Interest secures the repayment of the Secured Monies, and UBS has a first right to receive the Secured Monies from the net proceeds of sale or any Underlying Parcel.

If the Loan is not repaid by the Final Maturity Date, the Holder is liable to pay a TFN Amount to UBS or the Holder fails to pay Taxes in accordance with the Instalment Deed, then UBS may exercise its power of sale and dispose of the Underlying Parcel and pay the proceeds in accordance with the Order of Payment and/or appoint one or more Receivers.

7.17 Early Final Maturity Date (clause 10)

An Early Final Maturity Date may arise because UBS nominates an extraordinary event, or because UBS elects to terminate the UBS Rolling SFI on an Annual Interest Date instead of rolling them for another year. UBS must give at least 10 Business Days' written notice of any Early Final Maturity Date to each relevant Holder, which in the case of termination on an Annual Interest Date may be a conditional notice.

Extraordinary Event—Early Final Maturity Date

UBS may at its discretion, with the consent of the ASX, nominate any of the following events as an extraordinary event and determine an Early Final Maturity Date for one or more Series of UBS Rolling SFIs:

- (a) Underlying Securities or other financial products comprising Underlying Parcels in respect of a Series of UBS Rolling SFIs:
 - (i) are the subject of a buy-back offer; or

- (ii) are the subject of a proposed takeover offer, a proposed scheme of arrangement or merger in the nature of a scheme or arrangement; or
- (iii) are de-listed, cease to be quoted on any stock exchange or financial market or are suspended; or

- (b) a Series of UBS Rolling SFIs is de-listed, withdrawn from admission to trading status or suspended otherwise than as a result of the acts of UBS; or
- (c) if there is a Tax Change; or
- (d) it becomes impossible for UBS to hedge its exposure pursuant to the UBS Rolling SFIs due to either of the following occurring:
 - (i) a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement, lending or clearance services in any of those countries; or
 - (ii) trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for at least one full day on which that exchange is open for trading; or
- (e) the Loan Amount on any day is equal to zero.

Annual Interest Date—Early Final Maturity Date

UBS may at its discretion, without the consent of the ASX, terminate the UBS Rolling SFI on any Annual Interest Date, instead of rolling the UBS Rolling SFIs over for a year until the next Annual Interest Date (until the Final Maturity Date).

The following applies to the roll or potential termination of the UBS Rolling SFI on each Annual Interest Date which may also be an Early Final Maturity Date:

- (a) UBS will issue a conditional expiry notice to you at least 10 Business Days before each Annual Interest Date offering you the option of electing to pay the Completion Payment

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- and take delivery of the Underlying Parcel if UBS terminates the UBS Rolling SFI on that Annual Interest Date. That notice will include an estimate of:
- (i) the Completion Payment expected as at the Annual Interest Date if UBS does terminate the UBS Rolling SFI on that Annual Interest Date; and
 - (ii) the indicative Loan Amount and the indicative Interest Rate expected to be applicable immediately following the Annual Interest Date if UBS does not terminate the UBS Rolling SFI and the UBS Rolling SFI rolls over for another year.
- (b) If you wish to elect to pay the Completion Payment and take delivery of the Underlying Parcel, should UBS proceed to terminate on that Annual Interest Date, you will need to lodge a valid and effective Completion Notice with UBS by the Closing Time on that Annual Interest Date.
- (c) If UBS does not terminate the UBS Rolling SFI by publishing a notice confirming its notice to terminate is unconditional and immediately effective, to the ASX on the relevant Annual Interest Date, the Series of UBS Rolling SFIs will be rolled for another year until the next Annual Interest Date (until the Final Maturity Date). In this event your Completion Notice will not be actioned by UBS and you will continue to hold your UBS Rolling SFIs, unless you have elected in the Completion Notice to pay the Completion Payment and take delivery of the Underlying Parcel regardless of whether or not UBS terminates the UBS Rolling SFIs on that Annual Interest Date.
- (d) If you elect to pay the Completion Payment and take delivery of the Underlying Parcel on the relevant Annual Interest Date:
- (i) you will be required to have cleared funds in the amount of the Completion Payment in your nominated bank account on the Annual Interest Date and on the Business Day immediately following the Annual Interest Date in order that UBS may direct debit your account for that amount;
 - (ii) your delivery of the valid and effective Completion Notice to UBS by the Closing Time on the Annual Interest Date nominating your bank account constitutes your authority and direction for UBS to direct debit the Completion Payment from your account;
 - (iii) if you do not have the required cleared funds in your nominated bank account on the Annual Interest Date and on the Business Day immediately following the Annual Interest Date, and UBS terminates the UBS Rolling SFI on that Annual Interest Date, then UBS may in its discretion:
 - (aa) acquire your Underlying Parcel in accordance with Part 2.6.2 of this PDS and pay you the Assessed Value Payment (if any) in accordance with Part 2.6.2 of this PDS within 10 Business Days of the Final Maturity Date; or
 - (bb) treat your Completion Notice as valid and effective and seek payment from you of the outstanding Completion Payment (and costs and expenses), including by exercising its Security Interest for repayment of the Loan Amount which UBS shall apply as the Completion Payment.
 - (iv) if you have not returned a valid and effective Completion Notice to UBS by the Closing Time on the Annual Interest Date and UBS terminates the UBS Rolling SFIs on that Annual Interest Date, UBS will acquire your Underlying Parcel and pay you the Assessed Value Payment (if any) in accordance with Part 2.6.2 of this PDS within 10 Business Days of the Final Maturity Date.

7.18 Completion Payment and Assessed Value Payments (clause 11)

The Instalment Deed contains provisions in connection with the Holder giving a valid and effective Completion Notice and being delivered the Underlying Parcel or paid the Assessed Value Payment. Information about these matters is contained in Parts 2.5 and 2.6 of this PDS.

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7.19 Disposal Events (clause 12)

If a Disposal Event occurs and the Security Trustee is obliged to sell some or all Underlying Parcels in respect of which Holder(s) have a Beneficial Interest, the Security Trustee must sell those Underlying Parcels in accordance with that obligation. The proceeds of any sale in these circumstances must be applied by the Security Trustee in accordance with the Order of Payment.

The Holder has no right to challenge the validity of such a transfer. A certificate given by the Security Trustee that a Disposal Event has occurred will be sufficient evidence of the Security Trustee's right to sell the Underlying Parcels.

7.20 Takeover Offers and Schemes of Arrangement (clauses 13 and 15)

If an announcement of an intention to either make a takeover offer, or enter into a scheme of arrangement or quasi-scheme of arrangement or merger, is made in relation to Underlying Parcels, UBS may at its discretion (with the consent of ASX) fix an Early Final Maturity Date but the Security Trustee must not accept the offer, and has no obligation to Holders concerning the offer.

If Underlying Securities comprising the Underlying Parcels are compulsorily acquired the proceeds of the compulsory acquisition (including the proceeds of sale of any non-cash consideration) must be applied in accordance with the Order of Payment, and the relevant UBS Rolling SFIs will be cancelled.

If Underlying Securities are subject to a scheme of arrangement or quasi-scheme of arrangement or merger, the Security Trustee may retain or distribute some or all the proceeds in accordance with the Order of Payment, and if the whole of the proceeds and property are distributed, the relevant UBS Rolling SFIs will be cancelled.

7.21 Takeover Offers for Instalments (clause 14)

If an offer is made to acquire all outstanding UBS Rolling SFIs neither the Security Trustee nor any UBS Entity has any obligation to respond.

7.22 Buy-Backs (clause 16)

If a buy-back or withdrawal offer is made for Underlying Securities, UBS may fix an Early Final Maturity Date but the Security Trustee is not obliged to accept the offer.

7.23 Bonus Issues (clause 17)

If an Underlying Entity makes a bonus issue of Securities to the Security Trustee, such Securities are Accretions and form part of the relevant Underlying Parcels and will be subject to the Security Interest.

7.24 Rights and Entitlements (clause 18)

If an Underlying Entity gives the holder of the Underlying Securities rights or entitlement to acquire or be allocated Securities, such rights or entitlements are not part of the Underlying Parcel and may be dealt with by UBS in its discretion. The Loan Amount is deemed to be reduced by the Rights Value of those rights if they are exercised or sold and the benefit is not conferred on the Holder.

For the purposes of the above, a priority, right, entitlement or allocation to the Holders of:

- (a) Securities which are not of the same Underlying Entity and class of Securities as the Underlying Securities forming part of the Underlying Parcel; or
- (b) Securities stapled to those Underlying Securities,

will not result in a reduction of the Loan Amount.

However, if the ASX determines that adjustments are made to Option Market Contracts over Underlying Securities, the Loan Amount may at the discretion of UBS, be reduced if ASX determines that adjustments are to be made as a result of such priority, right, entitlement or allocation.

7.25 Reduction of Capital (clause 19)

If the capital of the Underlying Entity is reduced without making capital distributions to the security holders and without cancelling any Underlying Securities or other financial products, the Security Trustee and UBS do not have any obligations as a consequence.

If the capital of the Underlying Entity is reduced without cancelling any Underlying Securities or other financial products, and the Underlying Entity makes a capital distribution in cash or other assets, then the Security Trustee or UBS as mortgagee for the Holder shall, either:

- (a) receive and pay any cash and if directed by UBS sell the securities or other assets and pay

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the proceeds of sale of any distribution of securities or other assets; or

- (b) if some or all of the cash or other assets are compulsorily applied to acquire new securities, receive and pay any remaining cash and, if directed by UBS at its discretion, sell the remaining securities, remaining assets and new securities and pay the proceeds of all such sales,

in accordance with the Instalments Deed as if the distribution of cash is a Special Dividend.

If an Underlying Entity reduces its capital by cancelling Underlying Securities or other financial products comprised in the Underlying Parcel, UBS as mortgagee shall receive and pay any cash distribution or proceeds from the sale of any distribution or securities in accordance with the Order of Payment.

Where the securities cancelled are comprised in Underlying Parcels there will also be a corresponding cancellation of the relevant UBS Rolling SFIs and Underlying Parcels.

7.26 UBS Discretion and Other Adjustments (clause 20)

Where UBS determines before an adjustment is made under clauses 12 to 19 of the Instalment Deed (which relate to Disposal Events, takeover bids for the Underlying Securities, takeovers of UBS Rolling SFIs, schemes of arrangements, buy backs, bonus issues, rights or entitlements to acquire or be allocated Underlying Securities and reduction of capital of the Underlying Entity), that those provisions are not appropriate in any particular circumstances it may make any alterations it considers necessary or reasonable to prevent the rights of Holders from being prejudiced or to preserve the economic position of Holders and UBS (and its related bodies corporate) in relation to the UBS Rolling SFIs.

If any of the events described in clauses 12 to 20.1 (as summarised above) occur or any other event occurs (other than the payment of cash Ordinary Dividends or Special Dividends), despite clauses 12 to 20.1 UBS may instead under clause 20.2, in its absolute discretion, nominate that one or more of the following will apply:

- (a) to consolidate or divide the number of UBS Rolling SFIs in a Series in response to a consolidation or subdivision of the

Underlying Securities with the consent of the ASX; or

- (b) the property or benefit or Underlying Parcel which is the subject of the event or the proceeds of sale of such property or rights be:
 - (i) paid in accordance with the Order of Payment, and if the proceeds are in respect of the whole of the Underlying Parcel, the UBS Rolling SFIs will be cancelled;
 - (ii) treated as an Accretion; or
 - (iii) distributed to the Holder.

UBS may also, with the consent of the ASX, take such other action as it deems appropriate in relation to an event that is not covered by the adjustment process in clause 20 or an extraordinary event nominated under clause 10.

UBS may reconstruct any Series of UBS Rolling SFIs with the approval of 75% of the votes cast by Holders of the Series.

7.27 Powers and Duties of the Security Trustee (clause 22)

The Security Trustee has limited powers, duties, rights and discretions.

The Security Trustee has specific powers of sale in the circumstances described in this summary, and has general powers to administer the Separate Trusts, including powers to maintain bank accounts, and to give acknowledgements and undertakings to the ASX and ASIC.

The Security Trustee also has power to lend Underlying Parcels to UBS or related bodies corporate in certain circumstances where UBS or a related body corporate of UBS is the Holder. The Holder is under certain restraints in such circumstances.

The Security Trustee also has the power to borrow, grant security, give indemnities and make certain payments.

7.28 Obligations of the Security Trustee (clause 23)

The Security Trustee's liability is limited to the extent to which the liability can be satisfied under the Instalment Deed out of the Separate Trusts except for liability arising in certain circumstances (for example as a result of the Security Trustee's

Part 7: Summary of Terms of UBS Rolling SFIs

dishonesty, wilful breach of trust or gross negligence). The Security Trustee is indemnified by UBS for liabilities properly incurred. The Security Trustee is not liable for the gross negligence, dishonesty or default of UBS, the Holders or any other person.

The Security Trustee is not required to monitor Underlying Entities, UBS or the Registrar.

The Security Trustee has no responsibility for any acts or omissions of a nominee appointed pursuant to the Nominee Deed, nor for any breach of the Nominee Deed or the Instalment Deed caused by the nominee.

The Security Trustee is not required to prepare accounts or tax returns for the Separate Trusts.

The Security Trustee may appoint attorneys and may rely on advice from advisers engaged by the Security Trustee. The Security Trustee is not liable for anything done or suffered by it in good faith in reasonable reliance upon such advice.

UBS does not guarantee the Security Trustee will perform or comply with its obligations under the Instalment Deed.

7.29 Replacement of Security Trustee (clause 23)

The Security Trustee may resign and UBS may appoint a replacement approved by the ASX. UBS may remove the Security Trustee and appoint an ASX approved replacement if the Security Trustee breaches the Instalment Deed and the breach is not remedied for 30 days after notice is given to the Security Trustee.

7.30 Taxes (clause 24)

Where the Security Trustee receives a demand or assessment for any Tax in respect of a Holder of UBS Rolling SFIs or any Underlying Parcel then, if the Security Trustee determines, on advice, to pay that amount, the relevant Holder must pay such amount to the Security Trustee within a specified period.

If the Holder fails to pay the Taxes in accordance within the specified period, UBS shall pay the Taxes on behalf of the Holder and the amount paid is recoverable by UBS from the Holder as a debt due to UBS.

The Holder must pay to UBS or the Security Trustee any GST payable for any supply by UBS or the Security Trustee. The Holder must also

indemnify UBS and the Security Trustee from any GST or penalties arising from the failure to pay the GST.

7.31 Payments to the Security Trustee (clause 25)

The Security Trustee has no recourse to the Separate Trusts for any remuneration or reimbursement of expenses except in limited circumstances. The Security Trustee is entitled to reimbursement by UBS in respect of the costs, charges and expense incurred in connection with the administration of the Separate Trusts.

7.32 Audit (clause 26)

UBS must procure an audit of the conduct of each of the Separate Trusts and the Register, if required by and in accordance with the Corporations Act and the ASX Market Rules.

7.33 Provision of Information (clause 29 and 30)

Holders are required to provide information reasonably requested by UBS or the Security Trustee, and must provide the Registrar on request with details of its holdings of Underlying Securities or other financial products comprising the Underlying Parcel and any interest it has in them.

Holders agree to the tape recording of telephone conversations with UBS concerning UBS Rolling SFIs, and the retention and use of such tape recordings as evidence of the contents of the recorded conversation.

7.34 Amendments to Instalment Deed (clause 32)

UBS and the Security Trustee may amend the Instalment Deed in certain circumstances, which include amendments required to comply with any legal or ASX requirements, to rectify any defect, if the amendment is authorized by a resolution of Holders, or if the amendment does not in the reasonable opinion of UBS materially prejudice the interests of Holders.

Part 8: Additional Information

8.1 DEFERRED SETTLEMENT BASIS

Trading in UBS Rolling SFIs may initially be on a deferred settlement basis as set out (if at all) in the relevant Supplementary PDS for the Series.

8.2 CLEARING HOUSE ELECTRONIC SUBREGISTER SYSTEM ("CHESS")

The UBS Rolling SFIs will be CHESS Approved Products in accordance with the ASX Market Rules and the ASTC Settlement Rules. In addition to the CHESS subregister, an electronic Issuer Sponsored Subregister will be maintained. These two subregisters together will provide UBS' principal register of holdings.

Under CHESS, on issue of UBS Rolling SFIs, instead of certificates, Holders will be provided with a holding statement (similar to a bank statement) which sets out the number of UBS Rolling SFIs issued (or subsequently transferred) to each Holder. The holding statement will also advise the Holder of the HIN in the case of a CHESS holding or the security holder reference number in the case of an Issuer Sponsored Subregister holding. A holding statement will be provided to Holders after the end of any month during which there has been a change in the balance of the holding.

An Applicant will need to be either a participant in CHESS or be sponsored by a participant in CHESS in order to hold UBS Rolling SFIs on the CHESS subregister. UBS Rolling SFIs not held on the CHESS subregister will be entered on to the Issuer Sponsored Subregister.

8.3 BROKER

UBS Securities as broker to the issue will receive a discount, commission or fee from UBS in respect of UBS Rolling SFIs placed by UBS Securities. UBS may pay fees to ASX market participants, licensed financial services providers or their representatives whose stamp appears on Application Forms for which UBS Rolling SFIs are subsequently issued.

8.4 COMPLAINTS

If you have a complaint about the service provided to you by UBS, or any of its representatives in respect of the UBS Rolling SFIs, you should take the following steps.

- (a) Contact the UBS representative with whom you have been dealing and tell that person about your complaint.

- (b) If your complaint is not satisfactorily resolved within 3 Business Days, please contact our "regional manager" in your State or put your complaint in writing and send it to us at the following address:

The Complaints Officer
c/- Legal & Compliance Department
UBS
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

We will try to resolve your complaint quickly and fairly.

- (c) If you still do not get a satisfactory outcome, you have the right to complain to:

Financial Industry Complaints Service Limited
PO Box 579, Collins Street West,
Melbourne VIC 8007
Telephone: 1300 78 08 08
Fax: 03 9621 2291
Email: fics@fics.asn.au

- (d) ASIC also has a free call infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

If you require further information including a copy of our internal complaint policy, please contact your adviser.

8.5 CONSENTS

None of the parties referred to below have authorised or caused the issue of this PDS, any relevant Supplementary PDS nor make or purport to make any statement in this PDS nor any Supplementary PDS (or any statement on which a statement in this PDS or Supplementary PDS is based) other than as specified below.

Computershare Investor Services Pty Limited has given its consent to the statements naming it as Registrar in this PDS in the form and context in which those statements are included.

UBS Securities has given its consent to the statements naming it as broker in this PDS in the form and context in which those statements are included.

Mallesons Stephen Jaques has given its consent to being named as legal adviser to UBS and the inclusion of, and takes responsibility for, the Taxation Summary in Part 5 of this PDS in the form and context in which it is included.

Part 8: Additional Information

8.6 LABOUR STANDARDS AND ENVIRONMENTAL, SOCIAL AND ETHICAL CONSIDERATIONS

UBS does not take into account labour standards or environmental, social or ethical considerations in selecting, retaining or realizing investments in connection with UBS Rolling SFIs. Applicants should make their own enquiries as to whether labour standards or environmental, social or ethical considerations are taken into account by the Underlying Entities whose Securities make up the Underlying Parcel of the UBS Rolling SFIs.

8.7 FINANCIAL SERVICES GUIDES

The financial services guides of UBS Securities and the Security Trustee, which contain information about the services provided by UBS Securities and the Security Trustee are available from www.ubs.com/instalments or by contacting UBS on 1800 633 100. You should read and ensure you fully understand the financial services guides of UBS Securities and the Security Trustee before investing in UBS Rolling SFIs.

Part 9: Form of Loan Agreement

This is the form of investment Loan Agreement entered into between a successful Applicant or Transferee and UBS where the Applicant or Transferee are not already parties to such Loan Agreement in respect of UBS Rolling SFIs.

Each Applicant acknowledges that by entering into the Loan Agreement it may only use the Loan for business or investment purposes.

THIS AGREEMENT is made with effect from the Issue Date for Applicants and Transfer Date for Transferees.

BETWEEN:

UBS AG , Australia Branch (ABN 47 088 129 613) of Level 16, Chifley Tower, 2 Chifley Square, Sydney NSW 2000 ("**UBS**"); and

The successful **Applicant or Transferee** of UBS Rolling SFIs

IT IS AGREED AS FOLLOWS:

1. LOAN

1.1 UBS to fund

For each UBS Rolling SFI issued to the Applicant or transferred to the Transferee, UBS agrees to provide a Loan in accordance with this agreement.

1.2 Limited recourse Loan

The Loan is a limited recourse facility whereby the recourse of UBS against the Holder is limited to the total amount received by UBS on disposal of the Underlying Parcel relating to the UBS Rolling SFI held by the Holder (whether by exercising a power of sale or otherwise). UBS will not take any action against the Holder in relation to the Loan to recover any amount beyond enforcing the Security Interest or otherwise in accordance with the Instalment Deed. This clause 1.2 does not apply to a Holder's liability to pay any TFN Amount to UBS or to pay to UBS any Completion Payment where the Holder has elected in a Completion Notice to obtain full ownership of the Underlying Security.

1.3 Direction to UBS

An Applicant irrevocably authorises and directs UBS to apply the Loan Amount on the Issue Date in accordance with clause 2.5 of the Instalment Deed.

2. USING THE LOAN

2.1 Initial advance

An Applicant or Transferee (as applicable) is automatically taken to have requested an advance on the Issue Date or Transfer Date (as applicable) of the Loan for the Loan Amount for the relevant Series of UBS Rolling SFIs on that date.

3 INTEREST

3.1 Interest on Application

An Applicant agrees to pay interest on the Loan in advance on the Issue Date up to (but excluding) the earlier of the next Annual Interest Date or Final Maturity Date, at the Interest Rate applicable on the Issue Date.

3.2 Interest on Transfer

A Transferee agrees to pay interest on the Loan in advance on the Transfer Date up to (but excluding) the earlier of the next Annual Interest Date or Final Maturity Date, at the Interest Rate applicable on the Transfer Date.

3.3 Interest on Annual Interest Date

The Holder agrees to pay interest on the Loan in advance on each Annual Interest Date up to (but excluding) the earlier of the next Annual Interest Date or Final Maturity Date, at the Interest Rate applicable on the Annual Interest Date and based on the Loan Amount after the draw down of the Interest Amount on that date.

3.4 Interest Refund on Transfer

Where a Holder (Transferor) elects to Transfer a UBS Rolling SFI, the Transferor is entitled to a refund in respect of the Interest Amount it has prepaid, equal to the interest prepaid for the period from the Transfer Date to the earlier of the next Annual Interest Date or the Final Maturity Date.

3.5 Interest Refund on reduction in Loan from Ordinary or Special Dividends

Where Special Dividends are applied to reduce the Loan, the Holder is entitled to a refund in respect of the Interest Amount it has prepaid, calculated on a pro rata basis based on the prevailing BBSY Rate plus a margin of 1% per annum for the portion of the Loan that is reduced for the period from the relevant expected payment date of the Special Dividend to the earlier of the next Annual Interest Date or Final Maturity Date.

Part 9: Form of Loan Agreement

The reduction of the Loan by payment of Ordinary Dividends will not entitle the Holder to any refund of prepaid interest, however the calculation of the Interest Amount takes into account the value and timing of Ordinary Dividends which are forecast by UBS to be paid during the relevant year.

3.6 Interest Refund on Early Maturity

Where the Final Maturity Date is brought forward due to UBS nominating an extraordinary event, except if an Early Final Maturity Date is nominated pursuant to clause 10.1(e) of the Instalment Deed, the Holder is entitled to a refund in respect of the Interest Amount it has prepaid, calculated on a pro rata basis based on the prevailing BBSY Rate less an amount representing the cost to UBS of breaking its funding in respect of the relevant UBS Rolling SFIs (or redeploying amounts received early).

3.7 Interest Refund payment

Interest Refunds under clauses 3.4, 3.5 or 3.6 are payable by UBS applying the refund against the Transferor's or Holder's Loan (as applicable) to reduce the amount of the Loan.

3.8 Interest calculations

Interest calculations under clauses 3.1, 3.2 and 3.3 take into account the value and timing of Ordinary Dividends which are forecast by UBS to be paid during the year. They also take into account other factors such as UBS's cost of funds and the factors impacting the cost of the capital protection feature, for example volatility and time to the next Annual Interest Date.

4. LOAN—ANNUAL INTEREST DATE PROCEDURE

On each Annual Interest Date on which the UBS Rolling SFIs are rolled for another year until the next Annual Interest Date (or the Final Maturity Date), the Holder is taken to have requested a further advance of the Loan on that Annual Interest Date equal to the Interest Amount payable on that date.

The Holder irrevocably authorises and directs UBS to apply the additional advance to pay the Interest Amount to UBS.

5. REPAYING

5.1 Repayment of Loan

Any Completion Payment, Ordinary Dividends and Special Dividends will be used to repay the Loan Amount in accordance with the Instalment Deed.

UBS will apply any Completion Payment made to repay the Loan within 10 Business Days following the relevant Completion Notice Date.

6. SECURITY

The Holder acknowledges that the Security Trustee has granted a security interest in the Underlying Parcel to UBS to secure the payment of any TFN Amount to UBS and amounts owing to UBS under the Loan. The terms of the Security Interest are set out in the Instalment Deed.

Where the Holder:

- (a) has not repaid the Loan within 5 Business Days after the Final Maturity Date;
- (b) is liable to pay a TFN Amount to UBS; or
- (c) becomes a bankrupt or insolvent,

UBS may declare all amounts owing under the Loan to be due and payable and/or direct the Security Trustee to exercise its power of sale in respect of the Underlying Parcel in its absolute discretion.

UBS may in its absolute discretion, apply the proceeds otherwise payable to the Holder following the exercise of the power of sale in respect of some or all of the Holder's UBS Rolling SFIs, to pay the amounts due by the Holder under the Loan in accordance with the Instalment Deed.

To the extent permitted by law, the Security Trustee has dispensed with any right to notice of lapse of time required by any law for the enforcement of a Security Interest or the exercise of any power by UBS under this agreement or the Instalment Deed.

7. TRANSFERS

7.1 Process of Transfers

On registration of a Transfer of a UBS Rolling SFI, the following occurs:

- (a) a Loan will be made for the relevant Series of UBS Rolling SFIs to the Transferee equal to the Loan Amount for that Series on the Transfer Date;
- (b) the balance of the Transferor's Loan is paid out and the obligations arising from the Transferor's Loan are extinguished; and
- (c) Transfer Costs are payable:
 - (i) by UBS to the Transferor where the Transferor's Interest Refund is less than

Part 9: Form of Loan Agreement

the Transferee's Interest Amount, with such costs equal to the difference between those amounts payable by UBS applying the costs against the Transferor's Loan to reduce the amount of the Loan; or

- (ii) by the Transferor to UBS where the Transferee's Interest Amount is less than the Transferor's Interest Refund, with such costs equal to the difference between those amounts payable by the costs being added to the Transferor's Loan to increase the amount of the Loan.

7.2 Transferee's new Loan

The amount advanced to the Transferee under the Loan for each UBS Rolling SFI transferred will be applied at the irrevocable direction of the Transferee:

- (a) to the outstanding amount which exists under the Transferor's Loan in respect of the transferred UBS Rolling SFI; and
- (b) a prepayment of the Transferee's Interest Amount and to pay any Transfer Costs of the Transferor under clause 7.1.

8. TERM OF LOAN

The term of the Loan will end on the earlier of the Transfer of the UBS Rolling SFI corresponding to the Loan and the Final Maturity Date.

9. GENERAL

- (a) UBS may exercise a right or remedy or give or refuse its consent under this agreement in any way it considers appropriate (including by imposing conditions).
- (b) If UBS does not exercise a right or remedy under this agreement fully or at a given time, UBS may still exercise it later.
- (c) UBS is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy under this agreement.
- (d) The rights and remedies of UBS under this agreement are in addition to other rights and remedies given by law independently of this agreement.
- (e) Rights given to UBS under this agreement and the Holder's liability under it are not affected by anything which might otherwise affect them at law.

- (f) The Holder agrees to do anything UBS asks (such as obtaining consents, signing and producing documents and getting documents completed and signed):
 - (i) to bind the Holder and any other person intended to be bound under this agreement;
 - (ii) to show whether the Holder is complying with this agreement.
- (g) This agreement is governed by the laws of New South Wales. The parties submit to the exclusive jurisdiction of the Courts of New South Wales.
- (h) The Holder agrees that one or more terms of the Loan may be adjusted in accordance with the Instalment Deed.

10. INCORPORATION OF DEFINITIONS

Capitalised terms defined in this agreement have the meaning given to them in the PDS entitled UBS Rolling Self Funding Instalments dated 2 February 2009.

Executed as an agreement.

Part 10: Glossary

The following words have these meanings in this PDS:

ABN means Australian Business Number.

Accretions means all rights, distributions, accretions, benefits and entitlements whether cash or otherwise attaching to the Underlying Security or Underlying Parcel after the date of issue of the UBS Rolling SFI (other than cash Ordinary Dividends and Special Dividends and distributions and reductions of capital) including all shares, units, notes, options, non-cash Ordinary Dividends and Special Dividends or other financial products that are exercisable, declared, paid, issued, made, arise or accrue directly or indirectly in respect of the Underlying Security or Underlying Parcel.

Annual Interest Date means for a Series of UBS Rolling SFIs, each date specified as an annual interest date in the relevant Supplementary PDS for the Series.

Annual Interest Drawdown Procedure means the procedure set out in the Loan Agreement for determining and paying the Interest Amount for a UBS Rolling SFI on an Annual Interest Date.

Applicant means a Cash Applicant, Shareholder Applicant or Rollover Applicant, as applicable.

Application means a Cash Application, Shareholder Application or Rollover Application, as applicable.

Application Form means the form to be completed by an Applicant for a Series of UBS Rolling SFIs set out in Part 12.

Application Number means a number provided to an Applicant (or their representative) by UBS in respect of the Applicant's Application.

ASIC means the Australian Securities and Investments Commission.

Assessed Value Payment means, in respect of a UBS Rolling SFI, the amount (if any) paid to a Holder where the Holder does not give a Completion Notice, before the Closing Time on the Final Maturity Date, that is or becomes valid and effective as described in Part 2.5.2.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532).

ASTC Settlement Rules means the operating rules of the clearing and settlement facility operated by ASTC.

ASX means ASX Limited (ABN 98 008 624 691) or the market conducted by ASX Limited, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Market Rules means the market rules of the ASX.

ATO means the Australian Taxation Office.

BBSY Rate means the 1 year bid rate per cent per annum shown on Reuters Monitor System page "BBSY" or another page that replaces the BBSY page on that system at or about 10.15 am.

Beneficial Interest means the beneficial interest of a Holder in an Underlying Parcel under a Separate Trust.

Borrow Fee means, for a UBS Rolling SFI in a Series at any time on a day, the fee specified by UBS (including more than once on a day) as the amount charged by UBS for making the Loan to an Applicant on acceptance of an Application.

Business Day has the meaning given in the ASX Market Rules.

Calculation Agent means UBS Securities Australia Ltd (ABN 62 008 586 481) or such other person appointed by UBS under the Instalment Deed.

Cash Applicant means a person who makes a Cash Application.

Cash Application means an application whether oral or in writing to UBS for UBS Rolling SFIs on the terms set out in the Application Form that requires the payment of the First Payment to be made to UBS.

CHESS means the Clearing House Electronic Subregister System.

CHESS Approved Product means a CS Approved Product as defined in the ASX Market Rules.

Closing Time means 6:00 pm.

Completion Notice means a notice for making the Completion Payment in the form set out in Part 12.

Part 10: Glossary

Completion Notice Date means, in respect of a valid and effective Completion Notice for a UBS Rolling SFI:

- (a) for Completion Notices received by UBS at the Office on or before the Closing Time on an Annual Interest Date in respect of potential termination on an Annual Interest Date, the relevant Annual Interest Date;
- (b) otherwise, if the Completion Notice is received by UBS at the Office on a Business Day before the Closing Time, that Business Day; or
- (c) otherwise, if the Completion Notice is received by UBS at the Office on a day which is not a Business Day or on a Business Day but on or after the Closing Time, the following Business Day; or
- (d) notwithstanding (a) through (c) above, in any event where the Underlying Securities of the UBS Rolling SFI are trading on a deferred settlement basis and the Underlying Securities cease to trade on a deferred settlement basis, the occurrence of the date that the Securities cease to trade on a deferred settlement basis.

Completion Payment means, on any day, for a UBS Rolling SFI in a Series the outstanding Loan Amount.

Corporations Act means the Corporations Act 2001 (Cwlth).

Disposal Event means an event which gives rise to an obligation on the Security Trustee under law to dispose of all or part of an Underlying Parcel other than certain events contemplated under the Instalment Deed.

Dividend means both Ordinary Dividends and Special Dividends.

Early Final Maturity Date means, for UBS Rolling SFIs in a Series, an early final maturity date determined in accordance with the Instalment Deed as described in Part 2.8 and Part 7.17 of this PDS.

Encumbrance means an interest or power:

- (a) reserved in or over any interest in any asset including, without limitation, any retention of title; or

- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of security for the payment of any debt or any other monetary obligation or the performance of any other obligation and whether existing or agreed to be granted or created.

Ex-Dividend Date means the date on which the basis for quotation of Underlying Securities on the ASX is changed to signify that trading in those Underlying Securities no longer carries certain entitlements to an Accretion including without limitation Ordinary Dividends and Special Dividends.

Existing Instalment means an existing instalment warrant that is the subject of a Rollover Application.

Final Instalment means, in respect of an Existing Instalment, the completion payment for that Existing Instalment or, if applicable, such lesser amount agreed to by UBS and the Rollover Applicant.

Final Maturity Date means, for UBS Rolling SFIs in a Series, the date specified as the final maturity date in the relevant Supplementary PDS for the Series, or an Early Final Maturity Date.

First Payment means, for a UBS Rolling SFI in a Series, the amount specified by UBS (including more than once a day) as the amount payable by a Cash Applicant for a UBS Rolling SFI in the Series.

Government Agency means a government or government department, or governmental or semi-governmental person and a person (whether autonomous or not) charged with administration of any applicable law.

GST means any goods and services tax or any Tax applying to a transaction contemplated by this deed in a similar way, together with any additional Tax, penalty tax, fine, interest or other charge under a law for such Tax.

HIN means holder identification number and has the meaning given in the ASTC Settlement Rules.

Holder means, in relation to a UBS Rolling SFI, the person recorded in the Register as the holder of that UBS Rolling SFI.

Indemnified Party means:

Part 10: Glossary

- (a) the Security Trustee; or
- (b) UBS; or
- (c) any successor, substitute or assign of any of the above.

Instalment Deed means the deed relating to UBS Rolling SFIs between UBS and the Security Trustee dated 2 October 2007 (as amended from time to time).

Interest Amount means the amount of interest payable on a Loan for a UBS Rolling SFI to UBS on the Issue Date, Transfer Date or Annual Interest Date (as applicable) under the Loan Agreement.

Interest Rate means the interest rate applicable to a Series of UBS Rolling SFIs as determined by UBS at any time on a particular day (including more than once on each day).

Interest Refund means the interest refunded on a Loan under the Loan Agreement.

Issue Date means the date on which UBS issues a UBS Rolling SFI to an Applicant in accordance with the Instalment Deed.

Issuer Sponsored Subregister has the meaning given in the ASTC Settlement Rules.

Loan means, for a UBS Rolling SFI in a Series, the loan granted to an Applicant or Transferee (as applicable) by UBS in respect of that UBS Rolling SFI under the Loan Agreement.

Loan Agreement means the loan agreement in the form set out in Part 9, entered into between UBS and each successful Applicant and between UBS and each Transferee.

Loan Amount means, for each UBS Rolling SFI in a Series at any time, the outstanding amount of a Loan for a UBS Rolling SFI in that Series.

Nominee Deed means a declaration of trust dated 2 October 2007 executed by the Security Trustee substantially in the form set out in the schedule to the Instalment Deed.

Office means Level 16, Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000.

Option Market Contract has the meaning given in section 2.10 of the ASX Market Rules.

Order of Payment means the payment of the proceeds of a sale or disposal of all or part of an Underlying Parcel or of a surplus or other amount received by UBS or the Security Trustee in

connection with the Underlying Parcel in the following order:

- (a) firstly, to the Security Trustee, all costs, charges, liabilities and expenses of the Security Trustee which have been incurred in or are incidental to the exercise or performance or attempted exercise or performance of a power or duty under or in connection with this deed in respect of the relevant Underlying Parcel, including Taxes and any other amount payable to the Security Trustee from the relevant Separate Trust in accordance with the Instalment Deed;
- (b) secondly, to UBS, the Secured Monies; and
- (c) thirdly, to the Holder, any balance (without interest and in full discharge of all liability of the Security Trustee and UBS to the Holder).

Ordinary Dividend means in respect of a UBS Rolling SFI over shares, a dividend or distribution in respect of Securities in the Underlying Parcel and, in respect of a UBS Rolling SFI over interests in a trust, a distribution of income or capital in respect of Securities in the Underlying Parcel but is not a Special Dividend.

PDS means this product disclosure statement dated 2 February 2009.

Reasonable Action means action taken by UBS, or by the Security Trustee after consultation with UBS, which is lawful and in the circumstances is reasonable and practicable and does not create a risk of liability for UBS nor the Security Trustee which is unacceptable to it.

Receiver means a receiver or receiver and manager appointed under the Instalment Deed.

Record Date means the date and time at which entitlements are determined for Holders registered at that time and has the meaning given in the ASX Market Rules.

Register means the register of Holders of a Series of UBS Rolling SFIs maintained in accordance with the Instalment Deed.

Registrar means Computershare Investor Services Pty Ltd (ABN 48 078 279 277) or any other registrar appointed by UBS.

Rights Value means in respect of a right to acquire Securities:

Part 10: Glossary

- (a) where the right is renounceable on the ASX, the weighted average sale price of that right on the ASX (calculated in accordance with the Instalment Deed); or
- (b) otherwise, the value determined by the Calculation Agent on consultation with the ASX to be the fair market value of that right.

Rollover Applicant means a person who makes a Rollover Application.

Rollover Application means an application whether oral or in writing to UBS for UBS Rolling SFIs on the terms set out in the Application Form for making an application with Existing Instalments.

Rollover Cashback means the amount (if any) agreed between a Rollover Applicant and UBS or determined under the Instalment Deed and payable by UBS to a Rollover Applicant in relation to an Application for a UBS Rolling SFI.

Rollover Payment means the amount (if any) agreed between a Rollover Applicant and UBS or determined under the Instalment Deed and payable by a Rollover Applicant to UBS in respect of an Application for a UBS Rolling SFI.

Secured Monies means, in respect of a UBS Rolling SFI:

- (a) all monies which a Holder is, or at any time may become, actually or contingently liable to pay to UBS under or in connection with the Loan made in respect of that UBS Rolling SFI;
- (b) any TFN Amount which a Holder is liable to pay to UBS in respect of that UBS Rolling SFI; and
- (c) all fees, costs, charges, liabilities, Tax and expenses incurred by and payable to UBS under the Instalment Deed directly in relation to the relevant Underlying Parcel and the sale of that Underlying Parcel.

Security has the meaning given in section 92(1) of the Corporations Act.

Security Interest means the equitable mortgage granted to UBS in respect of an Underlying Parcel by the Security Trustee on behalf of the Holder under the Instalment Deed to secure repayment of the Secured Monies.

Security Trustee means the trustee of the Separate Trusts from time to time being UBS Nominees Pty Ltd (ABN 32 001 450 522) at the date of this PDS.

Separate Trust means each of the trusts, one for each Underlying Parcel, constituted under the Nominee Deed.

Series means UBS Rolling SFIs relating to Underlying Securities of a particular Underlying Entity and which have the same rights including Loan Amount, Completion Payment, Annual Interest Dates and Final Maturity Date.

Shareholder Applicant means a person who makes a Shareholder Application.

Shareholder Application means an application whether oral or in writing to UBS for UBS Rolling SFIs on the terms set out in the Application Form that requires Securities in the relevant Underlying Entity to be transferred to the Security Trustee.

Shareholder Cashback means the amount (if any) agreed between the Applicant and UBS or determined under the Instalment Deed and payable by UBS to a Shareholder Applicant in relation to an Application for a UBS Rolling SFI.

Special Dividend means any special or abnormal dividend or distribution (including a distribution of income or capital) in respect of Securities and includes a dividend or distribution described by an Underlying Entity declaring that dividend or distribution as:

- (a) special, abnormal, extraordinary, additional or extra;
- (b) part of a scheme of arrangement or takeover consideration; or
- (c) part of a special distribution involving a return of capital,

or are otherwise characterised by the ASX as a special dividend or special distribution.

Supplementary PDS means each relevant supplementary PDS to this PDS.

Tax includes any tax, levy, impost, deduction, charge, rate, duty, compulsory loan or withholding which is levied or imposed by a Government Agency including GST, and any related interest, penalty, charge, fee or other amount, excluding stamp duty payable on this

Part 10: Glossary

deed, or on the transfer of Underlying Securities to or by UBS or the Security Trustee.

Tax Act means the Income Tax Assessment Act 1997 and the Income Tax Assessment Act 1936.

Tax Change means any development in relation to Tax which, in the opinion of the Calculation Agent, has or may have a material financial impact on the holding, transfer, exercise or expiry of a UBS Rolling SFI.

Tax Invoice means a tax invoice complying with the requirements of any law about GST.

TFN means Tax File Number.

TFN Amount means an amount the Holder is liable to pay to UBS under the Instalment Deed as described in Part 2.1.4.

Trading Day has the meaning given in the ASX Market Rules.

Transfer means the transfer of a UBS Rolling SFI pursuant to the Instalment Deed.

Transfer Costs means costs payable by UBS or the Transferor on a Transfer in accordance with clause 7.1(c) of the Loan Agreement.

Transfer Date means the date on which a Transfer of a UBS Rolling SFI is recorded in the Register.

Transferee means a person who acquires a UBS Rolling SFI from a Transferor.

Transferor means a person who disposes of a UBS Rolling SFI to a Transferee.

UBS means UBS AG, Australia Branch (ABN 47 088 129 613).

UBS Entity means UBS AG, Australia Branch (ABN 47 088 129 613) and any of its subsidiaries or related entities.

UBS Securities means UBS Securities Australia Ltd (ABN 62 008 586 481).

UBS Rolling Self Funding Instalment or **UBS Rolling SFI** means a warrant (as that term is defined in regulation 1.0.02(1) of the Corporations Regulations) issued in accordance with the Instalment Deed pursuant to this PDS and any relevant Supplementary PDS.

Underlying Entity means, for a Series of UBS Rolling SFIs, the entity (or entities for stapled Securities) as specified in the relevant

Supplementary PDS for the Series that is the issuer of the Securities comprising the Underlying Parcel.

Underlying Parcel means, in respect of a Series, one Underlying Security for that Series and all Accretions conferred in respect of that Underlying Security as varied, if at all, pursuant to the Instalment Deed.

Underlying Security means a Security in the relevant Underlying Entity for a Series of UBS Rolling SFIs.

VWAP means, in respect of an Underlying Parcel, the aggregate of the volume weighted average price of the Underlying Securities comprised in the Underlying Parcel (excluding special, late and overseas sales) on the ASX and, in respect of any property not traded on the ASX, the value of the property determined by UBS with the consent of the ASX to be the fair market value of that item of property.

Part 11: How to Apply

READ THIS PRODUCT DISCLOSURE STATEMENT AND THE RELEVANT SUPPLEMENTARY PDS

This PDS and the relevant Supplementary PDS contain important information regarding the UBS Rolling SFIs offered by UBS. You should read the entire PDS and the relevant Supplementary PDS to ensure you understand the terms, conditions and risks involved in investing in UBS Rolling SFIs.

This document does not take into account your financial situation or your particular needs. Nothing in this PDS nor any relevant Supplementary PDS is a recommendation by UBS nor any other person concerning an investment in UBS Rolling SFIs. You should seek independent financial and taxation advice before making a decision whether to invest in UBS Rolling SFIs.

A. IDENTIFY WHICH TYPE OF APPLICANT YOU ARE

Applications types

Three types of Applications can be made under this PDS with different first instalments as follows:

- (a) Cash Applications—make the First Payment in cash to UBS;
- (b) Shareholder Applications—transfer a Security in the relevant Underlying Entity to the Security Trustee; and
- (c) Rollover Applications—roll an Existing Instalment over Securities in the relevant Underlying Entity into a new Series.

Once listed on the ASX, investors may purchase UBS Rolling SFIs on the secondary market by placing an order with their broker or investment adviser. If you wish to purchase UBS Rolling SFIs on the ASX, you do not need to complete an Application Form.

1. Cash Applicants

The First Payment for each UBS Rolling SFI will vary depending on various factors including the price of the Underlying Securities.

You (or your investment adviser) can contact UBS to set (“lock in”) the First Payment amount. If you lock in your First Payment amount then you (or your investment adviser) will be given a unique Application Number which must be inserted in your Application Form.

If you do not lock in the First Payment then UBS will set the First Payment amount once the duly completed Application Form has been received along with cleared application monies. The number of UBS Rolling SFIs you will receive will depend on the First Payment amount that is set by UBS.

Cash Applications in connection with Initial public offerings (IPO) of Securities

UBS may issue UBS Rolling SFIs in connection with an IPO for Securities of particular Underlying Entities. An Application is made by making a Cash Application to UBS. Further information relating to Applications in connection with an IPO for Securities will be included in the relevant Supplementary PDS for the Series of UBS Rolling SFIs over the IPO Securities. If you are making a Cash Application that relates to IPO Securities:

- you must read the relevant disclosure document for the IPO as specified in the relevant Supplementary PDS for the Series of UBS Rolling SFIs;
- be aware that the issue of UBS Rolling SFIs in connection with an IPO for Securities is generally conditional on the Securities the subject of the IPO trading on an unconditional basis on the ASX and being issued and transferred to applicants under the relevant disclosure document for the IPO of the Securities.

2. Shareholder Applicants

You (or your investment adviser) can contact UBS to lock in the Shareholder Cashback Amount for your Application. If you lock in your Shareholder Cashback amount then you (or your investment adviser) will be given a unique Application Number which must be inserted in your Application Form.

If you do not lock in the Shareholder Cashback then UBS will determine the Shareholder Cashback in accordance with the Instalment Deed (see Part 2.3.4) once the relevant Security has been transferred to the Security Trustee. The number of UBS Rolling SFIs you will receive will depend on the Shareholder Cashback determined in accordance with the Instalment Deed. The Shareholder Cashback is reinvested in further UBS Rolling SFIs of the same Series unless you elect to receive the Shareholder Cashback in cash or elect to reinvest it in a different Series of UBS Rolling SFIs.

Part 11: How to Apply

3. Rollover Applicants

You (or your investment adviser) can contact UBS to lock in the amount of the Rollover Cashback or Rollover Payment (as applicable) for your Application. If you lock in your Rollover Cashback or Rollover Payment amount then you (or your investment adviser) will be given a unique Application Number which must be inserted in your Application Form.

If you do not lock in the Rollover Cashback or Rollover Payment then UBS will determine the Rollover Cashback or Rollover Payment in accordance with the Instalment Deed (see Part 2.3.4) once the Final Instalment has been paid on your Existing Instalment and the relevant Security transferred to the Security Trustee for the UBS Rolling SFI. The number of UBS Rolling SFIs you will receive will depend on the Rollover Cashback or Rollover Payment determined in accordance with the Instalment Deed. The Rollover Cashback is reinvested in further UBS Rolling SFIs of the same Series unless you elect to receive the Rollover Cashback in cash or elect to reinvest it in a different Series of UBS Rolling SFIs.

B. APPLICATIONS THROUGH ADVISERS OR DIRECTLY WITH UBS

You may apply for UBS Rolling SFIs:

- (a) Through a broker or investment adviser who is a UBS approved financial intermediary (please ask your broker or investment adviser for confirmation that they are approved, or contact UBS' Warrant Desk on 1800 633 100); or
- (b) Apply directly to UBS.

If you apply directly to UBS, you must supply the client vetting information listed below with your Application Form. UBS will be unable to process your Application if you apply directly to UBS and do not supply the client vetting information as requested.

Please note that the following client vetting information may not be required if you apply through a UBS approved financial intermediary, or if you purchase UBS Rolling SFIs on the secondary market depending on the nature of the Underlying Securities.

C. CLIENT VETTING INFORMATION

UBS requires the following information for each investor category to satisfy its client vetting

requirements. Please refer to the appropriate investor category when submitting your Application Form.

(a) Private Individual Applicants

The following information is required with your Application Form if you are applying for UBS Rolling SFIs as a private individual:

- **Certified copy** of your current passport or driver's licence;
- **Original or certified copy** of a utility bill dated within the last 3 months, evidencing the name and residential address provided in the Application Form;
- A statement from you stating:
 - (a) your nationality, country of birth and occupation; and
 - (b) your source of wealth (brief sentence advising how you generated your wealth, e.g. savings from employment, line of business if self-employed).

(b) Company Applicants or Corporate Trustee Applicants

The following information is required with your Application Form if you are applying for UBS Rolling SFIs as a company or a corporate trustee:

- For at least two directors (or one director if sole director company), all of the information requested for private individuals above; and
- In the event of a company acting in the capacity of trustee (e.g. for a superannuation fund), an original or certified copy of the trust deed.

(c) Individual Trustee or Partnership Applicants

The following information is required with your Application Form if you are applying for UBS Rolling SFIs as an individual trustee or a partnership:

- Certified copy of trust deed, partnership agreement, or deed of formation.
- The names of all trustees, partners, or equivalent officers.
- For at least two trustees, partners or equivalent officers, all of the information requested for private individuals above.

In all cases, documents must either be an original, or a certified copy of an original. Copies can be

Part 11: How to Apply

certified by any one of the persons provided under “Who can certify copies” below. Faxed copies will not be accepted.

In all cases, UBS reserves the right to request additional information for the purpose of determining the identity, beneficial ownership, or source of funds of an Applicant.

WHO CAN CERTIFY COPIES?

1. A person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described).
2. A judge of a court.
3. A magistrate.
4. A chief executive officer of a Commonwealth court.
5. A registrar or deputy registrar of a court.
6. A Justice of the Peace.
7. A notary public (for the purposes of the Statutory Declaration Regulations 1993).
8. A police officer.
9. An agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public.
10. A permanent employee of the Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public.
11. An Australian consular officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955).
12. An officer with 2 or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declaration Regulations 1993).
13. A finance company officer with 2 or more continuous years of service with one or more finance companies (for the purposes of the Statutory Declaration Regulations 1993).
14. An officer with, or authorised representative of, a holder of an Australian financial services licence, having 2 or more continuous years of service with one or more licensees.
15. A member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous membership.

PRIVACY ACT

Should you apply for UBS Rolling SFIs by lodging an Application Form with UBS, you acknowledge and agree that:

- (a) you are required to provide UBS with certain personal information; and
- (b) UBS may be required to transfer all or some of your personal information to:
 - (i) related bodies corporate both onshore and offshore that might not be governed by Australian laws;
 - (ii) third parties, including but not limited to share registries, external contractors and service providers, custodians and certain software providers who may be onshore or offshore;
 - (iii) regulatory authorities such as the ASX or other international exchanges or regulators; and
 - (iv) other service providers.

UBS collects personal information in the Application Forms and may collect additional personal information in order to provide this product to you and in the course of managing your investment. Some information must be collected for the purposes of compliance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, the Anti-Money Laundering and Counter-Terrorism Financing Rules Instruments and related regulations (**AML/CTF laws**).

All personal information collected from you will be collected, used and stored by UBS in accordance with the UBS Privacy Policy, a copy of which can be made available to you on request by contacting the UBS Warrants Desk on 1800 633 100.

You agree that UBS may also use your personal information for marketing purposes.

Part 11: How to Apply

You can gain access to your personal information held by (or on behalf of) UBS (subject to some exceptions allowed by law). We aim to ensure that the personal information we retain about you is accurate, complete and up to date. Please contact us if any of the details you have provided have changed. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by contacting the UBS Warrants Desk on 1800 633 100.

Part 12: Instructions for Application Form

THE APPLICATION FORM CAN BE USED IF YOU ARE MAKING A CASH APPLICATION, A SHAREHOLDER APPLICATION OR ROLLOVER APPLICATION.

Please complete the Application Form in accordance with the following instructions.

Applicant Details

- A.** Enter your full name(s) here. Applications can be made jointly by two (2) Applicants if desired.

IF YOU ARE APPLYING DIRECTLY TO UBS, PLEASE REFER TO THE CLIENT VETTING INFORMATION REQUESTED IN PART 11: HOW TO APPLY. UBS WILL BE UNABLE TO PROCESS YOUR APPLICATION IF YOU APPLY DIRECTLY TO UBS AND DO NOT SUPPLY THE CLIENT VETTING INFORMATION AS REQUESTED.

Where the Applicant is a company, the Application Form must be completed in the name of the company and include the requested director details.

Where the Applicant is a trustee, the Application Form must be completed in the name of the trustee and signed by the trustee without reference to the trust.

- B.** If you are a Cash Applicant, enter your postal address here for all correspondence.

If you are a Shareholder Applicant, enter your address here exactly as it appears on your current holding statement for the Securities to be transferred to the Security Trustee.

If you are a Rollover Applicant, enter your address here exactly as it appears on your current holding statement for the Existing Instalments.

- C.** Enter your telephone contact details here.
- D.** For delivery of UBS Rolling SFIs, an Applicant who is already sponsored by a participant in CHESS may give the PID of the relevant CHESS participant and the Applicant's HIN or forward a signed Application Form to the Applicant's sponsoring participant for completion prior to lodgement. If no CHESS details are completed on the Application Form, UBS will arrange for the UBS Rolling SFIs holding to be registered on the Issuer Sponsored Subregister.
- E.** If you are required to make a First Payment (for Cash Applicants) or Rollover Payment (for Rollover Applicants) to UBS, nominate your

preferred method of payment by ticking the appropriate box. If you wish to make the payment by direct debit from your account, please complete the Direct Debit Request Form and attach this to your Application Form.

- F.** Enter your bank account details here if you wish to have any cash payments including a Shareholder Cashback or Rollover Cashback deposited directly to your account. If this is left blank, a cheque for any cash payments will be sent to the address provided.
- G.** You are not obliged to provide either your TFN or ABN but if you do not provide either your TFN or ABN, UBS will be required to deduct tax at the highest marginal tax rate (plus Medicare levy) and, in certain circumstances you may be liable to pay a TFN Amount to UBS. If you fail to pay the TFN Amount then UBS may recover the TFN Amount (and other amounts owed to it) by enforcing the Security Interest over the Underlying Security and lapsing some or all of your UBS Rolling SFIs. By inserting the ABN and signing this Application Form, you declare that this investment is made in the course or furtherance of your enterprise. In order for UBS to meet the ATO's requirements, collection of TFN information is authorised and its use and disclosure are strictly regulated by tax laws and the Privacy Act.

UBS Rolling SFI Details

- H. For Applications where you have locked in the First Payment (for Cash Applicants), Shareholder Cashback (for Shareholder Applicants) or Rollover Cashback/Rollover Payment (for Rollover Applicants)**

Enter the ASX Code of the UBS Rolling SFIs you wish to apply for in each Series in the first column.

- (i) Enter the number of UBS Rolling SFIs you wish to apply for in each Series. The minimum number of UBS Rolling SFIs which may be applied for is 100 and thereafter in multiples of 1.
- (ii) Enter in brackets (as the amount is payable to UBS) the fixed First Payment (for Cash Applicants) or fixed Rollover Payment (if any) (for Rollover Applicants) per UBS Rolling SFI. Alternatively, enter without brackets (as the amount is payable to you) the fixed Shareholder Cashback (for Shareholder Applicants) or fixed Rollover Cashback (for Rollover Applicants) per UBS Rolling SFI.

Part 12: Instructions for Application Form

- (iii) The "Total Amount Receivable/Payable" to be entered in this section is equal to the fixed First Payment (for Cash Applicants), fixed Shareholder Cashback (for Shareholder Applicants) or fixed Rollover Payment/Rollover Cashback (for Rollover Applicants) per UBS Rolling SFI multiplied by the "Number Applied For".
- (iv) If you are a Shareholder Applicant or a Rollover Applicant and your existing Security holding or Existing Instalment (as applicable) is broker sponsored, please insert your PID and HIN. If your existing Security holding is issuer sponsored, please insert your SRN.

You (or your investment adviser) would have received an "Application Number" when setting the First Payment, Shareholder Cashback, Rollover Cashback/Payment which needs to be inserted at the top of the Application Form.

For Applications direct to UBS

If you apply direct to UBS and do not lock in the First Payment (for Cash Applicants), Shareholder Cashback (for Shareholder Applicants) or Rollover Cashback/Payment (for Rollover Applicants) then UBS will determine the relevant amount in accordance with the Instalment Deed (see Part 2.3.4) once the application monies has been received in cleared funds, the relevant Security has been transferred to the Security Trustee or the Final Instalment has been paid on the Existing Instalment. The number of UBS Rolling SFIs you will receive will depend on the First Payment, Shareholder Cashback or Rollover Cashback/Payment determined in accordance with the Instalment Deed. Enter the ASX Code of the UBS Rolling SFIs you wish to apply for in each Series in the first column.

- (i) If you are a Shareholder Applicant or Rollover Applicant, enter the number of UBS Rolling SFIs you wish to apply for in each Series. The minimum number of UBS Rolling SFIs which may be applied for is 100 and thereafter in multiples of 1. Leave this part blank if you are a Cash Applicant.
- (ii) Leave this part blank.

- (iii) If you are a Cash Applicant and you are applying for a fixed dollar amount of UBS Rolling SFIs, enter the dollar amount here. The minimum dollar amount of UBS Rolling SFIs that may be applied for per Series is \$1,000. Leave this part blank if you are a Shareholder Applicant or a Rollover Applicant that will receive a Rollover Cashback. Rollover Applicants that are required to make a Rollover Payment to UBS should contact UBS to lock in the amount of the Rollover Payment.
- (iv) If you are a Shareholder of Rollover Applicant and your holding is broker sponsored, please insert your PID and HIN. If your current holding is issuer sponsored, please insert your HIN. If you are a Cash Applicant, leave this part blank.

- I. Enter the "Total Amount Received/(Payable)" by you here. This amount should correspond to the amount of your cheque if applicable.
- J. Enter your cheque details here if applicable.
- K. Only to be completed by Advisers. Provide the requested details if you are an Adviser authorised to enter into the RCTI Agreement.
- L. If you are a Cash Applicant or would like your Shareholder Cashback or Rollover Cashback to be reinvested in further UBS Rolling SFIs of the same Series, leave this question blank.

If you are a Shareholder Applicant or a Rollover Applicant and you wish to receive a cashback in cash or reinvest it in a different Series then tick the box in this section K and make the declaration in Investor Declaration 1.

Signature and Acknowledgement

Each Applicant must read this section.

If you are a Cash Applicant, you do not need to sign Investor Declaration 1.

If you are a Shareholder Applicant or a Rollover Applicant, you must sign both Investor Declaration 1 and Investor Declaration 2.

Joint Applications must be signed by all Applicants.

Where the Application Form is executed by a company, it must be executed either under common seal or otherwise in accordance with section 127 of the Corporations Act or under a power of attorney. Section 127 of the

Part 12: Instructions for Application Form

Corporations Act allows a company to execute a document without using a common seal if the document is signed by two directors, a director and company secretary or (if applicable) the sole director who is also the company secretary.

If the Application Form is signed under a power of attorney, the attorney by signing certifies that it has not received notice of revocation of that power of attorney. A certified copy of the power of attorney must be lodged with the Application Form.

Note that by executing the Application you agree to be bound by the Instalment Deed and Nominee Deed (see Part 7) and the Loan Agreement (see Part 9).

Lodging the Application:

Applications, together with a cheque for the total First Payment amount if applicable, may be lodged with your adviser or sent to the address at the top of the Application Form.

If you are a Shareholder Applicant, your Applicant Form must be lodged with a copy of the holding statement for the relevant Securities.

If you are a Rollover Applicant, your Application Form must be lodged with a copy of the holding statement for the relevant Existing Instalments.

Cheques for the "Total Amount Payable" should be made payable to UBS AG, Australia Branch and crossed "Not Negotiable". Unless otherwise advised by UBS, Applicants should ensure that cheques for payment are received by UBS by the third business day after the "Application Number" is obtained from UBS.

Applications may be lodged at any time on or after the date of this PDS and the date of the relevant Supplementary PDS for the Series up until the Final Maturity Date, subject to the right of UBS to close the offer at an earlier date without prior notice.

Applications will not be effective until the proceeds of all cheques received with that Application have been cleared. UBS reserves the right to reject any Application in whole or part without giving any reason. Where an Application is rejected the monies received will be refunded to the Applicant (without interest).

Applications for UBS Rolling SFIs can only be made by completing and lodging an Application Form

attached to this PDS. Application Forms must not be distributed (whether electronically or otherwise) by any person to any other person unless accompanied by or attached to a complete and unaltered copy of this PDS.

A free copy of the non-electronic PDS is available from UBS upon request.

Application form

Application Number:

Financial Adviser Stamp

Adviser Name:

Telephone:

Email:

THIS FORM IS TO BE USED IF YOU ARE MAKING A CASH APPLICATION, A SHAREHOLDER APPLICATION OR A ROLLOVER APPLICATION FOR UBS ROLLING SELF FUNDING INSTALMENTS

ONLY PERSONS WITHIN AUSTRALIA MAY USE THIS APPLICATION FORM TO APPLY FOR UBS ROLLING SELF FUNDING INSTALMENTS.

APPLICATION FOR UBS ROLLING SELF FUNDING INSTALMENTS

To: UBS Instalment Applications
UBS AG, Australia Branch
Level 16, Chifley Tower
2 Chifley Square, Sydney NSW 2000

Please refer to the Instructions in the PDS when filling out this Application Form.

The PDS and relevant Supplementary PDS for the relevant Series of UBS Rolling SFIs contain important information about investing in UBS Rolling SFIs which you are advised to read before completing this Application Form. UBS, Australia Branch (ASFL No. 231087) will send you paper copies of the PDS and any relevant Supplementary PDS to which this Application Form relates on request and without charge. Terms defined in the PDS have the same meaning in this Application Form. I/we hereby apply for the following UBS Rolling Self Funding Instalments to be issued by UBS pursuant to the Product Disclosure Statement dated 2 February 2009 (the **"PDS"**) as supplemented by the Supplementary PDS for each relevant Series:

A. Full Details of Applicant:

If an individual applicant, please provide full name, date of birth, residential address and occupation under 1) below

If a company applicant, please provide the full name of the company and ABN/ACN/ARBN under 2) below and the details of directors requested in 1) below

If a super fund applicant, please provide the full name of the super fund and ABN under 2) below and the details of the trustees under 1) below and the names only of the beneficiaries under 3) below

If a trust applicant with an individual trustee, please provide the full name of the trust under 2) below and the details of the trustees under 1) below and the names only of the beneficiaries under 3) below

If a trust applicant with a corporate trustee, please provide the full name of the trust under 2) below and the details of directors of the trustee requested in 1) below and the names only of the beneficiaries under 3) below

If a partnership applicant, please provide the full name of the partnership under 2) below.

1. Name of Applicant 1/Trustee/Director/Partner

First Name

Middle Name

Last Name

Date of Birth

Occupation

Country of Birth and Nationality

Source of Wealth

Residential Address (number and street; suburb, city or town; state; and postcode—**Please note that a PO Box is not acceptable**)

Application form

Name of Applicant 2/Trustee/Director/Partner

First Name

Middle Name

Last Name

Date of Birth

Occupation

Country of Birth and Nationality

Source of Wealth

Residential Address (number and street; suburb, city or town; state; and postcode—**Please note that a PO Box is not acceptable**)

If there are more than two applicants please tick this box and provide the same details for each of them as set out above on a separate page to be attached to this application form:

☐

Yes, additional applicants' details are attached.

If there are more than two directors/partners please provide the full name, residential address, date of birth and occupation of each additional director/partner, and if there are more than two trustees please provide the full name, residential address, date of birth and occupation of each additional trustee, in the box below:

2. Name of Company/Trust/Super Fund/Partnership

Name (as registered by ASIC)

ABN/ACN/ARBN

3 Full Names of all Beneficiaries of the Trust/Super Fund (or details of the class of membership of beneficiaries, if applicable)

B. POSTAL ADDRESS DETAILS:

Number and Street (PO Box is acceptable for a postal address):

Suburb, City or Town:

State:

Postcode:

C. TELEPHONE DETAILS:

Daytime Number
(include area code)

Contact Name



Application form

D. CHESS DETAILS (for delivery of UBS Rolling SFIs):

Broker

PID

HIN

E. METHOD OF PAYMENT

☐

Cheque payable to "UBS
AG, Australia Branch"

☐

Direct Debit Request Form
Attached

☐

Bpay



Billers Code: 505370

Your BPay reference number is
your Application Number—
please write this at the top of
this Form.

F. BANK ACCOUNT DETAILS (for direct credit of funds to your account):

I/We request that distributions and other payments due to me/us by UBS be deposited directly into the following account. I/We acknowledge that these instructions supersede and have priority over all previous instructions, but will only apply in respect of UBS Rolling Self Funding Instalments whether issued pursuant to the PDS or another PDS held by me/us. Unless advised in writing otherwise, I/we acknowledge that all future distributions and payments due to me/us will be paid into the nominated account.

Bank/Financial Institution Name

BSB

Account Number

Account Name

Name of Branch/Suburb

G. TFN/ABN:

Applicant 1

Applicant 2

If there are additional Applicants please provide TFN/ABN for each of them as applicable on the separate page to be attached in accordance with 1) above.

You are not obliged to provide either your tax file number ("TFN") or Australian Business Number ("ABN") but if you do not provide either your TFN, ABN or proof of an exemption, UBS will be required to deduct tax at the highest marginal tax rate (plus Medicare levy). By inserting the ABN and signing this Application Form, you declare that this investment is made in the course or furtherance of your enterprise. In order for UBS to meet the ATO's requirements, collection of TFN information is authorised and its use and disclosure are strictly regulated by the tax laws and the Privacy Act.

Application form

H. Details of UBS Rolling Self Funding Instalments applied for:

ASX UBS Rolling Self Funding Instalment Code	(i) Number Applied For	(ii) First Payment, Shareholder Cashback or Rollover Cashback/Payment per UBS Rolling SFI (as applicable)	(iii) Total Amount Receivable/Payable	(iv) If you are a Shareholder Applicant or a Rollover Applicant, provide the PID + HIN, or SRN for your current holding
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
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		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		I. TOTAL	\$	

J. Cheque Details:

Drawer	Bank	Branch	Amount of Cheque

K. ADVISER RCTI AGREEMENT (for Adviser use only)

This section relates to supplies made by an Adviser (acting on behalf of the entity ("Supplier") that holds the requisite Australian Financial Services Licence) to UBS in consideration of a placement fee or trail fee.

By completing the details below and affixing its stamp to this application form, and in consideration of the placement fee and trail fees, the Adviser:

- (a) represents and warrants that it is authorised to enter into this agreement on the Supplier's behalf;
- (b) represents and warrants that the Supplier is registered for ABN and GST purposes and that it will promptly notify UBS if it ceases to be so registered; and
- (c) agrees that UBS will self generate tax invoices (called "Recipient Created Tax Invoices" or "RCTIs") in respect of the supplies that the Supplier has made (or will make) to UBS; and

Application form

- (d) agrees that the Supplier will not issue tax invoices for those same supplies, except where first agreed in writing with UBS.

UBS declares that it is registered for GST purposes and that it will promptly notify the Adviser if it ceases to be so registered or if it ceases to be entitled to produce RCTIs.

Name of Firm or Dealer Group holding the Australian Financial Services Licence (AFSL)

Firm Australian Financial Services Licence (AFSL) Number

Adviser Name (and Adviser Firm if different to the name provided above)

ABN

L. Investment of Cashback Amount for Shareholder Applicants and Rollover Applicants:

If you are a Shareholder Applicant or a Rollover Applicant, your Shareholder Cashback or Rollover Cashback (as applicable) will automatically be reinvested in further UBS Rolling SFIs of the same Series. However, please tick the box below and sign Investor Declaration 1 below if you would like to elect to receive the Shareholder Cashback or Rollover Cashback in cash or reinvest it in a different Series of UBS Rolling SFIs. You will also still need to complete and sign below Investor Declaration 2. Do not tick either of the boxes if you would like your Shareholder Cashback or Rollover Cashback (as applicable) to be reinvested in further UBS Rolling SFIs of the same Series.

If you wish to receive your Shareholder Cashback or Rollover Cashback in cash please tick the box below:

- ☐ Yes, I/We wish to receive any Shareholder Cashback or Rollover Cashback due to me/us in cash.

If you wish to reinvest your Shareholder Cashback or Rollover Cashback in a different Series of UBS Rolling SFIs then please tick the box below and include the details of the relevant Series for the cashback to be reinvested in:

- ☐ Yes, I/We wish to reinvest any Shareholder Cashback or Rollover Cashback due to me/us in the following Series of UBS Rolling SFIs:

ASX Code of UBS Rolling SFIs applied for through a Shareholder Application or Rollover Application	ASX Code of UBS Rolling SFIs for the relevant Shareholder Cashback or Rollover Cashback to be reinvested into
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

Application form

Signature and Acknowledgement

Investor Declaration 1

If you are a Cash Applicant, or a Shareholder Cashback or Rollover Cashback Applicant (as applicable) reinvesting in further UBS Rolling SFIs of the same Series, you will not need to make this Investor Declaration 1. Please proceed to Investor Declaration 2.

Business Purpose Declaration—Loan (“credit”)

Note: UBS AG, Australia Branch (“credit provider”) will make loans to you as a Holder of UBS Rolling Self Funding Instalments. The declaration below records your agreement that these loans are provided as part of the UBS Rolling Self Funding Instalments, which is an investment product.

I/We declare that the credit to be provided to me/us by UBS is to be applied wholly or predominantly for business or investment purposes (or for both purposes).

IMPORTANT

You should **not** sign this declaration unless this loan is wholly or predominantly for business or investment purposes. By signing this declaration you may **lose** your protection under the Consumer Credit Code.

SIGNED, SEALED AND DELIVERED BY:

(Individual Applicant or Joint Applicants)

Date of signing:

First Applicant's Signature

First Applicant's Name

Second Applicant's Signature (if applicable)

Second Applicant's Name (if applicable)

If there are additional Applicants please provide signatures for each of them as above, on the separate page to be attached in accordance with 1) above.

(Company Applicant including corporate trustee)

Date of signing:

Name of Company/Corporate Trustee (This form is executed by the Company in accordance with the Corporations Act):

Director Signature

Director Name

Director/Secretary Signature

Director/Secretary Name

You also have to sign on page 62, and if you are providing direct debit details, also on Page 67.

Application form

Investor Declaration 2

General Declarations

1. BY THIS POWER OF ATTORNEY, I/we for valuable consideration irrevocably appoint UBS Nominees Pty Limited (AFSL No. 231088) or its nominee as my nominee on the terms of the Nominee Deed in respect of any Securities to which this Application relates.
2. BY THIS POWER OF ATTORNEY, I/we for valuable consideration irrevocably appoint UBS, or any employee of UBS whose title includes the word "director", severally as my/our attorney to do:
 - (a) everything necessary or expedient to bind me/us to the Loan Agreement substantially in the form set out in Part 9, complete any blanks in the Loan Agreement and date and execute the Loan Agreement on my/our behalf;
 - (b) anything which I/we must do under or in relation to the Loan Agreement or any other agreement or arrangement between me/us and UBS relating to the Loan; and
 - (c) anything incidental or necessary in relation to the above (including, but not limited to, completing any blanks in this Application Form and appointing any person as sub-attorney to do any of the above).
3. I/We indemnify the attorney against all claims, losses, damages and expenses suffered or incurred as a result of anything done under this power of attorney.
4. I/We have read and understood, and agree to accept the UBS Rolling Self Funding Instalments on the conditions set out in the PDS and the relevant Supplementary PDS for each Series. In particular, I/we:
 - (a) acknowledge that I/we am/are aware of the restrictions in respect of ownership that apply to the Securities. In particular, I/we have read Part 3.14 of the PDS;
 - (b) represent that if the relevant Underlying Parcel(s) is/are delivered to me/us those restrictions on ownership will not be breached;
 - (c) acknowledge that if by reason of the restrictions on ownership applicable in respect of the Securities:
 - (i) UBS or the Security Trustee is prevented from delivering the relevant Underlying Parcel(s) to me/us;
 - (ii) I/we am/are prevented from taking delivery of the relevant Underlying Parcel(s); or
 - (iii) I/we am/are required to divest any or all of the Underlying Parcel(s);UBS will not be required to make any payment to me/us in substitution for the Underlying Parcel(s) and will not otherwise be liable to me/us for damages or otherwise;
 - (d) acknowledge that I/we received a complete copy/print-out of the PDS and relevant Supplementary PDS for the UBS Rolling Self Funding Instalments applied for under this Application Form before I/we completed this Application Form;
 - (e) agree to be bound by the Instalment Deed, and as the borrower by the Loan Agreement on the terms set out in Part 9 of this PDS, and as the beneficiary by the Nominee Deed;
 - (f) acknowledge that neither UBS nor any of its related entities have provided any tax advice or otherwise made any representations regarding the tax consequences of an application for or an investment in UBS Rolling Self Funding Instalments;
 - (g) agree to receive financial services guides and supplementary financial services guides from UBS or its related entities (including UBS Securities and the Security Trustee) by having them made available via www.ubs.com/instalments or such other internet website notified to me/us and represent and warrant that I/we have received in printable form and read and understood the Financial Services Guides of UBS Securities and the Security Trustee prior to signing this application form;
 - (h) acknowledge that to the extent I/we deem appropriate, I/we have or will obtain my/our own financial and taxation advice from an independent professional adviser;
 - (i) waive and agree not to assert any claim against UBS or any of its related entities with respect to the tax aspects of this investment in UBS Rolling Self Funding Instalments; and
 - (j) acknowledge that (i) UBS Rolling SFIs are not deposits with UBS and are subject to investment risk, including possible delays in repayment and loss of principal invested; and (ii) none of UBS, or any other UBS Entity guarantees any particular return or the performance of the UBS Rolling SFIs.
5. Where bank account details have not been provided to enable direct credit of funds to my/our account, I/we acknowledge that I/we will receive Dividends, distributions and other cash payments by cheque. I/we acknowledge that UBS may impose a charge reflecting the cost of processing cheque payments, provided UBS gives prior notice to me/us of its intention to impose such a charge. Neither UBS nor the Registry will be responsible for any delays in crediting funds to my/our nominated account as a result of transaction procedures or errors by any financial institution.

Application form

Shareholder Applicant and Rollover Applicant Declarations

If I am/we are a Shareholder Applicant or Rollover Applicant, by completing the Applicant Form, I/we further acknowledge, represent, warrant and undertake as follows:

1. BY THIS POWER OF ATTORNEY, I/we for valuable consideration irrevocably appoint UBS Nominees Pty Limited (AFSL No. 231088) or its nominee as my nominee on the terms of the Nominee Deed in respect of any Existing Instalments ("My Instalments") or underlying parcels of My Instalments or Securities held by me/us ("My Securities") to which this Application relates; and authorise and direct the Security Trustee to do all things necessary for it or its nominee to become the registered holder of My Instalments or My Securities (as applicable); and do anything incidental or necessary to complete any of the above.
2. BY THIS POWER OF ATTORNEY, I/we for valuable consideration irrevocably appoint UBS, or any employee of UBS whose title includes the word "director", severally as my/our attorney to do where the Final Instalment for my Existing Instalments becomes payable on the giving of a notice or the exercise of a right or anything to be done by the Rollover Applicant, give such notice or exercise such right or do such thing;
3. I/we direct UBS Securities to do anything necessary to effect the transfer to the Security Trustee of any of My Instalments, and My Securities (as applicable), including, but not limited to, completing the second payment notice or completion notice in respect of my Existing Instalments.
4. I/we represent and warrant that: I am/we are the sole legal and beneficial owner(s) of My Instalments and that I/we will not transfer any of My Instalments other than to the Security Trustee in accordance with the PDS; I/we will not transfer My Securities other than to the Security Trustee in accordance with the PDS; I/we am/are the beneficial owner of My Securities and if applicable, am/are entitled to become the legal owner of My Securities upon payment of the Final Instalment; My Instalments or My Securities (as applicable) are free from any Encumbrances and I/we am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets to make an arrangement, compromise or composition with any of my/our creditors.

ONLY PERSONS WITHIN AUSTRALIA MAY USE THIS APPLICATION FORM TO APPLY FOR UBS ROLLING SELF FUNDING INSTALMENTS.

DATED:

SIGNED, SEALED AND DELIVERED by:

(Individual Applicant or Joint Applicants)

Date of signing:

First Applicant's Signature

First Applicant's Name

Second Applicant's Signature (if applicable)

Second Applicant's Name (if applicable)

(Company Applicant including corporate trustee)

Date of signing:

Name of Company/Corporate Trustee (This form is executed by the Company in accordance with the Corporations Act):

Director Signature

Director Name

Director/Secretary Signature

Director/Secretary Name



Completion Notice

NOTE TO HOLDERS: This form is to be used if you wish to give a Completion Notice to UBS as described in the PDS for UBS Rolling SFIs (see especially Parts 2.5 and 2.6 of that PDS). You must select (by a tick in the relevant box or boxes) at least one of boxes A, B, or C below to advise UBS of the election or elections you are making pursuant to this Completion Notice.

UBS Instalment Warrants—Completion Notice

To: The Manager, Equity Operations

UBS AG, Australia Branch

Level 16, Chifley Tower

2 Chifley Square

Sydney NSW 2000

Dear Sir/Madam,

This is to notify you that I/we, being the Holder/entitled to be registered as Holder of the number of UBS Rolling Self Funding Instalments in the Series specified below hereby give a Completion Notice in respect of those UBS Rolling Self Funding Instalments which applies only in the circumstances which I/we have elected by placing a tick in one or more of the corresponding boxes at A through D below:

A. ☐ This Completion Notice is given in respect of potential termination on the next Annual Interest Date after the date of this notice only, and this election A. is conditional on UBS electing to terminate the UBS Rolling SFI on that next Annual Interest Date which falls after the date of this Notice by UBS publishing to ASX a notice confirming that UBS's notice to terminate on that Annual Interest Date is unconditional and immediately effective. This notice is accompanied by a completed Direct Debit Request Form for the total Completion Payment in respect of each of those UBS Rolling SFI.

B. ☐ This Completion Notice is given in respect of the next Annual Interest Date after the date of this notice only, and this election B. is in any event effective on the next Annual Interest Date whether or not UBS elects to terminate the UBS Rolling SFI on that next Annual Interest Date which falls after the date of this Notice by UBS publishing to ASX a notice confirming that UBS's notice to terminate on that Annual Interest Date is unconditional and immediately effective. This notice is accompanied by a completed Direct Debit Request Form for the total Completion Payment in respect of each of those UBS Rolling Self Funding Instalments.

C. ☐ This Completion Notice is unconditional and is given as a Completion Notice of immediate effect on the first Completion Notice Date which is available. This notice is accompanied by a payment in cleared funds (e.g. bank cheque) for the total Completion Payment in respect of each of those UBS Rolling Self Funding Instalments in favour of UBS AG, Australia Branch.

Terms defined in the PDS have the same meaning in this notice.

Name of Holder

Address (number and street)

Suburb, City or Town

State

Postcode



Exercise Details:

*If your existing instalment holding is broker sponsored, please insert your PID and HIN. If your existing instalment holding is issuer sponsored, please insert your SRN.

Cheque details:



Completion Notice

DATED:

(Individual Holder or Joint Holder)

First Holder's Signature

First Holder's Name

Second Holder's Signature (if applicable)

Second Holder's Name (if applicable)

Insert other Holder's Signature and Names if more than two:

(Company Applicant including corporate trustee)

Name of Company/Corporate Trustee (This form is executed by the Company in accordance with the Corporations Act):

Director Signature

Director Name

Director/Secretary Signature

Director/Secretary Name

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Direct Debit Request Form

Please complete this form if you wish to make a payment to UBS by direct debit from your account.

Request and Authority to debit the account named below to pay

UBS Securities Australia Ltd

**Request and
Authority to debit**

Surname/company name:

Given names/ACN/ABN:

("YOU")

request and authorise UBS Securities Australia Ltd (User ID number 181244) to arrange, through its own financial institution, for any amount UBS Securities Australia Ltd or UBS AG, Australia Branch may debit or charge you to be debited through the Bulk Electronic Clearing System from an account held at the financial institution identified below and paid to UBS Securities Australia Ltd, subject to the terms and conditions of the Direct Debit Request Service Agreement.

**Insert the name
and address of
financial institution
at which account
is held**

Financial institution name:

Address:

**Insert details of
account to be
debited**

Name of account:

BSB Number:

				-			
--	--	--	--	---	--	--	--

Account number:

--	--	--	--	--	--	--	--	--

Must exactly match the bank account details in Section F of your Application Form.

Acknowledgement

By signing this Direct Debit Request you acknowledge having read and understood the terms and conditions governing the debit arrangements between you and UBS Securities Australia Ltd as set out in this Request and in your Direct Debit Request Service Agreement (**refer to Appendix 1 of this Request**).

**Insert your signature
and address**

Signature 1:

Signature 2:

- If you have a joint account both signatures are required.
- If signing for a company, sign and print full name and capacity for signing (e.g. Director).

Address:

Date:

Direct Debit Request Service Agreement

Appendix 1

Definitions:

"Account" means the account held at Your Financial Institution from which We are authorised to arrange for funds to be debited.

"Agreement" means this Direct Debit Request Service Agreement between You and Us.

"Banking Day" means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

"Debit Day" means the day that payment by You to Us is due.

"Debit Payment" means a particular transaction where a debit is made.

"Direct Debit Request" means the Direct Debit Request between Us and You .

"Us" or "We" means UBS AG , Australia Branch, the Debit User You have authorised by signing a Direct Debit Request.

"You" means the customer who signed the Direct Debit Request.

"Your Financial Institution" is the financial institution where You hold the Account that You have authorised Us to arrange to debit.

9. Debiting Your account

- 9.1 By signing a Direct Debit Request, You have authorised Us to arrange for funds to be debited from Your Account. You should refer to the Direct Debit Request and this Agreement for the terms of the arrangement between Us and You.
- 9.2 We will only arrange for funds to be debited from Your Account as authorised in the Direct Debit Request.
- 9.3 If the Debit Day falls on a day that is not a Banking Day, We may direct Your financial institution to debit Your Account on the following Banking Day. If You are unsure about which day Your Account has or will be debited You should ask Your financial institution.

10. Changes by Us

We may vary any details of this Agreement or a Direct Debit Request at any time by giving You at least fourteen (14) days' written notice.

11. Changes by You

- 11.1 Subject to 3.2 and 3.3, You may change the arrangements under a Direct Debit Request by contacting Us on 1800 633 100.
- 11.2 If You wish to stop or defer a Debit Payment You must notify Us in writing at least fourteen (14) days before the next Debit Day. This notice should be given to Us in the first instance.
- 11.3 You may also cancel Your authority for Us to debit Your Account at any time by giving Us fourteen (14) days notice in writing before the next Debit Day. This notice should be given to Us in the first instance at the following address:

UBS Instalments

Equity Operations

GPO Box 4151

Sydney NSW 2001

12. Your obligations

- 12.1 It is Your responsibility to ensure that there are sufficient clear funds available in Your Account to allow a Debit Payment to be made in accordance with the Direct Debit Request.
- 12.2 If there are insufficient clear funds in Your Account to meet a Debit Payment:
 - (a) You may be charged a fee and/or interest by Your financial institution;
 - (b) You may also incur fees or charges imposed or incurred by Us; and
 - (c) You must arrange for the Debit Payment to be made by another method or arrange for sufficient clear funds to be in Your Account by an agreed time so that We can process the Debit Payment.

Direct Debit Request Form

12.3 You should check Your Account statement to verify that the amounts debited from Your Account are correct

12.4 If UBS AG, Australia Branch is liable to pay goods and services tax ("GST") on a supply made in connection with this Agreement, then You agree to pay UBS AG, Australia Branch on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

13. Dispute

13.1 If You believe that there has been an error in debiting Your Account, You should notify Us directly on 1800 633 100 and confirm that notice in writing with Us as soon as possible so that We can resolve Your query more quickly.

13.2 If We conclude as a result of our investigations that Your Account has been incorrectly debited We will respond to Your query by arranging for Your financial institution to adjust Your Account (including interest and charges) accordingly. We will also notify You in writing of the amount by which Your Account has been adjusted.

13.3 If We conclude as a result of our investigations that Your Account has not been incorrectly debited We will respond to Your query by providing You with reasons and any evidence for this finding.

13.4 Any queries You may have about an error made in debiting Your Account should be directed to Us in the first instance so that We can attempt to resolve the matter between Us and You. If We cannot resolve the matter You can still refer it to Your financial institution which will obtain details from You of the disputed transaction and may lodge a claim on Your behalf.

14. Accounts

You should check:

- (a) with Your financial institution whether direct debiting is available from Your Account as direct debiting is not available on all Accounts offered by financial institutions.
- (b) Your Account details which You have provided to Us are correct by checking them against a recent Account statement; and
- (c) with Your financial institution before completing the Direct Debit Request if You have any queries about how to complete the Direct Debit Request.

15. Confidentiality

15.1 We will keep any information (including Your Account details) in Your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that We have about You secure and to ensure that any of our employees or agents who have access to information about You do not make any unauthorised Use, modification, reproduction or disclosure of that information.

15.2 We will only disclose information that We have about You:

- (c) to the extent specifically required by law; or
- (d) for the purposes of this Agreement (including disclosing information in connection with any query or claim).

16. Notice

16.1 If You wish to notify Us in writing about anything relating to this Agreement, You should write to Us at the following address:

UBS Instalments

Equity Operations

GPO Box 4151

Sydney NSW 2001.

16.2 We will notify You by sending a notice in the ordinary post to the address You have given Us in the Direct Debit Request.

Any notice will be deemed to have been received on the third Banking Day after posting.

Directory

WARRANT-ISSUER

UBS AG, Australia Branch

Level 16

Chifley Tower

2 Chifley Square

SYDNEY NSW 2000

Level 16

8 Exhibition Street

MELBOURNE VIC 3000

BROKER

UBS Securities Australia Ltd

Level 16

Chifley Tower

2 Chifley Square

SYDNEY NSW 2000

Level 16

8 Exhibition Street

MELBOURNE VIC 3000

REGISTRAR

Computershare Investor Services Pty Limited

Level 3

60 Carrington Street

SYDNEY NSW 2000

WARRANT-ISSUER'S SOLICITOR

Mallesons Stephen Jaques

Level 61

Governor Phillip Tower

1 Farrer Place

SYDNEY NSW 2000



UBS AG, Australia Branch

ABN 47 088 129 613

Australian Financial Services Licence No. 231087

Level 16
Chifley Tower
2 Chifley Square
Sydney NSW 2000

Level 16
8 Exhibition Street
Melbourne VIC 3000

INVESTOR ENQUIRY LINE 1800 633 100