

UBS Callable Goals – Series 38

Linked to three equity indices



Issued by UBS Investments Australia Pty Limited ABN 79 002 585 677
Arranged by UBS Securities Australia Limited ABN 62 008 586 481, AFSL 231098

Product Disclosure Statement Dated 16 October 2014

Product Disclosure Statement dated 16 October 2014

Important Notice

This Product Disclosure Statement ("PDS") is for the offer of an agreement to purchase fully paid ordinary shares in Westpac Banking Corporation ("Delivery Assets") on certain terms including deferred delivery. This PDS is dated 16 October 2014 and is issued by UBS Investments Australia Pty Limited ("UBSIA" or the "Issuer") (ABN 79 002 585 677). The Issuer does not have an Australian Financial Services Licence. The issue of this PDS in Australia is arranged by UBS Securities Australia Limited (ABN 62 008 586 481, AFSL 231098) ("Arranger") pursuant to an intermediary authorisation for the purposes of section 911A(2)(b) of the *Corporations Act 2001* (Cth) ("Corporations Act"). Pursuant to that section, the Issuer will issue the Units in accordance with the offer made by the Arranger to arrange for the issue of the Units. This PDS has not been lodged, and is not required to be lodged with the Australian Securities and Investments Commission ("ASIC"). UBSIA will notify ASIC that this PDS is in use in accordance with the Corporations Act. ASIC and its officers take no responsibility for the contents of this PDS.

Your Decision to Invest

This PDS is an important document which should be read before making a decision to acquire Units*. A document of this kind cannot take into account your investment objectives, financial situation or particular needs. Accordingly, nothing in this PDS is a recommendation by the Issuer or its related entities or by any other person concerning investment in UBS Callable Goals. You should not only consider the information in this PDS but also obtain independent financial and taxation advice as to the suitability of an investment in UBS Callable Goals for you (bearing in mind your investment objectives, financial situation and particular needs). No cooling off rights apply to investments in UBS Callable Goals.

Applications

This PDS is available in paper form and in electronic form from the Issuer's website at www.ubs.com/equitysolutions. If you wish to invest in the Units, you must complete an Application Form and, for Individual Applicants, the FATCA Individual Self-Certification attached to this PDS and return to your Financial Adviser. The Units will only be issued to you upon receipt and acceptance of an Application Form which is attached to this PDS. For Application Forms and instructions on how to apply for Units, refer to the "How to Invest and Sell Back" section. Investors should contact their Financial Adviser, stockbroker or financial planner when making an Application for Units.

The Delivery Asset

The Delivery Asset you will receive on Maturity will be fully paid ordinary shares in Westpac Banking Corporation. At Maturity you may elect to dispose of the Delivery Asset by utilising the Agency Sale Arrangement as described in the PDS. References in this PDS to the Delivery Asset are included solely for the purposes of identification of the underlying Delivery Asset to which UBS Callable Goals relates. Westpac Banking Corporation and the ASX have not authorised, and have not been involved in the preparation of, or caused the issue of, this PDS. Westpac Banking Corporation and the ASX do not take any responsibility for any part of this PDS.

Restrictions on Distribution of the PDS

Unless it is lawful to offer the Units and Delivery Assets to which this PDS relates in a jurisdiction outside Australia, the offer to which this PDS relates is only made in Australia. This PDS is only available from the Issuer, your Approved Adviser Group, your Financial Adviser or any other financial advisory business in Australia as approved by the Issuer for the distribution of Units. This PDS does not constitute an offer of Units or the Delivery Asset in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and any person who resides outside Australia into whose possession this PDS comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions. Failure to comply with the relevant restrictions may violate those laws. Units may not be offered or sold in the United States of America ("US") 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 US or otherwise distributed in the US.

Disclosure of Interests

The Issuer and its related entities, and their directors and employees may have pecuniary or other interests in the Delivery Asset. Customers who have received this PDS from a financial intermediary, adviser or broker should be aware that if you invest in UBS Callable Goals, the Issuer or its Affiliates, where permitted by law and where authorised by an Investor, may collect from that Investor an upfront Adviser Group Fee and pay it to the Investor's financial intermediary/adviser/broker. The Adviser Group Fee is between 0% and 3.50% (inclusive of GST) of the Total Payment Amount that you pay for the issue of Units.

Update of information

This PDS is current as at 16 October 2014. Information in this document is subject to change from time to time, for example the Component Indices or Delivery Assets may be altered in some circumstances (refer to the "Risk Factors" section). To the extent that the change is not materially adverse to investors, it may be updated by the Issuer posting a notice of the change on the UBS website at www.ubs.com/equitysolutions. The Issuer will give to investors, free of charge, a paper copy of the updated information upon request.

Electronic Product Disclosure Statement

Investors who receive this PDS in electronic form are entitled to obtain a paper copy of this PDS (including the Application Form) free of charge by contacting the Issuer on 1800 633 100.

Definitions

Certain capitalised expressions used in this PDS are as defined in the Glossary or in the Term Sheet.

The Issuer

UBS Investments Australia Pty Limited is a wholly owned subsidiary of UBS AG. The obligations of the Issuer to pay sums and to deliver amounts and assets (including the Delivery Parcel) in respect of the Units are guaranteed by UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland (the "Guarantor") subject to certain qualifications—see section 10 of this PDS for further details on the Guarantee. The Issuer is not an Authorised Deposit-Taking Institution under the *Banking Act 1959* (Cth). The obligations of the Issuer under the Units and the Guarantor under the Guarantee do not represent deposit obligations of the Issuer or the Guarantor 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 the Issuer or the Guarantor.

*Nature of Units

Please note "Units" when used in this PDS means an agreement to buy a Delivery Asset between the Issuer and the Investor pursuant to the Deferred Purchase Agreement. It is not a unit in a managed investment scheme. The Units are securities under the *Corporations Act*. Please refer to the Issuer's website for further information in this regard at www.ubs.com/equitysolutions.



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Supplementary Product Disclosure Statement dated 18 December 2014

This is a Supplementary Product Disclosure Statement ("SPDS") to the Product Disclosure Statement dated 16 October 2014 ("PDS") issued by UBS Investments Australia Pty Limited ("UBSIA" or the "Issuer") for UBS Callable Goals – Series 38. This SPDS is to be read together with the PDS and any other supplementary product disclosure statements to the PDS.

The Periodic Payment Amount has been set as follows:

Series	Periodic Payment Amount
AUD Series 38	A\$0.01625
USD Series 38	US\$0.01250

For the purposes of calculating whether a Kick-In Event has occurred (and hence the resulting Final Value), the Starting Level and Kick-In Level for each Component Index is as follows:

Component Index	Starting Level	Kick-In Price (70% of the Starting Level)
S&P/ASX200 Index	5313	3719.10
S&P 500 Index	2067.56	1147.29
Hang Seng China Enterprises Index	11145.39	7801.77

The above levels are effective as at the date of this SPDS.

The Term Sheet in the PDS is supplemented accordingly. No circumstance has arisen and no information has become available since the date of the PDS that would materially affect an Investor's assessment of the capacity of the Issuer to fulfil its obligations in respect of the Units and the risks, rights and obligations associated with the Units.

Investors should reach an investment decision only after carefully reading and understanding the PDS, this SPDS and any other supplementary product disclosure statements to the PDS, and considering, with their advisers, the suitability of UBS Callable Goals – Series 38 in the light of their specific circumstances. In particular, investors should refer to the sections in the PDS that discuss the implications of investing after the Initial Offer Period.

A [General Offer Period Application Form](#) is annexed to this SPDS for Investor's applying to the Issuer (through a Financial Adviser) to acquire Units in AUD Series 38 in the General Offer Period. For more information about purchasing Units during the General Offer Period, please refer to 'After the Initial Offer Period' in Section 7 of the PDS.

All terms in this SPDS have the meaning given to them in the PDS unless otherwise indicated.

UBS Investments Australia Pty Limited

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General Offer Period Application Form

UBS Callable Goals – Series 38

*Linked to three equity
indices*

Financial Adviser
Stamp

THIS FORM IS TO BE USED IF YOU WISH TO INVEST IN UNITS DURING THE GENERAL OFFER PERIOD. THIS FORM SHOULD BE FORWARDED TO YOUR FINANCIAL ADVISER.

**** By affixing their Adviser Stamp, Financial Advisers verify the acknowledgements and representations listed under the heading "Financial Advisers" in this Application Form.**

This is an Application Form for the Callable Goals Series 38 Units issued by UBS Investments Australia Pty Limited ("UBSIA") (ABN 79 002 585 677). The issue of the PDS in Australia is arranged by UBS Securities Australia Limited (ABN 62 008 586 481, AFSL 231098).

This Application Form accompanies the PDS dated 16 October 2014 and any supplementary PDS issued for the Units. It is important that Investors read the PDS in full and the acknowledgements contained in this Application Form before applying for the Units. The Issuer will provide you with a paper copy of the PDS including any supplemental PDS and the Application Form, on request without charge.

A person who gives another person access to the Application Form must at the same time and by the same means give the other person access to the PDS including any supplemental PDS.

Please refer to the Instructions for the Application Form on the previous page.

I/we hereby apply for the following Units to be issued by the Issuer to me/us as set out in this Application Form below pursuant to the PDS dated 16 October 2014 for Callable Goals Series 38:

A. FULL DETAILS OF APPLICANT:

If an individual Applicant, please provide:

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

If a company Applicant, please provide:

- the details of all directors under 1) below
- the name of the company and ABN/ARBN or ACN (if there is no ABN) under 2) below
- the details of the beneficial owners under 4) below

If a super fund Applicant with an individual trustee, please provide:

- the details of the trustees under 1) below
- the name of the super fund and ABN under 3) below
- the source of assets contributed into trust under 7) below.

If a super fund Applicant with a corporate trustee, please provide:

- 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 3) below.
- the details of the beneficial owners of the corporate trustee under 4) below
- the source of assets contributed into trust under 7) below.

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

- the details of the trustees under 1) below
- the name of the trust under 3) below
- the details of the trust beneficiaries of the trust under 5) below
- the details of the contributors to trust assets under 6) below
- the source of assets contributed into trust under 7) below.

If a trust Applicant with a corporate trustee, please provide

- 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 trust under 3) below
- the details of the beneficial owners of the corporate trustee under 4) below
- the details of the trust beneficiaries under 5) below
- the details of the contributors to trust assets under 6) below
- the source of assets contributed into trust under 7) below.

If there are more than two Applicants, please provide a completed and signed copy of this Application Form for each additional Applicant.

1) Applicant 1 Individual/Trustee/Director Name

First Name	Middle Name	Last Name
<input type="text"/>	<input type="text"/>	<input type="text"/>
Date of Birth	Occupation (if retired, please state occupation before retirement)	
<input type="text"/>	<input type="text"/>	
Residential Address Details—Number and Street (please note that PO Box/GPO Box is not accepted)		
<input type="text"/>		
Suburb, City or Town	State	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>
Country	Nationality	
<input type="text"/>	<input type="text"/>	
Government issued unique identification # <i>e.g. passport number or drivers licence</i>	Source of wealth <i>e.g. employment, investments, other (please specify)</i>	
<input type="text"/>	<input type="text"/>	

Applicant 2 Individual/Trustee/Director Name

First Name	Middle Name	Last Name
<input type="text"/>	<input type="text"/>	<input type="text"/>
Date of Birth	Occupation (if retired, please state occupation before retirement)	
<input type="text"/>	<input type="text"/>	
Residential Address Details—Number and Street (please note that PO Box/ GPO Box is not accepted)		
<input type="text"/>		
Suburb, City or Town	State	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>
Country	Nationality	
<input type="text"/>	<input type="text"/>	
Government issued unique identification # <i>e.g. passport number or drivers licence</i>	Source of wealth <i>e.g. employment, investments, other (please specify)</i>	
<input type="text"/>	<input type="text"/>	

2) Company/Corporate Trustee Name

Company/Corporate Trustee Name (as registered by ASIC)
<input type="text"/>
ABN/ARBN or ACN (if there is no ABN)
<input type="text"/>

3) Trust/Superannuation Fund Name

Trust or Superannuation Fund Name

ABN

4) Details of beneficial owners (who own through one or more shareholdings more than 25% of the issued capital) in the Company/Corporate Trustee

Full Name	Date of Birth	Country of Residence
<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"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

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

Full Name	Date of Birth	Country of Residence
<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"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

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

Full Name	Date of Birth	Country of Residence
<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"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

7) Source of assets contributed into trust

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

B. POSTAL ADDRESS DETAILS:

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

Suburb, City or Town

State

Postcode

Country

C. TELEPHONE AND EMAIL DETAILS (Individual/Director/Trustee):

Daytime Number

(include area code)

Contact Name

Email address

D. BANK ACCOUNT DETAILS:

1) For direct credit of funds to your account:

I/We request that payments due to me/us by the Issuer be deposited directly into the following accounts for each Series. I/We acknowledge that these instructions supersede and have priority over all previous instructions, but will only apply in respect of the Units issued pursuant to the PDS dated 16 October 2014 for the Callable Goals Series 38. Unless advised in writing or otherwise, I/we acknowledge that all future payments due to me/us will be paid into the nominated account for each Series.

Bank/Financial institution name	BSB Number	Account number
<input type="text"/>	<input type="text"/> - <input type="text"/>	<input type="text"/>
Account name	Name of Branch/suburb	
<input type="text"/>	<input type="text"/>	
Type of account (do NOT use your credit card number)		
<input type="text"/>		

2) For direct debit of funds from your account for payment:

In addition to filling out section 1 above, fill in this section if you wish to make payment to UBS Securities Australia Limited (for on payment to the Issuer) by direct debit from this same account. Please refer to Appendix 1 for the Direct Debit Request Service Agreement

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 may debit or charge you to be debited through the Bulk Electronic Clearing System from an account held at the financial institution identified above and paid to UBS Securities Australia Ltd for payment to the Issuer, subject to the terms and conditions of the Direct Debit Request Service Agreement.

Acknowledgement:

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

Signature 1	Signature 2
<input type="text"/>	<input type="text"/>

Date

- 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).

Investor acknowledgements and representations

1. I/we irrevocably appoint for valuable consideration the Issuer, its related bodies corporate, its attorneys and its nominees and each of their respective employees whose title includes the word "director" jointly, and each of them severally as my/our true and lawful agent to do:
 - (a) all acts and things that I/we is/are obliged to do under the Terms or any other agreement or arrangements between me/us and the Issuer relating to the Units (including arranging physical delivery of the Delivery Assets or acting in accordance with the Agency Sale Arrangement);
 - (b) everything necessary or expedient to bind me/us to the Terms, complete any blanks in the Terms and date and execute the Terms and any other documents necessary to effect the sale and purchase of Units on my/our behalf;
 - (c) anything which, in the opinion of the Issuer, is necessary or desirable in connection with the Delivery Assets or the protection of the Issuer's interests or the exercise of the rights, powers and remedies of the Issuer, including without limitation the authorised to sell the Delivery Assets on my/our behalf in accordance with clause 5.4(b) of the Terms;
 - (d) 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).
2. I/We indemnify the agent against all claims, losses, damages and expenses suffered or incurred as a result of anything done in accordance with the above agency appointment.
3. I/We have read and understood, and agree to accept the Units on the Terms relevant to my/our Units. In particular, I/we:
 - (a) acknowledge that by signing this Application Form and arranging for the Approved Adviser Group to lodge it with the Issuer:
 - (i) the Approved Adviser Group, as my/our agent, will forward this Application Form to the Issuer for the number of Units applied for in this Application Form; and
 - (ii) the Issuer may, in its absolute discretion, accept or reject my/our Application and may allocate a lower number of Units than I/we applied for;
 - (b) acknowledge that I/we received a complete copy/print-out of the PDS accompanied by this Application Form before I/we completed this Application Form;
 - (c) acknowledge that I/we cannot withdraw my/our Application Form except as permitted by law;
 - (d) agree to be bound by the Terms set out in the PDS;
 - (e) acknowledge that neither the Issuer 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 Units;
 - (f) acknowledge that to the extent I/we deem appropriate, I/we have or will obtain my/our own financial, legal and taxation advice from an independent professional adviser; and
 - (g) waive and agree not to assert any claim against the Issuer or any of its related entities with respect to the tax aspects of this investment in Units.
4. 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 any cash payments by cheque. I/we acknowledge that the Issuer may impose a charge reflecting the cost of processing cheque payments, provided the Issuer gives prior notice to me/us of its intention to impose such a charge. Neither the Issuer nor the Registrar 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.
5. I/We agree to accept the issue of the Units specified above subject to the same conditions.
6. I am/we are not bankrupt or insolvent (as the case may be) and 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 or make an arrangement, compromise or composition with any of my/our creditors.
7. I/we have read and understood the Terms and make all the representations and warranties contained in clause 12 of the Deferred Purchase Agreement.
8. I/we declare that:

- (a) I/we received this PDS in Australia and am/are made this offer in Australia;
 - (b) if signing as an attorney, the power of attorney authorises the signing of this Application Form and no notice of revocation has been received;
 - (c) I/we am/are not minor(s) and do not suffer from any other legal disability preventing the execution of this Application Form;
 - (d) if signing in a capacity other than a personal capacity, in addition to being bound in that other capacity, I/we agree to be bound in an unlimited personal capacity,
 - (e) in the case of joint applicants, we agree to be jointly and severally bound; and
 - (f) I/we have full legal capacity to complete and lodge this Application Form and have taken all action that is necessary to authorise this Application and be bound by the Terms of this offer.
9. If I am/we are acting as trustee in relation to the holding of the Units (including acting as trustee for a superannuation fund):
- (a) I am /we are acting in accordance with my/our designated powers and authority under the trust deed. In the case of superannuation funds (if applicable) I/we also confirm that the funds are complying funds under the Superannuation Industry (Supervision) Act;
 - (b) I/we declare that I am / we are familiar with the documents constituting the trust (the **Trust Documents**) (and as amended, if applicable) purporting to establish, and relating to, the Trust and hereby declare and confirm that:
 - i. the trust and the Trust Documents have been validly constituted and is subsisting at the date of this declaration;
 - ii. I am/we are empowered and authorised by the terms of the Trust Documents examined by me/us to enter into and bind the trust to the transactions completed by the Terms and this PDS;
 - iii. it is proper for me/us to apply for Units and to do everything that the PDS contemplates that I/we will do
 - iv. the transactions completed by the Terms and this PDS do or will benefit the beneficiaries of the trust; and
 - v. I/we have all the power, authority and discretion vested as trustee to apply for and hold the Units.
10. I/we will not offer, sell, re-sell or deliver, directly or indirectly, any Units so purchased in any overseas jurisdiction or to any foreign persons, or for the account or benefit of any such foreign person, or to others for the offering, sale or re-sale or delivery in any overseas jurisdiction or to any such foreign persons where that offer, sale, resale or delivery would be in breach of any Australian or foreign law.
11. I/we acknowledge that Units in the UBS Callable Goals Series 38 are not a deposit obligation of the Issuer and are subject to investment risks, including the possible loss of the Total Investment Amount invested, in the event of Early Maturity or Issuer Buy-Back.
12. By signing this Application Form, I/we:
- (a) agree to receive Financial Services Guides and supplementary Financial Services Guides from UBS Securities Australia Limited by having them made available via www.ubs.com/equitysolutions 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 Guide of the Issuer prior to signing this Application Form;
 - (b) represent that I/we have not relied in any way whatsoever on any statements made by, or purported to be made by, the Issuer or their related entities or any of their respective servants, agents, employees or representatives in relation to this investment, other than as set out in the PDS and acknowledge that the Issuer has not made, and the PDS does not contain, any representations to me/us with regard to the suitability or appropriateness of this investment in Units, given my/our investment objectives, financial situation or particular needs or the tax consequences of making this investment in Units;
 - (c) acknowledge that neither the Issuer nor its related bodies corporate, Affiliates, associates or officers:
 - (i) guarantees the performance of the Callable Goals Series 38 Units;
 - (ii) guarantees that the Callable Goals Series 38 Units will achieve a particular rate of return; or
 - (iii) guarantees the repayment of capital from an investment in the Callable Goals Series 38 Units;

- (d) understand that nothing in the PDS or Application Form can be considered investment advice or a recommendation to invest in Units;
 - (e) acknowledge that application monies will only be accepted and any payments by the Issuer will only be paid in Australian currency for the AUD series ;
 - (f) acknowledge that an investment in Units is subject to investment risk and agree that those risks are appropriate for a person in my/our circumstances and with my/our investment objectives.
 - (g) represent and warrant that I am/we are not prohibited by law from being given the PDS and any replacement or supplementary document or making an Application;
 - (h) have read the Terms of the PDS and note the obligations under the Anti-Money Laundering and Counter-Terrorism Act 2006 (AML/CTF ACT) and Rules as summarised below;
 - (i) agree to give further information or personal details to us if required to allow us to meet our obligations under anti-money laundering, counter-terrorism and taxation legislation;
 - (j) declare that I am/we are not commonly known by any other names to those disclosed in this Application Form, unless I have disclosed otherwise to the Issuer and the Issuer;
 - (k) declare that any document or information to be used for the purposes of this Application (whether or not provided on or with this Application Form) is complete and correct, is not misleading and I/we have not withheld any relevant information;
 - (l) declare that the amount nominated by me in the Application Form as the Total Payment Amount is an amount that I have not borrowed from any source or in any form (whether secured or unsecured);
 - (m) acknowledge that it may be a criminal offence to knowingly provide false, forged, altered or falsified documents or misleading information or documents when completing an Application Form for the product.
 - (n) warrant that:
 - (i) I/We are not aware and have no reason to suspect that:
 - A. the moneys used to fund my/our investment in the Units have been derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international law or convention or by agreement; or
 - B. the proceeds of my/our investment will be used to finance any illegal activities; and
 - (ii) I/We are not a politically exposed person or organisation;
13. I/we acknowledge that I/we have read and understood the declarations set out above in this Application Form, and by returning the Application Form together with my/our payment for the Total Payment Amount, I/we agree to be bound by them and make the declarations contained therein. I/we agree to indemnify the Issuer and any of its related bodies corporate against any loss, liability, damage, claim, cost or expense incurred as a result, directly or indirectly, of any such declaration set out in this Application Form proving to be untrue or incorrect.
14. I/we have read and understood the Privacy Statement in Section 12 of this PDS and agree that information about me/us written on this form will be collected, used, held and disclosed in accordance with, and for the purposes stated in such Privacy Statement. Where I/we have provided information about any other individual, I/we have procured 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, and have made such individual aware of the information contained in such Privacy Statement.
15. I/we agree that the Issuer may disclose Personal Information about me/us to my/our Approved Adviser Group, Financial Adviser or other adviser and that once the Issuer provides information to my/our Approved Adviser Group, Financial Adviser or other adviser, the Issuer can no longer control the ways in which that information is used and I/we agree that the Issuer is not liable for any loss, expense, damage, or claim directly or indirectly connected with any disclosure of information by the Issuer to my/our Approved Adviser Group, Financial Adviser or other adviser, except to the extent required by law.

Privacy Consent

The Personal Information 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 the Issuer. The privacy policy of the Issuer contains information regarding the exercise of such rights.

- 1) I/We acknowledge that the Personal Information about me/us provided to the Issuer 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 Units;
 - to effect investments in Units in my/our name(s);
 - to communicate with me/us in relation to the Units;
 - to comply with legislative or regulatory requirements;
 - to perform the Issuer’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 the Issuer:
- giving Personal Information about me/us to:
 - a) the Issuer’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 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 the Issuer 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 in Section 12 of this PDS, regardless of whether or not such entity is subject to privacy obligations equivalent to those which apply to the Issuer.
- 3) I/We represent and warrant that, if at any time I/we supply the Issuer 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 Section 12 of this PDS and this Privacy Consent, and have made such individual aware of the information set out in such Privacy Statement.

The Issuer, Financial Adviser or your Approved Adviser Group and/or its associates may wish to communicate with you in the future about other investment opportunities that may be of interest. Please tick this box if you do NOT wish to be contacted for this purpose.

No thanks, I/we prefer NOT to be contacted about investment opportunities in the future.

AML/CTF Act and Rules

The Issuer aims to prevent, detect and not knowingly facilitate money laundering and terrorism financing. The Issuer does this to comply with the AML/CTF Act and Rules. To meet its regulatory and compliance obligations under the AML/CTF Act, its contractual obligations and its internal due diligence requirements, the Issuer will be implementing a number of measures and controls including carefully identifying, verifying and monitoring its investors and, where required by law, reporting any suspicious matters to the regulator, AUSTRAC.

We ask you to note:

- a) our right to collect and identify information and to verify documents under the AML/CTF Act and Rules;
- b) our right not to provide a designated service in certain circumstances;
- c) that transactions may be delayed, blocked, frozen or refused where reasonable grounds are established that the transaction breaches Australian law or sanctions, or the law or sanctions of any other country;
- d) that where transactions are delayed, blocked, frozen or refused, we are not liable for any loss you suffer (including consequential loss) as a result of our compliance with the AML/CTF Act as it applies to the product;
- e) from time to time during the term of your investment, you may be required to provide additional information to assist us in the above process;
- f) we have reporting obligations in relation to the AML/CTF regulatory regime and must report certain matters to AUSTRAC;
- g) that the tipping off prohibition requirements under the AML/CTF regulatory regime may prevent us from informing you that any such reporting has taken place; and

- h) that we may have other legal obligations to disclose the information gathered about you to regulatory and/or law enforcement agencies, including AUSTRAC and to other bodies, including a related company that forms part of our Designated Business Group (if any), if required by law.

Financial Advisers

- a) Financial 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 consent to the arrangement that the Investor has specified in the Application Form in relation to the collection and payment of the Adviser Group Fee.
 - iv) 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;
 - v) 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; and
 - vi) I represent that I have assessed the suitability of this product and other relevant factors for the Applicant and have only recommended or distributed it as I consider it suitable for the Applicant, taking into account the Applicant's investment objectives, financial situation and particular needs.

E. DETAILS OF THE TOTAL PAYMENT AMOUNT

UBS Callable Goals Series 38 (You may apply for multiple Series in one Application Form)	Total Payment Amount
AUD Series 38	

Please Note: The Total Payment Amount includes an amount on account of the Adviser Group Fee (if any). The amount actually invested in the Units (your Total Investment Amount) will be this Total Payment Amount less the Adviser Group Fee. For Applications in the General Offer Period, the Purchase Price of Units will be as determined by the Issuer on the day your Application is accepted.

The number of Units purchased will be your Total Investment Amount divided by the Purchase Price (rounded down the nearest whole Unit).

F. DETAILS OF APPROVED ADVISER GROUP, FINANCIAL ADVISER AND YOUR AGREEMENT TO PAY THE ADVISER GROUP FEE

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

Name of Approved Adviser Group

Name of Financial Adviser (individual)

Address Details—Number and Street

Suburb, City or Town

State

Postcode

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

- (1) pay an amount on account of the percentage Adviser Group Fee specified below and direct the Issuer to collect that amount from me/us as part of the Total Payment Amount, and I/we consent and direct the Issuer to pay that amount to my/our Approved Adviser Group specified above on my/our behalf.
- (2) Where applicable, the Approved Adviser Group holding that amount in respect of the Adviser Group Fee on trust and paying to my Financial Adviser all or part of that amount as disclosed to me by my Financial Adviser in the statement of advice or financial services guide relevant to the financial services they provide to me in respect of the Units or as otherwise disclosed to me by my Financial Adviser.

Adviser Group Fee

%

of the Total Payment Amount.

Note: This percentage is inclusive of GST and cannot exceed 3.50% of the Total Payment Amount.

Dated

By signing below I confirm that I agree to the Investor acknowledgements and representations referred to above and the details specified in sections E and F above.

SIGNED, SEALED AND DELIVERED by:

(Individual Applicant, Joint Applicants or Individual Trustee Applicant)

First Applicant's Signature

First Applicant's Name

Second Applicant's Signature

Second Applicant's Name

(Company Applicant or Corporate Trustee Applicant) Executed by:

Company/Corporate Trustee Name (as registered by ASIC)

Affix Company Seal (if you have one):

Director's Signature

Director's Name

Director/Secretary's Signature

Director/Secretary's Name

(Power of Attorney) Executed by and on behalf of:

Company Name

By its attorney in the presence of:

Attorney Signature

Witness Signature

Attorney Name

Witness Name

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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 Securities Australia Limited ABN 62 008 586 481, AFSL 231098

"You" or "Your" 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 Callable Goals Series 38

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.
- 4.3 You should check Your Account statement to verify that the amounts debited from Your Account are correct.
- 4.4 If the Issuers liable to pay goods and services tax ("GST") on a supply made in connection with this Agreement, then You agree to pay UBS Securities Australia Limited 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 Callable Goals Series 38

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.

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Key Dates¹

Initial Offer Period Open:	16 October 2014
Initial Offer Period Close:	5pm (Sydney time) 20 November 2014
Applications Open Date*:	3 November 2014
Issue Date ² :	28 November 2014
Payment Date ³ :	27 November 2014
Strike Date:	28 November 2014
Periodic Payment Determination Dates:	2 March 2015; 28 May 2015; 28 August 2015; 30 November 2015; 29 February 2016; 31 May 2016; 29 August 2016; 28 November 2016; 28 February 2017; 31 May 2017; 28 August 2017 and 28 November 2017 (Final Maturity Date) or if any such day is not a Trading Day, then the following Trading Day.
Periodic Payment Dates:	5 Business Days after each Periodic Payment Determination Date
Call Dates:	30 November 2015; 29 February 2016; 31 May 2016; 29 August 2016; 28 November 2016; 28 February 2017; 31 May 2017 and 28 August 2017 or if any such day is not a Trading Day, then the following Trading Day.
Final Maturity Date:	28 November 2017
General Offer Period Open:	5 December 2014
General Offer Period Close:	5pm (Sydney time) 28 November 2017

* Applications will only be processed **after** the Applications Open Date.

¹ The Key Dates are indicative only. The Issuer may, in its discretion, extend or shorten the offer period without prior notice. If this happens, the Issue Date, Payment Date, Strike Date, Periodic Payment Determination Dates, Periodic Payment Dates, Call Dates, General Offer Period Open, General Offer Period Close, Final Maturity Date and any other relevant dates may vary accordingly. If the Issuer extends or shortens the offer period it may post a notice on its website informing Applicants of the changes at: www.ubs.com/equitysolutions

² This is the Issue Date for Applications accepted during the Initial Offer Period. The Issue Date for Applications accepted in the General Offer Period will be confirmed in the Investor's Confirmation Notice. Units in a Series will only be issued if the Periodic Payment Amount as determined on the Strike Date is greater than or equal to the Minimum Periodic Payment Amount applicable for that Series (refer to Term Sheet). If the Periodic Payment Amount is not greater than or equal to the Minimum Periodic Payment Amount for that Series, the Units in that Series will not be issued and the Issuer will return the application monies to applicants without interest within five Business Days.

³ This is the Payment Date for Applications lodged during the Initial Offer Period. The Payment Date for Applications lodged after the Initial Offer Period is as advised by the Issuer.

Section 1—Product Overview

An investment linked to the performance of three equity indices for 3 years, offering quarterly Periodic Payments, a quarterly early call feature after the first year and potential exposure to downward movements in the level of the lowest performing index.

Each investment is a Deferred Purchase Agreement entered into by the Issuer and the Investor (“UBS Callable Goals” or “Units”). The value of Units in each Series is linked to the performance of three equity indices. The following is a summary of the Terms of these Units as well as a discussion of factors you should consider before purchasing Units. The information in this section is qualified in its entirety by the more detailed explanations set out elsewhere in this PDS and in the Deferred Purchase Agreement set out on page 50 of this PDS.

There are separate AUD and USD Series of Units offered under this PDS with differences as follows:

- 1) AUD Series 38 - applicants apply in Australian dollars and all subsequent payments are made in Australian dollars.
- 2) USD Series 38 - applicants apply in US dollars and all subsequent payments are made in US dollars.

Throughout this PDS, where a reference is specifically to Australian dollars, it will be denoted A\$. Where a reference is specifically to US dollars, it will be denoted US\$. Where the reference applies equally to A\$ or US\$, it will simply be denoted \$.

Summary of the Product

The Units are an investment with a maximum term of 3 years that provide a fixed quarterly Periodic Payment in addition to potential downside exposure and an early call feature linked to the performance of three equity indices (the “Component Indices”).

The return on investment is comprised of the Periodic Payments and the Final Value of the Units (the value of which is dependent on whether a Kick-In Event occurs). The Units also have an early call feature as described below. As a holder of the Units, your exposure to the Component Indices up to the Maturity Date is akin to a derivative exposure and you will not have any rights that holders of the shares that make up the Component Indices may have.

The Component Indices are as follows:

Component Index	Bloomberg Code	Description
S&P/ASX200 Index	AS51 Index	The S&P/ASX 200 is comprised of the S&P/ASX 100 plus an additional 100 stocks and covers approximately 78% of Australian equity market capitalisation. For more information, please go to www.indices.standardandpoors.com
S&P 500 Index	SPX Index	The S&P 500 Index includes a representative sample of 500 leading companies in leading industries of the U.S. economy and has over 80% coverage of U.S. equities. For more information please go to www.standardandpoors.com
Hang Seng China Enterprises Index	HSCEI Index	The Hang Seng China Enterprises Index is the major index that tracks the performance of Chinese enterprises listed in Hong Kong in the form of H shares. The index comprises the largest and most liquid H shares. For more information please go to www.hsi.com.hk

The three Component Indices together comprise the Reference Basket on the Strike Date. You can obtain price information for the Component Indices by referring to the websites listed above, or by contacting your Financial Adviser.

Periodic Payment

Each Unit will pay a fixed Periodic Payment on each quarterly Periodic Payment Date. The total Periodic Payments received by an Investor on any Periodic Payment Date will be calculated as follows:

Total Periodic Payments = Periodic Payment Amount per Unit x number of Units held

The Periodic Payment Amount will be set on the Strike Date. As an indication, if the product had been issued at the date of this PDS, the Periodic Payment Amount would have been the amount specified in the table below for each Series. If the Periodic Payment Amount cannot be set to at least the Minimum Periodic Payment Amount as specified in the table below for each Series, the issue of Units for that Series will not proceed and the Issuer will return application monies received to Investors without interest within 5 Business Days of the scheduled Issue Date.

Series	per Unit per quarter	
	Periodic Payment Amount at date of PDS	Minimum Periodic Payment Amount
AUD Series 38	A\$0.01625	A\$0.01625
USD Series 38	US\$0.0125	US\$0.0125

On an annual basis, the total Periodic Payments per Unit would be as follows (although please note that the Investment Term is 3 years):

Series	per Unit per annum	
	Periodic Payment Amount at date of PDS	Minimum Periodic Payment Amount
AUD Series 38	A\$0.065	A\$0.065
USD Series 38	US\$0.05	US\$0.05

The Periodic Payment Amount is dependent on a number of factors. The main factors and the relationship between them (assuming all other factors are constant) and their effect on the Periodic Payment Amount can be summarised generally as follows:

Variable	Change in variable	Change in Periodic Payment Amount
Australian interest rates (AUD Series only)	↑	↑
US interest rates (USD Series only)	↑	↑
The Issuer's Credit Margin (which will also be affected by the creditworthiness of UBS AG)	↑	↑
Dividend yield of the shares that make up a Component Index	↑	↑
Component Index level	↑	↓
Component Index level volatility	↑	↑
Correlation between movements in the level of the Component Indices	↑	↓

If you invest during the Initial Offer Period, you will be notified of the actual Periodic Payment Amount in your Confirmation Notice. The Issuer will also issue a Supplementary PDS after the Initial Offer Period closes to notify Investors who invest during the General Offer Period of the actual Periodic Payment Amount applicable to their investment.

Final Value

The Final Value of your Units will depend upon whether or not a Kick-In Event occurs, which is determined by the performance of the Component Indices in the Reference Basket.

If no Kick-In Event occurs on the Final Maturity Date, the Final Value of your Units will be equal to \$1.00 per Unit. If a Kick-In Event does occur on the Final Maturity Date, the Final Value of your Units will be adjusted so that you will be exposed to the negative performance of the lowest performing Component Index at Maturity.

A Kick-In Event occurs when the Closing Level of one or more of the Component Indices is at or below its Kick-In Level on the Final Maturity Date. The Kick-In Level for each Component Index will be set on the Strike Date at 70% of the Starting Level for that Component Index. If a Kick-In Event occurs, then you will be exposed to the negative performance of the lowest performing Component Index at Maturity. This will occur through the calculation of the Final Value of your Units. If a Kick-In Event occurs, instead of the Final Value equalling \$1.00 per Unit at Maturity, it will only be a portion of \$1.00 per Unit to reflect the negative performance of the lowest performing Component Index at Maturity and may therefore be less than the Issue Price. **Importantly this also means that the Final Value will be zero if the Closing Level of the lowest performing Component Index has fallen 100% from the Strike Date to the Maturity Date.** Note even if the levels for all of the Component Indices are equal to or above their Starting Levels on the Maturity Date the Final Value will equal \$1.00 per Unit at Maturity. That is, you will not participate in any positive performance of the Component Indices above their Starting Level. Hence the Final Value will never exceed \$1.00 per Unit but may be below it if a Kick-In Event has occurred.

If a Kick-In Event has not occurred, then the Final Value will be equal to \$1.00 per Unit, although Investors may have paid more or less than \$1.00 per Unit. In this way, the Final Value of the UBS Callable Goals Units are not impacted by a fall in the Closing Level of the Component Indices on the Final Maturity Date that is less than 30% of the Starting Level for Investors who hold those Units to Maturity. The Issuer will set the Starting Level for each Component Index on the Strike Date using the Closing Level of each Component Index on that date. The Issuer will notify you of the Kick-In Levels in your Confirmation Notice. Please note there is **NO capital or principal protection of the Total Investment Amount in this product.** Investors who want to invest in a product with that feature should not consider an investment in the Units.

At Maturity, your exposure to the Component Indices that comprise the Reference Basket ends. The Issuer will deliver the Delivery Parcel equal in value to the Final Value of all the Units comprising your investment (less Costs and Taxes, if any) on the Settlement Date. Following this, you will have exposure only to the Delivery Asset.

Early call feature

If the Closing Levels of **ALL** Component Indices on a Call Date are at or above their respective Call Levels (which are set at 100% of the respective Starting Levels), a Call Event will occur and the Units will mature at an Early Maturity Value of \$1.00 per Unit.

The Call Dates are listed on page 1. The first Call Date will be 30 November 2015 and subsequent Call Dates will occur quarterly from the first Call Date (but will not include the Final Maturity Date).

Your exposure to the Component Indices in the Reference Basket ends and your Units will mature if a Call Event occurs on a Call Date. This means that if a Call Event occurs on the first Call Date, the Units will mature as early as 1 year after the Issue Date. Following a Call Event, UBS will deliver the Delivery Parcel equal in value to the Early Maturity Value of all the Units comprising your investment (less Cost and Taxes, if any) on the Settlement Date and your investment will terminate on that date.

If a Call Event does not occur on any of the Call Dates and the Units have not otherwise been subject to an Early Maturity Event, the Units will terminate on the Final Maturity Date and the Final Value will be calculated as set out under "Final Value" above and will depend on whether or not a Kick-In Event has occurred.

What are the Total Payment Amount and the Total Investment Amount?

The Total Payment Amount is an amount nominated by you in your Application Form that you must pay to the Issuer prior to the issue of Units to you. The Total Payment Amount includes, where authorised by you in your Application Form, an amount on account of the Adviser Group Fee. The Adviser Group Fee is explained in the section entitled "Fees and Expenses" below.

The amount actually invested in the Units (your Total Investment Amount) will be the Total Payment Amount less any Adviser Group Fee you agree to pay your Approved Adviser Group.

The number of Units you purchase will be equal to your Total Investment Amount divided by the Purchase Price (rounded down to the nearest whole Unit). In the case of Applications in the Initial Offer Period, the Purchase Price of Units will be equal to the Issue Price specified in the Term Sheet. For Applications in the General Offer Period, the Purchase Price will be as determined by the Issuer on the day your Application is accepted.

Fees and Expenses

Where permitted by law and where specifically authorised by you in your Application Form, the Issuer may collect from you an amount in respect of any Adviser Group Fee and pay it to your Approved Adviser Group (as specified in your Application Form) on your behalf. Where authorised by you, the Approved Adviser Group may then hold the amount in respect of the Adviser Group Fee on trust and pay to your Financial Adviser all or such part of that amount as disclosed to you by your Financial Adviser in the statement of advice or financial services guide relevant to the financial services they provide to you in respect of the Units or as otherwise disclosed to you by your Financial Adviser.

If you authorise the payment of the Adviser Group Fee in your Application Form, it will be deducted from your Total Payment Amount. The maximum Adviser Group Fee that can be authorised by you is 3.50% of the Total Payment Amount (inclusive of GST). For example, if you agree to pay an Adviser Group Fee of 3.50% (inclusive of GST) and you invest a Total Payment Amount of \$100,000 on the Issue Date, the Issuer will pay \$3,500 of the Total Payment Amount it collects from you to your Approved Adviser Group. The remaining amount constitutes your Total Investment Amount (i.e. \$96,500) which will be used to purchase 100,000 Units at the Issue Price of \$0.965. As each Unit is a separate Deferred Purchase Agreement between you and the Issuer, you will have 100,000 separate Deferred Purchase Agreements.

The Issuer may earn income and profit from its management of the underlying risk associated with the Units, which does not impact the return Investors receive and is not charged as a fee. The calculation of the Final Value of Units is independent of any income earned by the Issuer.

The Issuer reserves the right to pass on to you any unforeseen Costs and Taxes in the calculation of the Delivery Parcel. At the date of this PDS, the Issuer is not aware of any Costs and Taxes payable.

Break Costs may arise in relation to Early Maturity (other than as a result of a Call Event) or an Issuer Buy-Back. Break Costs are a component of the calculation of the Buy-Back Price or Early Maturity Value (where no Call Event has occurred) and are not a separate charge levied by the Issuer. In practice, the Buy-Back Price will depend on the economic value that the Issuer achieves on the unwinding of any securities or derivatives it has in place to hedge its exposure under the Units and on the quantum of any Break Costs. The economic value that it achieves will be reliant on several factors including but not limited to the levels of the Component Indices, dividend yield of the shares that make up the Component Indices and volatility of the Component Indices, the correlation between movements of the Component Indices, Australian interest rates, US interest rates and the Issuer's Credit Margin (which will also be affected by the creditworthiness of UBS AG). The actual size of the impact of these factors on the Buy-Back Price will vary and is not quantifiable at the time you acquire your Units, however, the general effect of each factor on Unit value has been provided for you in the table on page 24. The Issuer may also incur Break Costs when executing the early unwind, which are costs, expenses and losses suffered by the Issuer as a result of the early termination of the Deferred Purchase Agreement. Such amounts may include, but are not limited to costs incurred in terminating the Issuer's hedge positions (if any), taxes or fees paid that are non-recoverable, administrative costs of processing the early termination, or loss of profits on the terminated positions. These costs will vary over time and may be linked to the economic value that the Issuer achieves on the unwinding of its hedge positions so they cannot

be determined with certainty at the time you acquire your Units. Break Costs could be significant and not in the Investor's favour.

Investors and their Financial Adviser can contact the Issuer and request an estimate of the Buy-Back Price that would apply to the buy-back of Units on an upcoming Weekly Pricing Date. The Issuer will provide an estimate of the Buy-Back Price (which will be net of any Break Costs) to Investors to enable them to determine the likely Buy-Back Price if the Investor requests an Issuer Buy-Back. However, the actual Buy-Back Price at which the Issuer will buy-back your Units will only be available on the Weekly Pricing Date and can only be confirmed when the Issuer Buy-Back is transacted. The actual Buy-Back Price may therefore be different to the estimate provided at an earlier time. The Buy-Back Price will be in AUD for AUD Series 38, and will be in USD for USD Series 38. If Units are terminated as a result of an Early Maturity Event then the Early Maturity Value or Termination Payment will be determined in accordance with clause 6 of the Terms in Section 13 or the definition of Termination Payment in the Glossary.

If the Units are terminated early as a result of an Early Maturity Event, then the Early Maturity Value payable by the Issuer will be determined in accordance with clause 6 of the Terms.

If you purchase Units during the General Offer Period through a Financial Adviser, its Approved Adviser Group may charge you brokerage in accordance with any client agreement you may have in place with them. This is not a fee charged by the Issuer.

What form does an investment in the Units take?

Each Unit is a separate Deferred Purchase Agreement between you and the Issuer, under which you agree to purchase the Delivery Parcel from the Issuer on a deferred basis. For example, if your Total Investment Amount (Total Payment Amount less Adviser Group Fee) is \$96,500 on the Issue Date, you will have entered into 100,000 separate Deferred Purchase Agreements at \$0.965 per Unit. Although each Unit constitutes a separate agreement between you and the Issuer, the Issuer may in its discretion aggregate the Units for the purposes of calculations.

At Maturity, Units are physically settled to your account in the form of a Delivery Parcel. The Delivery Parcel will be the number of Delivery Assets equal in value to the Final Value of all the Units comprising your investment (less Costs and Taxes, if any). Please refer to the section entitled "How will the value of my Delivery Parcel be calculated?" for further details on the calculation of the Final Value of each Unit. The Delivery Assets will be fully paid ordinary shares in Westpac Banking Corporation.

Investors may elect to sell the Delivery Parcel by using the Agency Sale Arrangement described on page 22 of this PDS.

How will the value of my Delivery Parcel be calculated?

At Maturity, you will receive the Delivery Parcel, the value of which is determined by reference to the Final Value per Unit.

The Final Value per Unit is calculated as follows:

a) If a Kick-In Event has not occurred;

Final Value per Unit = \$1.00

b) If a Kick-In Event has occurred:

Final Value per Unit = \$1.00 * (Closing Level (w) / Starting Level (w))

where Starting Level (w) is the Starting Level of the lowest performing Component Index and Closing Level (w) is the Closing Level of the lowest performing Component Index on the Final Maturity Date.

For the avoidance of doubt, the Final Value for Units in the:

- (a) AUD Series 38 is calculated in A\$; and
- (b) USD Series 38 is calculated in US\$.

What do I receive at Maturity?

By investing in the Units, you agree to purchase the Delivery Parcel from the Issuer which consists of ordinary fully paid shares in Westpac Banking Corporation (ASX code: WBC) (the "Delivery Asset"). The value of the Delivery Assets you receive from the Issuer will equal the Final Value of your Units at the end of the Investment Term less any Costs and Taxes incurred by the Issuer in relation to Maturity. As at the date of this PDS, the Issuer does not expect there to be any Costs and Taxes that are not set out in the "Fees & Expenses" section at page 5, or in the paragraph below. No delivery will occur if the Final Value of the Units is zero.

You will need to consider whether the Delivery Assets are a suitable investment for you at the time that the Units mature. The Delivery Asset will be ordinary fully paid shares in Westpac Banking Corporation. You should note that in certain circumstances where it is not possible or efficient to obtain or transfer one or more of the intended Delivery Assets, the Issuer has the discretion to delay delivery or substitute the Delivery Assets, which means that you will receive the substituted delivery assets rather than ordinary fully paid shares in Westpac Banking Corporation. This may occur, for example, where the Issuer is unable to transfer the Delivery Assets due to legal or regulatory restrictions relating to the Delivery Assets (including a Suspension from trading or quotation) or to the Issuer itself (including as a result of internal restrictions designed to comply with any laws or regulations). It may also occur, for example, where the cost to transfer the Delivery Assets is prohibitively high. The substituted delivery assets can be any security listed on the ASX, forming part of the S&P/ASX 200 Index. You should take this into consideration when deciding whether to purchase this product. Once the Units mature and you receive the Delivery Parcel, you will have an investment in the Delivery Asset and will no longer have exposure to the Component Indices comprising the Reference Basket.

Refer to the "What Happens at Maturity?" section on page 21 for further details. Further information on the Delivery Assets can be found in Section 6 "The Delivery Asset".

Can I elect to receive a cash payment at Maturity?

You will automatically receive the Delivery Parcel on the Settlement Date (or as soon as practicable thereafter) unless you elect to sell your Delivery Assets through a special sale facility (the "Agency Sale Arrangement") that the Issuer will offer at Maturity.

The Issuer will not charge any brokerage for using this facility. Refer to the "What Happens at Maturity?" section on page 21 of this PDS for further details.

Can I sell my Units prior to Maturity?

While the Units are designed as a "buy and hold" investment, you will have the opportunity to request that the Issuer buys back your Units on the Weekly Pricing Dates (generally the last Trading Day of each week starting on and from 5 December 2014 or a date nominated by the Issuer as a Weekly Pricing Date unless the Issuer determines that that day is a Disrupted Day).

You may request the Issuer to buy back your Units by filling out the Investor Sale Form attached to this PDS and lodging it with the Issuer. If the Issuer accepts your offer to sell your Units prior to Maturity, then the Issuer will determine the actual price you receive on the relevant Weekly Pricing Date (the "Buy-Back Price"). This price will vary during the Investment Term and will take into account the economic value the Issuer achieves on the unwinding of any securities and derivatives it has in place to hedge its exposure under the Units (based on several factors including those set out on page 24 of this PDS), and any Break Costs. Since the Buy-Back Price can be less than your Purchase Price per Unit you may receive less than your Total Investment Amount when you sell your Units.

Details of the actual Buy-Back Price will be notified to Investors by way of a Settlement Notice. The Buy-Back Price will be in AUD for AUD Series 38, and will be in USD for USD Series 38.

The Issuer may publish indicative Buy-Back Prices at any time and provide this information to certain market data service providers. Indicative pricing will be available from the market data service providers or by calling the Issuer on 1800 633 100. Refer to the market data codes listed in the Term Sheet in Section 2 of this PDS. Investors should note that these prices will be indicative only and may be higher or lower than the Buy-Back Price that you will actually receive when you sell your Units.

Once the Investor Sale Form is lodged, your request for the Issuer to buy back your Units is irrevocable and the Issuer may accept, reject or hold over your request. Your request must be in respect of parcels of 1,000 Units and your residual holding must be at least 20,000 Units. Please refer to Section 7 "After the Initial Offer Period" for important information on how the Buy-Back Price is determined and how you can make a request to sell your Units. You should also refer to clause 6.3 of the Deferred Purchase Agreement to understand your rights and obligations if you request an Issuer Buy-Back.

Who are the Issuer and Arranger of UBS Callable Goals Units and who is the Guarantor?

The Issuer is UBS Investments Australia Pty Limited, an Australian private company and a wholly owned subsidiary of UBS AG. The Issuer is a thinly capitalised entity and its obligations are unsecured obligations which rank equally with all other unsecured obligations of the Issuer.

In a winding up of the Issuer, it may not be able to perform its obligations under the Units. However, the obligations of the Issuer to pay sums and to deliver amounts and assets (including the Delivery Parcel) in respect of the Units are guaranteed by UBS AG ("Guarantor") subject to certain qualifications—see Section 10 of this PDS for further details on the Guarantee. Under this Guarantee, if the Issuer does not perform any of its payment or delivery obligations in respect of Units, then the Guarantor will be required to satisfy those obligations or pay such amount on demand to holders of Units. The Guarantee is unconditional and irrevocable and the obligations of the Guarantor under the Guarantee (subject to applicable law) will at all times rank at least equally with all its unsecured and unsubordinated indebtedness and monetary obligations, present and future. For more information please refer to Section 10—Description of the Guarantee.

It is important to note that the Guarantee operates in respect of the Issuer's payment and delivery obligations relating to the Units but that it is not a guarantee of the performance of UBS Callable Goals or the performance of the Component Indices comprising the Reference Basket or the Delivery Asset.

The Issuer does not have an Australian Financial Services Licence. The issue of this PDS in Australia is arranged by UBS Securities Australia Limited ("Arranger" or "UBSSA") (ABN 62 008 586 481; AFSL 231098) pursuant to an intermediary authorisation for the purposes of section 911A(2)(b) of the Corporations Act. In other words, the Issuer will issue the Units in accordance with the offer made by the Arranger to arrange for such issue of Units. UBS Securities Australia Limited is an Australian Financial Services Licensee under the Corporations Act (Licence No. 231098). It is a participating organisation of ASX Limited ("ASX"), a participant of ASX Clear Pty Limited (the clearing and settlement facility for the derivatives markets operated by ASX) and a participant of CHESS (the clearing and settlement facility operated by ASX Settlement Pty Limited).

UBS Securities Australia Limited is a wholly owned and non-guaranteed subsidiary of UBS AG. UBS AG was formed on 29 June 1998 from the merger of Swiss Bank Corporation and Union Bank of Switzerland. UBS AG, with its subsidiaries, is a client-focused financial services firm that offers a combination of wealth management, asset management and investment banking services on a global and regional basis. By delivering a full range of advice, products and services to its private, corporate and institutional clients, UBS aims to generate sustainable earnings, create value for its shareholders and become economically profitable in every segment, market and business in which it operates. Securities in UBS AG are listed on the New York Stock Exchange and the SIX Swiss Exchange. More information on UBS AG can be obtained from <http://www.ubs.com/1/e/investors.html>.

Can the Issuer nominate an Early Maturity?

The Issuer has the discretion to nominate certain events as an Early Maturity Event in certain circumstances. The value of your Units on Early Maturity (other than as a result of a Call Event) may be less than \$1.00 per Unit even where no Kick-In Event has occurred. You will be given prior notice of any proposed Early Maturity (other than as a result of a Call Event) in accordance with the Terms. You should read clauses 6 and 7 of the

“Terms of the Deferred Purchase Agreement” for a full list and detailed description of the circumstances in which the Issuer may call an Early Maturity Event, and to fully understand your rights and obligations if it does occur.

One of the circumstances in which an Early Maturity Event may be called is termed an Adjustment Event, and a list of these may be found in the Glossary on page 64.

To help summarise for Investors, the following is a simplified list of the circumstances in which an Early Maturity Event may be called:

- 1) where one or more of the Component Indices is suspended, no longer calculated or changed materially;
- 2) where the Issuer is unable to establish, maintain or unwind its hedging activities in respect of the Units or where there is a materially increased cost of doing this (generally the Issuer will seek to hedge the units in futures and options over the Component Indices); and
- 3) where the Issuer is or will become unable to perform its obligations under the Units because it has become unlawful or illegal to do so.

Items 1 and 2 above are Adjustment Events. In the case of Adjustment Events, the Issuer will generally seek to adjust the Terms of the Units in a manner consistent with any adjustment or change made to the Issuer's hedging arrangements or to put both it and the Investor in as similar an economic position as reasonably possible as if the Adjustment Event had never occurred. If, in the Issuer's reasonable opinion, it is not possible to do this then the Issuer will look at calling an Early Maturity Event in which case Break Costs may apply and the Issuer will not adjust the Terms in order to put both UBS and the Investor in as similar an economic position as if the Adjustment Event had never occurred.

What if I'm buying Units after the Initial Offer Period closes?

An Investor may apply to the Issuer (through a Financial Adviser) to acquire Units after the Initial Offer Period closes, but should note the following differences:

- the Purchase Price for each Unit will be determined by the Issuer, in its absolute discretion, on the last Trading Day of the week in which the Application is approved by the Issuer. The Purchase Price will take into account a number of factors, including the current value of issued Units, the level and volatility of each Component Index, the dividend yield of the shares that make up the Component Indices, the correlation between movements of the Component Indices, the Issuer's Credit Margin (which will also be affected by the creditworthiness of UBS AG), prevailing Australian interest rates, US interest rates and the time to Maturity⁴; and
- Investors who purchase Units in the General Offer Period at a Purchase Price greater than the Issue Price will receive a lower overall return, or make a greater loss compared to those who purchase Units in the Initial Offer Period because the maximum Final Value is \$1.00 per Unit, and is not the Investor's Purchase Price.

The Application Form for Units offered in the General Offer Period will be attached to a Supplementary PDS. Please refer to Section 7 "After the Initial Offer Period" for more information on the issue of Units during the General Offer Period.

The Units purchased by Investors applying during the General Offer Period will be subject to the same Terms and have the same Periodic Payment Amount as the Units issued at the end of the Initial Offer Period. In other words, the Final Value for these Units will be the same as for Units issued earlier. Please refer to Section 7 for more information on making an investment after the Initial Offer Period.

Please note that while the Issuer intends to issue Units only once per week after the Initial Offer Period, it retains the discretion to issue Units at any time.

⁴ Please note the Purchase Price for Units after the Initial Offer Period is determined by the Issuer in its absolute discretion and may be higher than the price at which UBS may buy-back Units from existing Investors.

What are the taxation implications of this investment?

Clayton Utz has provided a taxation summary which is included in this PDS. Briefly, the taxation summary as it relates to Australian residents holding the Units on capital account includes the following points⁵:

- the Periodic Payments should be included in the Investor's assessable income at the time of receipt;
- the Australian Taxation Office ("ATO") should treat any gain or loss arising in respect of the Units on delivery of the Delivery Parcel (if any) as a capital gain or loss;
- any such capital gain should be a discount capital gain where delivery occurs more than 12 months after the date of acquisition of the Units;
- a capital gain or loss may arise in respect of the Delivery Parcel when the Delivery Parcel is sold (including under the Agency Sale Arrangement);
- the ATO should treat the date of acquisition of the Delivery Parcel for the purposes of CGT discount treatment as being the date of delivery of the Delivery Parcel under the Units; and
- assessable and deductible foreign exchange gains and losses may arise as a result of an investment in Units.

The taxation summary is set out in Section 11 "Taxation Summary" of this PDS.

How do I invest in the Units?

You may apply for Units through your Financial Adviser on any day during the Initial Offer Period or General Offer Period set out on page 1, by providing your Financial Adviser or Approved Adviser Group with a completed Application Form referencing your Total Payment Amount and providing payment of this amount. During the Initial Offer Period you may arrange with your Financial Adviser to pay the Issuer on your behalf. During the General Offer Period, payment for the Units can be made by requesting in your Application Form that the Issuer process a direct debit in the amount of your Total Payment Amount from your nominated bank account. The amount actually invested in the Units (your Total Investment Amount) will be this Total Payment Amount less any Adviser Group Fee. The number of Units purchased will be your Total Investment Amount divided by the Purchase Price (rounded down to the nearest whole Unit).

You may also be required to provide other supporting documentation such as identification or account opening information as required by the Approved Adviser Group or the Issuer. Your Financial Adviser or Approved Adviser Group will forward your Application Form to the Issuer.

The Initial Offer Period Application Form is on page 76. An Application Form for applications during the General Offer Period will be attached to a Supplementary PDS issued after the Initial Offer Period closes. A copy of the Supplementary PDS will be made available at www.ubs.com/equitysolutions.

By signing the Application Form and arranging for the Financial Adviser or Approved Adviser Group to lodge it with the Issuer, you agree to be bound by the Terms, which include the Terms of the Deferred Purchase Agreement, this PDS and any supplement to this PDS applicable to your Units. You also agree to appoint the Issuer as your agent to enable the Issuer to do all things specified in clause 16.6 of the Terms (this includes execute all documents necessary on your behalf to effect the sale and purchase of Units).

For any Applicants that are individuals, you must also complete and return to your Financial Adviser or Approved Adviser Group a signed FATCA Individual Self Certification. This form is on page 89.

Refer to the "How to Invest and Sell Back" section on page 72 of this PDS for more details.

Applications will only be processed after the Applications Open Date.

⁵ Depending on your personal circumstances and subject to the assumptions in Section 11 "Taxation Summary" being correct. You should seek your own independent advice on the taxation implications of investing in the Units.

Section 2—Term Sheet

The following is a summary only of certain Terms of UBS Callable Goals. The information in this section is qualified in its entirety by the more detailed explanations and the Terms of the Deferred Purchase Agreement set out elsewhere in this PDS

Term Sheet for UBS Callable Goals—linked to three equity indices:

Issuer:	UBS Investments Australia Pty Limited (ABN 79 002 585 677) (“UBSIA”)
Arranger:	UBS Securities Australia Limited (ABN 62 008 586 481) (“UBSSA”)
Guarantor:	UBS AG
Registrar:	Link Market Services Limited
Product:	UBS Callable Goals
Series:	UBS Callable Goals Series 38 - linked to three equity indices (AUD Series 38 and USD Series 38)
Investment:	Your agreement to purchase the Delivery Parcel on a deferred basis.
Issue Price:	\$0.965 per Unit. Units are not units in a managed investment scheme.
Total Payment Amount:	An amount nominated by you in your Application Form that you must pay to the Issuer. The Total Payment amount must be no less than the Minimum Total Payment Amount.
Minimum Total Payment Amount:	(a) AUD Series: A\$20,000 and in multiples of A\$1,000 above that amount (b) USD Series: US\$20,000 and in multiples of US\$1,000 above that amount
Total Investment Amount:	Total Payment Amount less any Adviser Group Fee you agree to pay to your Approved Adviser Group. This is the same as the Purchase Price per Unit x number of Units purchased.
Number of Units Purchased:	A number of Units equal to your Total Investment Amount divided by the Purchase Price per Unit (rounded down to the nearest whole Unit).
Investment Term:	3 years (Final Maturity Date: 28 November 2017)
Reference Basket:	A notional basket comprising the following indices (each a “Component Index”): S&P/ASX200 Index (Bloomberg code: AS51 Index) S&P 500 Index (Bloomberg code: SPX Index) Hang Seng China Enterprises Index (Bloomberg code: HSCEI Index)

Component Index Providers:	S&P/ASX200 Index: Standard & Poor's, a division of The McGraw-Hill Companies, Inc. S&P 500 Index: Standard & Poor's, a division of The McGraw-Hill Companies, Inc. Hang Seng China Enterprises Index: Hang Seng Indexes Company Limited
Kick-In Level:	In respect of each Component Index, 70% of the Starting Level for that Component Index.
Kick-In Event:	A Kick-In Event will occur if, on the Final Maturity Date, the Closing Level of any of the Component Indices quoted by the Component Index Provider is equal to or less than the Kick-In Level for that Component Index.
Call Level:	In respect of each Component Index, 100% of the Starting Level for that Component Index.
Call Event:	A Call Event occurs if the Closing Levels of ALL Component Indices on a Call Date are at or above their respective Call Levels. The Units will mature on a Call Date on the occurrence of a Call Event and the Early Maturity Value per Unit will be \$1.00.
Call Dates:	30 November 2015; 29 February 2016; 31 May 2016; 29 August 2016; 28 November 2016; 28 February 2017; 31 May 2017 and 28 August 2017 or if any such day is not a Trading Day, then the following Trading Day.
Periodic Payment Determination Dates:	2 March 2015; 28 May 2015; 28 August 2015; 30 November 2015; 29 February 2016; 31 May 2016; 29 August 2016; 28 November 2016; 28 February 2017; 31 May 2017; 28 August 2017 and 28 November 2017 (Final Maturity Date) or if any such day is not a Trading Day, then the following Trading Day.
Periodic Payment Dates:	Five Business Days after each Periodic Payment Determination Date
Periodic Payment:	On each Periodic Payment Date, Periodic Payments will be payable in respect of the Investor's Units in accordance with the following formula: Total Periodic Payments = Periodic Payment Amount x number of Units held
Periodic Payment Amount:	A fixed amount set by the Issuer on the Strike Date. The issue of a Series will not proceed if the Periodic Payment Amount is less than the Minimum Periodic Payment Amount for that Series. Please refer to page 3 for a list of factors that will affect the level of the Periodic Payment Amount. As an indication, if the product had been issued at the date of this PDS, the Periodic Payment Amount would have been: AUD Series 38 A\$0.01625 USD Series 38 US\$0.0125
Minimum Periodic Payment Amount:	AUD Series 38 A\$0.01625 USD Series 38 US\$0.0125

Final Value:	<p>a) If a Kick-In Event has not occurred; Final Value per Unit = \$1.00</p> <p>b) If a Kick-In Event has occurred; Final Value per Unit = \$1.00 * (Closing Level (w) / Starting Level (w))</p> <p>Where Starting Level (w) is the Starting Level of the lowest performing Component Index and Closing Level (w) is the Closing Level of the lowest performing Component Index on the Maturity Date.</p> <p>For the avoidance of doubt, the Final Value for Units in the:</p> <p>(a) AUD Series 38 is calculated in A\$; and (b) USD Series 38 is calculated in US\$.</p> <p>In this way, the Final Value of the UBS Callable Goals Units is not impacted by a fall in the Closing Level of the Component Indices on the Final Maturity Date that is less than 30% of the Starting Level for Investors who hold their Units to Maturity.</p>
Starting Level:	The Closing Level of the relevant Component Index on the Strike Date.
Closing Level:	The official closing level of the relevant Component Index at the close of trading on the Relevant Exchange as published by the Component Index Provider.
Performance of a Component Index:	<p>The performance of a Component Index is calculated as follows:</p> $\frac{\text{Closing Level for Component Index on Maturity Date} - \text{Starting Level for Component Index}}{\text{Starting Level for Component Index}}$ <p>The "lowest performing Component Index" will be the Component Index that gives the smallest positive or the largest negative return from this calculation.</p>
Delivery at Maturity:	Units are physically settled. The Final Value per Unit will be delivered following Maturity in the form of a Delivery Parcel composed of the Delivery Assets.
Delivery Parcel:	<p>The Delivery Parcel is the number of Delivery Assets to be delivered by the Issuer to you on the Settlement Date as determined by the following formula:</p> $\frac{[(\text{Final Value per Unit (converted to AUD (for USD Series 38 Units) at the exchange rate determined by the Issuer) x number of Units held}) - \text{Applicable Costs \& Taxes}]}{\text{Average Price for the Delivery Assets}}$
Delivery Asset:	Ordinary fully paid shares in Westpac Banking Corporation (ASX Code: WBC).
Relevant Exchanges:	<p>S&P/ASX200 Index: Australian Securities Exchange S&P 500 Index: New York Stock Exchange Hang Seng China Enterprises Index: Hong Kong Stock Exchange</p>

Adviser Group Fee: Is the fee, expressed as a percentage, specified in your Application Form, up to a maximum of 3.50% (inclusive of GST) of the Total Payment Amount.

Where permitted by law and where specifically authorised by you in your Application Form, the Issuer may collect from you an Adviser Group Fee ranging from 0% to 3.50% of the Total Payment Amount (inclusive of GST) and pay it to the Approved Adviser Group specified in your Application Form, on your behalf.

Where authorised by you, the Approved Adviser Group may then hold the amount in respect of the Adviser Group Fee on trust and pay to your Financial Adviser all or part of that amount, as disclosed to you by your Financial Adviser in the statement of advice or financial services guide relevant to the financial services they provide to you in respect of the Units or as otherwise disclosed to you by your Financial Adviser.

No Listing: UBS Callable Goals will not be listed or displayed on any securities exchange.

Risk Factors: See Section 8—“Risk Factors” on page 27 of this PDS for risks related to an investment in the Units.

Market Data Codes (AUD Series 38): IRESS : GOALC38AU.IF

Market Data Codes (USD Series 38): IRESS: GOALC38US.IF

Denomination: AUD Series 38 – Australian dollars
USD Series 38 – US dollars

Contact Details

For more information on UBS Callable Goals please contact your Financial Adviser or the Issuer on 1800 633 100.

Section 3—Summary of Advantages and Risks of investing in UBS Callable Goals

Advantages

An investment in UBS Callable Goals offers the following advantages:

- exposure to three major equity indices;
- entitlement to fixed quarterly Periodic Payments regardless of the performance of the Component Indices;
- if a Kick-In Event and a Call Event have not occurred, then the Final Value of the Units on the Final Maturity Date will be equal to \$1.00 per Unit. In this way, the Final Value of UBS Callable Goals Units is not impacted by a fall in the Closing Levels of the Component Indices on the Final Maturity Date that is less than 30% of their respective Starting Levels for Investors who hold those Units to Maturity;
- the Units will have an Early Maturity Value equal to \$1.00 per Unit in the case where a Call Event occurs (provided that the Investor holds their Units until a Call Event occurs);
- new Applications for Units can be made weekly and Issuer Buy-Backs may be requested weekly (subject to the Issuer's discretion and certain conditions as outlined on page 7); and
- a Final Value that is hedged into US dollars for the USD Series.

Risks

UBS Callable Goals is a financial product that does NOT have an overall protection of the Total Investment Amount. Hence you may lose almost all of your Total Investment Amount if a Kick-In Event occurs (you will always receive the Periodic Payment provided you hold the Units on the relevant Periodic Payment Determination Dates). The return you receive could also be less than that you might earn on other investments and could be zero.

The key risks include:

- the market value of the Units will fluctuate between the date you purchase Units and the Final Maturity Date. Several factors will influence the market value of the Units including (among other things) the prevailing level, dividend yield of the shares that make up the Component Indices and volatility of the Component Indices, the correlation between price movements of the Component Indices, Australian interest rates, US interest rates and the Issuer's Credit Margin (which will also be affected by the creditworthiness of UBS AG);
- the level of the Component Indices can go down as well as up. The effect of movements in the levels of the Component Indices (and the other factors listed above) and how they impact the market value of the Units is more akin to a derivative exposure to the Component Indices and not to a direct investment in the shares that make up the Component Indices. This means that the size of any movement in the level of the Component Indices is likely to result in a different size movement in the Unit value (it could be substantially more or substantially less). More detail on how movements in the Component Indices and other factors may affect the market value of Units is provided in the table on page 24;
- the Units provide you with exposure to the HSCEI Index which consists of Chinese enterprises listed in Hong Kong. Securities of companies in emerging countries such as China may be less liquid and may fall in price more sharply than those in developed countries;
- if Early Maturity occurs (other than as a result of a Call Event) or if an Investor sells their Units back to the Issuer prior to Maturity, the Investor may receive less than their Purchase Price per Unit and possibly lose their Total Investment Amount even if a Kick-In Event has not occurred;

- if a Kick-In Event occurs, an Investor will then be exposed to the downside performance of the lowest performing Component Index (see page 6 for a description on how this is calculated). A Kick-In Event occurs if on the Final Maturity Date, the Closing Level of any of the Component Indices published by the Component Index Provider is equal to or less than the Kick-In Level for that Component Index. There is no capital or principal protection of the Total Investment Amount in this product;
- the maximum Final Value (if the Units are held to Maturity) will be \$1.00 per Unit, regardless of how well the Component Indices in the Reference Basket have performed;
- the Issuer (or its nominee) may not be able to buy back your Units on Weekly Pricing Dates. Buy-back requests are irrevocable and the Issuer might not accept a request immediately but hold it over if the Weekly Pricing Date turns out to be a Disrupted Day. This will delay the processing of an Investor's buy-back request and may impact the Buy-Back Price an Investor receives;
- the Early Maturity Value (where no Call Event occurs), Buy-Back Price and Termination Payment may be less than the Purchase Price and may also be reduced by any related Costs and Taxes, Break Costs, administrative costs and costs of unwinding any hedge incurred by the Issuer on Early Maturity or Issuer Buy-Back. The Break Costs may be significant and may not be in your favour;
- the delivery of the Delivery Assets (or the Sale Proceeds if you elect to use the Agency Sale Arrangement) on Maturity and other obligations of the Issuer under the Terms are subject to the creditworthiness of both the Issuer and the Guarantor (UBS AG) because the Issuer's obligations under this Deferred Purchase Agreement are guaranteed by UBS AG. As such, you may lose your entire Total Investment Amount and any unpaid Periodic Payments if both the Issuer and the Guarantor fail to perform the delivery or payment obligations under the Deferred Purchase Agreement and the Guarantee. More detailed information regarding the Guarantee is set out in Section 10 of this PDS;
- market movements from the Maturity Date to the Settlement Date will affect the value of the Delivery Parcel. After the Maturity Date, Investors will have price exposure to the Delivery Assets. The Issuer will transfer the Delivery Assets to Investors as soon as practicable, but there is a risk that they may fall in value by the time they are transferred. Therefore, the value of shares received by the Investor on the Settlement Date may be different to the Final Value of Units calculated on the Final Maturity Date (or the Early Maturity Value calculated on the Early Maturity Date);
- under the Terms of the Units, the Issuer has the right to transfer its rights and obligations under this PDS and the Terms;
- the expected tax implications of entering into and/or at exiting UBS Callable Goals at Maturity may change as a result of changes in the taxation laws and interpretation of them by the ATO. Please refer to Section 11 of this PDS for a more detailed description of the taxation treatment of UBS Callable Goals and obtain independent advice that takes into account your specific circumstances;
- Investors who purchase Units in the General Offer Period at a Purchase Price greater than the Issue Price will receive a lower overall return, or make a greater loss compared to those in the Initial Offer Period because the maximum Final Value is \$1.00 per Unit and is not the Investor's Purchase Price;
- the Purchase Price paid by Investors during the General Offer Period may also be less than that paid by Investors during the Initial Offer Period, potentially providing a greater return to those that invest in the General Offer Period compared to those that invested in the Initial Offer Period;
- the Final Value or Early Maturity Value of Units in the USD Series are determined in USD, but the Delivery Asset is denominated in AUD. Consequently, to determine the quantity of Delivery Assets making up the Delivery Parcel, the Issuer will convert the Final Value or Early Maturity Value per Unit from USD into AUD at the prevailing exchange rate on the date the Average Price is determined, and calculate the number of Delivery Assets using the Final Value or Early Maturity Value in AUD. If an Investor in the USD Series elects to use the Agency Sale Arrangement, the Issuer will dispose of the Delivery Assets and convert the Sale Proceeds from AUD into USD at the prevailing exchange rate before paying the USD amount to the Investor. Exchange rates used in these conversions will be observed and determined by the Issuer in its absolute discretion. Where an Investor in the USD Series elects to use the Agency Sale Arrangement, the

Issuer will use its best endeavours to ensure that the currency conversions from USD into AUD and from AUD into USD are executed at the same exchange rate, so that the Investor will receive an amount equal to the USD denominated Final Value or Early Maturity Value per Unit (less any applicable Costs and Taxes). If an Investor in the USD Series takes physical delivery of the Delivery Parcel and subsequently sells the Delivery Assets and exchanges their funds back into USD then the Investor will be exposed to fluctuations in the USD/AUD exchange rate between the Maturity Date and the date they convert AUD back into USD;

- in certain circumstances, the Issuer has the right to make adjustments, delay delivery of the Delivery Assets to or substitute the Delivery Assets or any part of them. The Issuer can also amend or adjust any variable, formula, amount or calculation as set out or used in the PDS, the Term Sheet or the Terms if an Adjustment Event occurs. You should read clause 7 of the Terms and the definition of Adjustment Event. When this PDS refers to ordinary fully paid shares in Westpac Banking Corporation as the Delivery Asset at Maturity, we are assuming that there will be no adjustment. However, this may not be the case. You are warned of this and should take this into account when considering your investment. You will be notified if an adjustment occurs; and
- if the Issuer considers that it is not possible to deal with the Adjustment Event as set out above, then we may make alterations to clause 6 or 7 of the Terms or any other term we consider reasonably required provided the alteration is not unfair (as defined in Section 12BG of the ASIC Act) or nominate it as an Early Maturity Event.

These risks are explained in more detail in Section 8—“Risk Factors” on page 27 of this PDS.

Section 4—Illustrative Examples

Please note these examples are based only on the AUD Series and assume a Periodic Payment Amount of A\$0.01625. This is the Periodic Payment Amount that would have been set for the AUD Series if the product was issued on the date of this PDS. Note that the actual Periodic Payment Amount for each Series will be set on the Strike Date. The actual Periodic Payment Amount will not be less than the Minimum Periodic Payment Amount for each Series.

Any index levels, growth in value or returns shown are hypothetical only, are not based on any historical period and are not an indicator of future index levels or returns.

Examples of Call Feature:

The examples assume the following Starting Levels:

Component Index	Starting Level	Call Level (100%)
AS51	5630	5630
SPX	2000	2000
HSCEI	10950	10950

Example 1 – Call Event occurs on a Call Date after 18 months (on 3rd Call Date)

Month	Closing Levels on the relevant Call Date			Closing Level greater than or equal to Call Level on Call Date?			Call Event?
	AS51	SPX	HSCEI	AS51	SPX	HSCEI	
12th	5900	2120	10500	Yes	Yes	No	No
15th	5700	1890	10775	Yes	No	No	No
18th	5650	2060	10950	Yes	Yes	Yes	Yes

On the Call Date that occurs at the end of 18 months after the Issue Date, a Call Event has occurred as all three Component Indices have a Closing Level at or above their respective Call Levels, and an Early Maturity will occur. The Early Maturity Value per Unit will be equal to A\$1.00 per Unit. In addition to this, the Investor will receive 6 Periodic Payments (quarterly for the 18 months) with each calculated as follows:

$$\begin{aligned} \text{Periodic Payment} &= \text{Periodic Payment Amount} \times \text{number of Units held} \\ &= \text{A\$0.01625 per Unit} \end{aligned}$$

Hence the total Periodic Payments paid will be A\$0.0975 per Unit (i.e. 6 x A\$0.01625= A\$0.0975).

Example 2 – Call Event never occurs and the Units reach Final Maturity Date

Month	Closing Levels on the relevant Call Date			Closing Level greater than or equal to Call Level on Call Date?			Call Event?
	AS51	SPX	HSCEI	AS51	SPX	HSCEI	
12th	5700	1950	10800	Yes	No	No	No
15th	5800	1900	10700	Yes	No	No	No
18th	5900	1875	10900	Yes	No	No	No
21st	5700	1850	10850	Yes	No	No	No
24th	5650	1800	10700	Yes	No	No	No
27th	5850	1860	10750	Yes	No	No	No
30th	5900	1800	11000	Yes	No	Yes	No
33rd	6000	1750	11200	Yes	No	Yes	No

No Call Event has occurred on any of the Call Dates throughout the entire 3 year Investment Term. The Investor will receive the Periodic Payment each quarter and the Units will mature on the Final Maturity Date. Hence, and as calculated above, the total Periodic Payments paid will be A\$0.195 per Unit (i.e. 12 x A\$0.01625 = A\$0.195).

The Final Value per Unit will be calculated as per the Term Sheet, taking into account whether a Kick-In Event has occurred (please see example below).

Examples of Kick-In Event (assuming Call Event never occurs):

The examples assume the following Starting Levels:

Component Index	Starting Level	Kick-In Level (70%)*
AS51	5630	3941
SPX	2000	1400
HSCEI	10950	7665

* The Kick-In Level is 70% of the Starting Level. i.e. for AS51, 5630 x 70% = 3941

Example 3—No Kick-In Event occurs:

Component Index	Kick-In Level (70%)	Closing Level (on the Final Maturity Date)
AS51	3941	4000
SPX	1400	1750
HSCEI	7665	9575

In this example, no Component Index has a Closing Level at or below its Kick-In Level on the Final Maturity Date. Therefore **no** Kick-In Event has occurred and the Final Value will be A\$1.00 per Unit. In addition, 12 Periodic Payments (quarterly for the 3 year Investment Term) will be paid with each calculated as follows:

$$\begin{aligned} \text{Periodic Payment} &= \text{Periodic Payment Amount} \times \text{number of Units held} \\ &= \text{A\$0.01625 per Unit} \end{aligned}$$

Hence the total Periodic Payments paid will be A\$0.195 per Unit (i.e. 12 x A\$0.01625 = A\$0.195).

Example 4—A Kick-In Event DOES occur:

Component Index	Kick-In Level (70%)	Closing Level (on the Final Maturity Date)
AS51	3941	3350
SPX	1400	1250
HSCEI	7665	8000

In this example, both AS51 and SPX have a Closing Level at Maturity at or below their Kick-In Level and hence a Kick-In Event **has** occurred.

In this scenario, there are two steps to determining the Final Value:

Step One – determine the lowest performing Component Index:

Performance of AS51:

$$= \frac{\text{Closing Level for Component Index on Final Maturity Date} - \text{Starting Level for Component Index}}$$

$$\text{Starting Level for Component Index}$$

$$= \frac{3350 - 5630}{5630}$$

$$= -40.50\%$$

$$= -40.50\%$$

Performance of SPX:

$$= \frac{\text{Closing Level for Component Index on Final Maturity Date} - \text{Starting Level for Component Index}}$$

$$\text{Starting Level for Component Index}$$

$$= \frac{1250 - 2000}{2000}$$

$$= -37.50\%$$

$$= -37.50\%$$

The lowest performing Component Index is the one with the largest negative return from this calculation. AS51 has the largest negative return and hence it is the lowest performing Component Index.

Step Two – calculate the Final Value based on the performance of the lowest performing Component Index:

$$\text{Final Value} = \text{A\$1.00} \times \frac{\text{Closing Level for AS51 on the Final Maturity Date}}$$

$$\text{Starting Level for AS51}$$

$$= \text{A\$1.00} \times \frac{3350}{5630}$$

$$= \text{A\$0.595 per Unit}$$

$$= \text{A\$0.595 per Unit}$$

As a result the Final Value will be A\$0.595 per Unit. In addition, the total Periodic Payments (paid in cash throughout the investment term), will be A\$0.195 per Unit.

The value of the Delivery Assets you receive from the Issuer will equal the Final Value of your Units at the end of the Investment Term less any Costs and Taxes incurred by the Issuer in relation to Maturity.

Section 5—What happens at Maturity?

Subject to any particular amendments as set out in the Term Sheet, the Issuer will notify Investors of an upcoming Maturity by sending them a Maturity Notice approximately 20 Business Days before the Final Maturity Date.

The Issuer will also remind Investors of the potential for Early Maturity due to a Call Event, by sending a Standing Election Notice approximately 20 Business Days prior to the first Call Date (1 year after the Strike Date). This Standing Election Notice will include an election with regards to the two options outlined below, that will apply for any Early Maturity occurring as a result of a Call Event. This election may be revoked by the Investor in writing at any time and any revocation will be effective for Call Dates occurring at least 5 Business Days after the revocation is lodged with the Issuer.

The Issuer will calculate the Delivery Parcel for the Units using the Final Value.

Delivery and Settlement

The Delivery Parcel is the number of Delivery Assets to be delivered by the Issuer or its nominee to you following Maturity or as a result of a Call Event. The Delivery Asset will be ordinary fully paid shares in Westpac Banking Corporation. However, you should note that the Issuer has the right to delay delivery or substitute another asset as the Delivery Asset. The substitute Delivery Asset must be a security quoted and trading on the ASX and included in the S&P/ASX200 Index. Otherwise, the choice of substitute Delivery Asset is at the Issuer's discretion.

At Maturity or prior to a Call Date there are two options available to you. These options are:

1. accept physical delivery of the Delivery Parcel; or
2. elect to take advantage of the Agency Sale Arrangement, which lets you sell the Delivery Parcel and receive the Sale Proceeds.

Once the Units mature and you accept delivery of the Delivery Parcel, or elect to sell the Delivery Parcel, you will no longer have potential exposure to each Component Index of the Reference Basket. Instead, if you accept delivery, you will then hold and have exposure only to ordinary fully paid shares in Westpac Banking Corporation. At Maturity or following a Call Event, you will need to consider whether an investment in the Delivery Asset will be suitable for you. If you choose to accept delivery of the Delivery Asset, then you will hold that investment. If, at Maturity or following a Call Event, you think this investment is not suitable, you can elect to use the Agency Sale Arrangement and sell the Delivery Parcel and receive the Sale Proceeds. If you do not choose to use the Agency Sale Arrangement physical delivery of the Delivery Parcel will occur.

Option 1—Physical delivery of the Delivery Parcel

You do not need to do anything when you receive the Maturity Notice or Standing Election Notice. By doing nothing, physical delivery of the Delivery Parcel will automatically occur.

The Issuer or its nominee will purchase the Delivery Assets specified in the Delivery Parcel (less any Costs and Taxes) and register those Delivery Assets in your name on the Settlement Date in accordance with the Settlement details provided to the Issuer.

If you are not CHESS sponsored or do not provide the Issuer with your CHESS details, the Issuer or its nominee will register the Delivery Assets as an issuer-sponsored holding in your name.

Market movements from the Maturity Date (or Early Maturity Date in the case of a Call Event) to the Settlement Date will affect the value of the Delivery Parcel. The Issuer will transfer the Delivery Assets to you as soon as practicable but there is a risk that they may fall in value by the time they are transferred to you.

Option 2—The Agency Sale Arrangement

To take advantage of the Agency Sale Arrangement and to receive the Sale Proceeds of the Delivery Parcel on the Settlement Date, you must:

- elect the Agency Sale Arrangement option in the Maturity Notice or Standing Election Notice; and
- return the Maturity Notice to the Issuer at least five Business Days prior to the Maturity Date or, in the case of a Standing Election Notice, five Business Days prior to the next Call Date.

Under the Agency Sale Arrangement the Issuer or one of its related entities will accept physical delivery of the Delivery Parcel on your behalf and will then sell the Delivery Parcel on your behalf. The Issuer will pay to you the Sale Proceeds, which will equal the number of Delivery Assets sold multiplied by the Average Price less any Costs and Taxes. If, for any reason whatsoever, the Issuer is unable to sell the relevant Delivery Parcel at the Average Price, the Issuer will use reasonable endeavours to sell that relevant Delivery Parcel as soon as reasonably practicable for the market price applicable at the time of sale.

The Sale Proceeds will be transferred into your nominated Settlement Account or paid to you by cheque within 10 Business Days of the Settlement Date or as soon as reasonably practicable thereafter.

Fractional Shares

If after aggregating all Delivery Assets transferable to you on the Settlement Date, the Delivery Parcel includes a fractional share in the Delivery Asset which is valued at more than A\$20.00, the Issuer will convert the amount into USD (for Units in USD Series 38) and will transfer the relevant amount of dollars into your nominated Settlement Account or pay it to you by cheque within 10 Business Days after the Settlement Date or as soon as reasonably practicable thereafter. This amount is in effect a reimbursement of a portion of your Total Investment Amount. If the amount does not exceed A\$20.00, the Issuer is under no obligation to the Investor to make any payment for the fractional share.

Section 6 – The Delivery Asset

The Delivery Assets are fully paid ordinary shares in Westpac Banking Corporation on the ASX (ASX Code: WBC), or any other asset specified as the Delivery Asset in the Term Sheet.

Westpac Banking Corporation ("WBC") is Australia's oldest banking and financial services group, with a significant banking franchise in Australia and NZ in retail, corporate and institutional sectors. Westpac has branches throughout Australia, New Zealand and the near Pacific region and maintains offices in key financial centres around the world including London, New York, Hong Kong and Singapore. More information on WBC can be obtained from www.westpac.com.au. As WBC is listed on the ASX, information and announcements are also available from the ASX website (www.asx.com.au) and major newspapers and market information services.

The performance of Units is not directly affected by the performance of shares in WBC during the Investment Term, but if you elect to hold the Delivery Assets after the Maturity Date, the value of those shares will be affected by the price of the shares as traded on ASX.

The Issuer may determine that if it is not possible or efficient to obtain or transfer the intended Delivery Asset (i.e. shares in WBC), it may delay delivery or substitute the Delivery Asset for any other security quoted and trading on ASX (including any other security or fund or entity listed on ASX) that is included in the S&P/ASX 200 Index, and deliver that substituted asset instead. This may occur, for example, where the Issuer is unable to transfer the Delivery Assets due to legal or regulatory restrictions relating to the Delivery Assets (including a suspension from trading or quotation) or to the Issuer itself (including as a result of internal restrictions designed to comply with any laws or regulations). It may also occur for example, where the cost to transfer the Delivery Asset is prohibitively high.

As at the date of this PDS the Delivery Assets are expected to be fully paid ordinary shares in Westpac Banking Corporation, and all references to the Delivery Asset in this PDS are to those shares. However, you should be aware that the Issuer can delay delivery or substitute the Delivery Asset as described above, and you should take this into account when considering whether to invest in the Units. For further information about substitution of the Delivery Asset refer to Section 8 "Risk factors" on page 27 of this PDS.

Section 7—After the Initial Offer Period

How can I monitor my investment?

You can obtain information for the Component Indices by referring to the websites listed on page 2 or through newspapers or news services, or by contacting your Financial Adviser.

The Issuer will publish indicative bid prices for the Units periodically, by providing this information to certain market data service providers. You can also request this information from your Financial Adviser, or refer to the market data service codes listed in the Term Sheet in Section 2 of this PDS. These indicative bid prices can change at any time and as such may differ from the actual price at which the Issuer may buy back your Units.

The Issuer, in its discretion, will determine its indicative bids for Units prior to Maturity having regard to a number of factors, such as (but not limited to):

- level of the Component Indices;
- time to Maturity;
- Australian interest rates;
- US interest rates;
- the Issuer's Credit Margin (which will also be affected by the creditworthiness of UBS AG);
- dividend yield of shares that make up the Component Indices; and
- correlation between movements of the Component Indices.

Buy back of Units by the Issuer

While the Units are designed as a "buy and hold" investment, you will have the opportunity to request that the Issuer purchase your Units on the Weekly Pricing Dates (generally the last Trading Day of each week starting on and from 5 December 2014 or a date nominated by the Issuer as a Weekly Pricing Date unless the Issuer determines that that day is a Disrupted Day).

If the Issuer accepts your request, the price at which the Issuer will buy back your Units is the "Buy-Back Price". This price will vary during the Investment Term. As such, the Buy-Back Price can be less than the Purchase Price per Unit that you have invested and may be different to the Final Value per Unit if held to Maturity.

When determining the Buy-Back Price the Issuer will take into account the economic value that the Issuer achieves on the unwinding of any securities or derivatives it has in place to hedge its exposure under the Units and on the quantum of any Break Costs. The economic value that it achieves will be reliant on several factors including but not limited to the level and volatility of the Component Indices, the correlation between movements of the Component Indices, Australian interest rates, US interest rates and the Issuer's Credit Margin (which will also be affected by the creditworthiness of UBS AG). The actual size of the impact of these factors on the Buy-Back Price will vary and is not quantifiable at the time you acquire your Units, however the general effect of those factors on the Buy-Back Price (assuming all other factors remain constant) can be summarised as follows:

Variable	Change in variable	Change in Unit value
Australian interest rates (AUD Series only)	↑	↓
US interest rates (USD Series only)	↑	↓
The Issuer's Credit Margin (which will also be affected by the creditworthiness of UBS AG)	↑	↓
Dividend yield of the shares that make up a Component Index	↑	↓
Component Index Closing Level	↑	↑
Component Index volatility	↑	↓

Variable	Change in variable	Change in Unit value
Correlation between movements of the Component Indices	↑	↑

Break Costs may arise in relation to Early Maturity (other than as a result of a Call Event) or an Issuer Buy-Back. Break Costs are a component of the calculation of the Buy-Back Price or Early Maturity Value and are not a separate charge levied by the Issuer. Break Costs include all costs, expenses and losses incurred by the Issuer as a result of the determination of an Early Maturity Date (other than as a result of a Call Event), Buy-Back Date or other early termination, unwinding any hedge position entered into by the Issuer in connection with the Units, taxes or fees paid that are non-recoverable, administrative cost of processing the early termination, or any loss of profits by reason of such an early termination. The Issuer will provide you with an estimate of the Buy-Back Price if you request an Issuer Buy-Back. That estimate will have already taken into account any Break Costs but you should note that the actual Buy-Back Price will only be confirmed when the Issuer Buy-Back is transacted and may be different to the estimate provided. Physical delivery of the Delivery Asset will not occur under an Issuer Buy Back. Instead, the Issuer will cash settle, i.e. pay you the Buy-Back Price.

For example, say you have invested in 20,000 Units at \$0.965 per Unit. Three months later the Issuer may quote you a Buy-Back Price (which depends on how the factors listed above have changed) of, say, \$0.95 per Unit. If the Buy-Back Price has not moved when the request is accepted and executed on the Buy-Back Date then you will receive a total of \$19,000 for your holding.

Execution of Investor sale requests and the actual Buy-Back Price will be notified to Investors by way of the Settlement Notice, which will be sent to Investors as soon as reasonably practicable after the relevant Buy-Back Date. The Buy-Back Price will be in AUD for AUD Series 38, and will be in USD for USD Series 38.

You should read clause 6.3 of the Deferred Purchase Agreement carefully to understand your rights and obligations if you request an Issuer Buy-Back.

You can make an Issuer Buy-Back request by filling out the Investor Sale Form attached to this PDS and lodging it with the Issuer. An Issuer Buy-Back can only be requested in respect of parcels of 1,000 Units and your residual holding must be at least 20,000 Units. Once the Investor Sale Form is lodged, the request for an Issuer Buy-Back is irrevocable. The Issuer may accept, reject or hold over a request to buy-back your Units. The Investor Sale Form must be lodged with the Issuer by 5:00 pm (Sydney time) on the Business Day prior to a Weekly Pricing Date. If a Weekly Pricing Date turns out to be a Disrupted Day due to certain Market Disruption Events then the Issuer may in its absolute discretion defer the execution of the Issuer Buy-Back to a later date. Please refer to the “How to Invest and Sell Back” section on page 72 for more details on how to sell your Units.

The Issuer may publish the indicative Buy-Back Prices at any time and provide this information to certain market data service providers—please refer to the market data codes listed in the Term Sheet in Section 2 of this PDS. Investors should note that these prices will be indicative only and may be higher or lower than the Buy-Back Price that you will actually receive when you sell your Units.

As the Units will not be listed or displayed on any securities exchange such as the ASX, there may be little or no secondary market for the Units. Even if a secondary market for the Units develops, it may not provide significant liquidity or trade at prices advantageous to you. You should also note you may receive a price that is significantly less than the Purchase Price of your Unit if you sell those Units to the Issuer prior to the Final Maturity Date.

Further issue of Units during the General Offer Period

Investors can apply for Units during the General Offer Period which will open after the Strike Date. During the General Offer Period, the Purchase Price at which Investors can acquire Units will be determined by the Issuer in its absolute discretion on the last Trading Day of the week in which the Application is approved by the Issuer. This price can be different to the Issue Price of Units set out in the Term Sheet (it can be higher or lower), and it will vary over time. Investors should contact their Financial Adviser to obtain an indication of the current applicable Purchase Price.

All Units on issue will be subject to the same Terms, e.g. same Periodic Payment Amount same Final Value and Final Maturity Date. That is, the Final Value of a Unit will be the same as for Units issued in the Initial Offer Period regardless of whether the Purchase Price paid by the Investor was more or less than the Issue Price. But note however if you have paid more than the Issue Price for your Units you may still be exposed to a loss or reduced return compared to if you had paid the Issue Price, even if a Kick-in Event has not occurred. Please refer to the Risk Factors in Section 8 for more information.

Register

Ownership of Units is evidenced by your name or your investment entity's name being entered on the Register during the Investment Term. The Register will be maintained by the Issuer or by the Registrar appointed by the Issuer.

Certificates will not be issued to Investors. Notice of trusts will not be entered on the Register. Investors must notify the Issuer of any change in their particulars entered on the Register. The Register can be closed for up to 20 Business Days a year.

Section 8—Risk Factors

This section describes the most significant risks relating to the Units. We urge you to read the following information about these risks, together with the other information in this PDS before investing in the Units

Units are intended to be held until Maturity. The Final Value of the Units will be equal to \$1.00 per Unit only if you hold the Units to Maturity and a Kick-In Event does not occur.

Kick-In Event

On the Settlement Date, you will receive a Delivery Parcel the value of which is calculated by reference to the definition of Final Value in the Term Sheet in Section 2. This will be equal to \$1.00 per Unit if you hold your Units until Maturity and a Kick-In Event has not occurred. This means that the Final Value of your Units will not be impacted by a fall in the Closing Level of the lowest performing Component Index down to (but not including or below) the Kick-In Level. Please note there is NO capital or principal protection of the Total Investment Amount in this product. Investors who want to invest in a product with a capital or principal protection feature should not consider an investment in the Units. You may lose almost all of your Total Investment Amount if a Kick-In Event occurs (you will always receive the Periodic Payments if you hold to the respective Periodic Payment Determination Dates). You will not receive any Delivery Assets if the Final Value is zero.

Even if a Kick-In Event has not occurred, if you sell your Units back to the Issuer prior to Maturity, or if there is an Early Maturity Event (other than as a result of a Call Event) the Buy-Back Price you receive or the Early Maturity Value may be less than \$1.00 per Unit for the Units sold or subject to the Early Maturity. In this instance you may lose your entire Total Investment Amount.

Also note Investors who purchase Units in the General Offer Period at a Purchase Price greater than the Issue Price will receive a lower overall return, or make a greater loss compared to those in the Initial Offer Period, because the maximum Final Value is \$1.00 per Unit and is not the Investor's Purchase Price.

Call Event

If there is a Call Event, the Early Maturity Value per Unit will always be equal to \$1.00 per Unit. Investors should note that following a Call Event, your Units will mature and you will no longer be exposed to the Component Indices comprising the Reference Basket and you will not receive any further Periodic Payments or the Final Value.

Counterparty Risk—the ability of the Issuer and Guarantor to fulfil their obligations

You are exposed to counterparty risk in relation to the Issuer which is a risk that the Issuer may default on its obligations under the Terms. The Issuer does not actually own the Reference Assets and is a thinly capitalised entity. The obligations of the Issuer are unsecured obligations which rank equally with all other unsecured obligations of the Issuer, and in a winding up of the Issuer, you may not receive the amounts owed to you.

UBS AG (“Guarantor”) has granted a Guarantee in respect of certain obligations of the Issuer as described in Section 10 of this PDS. The Guarantor is an overseas entity and no assurance can be given in relation to the enforceability in an overseas jurisdiction of any Australian judgment obtained in relation to any default by the Guarantor. However, the Guarantee is governed by NSW law and the Guarantor submits to the non-exclusive jurisdiction of the NSW courts in respect of the Guarantee.

The Guarantee is not supported by a charge or other form of security over the assets of the Guarantor. The Guarantee represents general and unsecured contractual obligations of the Guarantor and will rank equally with all of its other unsecured obligations.

You must make your own assessment of the ability of the Issuer and the Guarantor to meet their obligations and their general creditworthiness. You can assess the Issuer's and the Guarantor's ability to meet their counterparty obligations by reviewing their financial information. Please refer to the "Description of the Issuer, Arranger and the Guarantor" in Section 9 on page 34 for more detail and information about how to access the financial information of the Guarantor.

Under the Terms of the Units, the Issuer also has the right to transfer its rights and obligations under this PDS and the Terms (provided that the transfer is not to the detriment of the Investor and is not otherwise unfair (as defined in Section 12BG of the ASIC Act)) so your credit exposure to the issuer of Units may change during the Investment Term.

Opportunity Cost

The Units are a speculative financial product and may produce a return that is less than that offered by other investments of the same Maturity. The actual return you receive could possibly be negative and you may lose money. In addition, it is likely that it will not be the same return as that you would earn if you had invested directly in the shares that make up the Component Indices where you may have received the distributions paid on the shares that make up the Component Indices during the Investment Term.

Historical levels of the Component Indices should not be taken as an indication of the future performance of the Component Indices during the Investment Term.

It is impossible to predict whether the Component Indices will rise or fall. Trading levels of the Component Indices will be influenced by complex and interrelated political, economic, financial and other factors, including:

- profitability of the issuers of the shares that make up the Component Indices;
- general movements in local and international security markets;
- prevailing economic conditions, including interest rates and inflation;
- market perception of the prospects for the issuers of the shares that make up the Component Indices;
- the distribution payment policy of the issuers of the Component Indices; and
- changes in law affecting the Component Indices.

The Issuer does not guarantee the performance of the Component Indices. Nothing in this PDS is a recommendation by the Issuer concerning an investment in the Units, the Component Indices or the Delivery Assets.

Risks specific to emerging markets

The Units provide you with exposure to the HSCEI Index which consists of Chinese companies listed in Hong Kong. Securities of companies or indices of securities of companies from emerging or developing countries such as China are less liquid than securities issued by companies with a large capitalisation in developed countries. This means investment in this type of security or an index which provides exposure to these types of securities may substantially increase the risk level of the investment. Also, markets in developing or emerging countries may fall more sharply and more rapidly than markets in developed countries. Therefore, since the Units provide exposure to these types of markets, you should be aware that these types of risks associated with emerging or developing countries will affect the performance of the Reference Basket which may in turn reduce the value of your Units.

You will not receive dividends or other distribution payments on the shares that make up the Component Indices or the Delivery Assets or have security holder rights in the shares that make up the Component Indices or the Delivery Asset

You will not receive any dividend payments or other distributions paid by the Delivery Assets or the shares that make up the Component Indices. As an owner of Units, you will not have any voting rights or any other rights that holders of Delivery Assets or the shares that make up Component Indices may have other than the

right to receive a Delivery Parcel on the Settlement Date. The Issuer may enter into agreements or hold assets to hedge its obligations under the Units, however you will not have any rights or interests in or security over those assets or arrangements.

There may not be an active trading market in the Units — sales made in the secondary market may result in significant losses

There may be little or no secondary market for the Units. The Units will not be listed or displayed on any securities exchange such as the ASX. The Issuer intends to offer to buy back Units once a week at prices set by the Issuer, although the Issuer is not required to do so and may stop offering to buy back the Units at any time without notice, in which case Investors may be unable to realise their investment until the Final Maturity Date. Buy-back requests are irrevocable and the Issuer might not accept a request immediately but hold it over. This may delay the processing of an Investor's buy-back request and may impact the Buy-Back Price an Investor receives. The Buy-Back Price will be net of any related Costs and Taxes, Break Costs, administrative costs and costs of unwinding any hedge incurred by the Issuer on the Issuer Buy-Back. The Buy-Back Price may be less than the Purchase Price and may also be different to the Final Value that you will receive if Units are held to Maturity.

Even if a secondary market for the Units develops, it may not provide significant liquidity or trade at prices advantageous to you. As a result, if you sell your Units before Maturity, you may have to do so at a discount from the Purchase Price and you may suffer losses.

The market value of the Units may be influenced by unpredictable factors

The market value of the Units may fluctuate between the date you purchase Units and the Maturity Date when the Issuer will determine the value of your Delivery Parcel. Therefore, you may sustain a significant loss if you sell Units in the secondary market (if one exists) or to the Issuer. Several factors, many of which are beyond the Issuer's control, will influence the market value of the Units. We expect that generally the level of the Component Indices, Australian interest rates, US interest rates and the Issuer's Credit Margin (which will also be affected by the creditworthiness of UBS AG), on any day will affect the market value of the Units more than any other factors. Other factors that may influence the market value of the Units include:

- the volatility of the Component Indices (i.e., the frequency and magnitude of changes in the level of the Component Indices);
- the correlation between movements of the Component Indices;
- the level of the Component Indices;
- the dividend rate paid on the shares that make up the Component Indices;
- the time remaining to the Maturity of the Units;
- supply and demand for the Units;
- economic, financial, political, regulatory, or judicial events that affect the price of the shares that make up the Component Indices or that affect stock markets generally; or
- the creditworthiness of the Issuer and its parent UBS AG, which can influence the Issuer Credit Margin.

The value of the Units will fall (i.e. decay) due to the passing of time, even if the Component Indices, Component Indices' volatility and distributions and interest rates remain unchanged. The loss in value of the Units will be sustained even if you sell Units back to the Issuer.

Whilst the table on page 24 is intended to show the general impact of various pricing factors on the value of Units, those factors can affect the value of Units simultaneously and their effect can be compounding or offsetting. The impact of a combination of changes in these factors cannot be predicted with certainty at the time of investment.

The effect of movements in the Component Indices (and the other factors listed above) on Unit value is more akin to a derivative exposure to the Component Indices

The effect of movements in the Component Indices (and the other factors listed above) and how they impact the market value of the Units is more akin to a derivative exposure to the Component Indices and not to a direct investment in the shares that make up the Component Indices. This means that the size of any movement in the level of the Component Indices is likely to result in a different size movement in the Unit value (it could be substantially more or substantially less). More detail on how movements in the level of the Component Indices and other factors may affect the market value of Units is provided in the table on page 24.

Potential Conflicts of Interest

The Issuer and its Affiliates may conduct transactions as principal or agent in various securities including the Delivery Asset and the shares that make up the Component Indices. These trading activities may affect (positively or negatively) the value, or liquidity of the Delivery Asset or the level of the Component Indices, and may therefore affect the return you receive on the Units.

Under the Terms of the Deferred Purchase Agreement, the Issuer has powers to make adjustments to the Terms of the Units, including the termination of the Units pursuant to an Early Maturity Event, which may or may not depend on the Issuer's determination as to whether it would incur a materially increased cost to maintain or unwind its hedge positions or is unable to maintain or unwind its hedging positions. As these powers and determinations by the Issuer may affect the values of the Units, a conflict of interest may arise if the Issuer needs to make such determinations.

The Issuer can substitute the proposed Delivery Asset

The Issuer may determine that if it is not possible or efficient to obtain or transfer the intended Delivery Asset it may delay delivery or substitute the Delivery Asset for any other security quoted and trading on ASX (including any other security or fund or entity listed on ASX) that is included in the S&P/ASX200 Index, and deliver that substituted asset instead. Refer to clause 5.7 of the Terms of the Deferred Purchase Agreement in Section 13 of this PDS for information about substitution of Delivery Assets.

In addition, if you elect to use the Agency Sale Arrangement, the Issuer and its nominees will use their best endeavours to sell the relevant Delivery Parcel at the Average Price, however, if they are unable to do so then the Issuer and its nominees will sell the Delivery Asset as soon as reasonably practicable for the market price applicable at the time of sale. If the market value of the Delivery Parcel has fluctuated then the amount you receive per Delivery Asset may be less than the Average Price.

The Issuer can make adjustments to the Terms due to Adjustment Events, including nominating an Early Maturity Date

The Issuer may make adjustments to the Terms of the Units due to Adjustment Events such as (but not limited to) mergers and disposals, price source disruption, suspension of the Component Indices or the shares that make up the Component Indices and changes in the Corporations Act or taxation laws as set out in the Terms. The adjustments made by the Issuer may, in turn, depend on any adjustments made to the Issuer's hedge positions. Please refer to clause 7 in Section 13 of this PDS for the types of adjustments that the Issuer can make. Since these determinations by the Issuer may affect the market value of the Units, the Issuer may have a conflict of interest if it needs to make any such decision.

The Issuer has the discretion to nominate an Early Maturity Event on the occurrence of certain events. You will be given prior notice of any proposed Early Maturity (other than as a result of a Call Event) in accordance with the Terms.

The Final Value of your Units will not be impacted by the negative performance of the lowest performing Component Index up to the Final Maturity Date if a Kick-In Event has not occurred i.e. the Final Value will be \$1.00 per Unit. Prior to Maturity the fair economic value of the Units (i.e. the Early Maturity Value – where no Call Event has occurred) or the Termination Payment (as determined by the Issuer) will be based on whether a Kick-In Event has occurred and various market factors, such as Component Index return, interest rates,

volatility and time remaining to the Final Maturity Date. This may result in the value of the Units being less than \$1.00 per Unit in instances where Early Maturity applies (except in the case of a Call Event where the Early Maturity Value will be \$1.00). In determining the Early Maturity Value or the Termination Payment, the Issuer may deduct Break Costs in relation to any Early Maturity (except in the case of a Call Event). Break Costs include all costs, expenses and losses incurred by the Issuer as a result of the determination of an Early Maturity Date, Buy-Back Date or other early termination, unwinding of any hedge position entered into by the Issuer in connection with the Units, or any loss of profits by reason of such an early termination. You should be aware that Break Costs could be significant and may not be in your favour.

Investors should read clauses 6 and 7 in the “Terms of the Deferred Purchase Agreement” section to fully understand their rights and obligations if an Adjustment Event or an Early Maturity Event occurs.

The Issuer can postpone the determination of the Component Index Closing Level, Call Date or the Maturity Date if a Market Disruption Event occurs (or continues to occur) on any date on which a calculation or determination is to be made

The determination of the Component Index Closing Level or a calculation or determination may be postponed if the Issuer determines that a Market Disruption Event has occurred or is continuing on the date on which the calculation or determination is to be made, including a Call Date or the Final Maturity Date. The determination made by the Issuer may or may not depend on the Issuer’s judgment whether the event has materially interfered with the Issuer’s ability to unwind its hedge positions. Since these determinations by the Issuer may affect the market value of the Units, the Issuer may have a conflict of interest if it needs to make any such decision.

If such a postponement occurs, then the date for the calculation or determination will be the first Trading Day after that day on which no Market Disruption Event occurs or is continuing. In no event, however, will the date for the calculation or determination or the Maturity Date for the Units be postponed by more than eight Trading Days. If the date for the calculation or determination or the Maturity Date is postponed to the last possible day, but a Market Disruption Event occurs or is continuing on such last possible day, then that eighth day will nevertheless be the Maturity Date or the relevant date for the determination or calculation. If a Market Disruption Event is occurring on the last possible date for the calculation or determination of the Maturity Date, the Issuer will, in good faith and in its discretion, determine the observation to be reached for the calculation or determination on that date taking into account such matters as the Issuer, in its sole discretion, sees fit, including but not limited to the method of determining the price or level of the Delivery Asset or Component Indices used in its risk hedges for the Units. For each Component Index which is not affected by a Market Disruption Event on the Maturity Date, the Component Index Closing Level, or any other calculation or determination relating to those Component Indices shall be determined on the originally scheduled Maturity Date (as applicable).

Investors should read clause 7.2 in the “Terms of the Deferred Purchase Agreement” section to fully understand their rights and obligations if a Market Disruption Event occurs.

The Terms of the Deferred Purchase Agreement may change

The Issuer may, from time to time, by notice sent to the Investor make any modification, variation, alteration or deletion of, or addition to the Terms. Changes to the Terms may be made by the Issuer if:

- (a) the change is reasonably determined by the Issuer as being required under clause 6 or 7 of the Terms (provided that the change is not unfair (as defined in Section 12BG of the ASIC Act));
- (b) the change is necessary or desirable in the reasonable opinion of the Issuer to comply with any statutory or other requirement of law; or
- (c) the change is desirable to correct an inconsistency or error in the Terms (but only if such change is not unfair (as defined in section 12BG of the ASIC Act)).

Tax and Regulatory Risk

Australian tax considerations

The expected tax implications of entering into the investment may change as a result of changes in the taxation laws and interpretation of them, for example, if the ATO changes its views in relation to the tax treatment of deferred purchase agreements, as currently set out in Taxation Determinations TD 2008/21 and TD 2008/22. The Taxation Determinations are discussed in greater detail in the Taxation Summary in Section 11 of this PDS. All Investors should seek independent tax advice as to the tax consequences of an investment in Units in light of their own personal circumstances.

The offer of Units and investment in Units are subject to various laws and regulations which may change during the Investment Term. As an example, a change of law may result in the Issuer not being able to transfer a particular Delivery Asset to you which can then lead to a substitution of the Delivery Asset. The impact of tax risk and regulatory risk cannot be ascertained with certainty at the time of investment.

The Issuer is not endorsing an investment in the Units or the Delivery Assets.

The Issuer has not reviewed or analysed the Units or the Delivery Assets to determine whether they are a suitable investment for you. You should seek independent advice on this matter and note that the Issuer does not guarantee the performance of the Units or the Delivery Assets. The Issuer does not have control over the calculation of the Component Indices and nothing in this PDS or marketing material published by the Issuer should be construed as an investment recommendation by the Issuer or any of its Affiliates.

US tax considerations

Section 871(m)

Section 871(m) of the US Tax Code requires withholding (up to 30%, depending on whether a treaty applies) on certain financial instruments to the extent that the payments or deemed payments on the financial instruments are contingent upon or determined by reference to U.S.-source dividends. Under proposed U.S. Treasury Department regulations (if finalized in their current form), certain payments or deemed payments with respect to certain equity-linked instruments ("specified ELIs") that reference U.S. stocks may be treated as dividend equivalents ("dividend equivalents") that are subject to U.S. withholding tax at a rate of 30% (or lower treaty rate). Under these proposed regulations, withholding may be required even in the absence of any actual dividend-related payment or adjustment made pursuant to the terms of the instrument. If adopted in their current form, the proposed regulations may impose a withholding tax on payments or deemed payments made on the Units on or after January 1, 2016 that are treated as dividend equivalents for Units acquired on or after March 5, 2014. However, under a recent IRS Notice the IRS announced that it and the Treasury Department intend that final Treasury regulations will provide that "specified ELIs" will exclude equity-linked instruments such as the Units issued prior to 90 days after the date such final Treasury regulations are published. Accordingly, it is expected that Non-US Holders of the Units should not be subject to tax under Section 871(m). However, it is possible that such withholding tax could apply to the Units under these proposed rules if, for example, the Non-U.S. Holder enters into certain subsequent transactions in respect of securities that make up the S&P 500 Index. If withholding is required, the Issuer would be entitled to withhold such taxes without being required to pay any additional amounts with respect to amounts so withheld. **Non-U.S. Investors should consult with their tax advisors regarding the application of Section 871(m) and the regulations thereunder in respect of their acquisition and ownership of the Units.**

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("FATCA") imposes a 30% U.S. withholding tax on payments of U.S. source interest, dividends and certain other passive income beginning July 1, 2014, and on the gross proceeds from the sale or other disposition of certain assets and on certain "passthru payments" attributable to such income or proceeds beginning January 1, 2017, made to certain foreign financial institutions (including most foreign hedge funds, private equity funds and other investment vehicles) unless the payee foreign financial institution agrees to disclose the identity of any U.S. individuals and certain U.S. entities that directly or indirectly maintain an account with, or hold debt or equity interests in, such institution (or the

relevant affiliate) and to annually report certain information about such account or interest directly, or indirectly, to the IRS. FATCA also requires withholding agents making certain payments to certain non-financial foreign entities that fail to disclose the name, address, and taxpayer identification number of any substantial direct or indirect U.S. owners of such entity to withhold a 30% tax on such payments. Accordingly, the Issuer and other foreign financial institutions may be required under FATCA to report certain account information directly to the IRS (or to a non-U.S. governmental authority under a relevant Intergovernmental Agreement entered into between the U.S. and such non-U.S. country that will pass such information on to the IRS) regarding the holders of the Units. Moreover, the Issuer may be required to withhold on a portion of payments made on the Securities to holders who (i) fail to provide the relevant information, or (ii) foreign financial institutions who fail to comply with FATCA.

If you hold your Units through a foreign financial institution or other foreign entity, it is possible that a portion of any of your payments made after June 30, 2014 may be subject to 30% withholding. If, however, withholding is required, the Issuer will not be required to pay additional amounts with respect to the amounts so withheld. **Investors are urged to consult their own advisor about the application of FATCA to the ownership of their Units.**

Time value of money risk

You should take into account the effects of inflation when assessing the potential Final Value of the Units in the future. Inflation erodes the value of money over time. This means that you need to earn at least the level of inflation on your investment over time so that you are not losing money in real (inflation adjusted) terms. For example, if you apply for Units during the Initial Offer Period, agree to pay an Adviser Group Fee of 3.50% and you assume an inflation rate of 3.0% per annum (the approximate level of annual inflation in Australia as at the date of this PDS), for every \$1.00 per Unit of your Total Payment Amount the Final Value per Unit at the Final Maturity Date (in 3 years' time) would need to be \$1.0927 so that you are not losing money in real (inflation adjusted) terms.

Exchange rate risk on Delivery Asset (USD Series only)

The Final Value or Early Maturity Value of Units in the USD Series are determined in USD, but the Delivery Asset is denominated in AUD. Consequently, to determine the quantity of Delivery Assets making up the Delivery Parcel, UBS will convert the Final Value or Early Maturity Value per Unit from USD into AUD at the prevailing exchange rate on the date the Average Price is determined, and calculate the number of Delivery Assets using the Final Value or Early Maturity Value in AUD. If an Investor in the USD Series elects to use the Agency Sale Arrangement, the Issuer will dispose of the Delivery Assets and convert the Sale Proceeds from AUD into USD at the prevailing exchange rate before paying the USD amount to the Investor. Exchange rates used in these conversions will be observed and determined by the Issuer in its absolute discretion. Where an Investor in the USD Series elects to use the Agency Sale Arrangement, the Issuer will use its best endeavours to ensure that the currency conversions from USD into AUD and from AUD into USD are executed at the same exchange rate, so that the Investor will receive an amount equal to the USD denominated Final Value or Early Maturity Value per Unit (less any applicable Costs and Taxes). If an Investor in the USD Series takes physical delivery of the Delivery Parcel and subsequently sells the Delivery Assets and exchanges their funds back into USD then the Investor will be exposed to fluctuations in the USD/AUD exchange rate between the Maturity Date and the date they convert AUD back into USD.

Section 9 – Description of the Issuer, the Arranger and the Guarantor

The information set out below is intended to be a brief summary only of UBS Investments Australia Pty Limited (as Issuer), UBS Securities Australia Limited (as Arranger) and UBS AG (as Guarantor). Investors must make their own assessment of the ability of the Issuer and the Guarantor to meet their obligations in relation to the Units. Nothing in this PDS is or may be relied upon as a representation as to any future event or a promise as to the future

Guarantor

UBS AG was formed on 29 June 1998 from the merger of Swiss Bank Corporation and Union Bank of Switzerland. UBS AG, with its subsidiaries, is a client-focused financial services firm that offers a combination of wealth management, asset management and investment banking services on a global and regional basis. By delivering a full range of advice, products and services to its private, corporate and institutional clients, UBS AG aims to generate sustainable earnings, create value for its shareholders and become economically profitable in every segment, market and business in which it operates. Securities in UBS AG are listed on the New York Stock Exchange and the SIX Swiss Exchange.

UBS AG (the Guarantor) has granted a Guarantee in respect of certain obligations of the Issuer as described in Section 10 of this PDS. The Issuer 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 Issuer on 1800 633 100:

- the latest available annual financial report of UBS AG; and
- the latest available quarterly financial report of UBS AG.

UBS AG's latest available annual and quarterly financial reports can also be downloaded from <http://www.ubs.com/1/e/investors.html>.

Issuer

This PDS is issued by UBS Investments Australia Pty Limited (ABN 79 002 585 677) ("Issuer" or "UBSIA"). The Issuer is an Australian private company and a wholly owned subsidiary of UBS AG. The Issuer is a thinly capitalised entity and it is not an Authorised Deposit-Taking Institution under the *Banking Act 1959* (Cth). The obligations of the Issuer are unsecured obligations which rank equally with all of its other unsecured obligations, and in a winding up of the Issuer you may not receive amounts owed under the Deferred Purchase Agreement. However, the Issuer's obligations in respect of the Units are guaranteed by the Guarantor (UBS AG) subject to certain qualifications. The Guarantee is more fully described in Section 10 of this PDS.

The Issuer will provide a copy, free of charge, of the latest available annual financial report for the Guarantor to any person who requests such copies during the life of this PDS, by contacting the Issuer on 1800 633 100.

Arranger

UBSIA does not have an Australian Financial Services Licence. The issue of this PDS in Australia is arranged by UBS Securities Australia Limited ("Arranger" or "UBSSA") (ABN 62 008 586 481; AFSL 231098) pursuant to an intermediary authorisation for the purposes of section 911A(2)(b) of the *Corporations Act*. Pursuant to that section, the Issuer will issue the Units in accordance with the offer made by the Arranger to arrange for such issue of Units.

The Arranger is an Australian unlisted public company and a wholly owned subsidiary of UBS AG. The Arranger is an Australian Financial Services Licensee under the Corporations Act, a participating organisation of ASX Limited ("ASX"), a participant of ASX Clear Pty Limited (the clearing and settlement facility for the derivatives markets operated by ASX), and a participant of CHESS (the clearing and settlement facility operated by ASX Settlement Pty Limited).

Section 10—Description of the Guarantee

The information set out below is intended to be a brief summary only of the Guarantee provided by UBS AG in favour of Investors. Investors must make their own assessment of the ability of UBS Investments Australia Pty Limited and UBS AG to meet their obligations as Issuer of the Units and as Guarantor respectively. Nothing in this PDS is, or may be relied upon as, a representation as to any future event or a promise as to the future

What is the Guarantee and what does it cover?

UBS AG (the Guarantor) has provided a Guarantee in favour of any Investor (other than a UBS entity) in any financial product issued by the Issuer except where:

- (i) the Guarantor provides notice to the Issuer and the Issuer, as agent for the Guarantor, advises the person to whom the obligations will be owed that the Guarantee will not apply and the notice is provided before the obligation is incurred; or
- (ii) it relates to an obligation incurred by the Issuer on or after the date on which the Guarantor directly or indirectly ceased to beneficially own all of the shares of the Issuer.

As at the date of this PDS, the Guarantor has not provided notice to the Issuer under (i) above, and the Guarantor continues to beneficially own all of the shares of the Issuer. If the Issuer receives notice from the Guarantor that the Guarantee will not apply to any further Units to be issued under this PDS, or if the Guarantor ceases to own all of the shares of the Issuer, then the Issuer will notify Investors and withdraw the offer of Units and return outstanding application monies without interest within 5 Business Days of that event occurring.

If such events do not occur before the Units are issued, the Guarantee will cover the obligations of the Issuer to Investors under the Terms.

Under the terms of the Guarantee, if the Issuer fails to meet a guaranteed obligation, such as an obligation to make a payment or deliver the Delivery Parcel, then the Guarantor will pay the amount in AUD, or make the delivery of the Delivery Parcel on demand by the Investor.

It is important to note that the Guarantee operates in respect of the Issuer's payment and delivery obligations in respect of the Units, but that it is not a guarantee of the performance of UBS Callable Goals or the performance of the Component Indices or Delivery Parcel.

How do Investors make a claim under the Guarantee?

An Investor may make a claim under the Guarantee if the Issuer fails to meet a guaranteed obligation as described above. For example, this may occur if the Issuer fails to make a payment in accordance with the Terms, or fails to deliver the Delivery Parcel in accordance with the Terms. To make a claim, the Investor must provide notice of the claim in writing to UBS AG, Australia Branch (at the address set out below), which will act as the Guarantor's agent. The notice must:

- include the Investor's full name as set out in the Application Form;
- indicate that the Investor is making a claim under the Guarantee;
- indicate that the claim is made in respect of the Investor's holding in UBS Callable Goals Units, and the number of Units held by the Investor;
- provide all information relevant to the claim, including:
 - the obligation or obligations which the Issuer has failed to satisfy;

- the due date for the obligation or obligations the subject of the claim; and
- the monetary amount or particular assets the subject of the claim.

The Investor must also provide any information reasonably required by the Guarantor in order to assess and settle the claim.

Notices to UBS AG in relation to the Guarantee must be sent to:

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

or such other address as notified by the Issuer or UBS AG from time to time.

For valid claims, the Guarantor will then make a payment under the Guarantee either by mailing a cheque to the Investor to their address as notified to the Issuer, or paying the money into the account according to the details notified by the Investor to the Issuer. For a delivery of the Delivery Parcel the Guarantor will make the delivery in the same manner as was originally required of the Issuer. Once the payment or delivery is made, this shall discharge absolutely the obligation of the Guarantor to make that payment or delivery to the Investor and the Investor will have no further recourse to the Issuer for such payment or delivery.

Other information

The Guarantee is unconditional and irrevocable and the obligations of the Guarantor under the Guarantee (subject to applicable law) will at all times rank at least equally with all its unsecured and unsubordinated indebtedness and monetary obligations, present and future.

The Guarantor is an overseas entity and no assurance can be given in relation to the enforceability in an overseas jurisdiction of any Australian judgment obtained in relation to any default by them. However, the Guarantee is governed by NSW law and the Guarantor submits to the non-exclusive jurisdiction of the NSW courts in respect of the Guarantee.

The Guarantee is not supported by a charge or other form of security over the assets of the Guarantor. The Guarantee represents general and unsecured contractual obligations of the Guarantor and will rank equally with all of its other unsecured and unsubordinated indebtedness and monetary obligations and in a winding up of the Guarantor you may not receive these amounts.

You can obtain a copy of the Guarantee free of charge by contacting the Issuer on 1800 633 100.

Section 11—Taxation Summary

This summary of Australian tax implications has been prepared by Clayton Utz for the purposes of inclusion in this PDS and any opinions expressed in this tax summary are those of Clayton Utz and not the Issuer.

The discussion contained in this summary outlines the main Australian income tax, GST and stamp duty implications for Australian resident Investors who acquire their Units otherwise than in the course of carrying on a business and hold them on capital account and is subject to the assumptions outlined below. This summary is of a general nature only and does not take into account the specific circumstances of any Investor. This summary does not address the taxation implications for other Investors or Investors in circumstances where the assumptions below do not apply. The taxation consequences for such Investors or in such circumstances may be different to the taxation consequences outlined below.

Taxation laws, their interpretation, and relevant administrative practices may change over the term of an investment in the Units.

Each Investor must take full and sole responsibility for their own investment in Units, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of that investment.

This discussion is provided only for the benefit of the Issuer. The information in this summary does not purport to constitute legal or tax advice. As the taxation implications for each potential Investor may be different, each prospective Investor should obtain their own independent professional taxation advice on the full range of taxation implications applicable to their own individual facts and circumstances.

Assumptions

This summary of the taxation implications for an Investor in Units in the AUD Series and USD Series assumes that:

- an Investor will hold the Units and Delivery Parcel on capital account and will not be a person who is carrying on a business of either trading in securities or investing in securities in the course of which they regularly acquire and dispose of securities;
- an Investor will not change their residency status for Australian tax purposes at any time;
- the Investor is:
 - an individual;
 - a superannuation fund or managed investment scheme whose total assets are less than A\$100 million; or
 - a corporate or other entity whose annual turnover is less than A\$100 million, whose financial assets are less than A\$100 million and whose total assets are less than A\$300 million,

who has not elected for the rules governing the Taxation of Financial Arrangements (**TOFA**) to apply;

- the Investor acquires their Units in the Initial Offer Period;
- the market value of the Beneficial Interest in the Portion of the Delivery Asset will not change from the Issue Date to the Maturity Date;
- a non-resident Investor will not acquire or use the Units or Delivery Assets in carrying on business at or through a permanent establishment in Australia;
- at all times during the term of the investment in Units, Westpac Banking Corporation will be an Australian resident for tax purposes and will be managed and controlled in Australia;
- neither the Component Indices nor the Delivery Asset will be an equity interest in the Issuer or an entity that is a connected entity of the Issuer;

- the Units in the AUD Series will be denominated in A\$, the Units in the USD Series will be denominated in US\$ and the Delivery Assets for both series will be denominated in A\$;
- there is nothing in the circumstances of the transaction, or in the way it is implemented, that would indicate at commencement of an investment that an Investor would elect to request a buy back of their Units or utilise the Agency Sale Arrangement at a Call Date or at Maturity, and there is nothing in the conduct of an Investor prior to or during their holding period of the Units, that would indicate such an intention;
- any currency exchange entered into will be at the spot rate at the time of exchange;
- the Investor does not enter into a Unit in substitution for an economically equivalent investment that they would otherwise be expected to enter into;
- the aggregate Delivery Assets in all Delivery Parcels (the Delivery Assets being ordinary fully paid shares in Westpac Banking Corporation) and the Delivery Assets held by the associated/related persons of all the Investors do not represent 90% or more of the issued capital of that company; and
- taking into account the Units, the Investor (together with its associates) does not at any time hold and/or have the right to acquire more than 10% of the share capital (and/or other interests giving the Investor a right to vote or to a distribution of profits or capital) in the issuer of the Delivery Assets.

This summary is based on Australian taxation laws in force and administrative practices generally accepted as at the date of this PDS. Any of these may change in future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated. Future changes in taxation laws, their interpretation or associated administrative practices could affect the treatment of the Investors investment in Units. All references in this summary to legislative provisions are to provisions of the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1997* (together, the "Tax Act").

Australian Resident Investors:

1. Acquisition of Units

Each Unit is an agreement between the Investor and the Issuer for the purchase of the Delivery Parcel on a deferred basis. The Units (and in particular the Investor's rights in respect of each Unit, including the right to receive delivery of the Delivery Parcel) will be capital gains tax assets ("CGT assets") of the Investor for tax purposes. There should be no taxing event for an Investor at the time of acquiring Units.

2. Delivery of the Delivery Parcel

Under the ATO's approach in relation to the taxation of deferred purchase agreements, as outlined in Taxation Determination TD 2008/22, a capital gains tax event ("CGT event") "C2" occurs upon delivery of delivery assets. Subject to the discussion below, if the ATO applies the same treatment to the Units, a CGT event should occur on delivery of the Delivery Parcel to the Investor (or, if the Final Value is nil, on the Maturity Date) in respect of the CGT assets comprised by the Investor's rights under the Units. This approach would apply whether delivery occurs by way of physical delivery to the Investor or by delivery to the Issuer or its nominee on behalf of the Investor (that is, where the Agency Sale Arrangement is utilised).

Under this approach, the Investor is regarded as deriving a capital gain or incurring a capital loss on the happening of this CGT event, equal to the difference between the value of the Delivery Parcel at the time of delivery and the Investor's cost base or reduced cost base (respectively) in the Units. The Investor's cost base and reduced cost base will include the Total Payment Amount (less any reimbursement referable to rounding, plus any incidental costs) (for the USD Series, converted into AUD at the exchange rate applicable at the time of acquisition of the Units).

The Final Value per Unit will not be higher than \$1.00. As a result, for Investors who acquire Units during the Initial Offer Period and consent to pay an Adviser Group Fee of 3.50%, it is expected that no capital gain should arise under the ATO's approach, as the market value of the Delivery Parcel is not likely to exceed the Total Payment Amount (and may only do so where the value of the Delivery Parcel changes between

calculation of the Average Price and the Settlement Date). However, an Investor may incur a capital loss at this time if a Kick-In Event has occurred.

On delivery of the Delivery Parcel, the Investor will also acquire other CGT assets, being the Delivery Assets comprising the Delivery Parcel.

Investors should be aware that the ATO may seek to apply a different treatment to that contained in TD 2008/22 and TD 2008/21.

In Taxation Determination TD 2008/21, the ATO confirmed that a deferred purchase agreement with the features described in TD 2008/21 (which include capital guarantee features and rights to receive coupons during the investment period) will generally not have sufficient "debt-like" characteristics to satisfy the definition of a "security" in the Tax Act. We note that in TD 2008/21 the ATO does not distinguish between fixed and contingent coupons for the purposes of this test.

Investors should be aware that the features of the Units may indicate that the Units have more "debt-like" characteristics than the deferred purchase agreements considered by the ATO in TD 2008/21, as in the absence of a Kick-In Event, if the Units are purchased at the Issue Price and held to Maturity (or an Early Maturity following a Call Event), the Final Value will be equal to \$1.00 per Unit (and therefore greater than the Issue Price).

Nevertheless, the Units also have some non-"debt-like" features, including the fact that the Final Value may be significantly less than the Issue Price if a Kick-In Event occurs. The adverse consequences of a Kick-In Event occurring are significant in that the Investor will be fully exposed to the lowest performing Component Index at a time when the value of that index has fallen by at least 30%. The Issuer has instructed us that the fact that a Kick-In Event can occur, adds genuine equity market risk to the Units which does not exist under vanilla debt instruments issued by an issuer, and guaranteed by a guarantor, of the same credit quality as UBSIA and UBS. Amongst other things, this is reflected in the level of the Periodic Payments. The Issuer has also instructed us that the Units are an equity-like investment and are designed to be held as part of an equity portfolio, for those Investors who are comfortable with a reduced risk exposure to the Reference Basket. As at the issue date, the Issuer expects the value of the Units will be sensitive to changes in the level of the Component Indices, volatility of levels of the Component Indices, dividend yields of the shares that make up the Component Indices and correlation between Component Indices (amongst other things), although these sensitivities will change over time and can fluctuate significantly.

Taking these features into account, based on the Issuer's instructions as at the date of this PDS, the Units appear to have sufficient non-debt characteristics so as not to be "securities" as defined in the Tax Act.

We note however that this test of "debt-like" characteristics appearing in TD 2008/21 has not yet been tested. As a result, it cannot be known at this time whether or not the ATO would apply the same reasoning or draw the same conclusions. If the ATO were to treat the Units as being sufficiently "debt-like" to be characterised as a "security" for tax purposes, it might seek to deny any loss that arises on delivery of the Delivery Parcel, and would instead treat the Delivery Parcel as having the same cost base as the Units (as opposed to the market value of the Delivery Parcel, as described below). This would mean that any capital loss arising on delivery of the Delivery Parcel would be deferred until such time as the Investor ultimately disposes of the Delivery Parcel. However, for an Investor who uses the Agency Sale Arrangement to dispose of the Delivery Parcel, there should be no practical difference to the tax outcome in these circumstances.

3. Sale of the Delivery Parcel

When the Investor sells the Delivery Assets comprising the Delivery Parcel, including where the Investor uses the Agency Sale Arrangement, a CGT event "A1" will occur and the Investor will realise a capital gain or capital loss equal to the difference between the Investor's capital proceeds and the cost base or reduced cost base of the Delivery Assets comprising the Delivery Parcel.

Under the ATO's approach in TD 2008/22, the ATO should treat the Investor's cost base and reduced cost base in the Delivery Assets comprising the Delivery Parcel as being equal to the market value of the Delivery Assets at the time of delivery (subject to the comment in paragraph 2 above).

The capital proceeds will include the amount received by the Investor on the sale of the Delivery Assets comprising the Delivery Parcel.

Where the Investor uses the Agency Sale Arrangement, the Investor's capital proceeds will include the Sale Proceeds obtained by the Issuer on behalf of the Investor (this will be the AUD Sale Proceeds, regardless of whether an Investor is paid in USD).

In this circumstance, if those Sale Proceeds closely reflect the market value of the Delivery Assets at the date of delivery, any capital gain or loss should be relatively minimal. We note that Investor's cost base and reduced cost base in the Delivery Assets may be altered if the ATO considers TD 2008/22 does not apply, and that this may impact upon any capital gain or loss in respect of the disposal of the Delivery Assets as discussed in paragraph 2 above.

4. Beneficial Interest

At the time of acquisition of Units the Investor will also acquire a Beneficial Interest in a Portion of the Delivery Assets. This will also be a CGT asset of the Investor. The Investor's cost base in this asset will include any part of the Total Payment Amount applied toward the acquisition of the Beneficial Interest (for the USD Series, converted into AUD at the exchange rate at the time of acquisition of the Units).

On the Maturity Date, the Investor will dispose of the Beneficial Interest. No capital gain or loss should arise in respect of this Beneficial Interest where its market value has not changed since the time of entry into the Units (as has been assumed).

5. Buy-Back of Units

Where the Investor wishes to exit their investment prior to Maturity and requests a buy-back of the Units (including the Beneficial Interest), the Investor will realise a capital gain to the extent that the capital proceeds received in respect of the event exceed its cost base in the Units (including the Beneficial Interest). A capital loss will arise to the extent that the Investor's capital proceeds are less than its reduced cost base in the Units (including the Beneficial Interest).

The Investor's cost base in the Units will include the Total Payment Amount paid by the Investor to acquire the Units (including the Beneficial Interest), (for the USD Series, converted into AUD at the exchange rate at the time of acquisition of the Units), and the capital proceeds will include the total amount received by the Investor as a result of the buy-back. Where the capital proceeds are received in USD, the capital proceeds will be converted into AUD at the exchange rate at the Buy-Back Date.

6. Discount CGT treatment

Investors who are individuals, complying superannuation funds or trusts may be entitled to discount CGT treatment on capital gains where the Investor has held the relevant asset for at least 12 months prior to the disposal (excluding the acquisition and disposal dates). For individuals and trusts, the discount rate is currently 50%. For complying superannuation entities, the discount rate is currently 33 1/3%.

The Investor's acquisition date for the Units (including the Beneficial Interest) should be the date the Investor entered into the Deferred Purchase Agreement (that is, either the Issue Date or the date of the contract for the transfer of the Units to the Investor).

Under the ATO's approach in TD 2008/22, the Investor's acquisition date for the Delivery Assets comprising the Delivery Parcel should be the date of delivery. Accordingly, Investors should be entitled to discount CGT treatment where they dispose of the Delivery Assets at least 12 months after the date of delivery (excluding the delivery and disposal dates).

7. Periodic Payments

Any Periodic Payment received from the Issuer will be included in the assessable income of an Investor at the time it is received (for the USD Series, converted into AUD at the exchange rate at the date it is received).

8. Foreign Exchange (Forex) provisions

For Investors investing in the USD Series, a forex realisation event will occur at the time of payment of the USD Total Payment Amount to the Issuer, and a forex realisation gain or loss will be derived or incurred equal to the difference between the value of the Total Payment Amount determined in Australian dollars at the time of payment and the value of the USD funds determined in Australian dollars at the time they were obtained by the Investor. Any such forex realisation gain will be included in the Investor's assessable income, and any forex realisation loss will be deductible, at the time of payment of the Total Payment Amount.

If an Investor in the USD Series disposes of their Units under an Issuer Buy-Back, a forex realisation gain or loss may arise equal to the difference between the value of the Buy-Back Price determined in AUD on the date of receipt and the value of the Buy-Back Price determined in AUD on the Buy-Back Date. This will be a capital gain or loss unless the Investor elects in writing for the amount to be assessable or deductible. Any such election will be irrevocable and will apply to all future foreign currency denominated transactions of an Investor.

An Investor who elects to use the Agency Sale Arrangement and receives USD may also make a foreign exchange gain or loss on any subsequent disposal of the USD amount received, which should broadly be equal to the difference between the AUD value of the USD amount at the time of disposal and its AUD value at the time of receipt.

An investment in Units should not give rise to any other forex realisation gains or losses for an Investor.

9. TOFA

The TOFA regime in Division 230 applies to tax gains from some financial arrangements on a revenue basis and, where a gain from the arrangement is sufficiently certain at commencement to arise, or becomes sufficiently certain during the term to arise, on an accruals basis over the term of the arrangement. Where a gain from such a financial arrangement is not, and does not become, sufficiently certain to arise prior to the time that it is to be realised, the gain will be taxed on a realisation basis. Alternatively, the TOFA rules provide for certain taxpayers to elect to apply one of a number of alternative methods for the purpose of calculating gains and losses from financial arrangements.

For the purposes of the TOFA provisions, each Unit may constitute a "financial arrangement". However, we do not consider that the ATO should seek to apply the TOFA provisions to an Investor meeting the Assumptions outlined above.

All Investors should obtain independent taxation advice as to the application of TOFA and its implications for the taxation treatment of an investment in Units.

Non-resident Investors:

1. Acquisitions and Disposal of Units and Delivery Parcel

The delivery of the Delivery Parcel, the sale of the Delivery Parcel or the buy-back of the Units should not give rise to Australian income tax consequences for a non-resident Investor who holds the Units on capital account. This is on the basis that although any gain arising upon the occurrence of such an event will have an Australian source, the gain should be a capital gain derived in respect of the disposal of an asset that is not taxable Australian property (pursuant to the assumptions above).

A non-resident Investor who holds the Units or Delivery Parcel on revenue account should seek independent tax advice as the Australian income tax implications will depend on the country in which the Investor is resident and the Investor's personal circumstances. As noted above, a gain may only arise on delivery of the Delivery Parcel where the value of the Delivery Parcel changes between calculation of the Average Price and the Settlement Date.

2. Periodic Payments

An Investor who is resident in a country with which Australia has not concluded a double tax agreement (**DTA**), and other Investors who do not have relief from Australian tax in respect of the Periodic Payments

under a DTA (for example, individuals who do not acquire Units in connection with a business or other enterprise) may be subject to income tax in Australia in respect of any Periodic Payment paid by the Issuer. For these purposes, Periodic Payments received in USD should be converted into AUD at the exchange rate at the time they are received by the Investor. Investors should seek their own independent advice in relation to this issue in light of their own particular circumstances.

An Investor who is resident in a country with which Australia has concluded a DTA should not be subject to income tax in Australia in respect of any Periodic Payment paid by the Issuer where the relevant DTA provides the Investor with relief from income tax in Australia in respect of such amounts. This will generally be the case under most of Australia's DTAs where the amount is received in connection with a business or other enterprise of the Investor (other than one carried on through a permanent establishment in Australia, which is assumed not to be the case). However Investors should consider the terms of the DTA that is applicable to them in light of their own particular circumstances.

3. Lodgement of income tax returns

An Investor who is subject to Australian income tax will generally be required to lodge an Australian income tax return in respect of the income year in which the income is derived and will be liable to pay income tax at the marginal tax rates applying to non-residents in respect of this amount. Investors should also obtain independent tax advice on the implications arising in relation to an investment in Units under the tax laws of their home jurisdiction (for example, in relation to the availability of any relief from double taxation).

4. Withholding tax

A Periodic Payment paid by the Issuer to a non-resident Investor should not be subject to Australian withholding tax on the basis that it is not a dividend, royalty, interest or an amount in the nature of, or paid in substitution for, interest.

Investors should be aware that it is possible that the ATO may take the view that a Periodic Payment should be treated in the same way as interest, and seek to impose withholding tax on any Periodic Payment. In this circumstance, the Issuer would be required to withhold 10% of the Periodic Payment and remit it to the ATO. Where the Issuer fails or has failed to do so, the ATO may pursue either the Investor or the Issuer for any shortfall, however, in the latter case, the Terms provide for the Issuer to be indemnified by the Investor for any amount the Issuer is required to pay to the ATO. In addition, an Investor may be directly liable to the ATO for interest on the unpaid amount.

In addition, Periodic Payments should not be subject to the non-resident withholding provisions in Subdivision 12-FB of schedule 1 of the *Taxation Administration Act 1953*.

5. Tax administration

Investors should note that if the Issuer owes (or may later owe) money to an Investor, the ATO may give the Issuer a notice under section 260-5 of Schedule 1 of the *Taxation Administration Act 1953* requiring the Issuer to pay to the ATO any moneys owed by the Issuer to the Investor in order to satisfy any tax related liability of the Investor (whether arising in relation to the investment in Units or otherwise), regardless of where the Investor is resident.

Part IVA

Part IVA is a general anti-avoidance provision which applies where the dominant purpose of a taxpayer (or any other person) in entering into a "scheme" is to obtain a "tax benefit".

Whilst the application of Part IVA can only be conclusively determined on an examination of an Investor's individual circumstances, Part IVA should not apply to a typical Investor acquiring Units. This conclusion relies upon the correctness of the assumptions outlined above in relation to a typical Investor. Investors should however obtain their own independent advice on the application of Part IVA in their own particular circumstances.

GST

The *A New Tax System (Goods and Services Tax) Act 1999* ("GST Act") and related legislation impose a goods and services tax ("GST") on certain "supplies". GST is payable on "taxable supplies". However, GST is not payable on supplies that fall within a category of "input taxed" or "GST-free" supplies. The *A New Tax System (Goods and Services Tax) Regulations 1999* identify a range of "financial supplies" that are input taxed.

The acquisition of Units by the Investor, the receipt of the Periodic Payment by the Investor, the delivery of the Delivery Parcel (consisting of the Delivery Assets) on Maturity, the sale of the Delivery Assets by the Investor, and the buy back of Units will not give rise to a liability to pay GST under the current GST law.

However, if GST were to become payable by the Issuer or any other person in connection with the purchase, sale or transfer of a Unit, a Delivery Asset or rights, or any other supply made under or in connection with the Terms of the Units then the Issuer would be entitled to recover an additional amount on account of GST from the Investor.

The Issuer may be restricted in its ability to claim input tax credits for certain acquisitions that it makes. In the event that the Issuer is precluded from claiming a full input tax credit for an acquisition, the Issuer would be entitled to pass on the whole of its cost to the Investor, taking into account any input tax credits that are not available. In such a case, the value of the Units held by an Investor may be reduced.

The Adviser Group Fee that is collected and paid to the Approved Adviser Group by the Issuer on the Investor's behalf may be subject to GST and include a GST component. Investors should obtain their own advice as to whether an input tax credit is available for any such GST component, as it will depend upon each Investor's individual circumstances.

Stamp duty

Under current laws, the acquisition of Units by the Investor, the delivery of the Delivery Parcel (consisting of the Delivery Assets) on Maturity or Early Maturity (including the occurrence of a Call Event), the sale of the Delivery Assets by the Investor (including where the Investor uses the Agency Sale Arrangement at a Call Date or on Maturity), and the buy back of Units by the Issuer will not be liable to duty provided that the Delivery Assets satisfy the requirements of the exemption from transfer or conveyance duty for quoted or listed securities under applicable stamp duty laws at the time of the acquisition, delivery, sale or buy back as relevant.

If stamp duty becomes payable by the Issuer or any other person in connection with the purchase, sale or transfer of a Delivery Asset or in connection with the Terms of the Units, then the Issuer can require an Investor to pay such stamp duty.

Other events and circumstances

There may be other events or circumstances affecting an investment in the Units and the Delivery Assets that give rise to tax implications for Investors that are not discussed in this summary. Investors should seek their own independent advice in relation to such other events or circumstances.

Section 12—Additional Information

Preparation of this PDS

Information in this PDS in respect of the Component Indices has been derived from publicly available information only and has not been independently verified. Neither the Issuer, Arranger, Guarantor nor any of their Affiliates accept any liability or responsibility for, and makes no representation or warranty, express or implied, as to the adequacy, accuracy or completeness of such information. You should make your own enquiries.

You should also note that no person is authorised by the Issuer to give any information to Investors or to make any representation not contained in this PDS.

Nothing contained in this PDS is to be relied upon as implying that there has been no change in the information contained in this PDS since the dates as at which information is given in this document. No representation as to future performance of the Component Indices or Delivery Assets or as to the future performance of assets, dividends or other distributions of the issuer of the Delivery Assets or of the securities that make up the Component Indices are made in this PDS or in any offer or invitation to subscribe for, sell or issue Units. The Issuer does not take into account labour standards or environmental, social or ethical considerations.

Obligations and rights of the Issuer and the Guarantor

The obligations of the Issuer to pay sums and to deliver assets (including delivery of the Delivery Parcel) in respect of the Units are unsecured obligations of the Issuer which will rank equally with all other unsecured obligations of the Issuer and in a winding up of the Issuer you may not receive these amounts. UBS AG has granted a Guarantee in respect of certain obligations of the Issuer on the terms summarised in Section 10. More information on the Issuer, the Arranger and the Guarantor is set out in Section 9.

The Issuer reserves the right to buy back Units that have been issued pursuant to the Issuer Buy-Back. The Issuer may cancel at its option the Units bought back.

Applications can be lodged at any time during the Initial Offer Period or General Offer Period for the Units, subject to the right of the Issuer to close the offer at an earlier date without prior notice. No cooling off rights apply in respect of a purchase of the Units.

Complaints

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

- (a) Contact the Issuer 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 Securities Australia Limited
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

We will try to resolve your complaint quickly and fairly.

If the outcome is unsatisfactory, Investors may refer their complaint to the Financial Ombudsman Service ("FOS") at:

Financial Ombudsman Service
GPO Box 3
Melbourne, VIC 3001
Telephone: 1300 780808 Fax: (03) 9613 6399
Email: info@fos.org.au

FOS is an independent dispute resolution scheme. Subject to FOS rules, a claim must be under A\$500,000 for FOS to consider it (unless the Issuer and the Investor agrees otherwise in writing).

The Australian Securities & Investments Commission ("ASIC") also has a free call Infoline on 1300 300 630 (available between 9:00am and 7:00pm AEST Monday to Friday) which you may use to make a complaint and obtain information about your rights.

Consents

None of the parties referred to below have authorised or caused the issue of this PDS or make or purport to make any statement in this PDS (or any statement on which a statement in this PDS is based) other than as specified below.

UBS AG has given, and not withdrawn as at the date of this PDS, its written consent to being named in the form and context in which it appears and to the descriptions of it in this PDS.

UBS Securities Australia Limited has given and, as at the date of this PDS, has not withdrawn its consent to be named in this PDS in the form and context in which it has been named and to the descriptions of it in this PDS.

Baker & McKenzie, solicitors, has given, and not withdrawn at the date of this PDS, its written consent to being named as having acted as solicitors to the Issuer in connection with the issue of the Units pursuant to this PDS. It has in that capacity, prepared the Terms of the Deferred Purchase Agreement. Otherwise, Baker & McKenzie does not make any statement in, or take responsibility for any part of, this PDS and has not authorised the issue of the PDS nor does any statement herein purport to be based on a statement made by Baker & McKenzie except for the Terms of the Deferred Purchase Agreement.

Clayton Utz, solicitors, has given, and not withdrawn, its written consent to being named as having acted as solicitors to the Issuer in connection with taxation issues associated with the issue of the Units pursuant to this PDS. Clayton Utz does not make any statement in, or take responsibility for any part of, this PDS, except for the section entitled "Taxation Summary" in the PDS.

Privacy Statement

Should you apply for Units by lodging an Application Form with your Financial Adviser, you acknowledge and agree that:

- (a) the Issuer, your Financial Adviser and your Approved Adviser Group collect, hold, use and disclose your Personal Information for the purpose of processing your Application, issuing the Units, managing your investment, complying with relevant laws and offering you further services, which may include using your Personal Information for marketing purposes (in which case you will be given the opportunity to request that your Personal Information not be used for future direct marketing);
- (b) in addition to paragraph (a), the Issuer collects, holds, uses and discloses your Personal Information for the purposes set out in paragraph 1 of the Privacy Consent in the Application Form; and

- (c) The Issuer may disclose all or some of your Personal Information to:
- (i) related bodies corporate that might not be governed by Australian laws for the purpose of account maintenance and administration, including related bodies corporate in China, Hong Kong, India, Poland, New Zealand, Singapore, Switzerland, United Kingdom, and United States of America. Such Personal Information will be processed in accordance with applicable data protection law in such jurisdictions;
 - (ii) share registries, custodians, external contracts and service providers and certain software providers (in each case both onshore and offshore including China, Hong Kong, India, Poland, New Zealand, Singapore, Switzerland, United Kingdom, and United States of America) related to the operational management and settlement of the Units;
 - (iii) other third parties for the purpose of account maintenance and administration or marketing research;
 - (iv) regulatory authorities such as the ASX; and
 - (v) in respect of the Issuer, such other entities as are set out in paragraph 2 of the Privacy Consent in the Application Form.

If you do not provide the Personal Information the Issuer your Financial Adviser or your Approved Adviser Group requires, your Application may not be processed. All Personal Information collected from you will be collected, used and stored by the Issuer in accordance with the Issuer's privacy policy (as amended from time to time), a copy of which can be made available to you on request. To obtain a copy, please contact the Issuer on 1800 633 100 or refer to the Issuer's website.

All Personal Information collected from you will be collected, used and stored by your Approved Adviser Group. Please contact your Financial Adviser or the Approved Adviser Group for a copy of its privacy policy. You can access the Personal Information the Issuer or your Approved Adviser Group holds about you. The Issuer or your Approved Adviser Group and/or its associates may wish to communicate with you in the future about other investment opportunities which may be of interest to you. If you do not wish to be contacted for these purposes, please indicate so on the Application Form or contact the Issuer or your Financial Adviser (as appropriate).

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 the Issuer or your Approved Adviser Group. The privacy policy of the Issuer contains information regarding the exercise of such rights in relation to access, correction and complaints.

If you establish with the Issuer that information the Issuer holds about you is not accurate, complete and up-to-date, the Issuer will take reasonable steps to correct it.

Financial Services Guide

The financial services guide of UBS Securities Australia Limited, which contains information about the services provided by that entity if the Issuer procures that UBS Securities Australia Limited acts as ASX broker in relation to the Agency Sale Arrangement is available from www.ubs.com/equitysolutions or by contacting UBSIA on 1800 633 100. You should read and ensure you fully understand the financial services guide of UBS Securities Australia Limited before investing in the Units.

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Section 13—Terms of the Deferred Purchase Agreement

These Terms (including, in respect of a Series, those set out in the Term Sheet for that Series) form the Terms and conditions on which the Investor agrees to acquire the Delivery Parcel from the Issuer under the Units. Capitalised words have the meaning given to them in the “Glossary” section of the PDS.

1. APPLICATIONS AND ACCEPTANCE

1.1 Offer by the Investor

An Investor may make an offer to the Issuer to acquire the Delivery Parcel from the Issuer on a deferred basis in accordance with these Terms:

- (a) by completing and returning a valid Application Form to your Financial Adviser and ensuring your Financial Adviser or the Approved Adviser Group provides the Application Form to the Issuer before the Offer Period Close; and
- (b) by ensuring that an amount equal to the Total Payment Amount is received by the Issuer in cleared funds by the Payment Date (or such other time if accepted by the Issuer in its discretion).

1.2 Investor bound by Terms

By signing the Application Form and arranging for the Financial Adviser or Approved Adviser Group to lodge it with the Issuer, the Investor agrees to be bound by these Terms, including any variation to these Terms, as notified to the Investor in accordance with these Terms, provided that the variation is not unfair to the Investor (as defined in Section 12BG of the ASIC Act).

1.3 Acceptance of the offer by the Issuer

- (a) The Issuer may decide in its absolute discretion whether or not it will accept the Investor's offer to acquire the Delivery Parcel from the Issuer and whether or not to issue the Units.
- (b) If the Issuer decides that it will accept an Application and provided that the Issuer has received the Total Payment Amount in cleared funds by the Payment Date (or such other time if otherwise accepted by the Issuer in its discretion), acceptance of the Investor's offer will take place, and the parties' rights and obligations under these Terms will commence, on the Issue Date. The Investor will be entitled to the number of Units calculated as follows:

$$\text{Number of Units} = \frac{\text{Total Investment Amount}}{\text{Purchase Price per Unit}}$$

rounded down to the nearest whole Unit.

- (c) Within 10 Business Days of the Issue Date of a Series, if the Issuer accepts an Investor's offer, the Issuer will send to the Investor a Confirmation Notice acknowledging either the acceptance or rejection of an Investor's offer and setting out the number of Units purchased and any relevant details of the Unit, such as the Starting Levels for the Component Indices, Call Dates and the Periodic Payment Amount.

2. APPOINTMENT OF REGISTRAR

- (a) The Issuer will either act as Registrar or appoint the Registrar set out in the Term Sheet. The Registrar will be responsible for establishing and maintaining a separate Register for each Series of Units issued by the Issuer during the term of the Registrar's appointment. The Register will be established and maintained in Sydney (or any other place in Australia as the Issuer and the Registrar may agree).

- (b) The Investor acknowledges and agrees that the Register will be conclusive evidence of ownership of interests in the Units. The Issuer is not required to recognise any interest in Units not recorded in the Register.

3. DEFERRED PURCHASE OF DELIVERY ASSETS

3.1 Purchase of Delivery Assets

The Investor agrees to purchase from the Issuer the Delivery Parcel for the Total Investment Amount (which forms part of the Total Payment Amount which will be paid by the Investor in accordance with clause 3.2). Following Maturity, the Issuer will deliver the Delivery Parcel to the Investor in accordance with clause 5.

3.2 Payment of the Total Payment Amount

- (a) The Investor must pay the Total Payment Amount to the Issuer in cleared funds by the Payment Date (or such other time if otherwise accepted by the Issuer in its discretion).
- (b) The Minimum Total Payment Amount for which an Application will be accepted by the Issuer under these Terms in respect of a Series is the Minimum Total Payment Amount set out in the Term Sheet for that Series (or such lower amount as accepted by the Issuer in its discretion).

3.3 Periodic Payment

- (a) The Issuer may, following each Periodic Payment Determination Date, pay a Periodic Payment to the Investor, calculated as described in the Term Sheet and subject to the conditions described in the Term Sheet.
- (b) Any Periodic Payment will be paid to the Investor on the relevant Periodic Payment Date.
- (c) If a Call Event occurs on a Periodic Payment Determination Date, the relevant Periodic Payment will be paid despite the occurrence of the Call Event.

4. Kick-In Events

The occurrence of a Kick-In Event will affect the Final Value used to calculate the Delivery Parcel.

5. Maturity and Settlement of deferred purchase

5.1 Notice of Maturity

The Issuer will, unless otherwise specified in the PDS:

- (a) give a Maturity Notice to the Investor approximately twenty (20) Business Days before the Final Maturity Date; and
- (b) give a Call Date reminder notice and Standing Election Notice to the Investor approximately twenty (20) Business Days before the first Call Date. If a Call Event occurs on that Call Date or any subsequent Call Date, then that Call Date reminder notice will serve as the Maturity Notice for the purposes of these Terms.

5.2 Effecting Maturity

- (a) If the Investor wishes to use the Agency Sale Arrangement, the Investor must return the Maturity Notice or Standing Election Notice to the Issuer on the date which is at least 5 Business Days before the Maturity Date or a Call Date, specifying in the Maturity Notice or the Standing Election Notice that the Investor will use the Agency Sale Arrangement.
- (b) If the Investor:
 - (i) does not lodge a Maturity Notice or Standing Election Notice with the Issuer by the date which is at least 5 Business Days before the Maturity Date or Call Date; or

- (ii) returns the Maturity Notice or Standing Election Notice to the Issuer by the date which is at least 5 Business Days before the Maturity Date and the Investor has not elected in the Maturity Notice or Standing Election Notice to use the Agency Sale Arrangement; or
- (iii) withdraws or revokes a Standing Election Notice provided under clause 5.2(a) at least 5 Business Days prior to a Call Date,

physical delivery of the Delivery Parcel will occur in accordance with clause 5.3.

5.3 Physical delivery of the Delivery Assets to the Investor

Unless the Investor has elected on the Maturity Notice or Standing Election Notice to use the Agency Sale Arrangement:

- (a) the Issuer (either itself or through a nominee) will procure the performance of all acts required of a transferor of marketable securities under the ASX Settlement Operating Rules for ASX listed Delivery Assets to enable the Delivery Parcel to be transferred to the Investor (or the Investor's nominee) on the Settlement Date or as soon as possible thereafter, free from any security interest or third party interest or restriction on transfer (other than one that has been accepted by the ASX for the purposes of quotation of the property comprising the Delivery Assets); and
- (b) in respect of ASX listed Delivery Assets, the Investor irrevocably authorises the Issuer and any of its nominees, at the option of the Issuer, to act as the Investor's agent to do all things required to be done, including but not limited to supplying the Investor's HIN, to effect the delivery of the Delivery Parcel to the Investor (or the Investor's nominee); and
- (c) investors who are CHESS sponsored with the Issuer or the Issuer's nominees will receive delivery of the Delivery Parcel in their Issuer (or Issuer's nominee) sponsored account. Investors who are not CHESS sponsored with the Issuer or the Issuer's nominees, will have their Delivery Parcel delivered to the register of the Delivery Asset issuer.

5.4 Delivery through the Agency Sale Arrangement

If the Investor has elected to use the Agency Sale Arrangement, the Issuer (either itself or through a nominee) will procure the delivery of the Delivery Parcel as follows:

- (a) the Issuer or its nominees are irrevocably authorised to accept physical delivery of the Delivery Parcel for and on behalf of the Investor;
- (b) the Investor irrevocably authorises the Issuer or its nominees to sell, and irrevocably directs and authorises the Issuer or any of its nominees to take all actions necessary or desirable to effect the sale by the Issuer or its nominees of, the Delivery Parcel for and on behalf of the Investor;
- (c) the Issuer or its nominees on behalf of the Issuer will pay to the Investor's Settlement Account (or pay by cheque to the Investor if no Settlement Account is nominated) the Sale Proceeds, within 10 Business Days of the Settlement Date or as soon as reasonably practicable thereafter; and
- (d) the Investor acknowledges and agrees that:
 - (i) the Issuer or its nominees agree to sell the Delivery Parcel on behalf of the Investor for an amount per Delivery Asset equal to the Average Price;
 - (ii) to the maximum extent permitted by law, the Issuer and its nominees are not responsible for any loss, costs or expense incurred by the Investor as a result of using the Agency Sale Arrangement, except to the extent that such loss, cost or expense arises as a result of the Issuer's or the nominee's gross negligence, wilful default, fraud or dishonesty; and
 - (iii) the Issuer and its nominees will use their best endeavours to sell the relevant Delivery Parcel in accordance with clause 5.4(d)(i). If, for any reason whatsoever, the Issuer and its nominees are unable to sell the relevant Delivery Parcel at the Average Price, the Investor irrevocably authorises the Issuer and its nominees to use reasonable endeavours to sell the relevant Delivery Parcel as soon as reasonably practicable for the market price applicable at the time of sale.

5.5 Satisfaction of obligations

Upon delivery of the Delivery Parcel to the Investor in accordance with clause 5.3 or payment by the Issuer or its nominee (on behalf of the Issuer) to the Investor of the Sale Proceeds under clause 5.4(c), the Issuer's obligations to the Investor under these Terms are satisfied in full and discharged.

5.6 Delivery of a whole number of Delivery Assets only

The Issuer or its nominee will not transfer a fractional Delivery Asset or parts of a Delivery Asset. If after aggregating all Delivery Assets transferred to an Investor on the Settlement Date (or any other date), and if any fractional share would be transferable by the Issuer on the Settlement Date (or any other date), the Issuer will cause to be paid to the Investor (within 10 Business Days of the Settlement Date or as soon as reasonably practicable thereafter) an amount (converted into USD for Units in USD Series 38) equal to the value of the fraction of the share forgone based on the Average Price provided that such amount exceeds twenty Australian dollars (A\$20.00). If the amount does not exceed A\$20.00, the Issuer is under no obligation to the Investor to make any payment for the fractional share. Upon payment of the amount under this clause, the Issuer is discharged of its obligation to deliver the fraction of the share forgone.

5.7 Substitution of Delivery Assets

The Issuer may determine that it is not possible or efficient to obtain or to transfer one or more of the Delivery Assets comprising the Delivery Parcel to the Investor due to legal or regulatory restrictions relating to the Delivery Assets (including but not limited to cessation or Suspension from listing) or the Issuer, including but not limited to trade limitations resulting from internal conflict arrangements. In this case, Maturity will take place in accordance with clause 5 (or, in the case of an Early Maturity, in accordance with clause 6.4(a)) except that the Issuer may delay delivery or substitute the Delivery Asset for any other security quoted and trading on ASX (including any other security or any other fund or entity listed on ASX) that is included in the S&P/ASX200 Index, and deliver that substituted security in accordance with these Terms as if the definition of "Delivery Asset" was amended to refer to the substituted security.

6. Early Maturity

6.1 Early Maturity by the Issuer

A Call Event will be an Early Maturity Event (in which case the Early Maturity Value of Units will be equal to \$1.00 per Unit), and the Issuer may at any time (acting reasonably), nominate any of the following events as an Early Maturity Event:

- (a) an event considered to be an Early Maturity Event as described in the PDS (whether or not specifically described as an Early Maturity Event);
- (b) an Adjustment Event occurs or is proposed to occur and in the Issuer's reasonable opinion it is not possible to deal with the occurrence of that event in accordance with clause 7;
- (c) if the Issuer determines in good faith that the performance of its obligations in relation to or under these Terms has or will become, in circumstances beyond the reasonable control of the Issuer, impossible, unlawful, illegal or otherwise prohibited as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any government, administrative, legislative or judicial authority or power;
- (d) the Issuer has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulation of or any political subdivision or any authority thereof or therein having power to Tax, or change in the application of official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date;
- (e) if the Issuer determines in good faith that due to any action taken by a taxing authority or brought by a court of competent jurisdiction or a change in tax law, that there is a substantial likelihood of the Issuer being required to pay a materially increased amount in respect of a tax in respect of its rights under and the performance of its obligations under the Terms;

- (f) If you or the Issuer:
 - (i) becomes unable to pay its debts as they fall due;
 - (ii) goes into or proposes to go into liquidation or passes a winding up resolution or commences steps for winding up or dissolution or becomes deregistered;
 - (iii) enters into, or proposes to enter into, any arrangement, compromise or composition with or assignment of the benefit of its creditors or class of them;
 - (iv) is presented or threatened with a petition or other process for winding up or dissolution or becomes aware of circumstances justifying such a petition or process; or
 - (v) has a receiver, receiver and manager, judicial manager, liquidator, administrator or official manager appointed, over the whole or a substantial part of the Issuer's undertaking or property or becomes aware of circumstances justifying such an appointment; or
- (g) any actual or proposed event that may (in the Issuer's reasonable opinion acting in good faith) be expected to lead to any of the events referred to in paragraphs (a) to (f) above occurring.

If any event occurs which constitutes both an Adjustment Event and an Early Maturity Event as defined in this clause, the Issuer may treat that event as either an Adjustment Event or Early Maturity Event and notify the Investor accordingly.

6.2 Determination that there will be an Early Maturity

Where the Issuer has nominated an event as an Early Maturity Event, the Issuer may in its absolute discretion determine that there will be an Early Maturity and may specify a date as the Early Maturity Date. In the case of a Call Event, the Early Maturity Date will be the relevant Call Date.

6.3 Investor Requested Issuer Buy-Back

The Investor may request the Issuer to buy back their Units on a Weekly Pricing Date by giving an Investor Sale Form to the Issuer ("Issuer Buy-Back"). An Issuer Buy-Back can only be requested in parcels of 1,000 Units and the Investor's residual holding must be at least 20,000 Units. Once lodged the request for an Issuer Buy-Back is irrevocable. Upon making the request:

- (a) The Investor acknowledges that the Buy-Back Price may be less than their Purchase Price per Unit.
- (b) The Issuer will, as soon as practicable after the request is received determine whether to accept or reject the request. If the request is accepted, the Issuer must execute the Issuer Buy-Back on the Buy-Back Date. The Investor acknowledges that the Buy-Back Date will depend, in part, upon the Issuer's ability to liquidate its hedging arrangement (if any), as applicable to that Series, and may require the Issuer to delay and hold over an Issuer Buy-Back request.
- (c) The Issuer will, in its absolute discretion, determine the Buy-Back Price for the purchase of the Investor's Units. The Buy-Back Price will be calculated by reference to the fair market value of the Units on the Buy-Back Date, less Costs and Taxes and Break Costs. The Issuer will, upon request, provide an Investor with an estimate of the Buy-Back Price before effecting the buy-back. The Investor acknowledges this is an estimate only and the actual Buy-Back Price on the Buy-Back Date may be significantly less than the estimate. The Issuer will notify the Investor of the actual Buy-Back Price in the Settlement Notice. The Buy-Back Price will be in AUD for AUD Series 38, and will be in USD for USD Series 38.
- (d) Upon payment by the Issuer of the Buy-Back Price to an Investor all of the Issuer's obligations to the Investor under these Terms are deemed to be satisfied and discharged in full.
- (e) Upon payment of the Buy-Back Price the Issuer will arrange for an Investor's name and details to be removed from the Register.

6.4 Early Maturity Mechanism

- (a) If the Issuer determines that there will be an Early Maturity or there is an Early Maturity as a result of a Call Event, the Early Maturity will take place as follows:
 - (i) if
 - (A) Early Maturity occurs as a result of a Call Event, the Maturity process will occur in accordance with clause 6.4(a)(ii) and the Call Date on which the Call Event occurs will be the Early Maturity Date;
 - (B) Early Maturity occurs other than as a result of a Call Event, the Issuer will, before the Early Maturity Date, notify the Investor that Early Maturity will occur on the Early Maturity Date in accordance with clause 6 of these Terms. The Early Maturity Notice issued by the Issuer under this clause shall serve as the Maturity Notice. The Issuer will specify in the Early Maturity Notice whether Early Maturity will occur by the maturity process in accordance with clause 6.4(a) (ii) or by Termination Payment in accordance with clause 6.4(a) (iii).
 - (ii) If specified in the Early Maturity Notice or if a Call Event occurs and subject to clause 6.4(b), Early Maturity will take place in accordance with the procedures set out in clauses 5.2 to 5.7 of these Terms.
 - (iii) If specified in the Early Maturity Notice, Early Maturity will occur by the Issuer paying the Termination Payment to the Investor's Settlement Account (or by cheque to the Investor if no Settlement Account is nominated) by the Settlement Date or as soon as practicable thereafter.
 - (iv) After the Delivery Parcel is delivered to the Investor under clause 5.3 or the Issuer (or its nominee) pays the Investor the Termination Payment in accordance with clause 6.4(a) (iii) or the relevant amount in respect of the Delivery Parcel under clause 5.4 as a result of an Early Maturity Event occurring, all obligations of the Issuer to the Investor under these Terms are deemed to be satisfied in full and the Issuer is discharged from its obligations under these Terms. This clause does not discharge the Issuer of its obligations under the Privacy Act or the terms of its privacy policy.
- (b) If there is an Early Maturity by the Issuer, the Delivery Parcel will be determined in accordance with the definition of "Delivery Parcel" in the Glossary section of the PDS.

6.5 Impact of Early Maturity, Issuer Buy-Back or Kick-In Event

- (a) The Early Maturity Value, Buy-Back Price or Final Value may be less than \$1.00 per Unit if there is an Early Maturity Event (except in the case of a Call Event), an Investor requested Issuer Buy-Back, or a Kick-In Event occurs.
- (b) Without limiting the foregoing, in determining the Early Maturity Value, Termination Payment or the Buy-Back Price the Issuer may deduct any costs, losses or expenses that it reasonably incurs in relation to the Early Maturity or Issuer Buy-Back, including without limitation, Costs and Taxes, Break Costs, administrative costs, costs of unwinding any hedge put in place for the purposes of meeting its obligations under these Terms, and any cost of funding or any loss of bargain.

6.6 Possible reduction of value on Early Maturity

If there is an Early Maturity, the Issuer does not guarantee to deliver to the Investor a Delivery Parcel based on the Final Value. For the avoidance of doubt, when there is an Early Maturity other than as a result of a Call Event (and the Issuer elects to apply the maturity process in accordance with clause 6.4(a)(ii)) the Delivery Parcel will only be determined in accordance with clause 6.4(b). In the case of a Call Event, Investors will receive a Delivery Parcel with an Early Maturity Value of \$1.00 per Unit.

6.7 Adjustments to this clause

Subject to clause 15, where the Issuer reasonably determines that any of the provisions of this clause 6 are not appropriate in any particular circumstances, or that any event which is not dealt with in clause 6 should have been dealt with, it may make any alterations to the effect of this provision or any other Term that it considers to be reasonably appropriate provided that the alteration is not unfair (as defined in section 12BG of the ASIC Act).

7. Adjustment Events and Market Disruption Events

7.1 Adjustment Events

If an Adjustment Event occurs or is proposed to occur on or before the Maturity Date, the Issuer may in its absolute discretion elect to do any or all of the following:

- (a) substitute part or all of the affected Component Indices or Reference Basket with any other index or asset; and/or
- (b) substitute the Delivery Asset with any other security quoted and trading on the ASX, that is included in the S&P/ASX200 Index or, if a basket of Delivery Assets is being delivered, withdraw the affected Delivery Assets and deliver the remaining Delivery Assets; and/or
- (c) adjust, change, delay or amend any variable, date, including but not limited to the Periodic Payment Determination Dates, Call Dates, Periodic Payment Amount, Periodic Payment Date, Kick-In Levels, formula, amount or calculation as set out or used in these Terms (including the PDS and Term Sheet); and/or
- (d) adjust, amend or substitute the definition of Component Indices, Reference Basket or Delivery Asset; and/or
- (e) vary any of the Terms referred to in the PDS; and/or
- (f) determine to suspend, defer, delay or bring forward any of the necessary calculations referred to in these Terms as appropriate until reliable values can be obtained,

either:

- (A) in a manner consistent with any adjustment or change made to the Issuer's hedging arrangement; or
- (B) as determined by the Issuer, provided that, in the reasonable opinion of the Issuer, the adjustment in accordance with this sub-paragraph (B) is appropriate to put both the Issuer and the Investor in as similar an economic position as reasonably possible as the Investor and the Issuer would have been in had the Adjustment Event not occurred.

If, in the reasonable opinion of the Issuer, it is not possible to deal with the occurrence of the Adjustment Event in accordance with this clause 7, the Issuer may nominate the event as an Early Maturity Event and may deal with that event in accordance with clause 6. The Issuer will notify Investors of any adjustment that it proposes to make under this clause before the adjustment occurs or if it is not possible to notify before adjustment as soon as reasonably practicable after the adjustment occurs, and the Issuer will reasonably determine and notify Investors of the effective date of that adjustment.

7.2 Market Disruption Events

- (a) If there is a Market Disruption Event affecting one or more Component Indices, any part of the Component Indices or any or all of the shares which make up the Component Indices or the Delivery Asset on any date that a payment, calculation, adjustment, amendment or determination is to be made (including a Call Date and the Maturity Date and the ASX Trading Day immediately following the Final Maturity Date or Early Maturity Date) (each an "Affected Component"), the Issuer may reasonably determine in its discretion either:

- (i) to take any action required to reflect any adjustment, change, substitution, delay, suspension or other action taken in relation to its hedging arrangements; or
- (ii) that the date for the determination or calculation in relation to that Affected Component or the Final Maturity Date is to be the first succeeding Trading Day on which there is no Market Disruption Event in respect of the Affected Component, and the relevant date for the making of such calculation or determination for each Component Index that is not affected by the occurrence of a Market Disruption Event shall be the original scheduled date. However, if there is a Market Disruption Event in respect of an Affected Component on each of the 8 Trading Days immediately following the original date that, but for the Market Disruption Event, would have been the date on which the determination or calculation was made or the Final Maturity Date, then:
 - (i) that 8th Trading Day is to be taken to be the Maturity Date or the relevant date for the determination or calculation (as applicable) in respect of the Affected Component, despite the Market Disruption Event; and
 - (ii) the Issuer must on that 8th Trading Day in good faith and in its discretion determine the Closing Level of the Affected Component or other observation to be reached for the calculation or determination on that date taking into account such matters as the Issuer, in its sole discretion, sees fit, including but not limited to the method of determining the level of the Affected Component used in its risk hedges for the Units.
- (b) If there is a Market Disruption Event affecting the Delivery Asset or one or more of the Component Indices, or any part of the Component Indices or any or all of the shares that make up the Component Indices during the Investment Term, then the Issuer may treat the Market Disruption Event as an Adjustment Event under this clause 7, including to nominate the event as an Early Maturity Event.
- (c) The Issuer must, as soon as practicable (and in no event later than five Business Days after the original date that, but for the occurrence or existence of a Market Disruption Event, would have been the date on which the determination or calculation was made or the Final Maturity Date) notify Investors of the existence or occurrence of a Market Disruption Event.
- (d) If an event is both a Market Disruption Event and an Adjustment Event, the Issuer may, acting in good faith and a commercially reasonable manner, determine whether to treat the event as either a Market Disruption Event or an Adjustment Event or both (if possible).

8. Accretions

These Terms do not confer on the Investor any right or interest in respect of Accretions to the Component Indices or the shares that make up the Component Indices or Accretions to the Delivery Assets arising prior to delivery of the Delivery Assets. Accretions in respect of the Component Indices, the shares that make up the Component Indices or to the Delivery Assets may lead to adjustments as provided for in clause 7 of these Terms.

9. The Issuer's obligations are unsecured

The Issuer's obligations under these Terms (including in relation to the deferred purchase of the Delivery Assets) are direct, unconditional and unsecured obligations of the Issuer and these obligations rank equally with the Issuer's existing unsecured debt, subject to insolvency, banking or similar laws affecting creditors' rights generally.

10. Beneficial interest in the Portion of the Delivery Asset

- (a) Upon acceptance by the Issuer of the Investor's Application for Units, the Investor receives, in respect of their Total Investment Amount, a beneficial interest in a Portion of the Delivery Asset on the Issue Date. The Investor holds the Beneficial Interest until the earlier of the Maturity Date or transfer of their Units in accordance with these Terms.
- (b) An Investor may only deal with the Beneficial Interest in accordance with these Terms.

- (c) The Beneficial Interest forms part of the Units held by the Investor and may not be severed from the balance of the rights in connection with those Units or dealt with separately in any way.
- (d) When an Investor deals with a Unit in any way, then without the need for any additional writing or action, the same dealing between the same parties shall occur in respect of the corresponding Beneficial Interest. When an Investor deals with a Beneficial Interest in any way, then without the need for any additional writing or action, the same dealing between the same parties shall occur in respect of the corresponding Unit. For example, when an Investor (the "old holder") transfers a Unit to another person (the "new holder"):
 - (i) all the rights and obligations that attach to that Unit, including the Beneficial Interest are transferred from the old holder to the new holder;
 - (ii) the old holder's interest in the Unit will be removed from the Register and the new holder will be added to the Register; and
 - (iii) the old holder ceases to have any rights in relation to the Unit or the Beneficial Interest.
- (e) If any Investor purports to deal with a Unit without an equivalent dealing in the corresponding Beneficial Interest, or if any Investor purports to deal with a Beneficial Interest without an equivalent dealing in the corresponding Unit, or if any Investor purports to contract out of this clause in any way, any such dealing will be void and the Unit and the Beneficial Interest will remain with the Investor recorded on the register of holders.
- (f) The Issuer or its nominee will hold the Portion of the Delivery Asset from the Issue Date until the Maturity Date and will be entitled to retain any distributions made in connection with those assets, exercise all voting rights and will not be required to pass any notice of meeting or other material in connection with those assets to the Investor. On the Maturity Date, the Issuer will sell the Portion of the Delivery Asset and the sale proceeds from this sale will be included in the Final Value.
- (g) The Investor agrees and acknowledges that the agreement to purchase the Delivery Assets as set out in these Terms and the payment of the Total Investment Amount does not transfer the legal or beneficial interest in the Delivery Assets to the Investor other than the Beneficial Interest in a Portion of the Delivery Asset. The parties agree and acknowledge that the legal or beneficial interest in the balance of the Delivery Assets will transfer to the Investor only on the Settlement Date. If the Issuer fails to deliver the balance of the Delivery Parcel to the Investor in accordance with these Terms, the Investor agrees that it will not be entitled to an injunction, specific performance or any other equitable rights or remedies and will be entitled only to damages.

11. Taxes

- (a) The Issuer is not liable for any Taxes or other charges:
 - (i) payable by the Investor in relation to or in connection with these Terms; or
 - (ii) payable by the Issuer or any other person on, as a consequence of, or in connection with, the purchase, sale or transfer of a Delivery Asset or rights, the payment of any Periodic Payment, or any other supply made under or in connection with these Terms.
- (b) The Investor must:
 - (i) pay all Taxes (including GST) and other charges for which the Investor becomes liable in relation to or in connection with these Terms; or
 - (ii) pay an additional amount to the Issuer on demand equal to any applicable Taxes (including GST) and other charges for which the Issuer or any other person becomes liable on, as a consequence of, or in connection with, the purchase, sale or transfer of a Delivery Asset or rights, the payment of any Periodic Payment, or any other supply made under or in connection with these Terms.

12. Investor's representations and warranties

12.1 General

By signing the Application Form and arranging for your Financial Adviser or the Approved Adviser Group to lodge it with the Issuer the Investor represents and warrants to the Issuer (as a continuing representation and warranty) that:

- (a) the Investor has full legal capacity to make the Application and be bound by these Terms and has taken all actions that are necessary to authorise the Application and be bound by these Terms;
- (b) the Investor has reviewed these Terms and has made its own independent investigations and appraisals of the taxation, legal, commercial and credit aspects associated with the purchase of the Delivery Assets;
- (c) the Investor has not relied in any way on any statements made by the Issuer or its related entities or their servants, agents, employees or representatives in relation to these Terms or the deferred purchase of the Delivery Assets and the Investor acknowledges that the Issuer has not made any representations to the Investor regarding the suitability or appropriateness of the deferred purchase of Delivery Assets pursuant to these Terms;
- (d) the Investor understands that nothing in these Terms or any marketing material associated with these Terms can be considered financial product advice or a recommendation to invest in the Units or to acquire the Delivery Assets;
- (e) the Investor has obtained all consents which may be required by law to enable the Investor, as the case may be, to acquire the Delivery Assets and to become registered as the holder of the Delivery Assets and the registration of the Investor as the holder of the Delivery Assets will not contravene any law, regulation or ruling or the constitution of the issuer of the Delivery Assets;
- (f) the Units being applied for will not breach or result in a breach of any exchange controls, fiscal, securities or other laws or regulations for the time being applicable to the Investor and the Investor is not a resident or national of any jurisdiction where the Application for or the Maturity of the Units is prohibited by any law or regulation or where compliance with the relevant laws or regulations would require filing or other action by the Issuer or any of its related bodies corporate;
- (g) the Investor acknowledges that the section in the PDS entitled "Taxation Summary" is provided only for the benefit of the Issuer and is necessarily general in nature and does not take into account the specific taxation circumstances of each Investor. The Investor acknowledges that it has sought its own independent advice on the taxation implications relevant to their own circumstances before making an investment decision;
- (h) the Investor has the power to enter into and perform its obligations under the Terms, and that its obligations under the Terms constitute valid and binding obligations of the Investor.

12.2 Superannuation Funds and Trusts

By signing the Application Form and lodging it with your Financial Adviser or Approved Adviser Group, an Investor which is the trustee of a trust or fund ("Fund") (including, without limitation, one which is a regulated superannuation fund (as that term is defined in the Superannuation Industry (Supervision) Act 1993 (SIS Act) ("Governing Rules")) also represents and warrants to the Issuer (as a continuing representation and warranty) that:

- (a) the Fund has been validly constituted (and where necessary, the relevant documents have been duly stamped according to the laws of the relevant state or territory) and the Fund is continuing as at the date of this agreement;
- (b) where the trustee is a body corporate, the trustee has been validly constituted;
- (c) the trustee has been, and still is, properly appointed as trustee of the Fund and the trustee is not in breach of the trust;

- (d) the terms of the Governing Rules or the constitution for other trusts empower and authorise the trustee (i) to invest in the Units; and (ii) to enter into and be bound by the Deferred Purchase Agreement;
- (e) the terms of the Governing Rules or constitution do not restrict the right of the trustee to be fully indemnified out of the assets of the Fund to satisfy a liability to any party which is properly incurred by the trustee as trustee of the Fund under the Units;
- (f) investing in Units will be for the benefit and in the best interests of the Fund and its beneficiaries; and
- (g) if investing as joint trustees, each applicant declares that the applicants are all trustees of one Fund and there are no other trustees of the Fund and that each joint trustee has the authority to act as agent for all of the joint trustees to give instructions or to receive notices on behalf of all of the joint trustees.

13. Set off Rights

- (a) All monetary obligations imposed on the Investor under these Terms are absolute, free of any right to counterclaim or set off and may only be satisfied once the payment has cleared.
- (b) The Issuer may at any time (including without limitation during the Investment Term or at Maturity) set off any amount payable to it by the Investor against any amount payable by the Issuer to the Investor. The Issuer may withhold any amount payable by it to the Investor in satisfaction of any amount payable to it by the Investor.

14. Notices

- (a) Any notice or statement to be given or demand to be made on the Investor under these Terms:
 - (i) will be effectively signed on behalf of the Issuer if it is executed by the Issuer, any of its officers, its solicitor or its attorney;
 - (ii) may be served by being delivered personally to, by being left at, by being e-mailed to, or by being posted in a prepaid envelope or wrapper to the Investor's address (or e-mail address) notified to the Issuer or the Investor's registered office, place of business, or residence last known to the Issuer, or by being sent to the Investor by facsimile transmission;
 - (iii) may be posted on the Issuer's website or an announcement made in an Australian newspaper with national coverage, if providing notice in such a manner is allowed by the Corporations Act or any ASIC policy.
- (b) A demand or notice if:
 - (i) posted will be deemed served two Business Days after posting;
 - (ii) sent by facsimile or electronic transmission will be deemed served on conclusion of transmission;
 - (iii) posted on a website or published in a newspaper will be given the date of posting or publishing.
- (c) Service by any of these methods will be valid and effectual even if the Investor does not receive the document or if the document is returned to the Issuer unclaimed.

15. Amendment of Terms

The Issuer may, from time to time, by notice sent to the Investor make any modification, variation, alteration or deletion of, or addition to these Terms ("Change") where:

- (a) the Change is one reasonably determined by the Issuer as being required under either of clauses 6 or 7 of these Terms, provided that the Change is not unfair (as defined in Section 12BG of the ASIC Act);
- (b) the Change is necessary or desirable in the reasonable opinion of the Issuer to comply with any statutory or other requirement of law; or
- (c) the Change is desirable to correct an inconsistency or error in these Terms (but only if such Change is not unfair (as defined in section 12BG of the ASIC Act)).

The Issuer will give the Investor notice of any Change to these Terms and the Investor will be bound by any such Change at the time the Investor is given such notice.

16. General provisions

16.1 Currency

All amounts payable by either party under these Terms will be paid in the denomination specified in the Term Sheet. All calculations will be performed in the currency specified as the "Denomination" in the Term Sheet.

16.2 No merger

The Issuer's rights under these Terms are additional to and do not merge with or affect and are not affected by any mortgage, charge or other encumbrance held by the Issuer or any other obligation of the Investor to the Issuer, despite any rule of law or equity or any other statutory provision to the contrary.

16.3 Rounding

All calculations made by the Issuer for the purposes of these Terms will be made to not fewer than two decimal places. Other than as provided in these Terms, rounding of numbers will not occur until the final calculation of a relevant amount or number at which time the Investor's entitlements will be aggregated and that aggregate will be rounded so that all money amounts are rounded down to the nearest whole cent and all numbers of Delivery Assets are rounded down to the nearest whole number.

16.4 Certificates

Any document or thing required to be certified by the Investor or the Issuer must be certified by the Investor (if an individual) or a director, secretary or authorised officer of the Investor (if a company) or the Issuer, as the case requires, or in any other manner that the Issuer may approve.

16.5 Execution by attorneys

Each attorney executing an Application Form which binds the Investor to these Terms states that he, she or it has no notice of revocation or suspension of the power of attorney under which the attorney executes that form.

16.6 Appointment as agent

The Investor irrevocably appoints the Issuer, its related bodies corporate, its attorneys and its nominees and any of their directors, secretaries and officers whose title includes the word "director" from time to time jointly and severally as agent of the Investor to do (either in the name of the Investor or the agent):

- (a) all acts and things that the Investor is obliged to do under these Terms or any other agreement or arrangements between the Investor and the Issuer relating to the Units (including arranging physical delivery of the Delivery Assets or acting in accordance with the Agency Sale Arrangement);
- (b) everything necessary or expedient to bind the Investor to the Terms, including completing any blanks in the Terms and dating and executing the Terms and any other documents necessary to effect the sale and purchase of Units on behalf of the Investor;
- (c) anything which, in the opinion of the Issuer, is necessary or desirable in connection with the Delivery Assets or the protection of the Issuer's interests or the exercise of the rights, powers and remedies of the Issuer, including without limitation the authority to sell the Delivery Assets on behalf of the Investor in accordance with clause 5.4(b); or
- (d) anything incidental or necessary in relation the above (including, but not limited to, completing any blanks in the Application Form and appointing any person as sub-attorney to do any of the above.

The Investor indemnifies the agent against all claims, losses, damages and expenses suffered or incurred as a result of anything done in accordance with the above agency appointment.

16.7 Invalid or unenforceable provisions

If a provision of these Terms is invalid or unenforceable in a jurisdiction, it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability, and that fact does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions.

16.8 Waiver and exercise of rights

A single or partial exercise of a right by the Issuer does not preclude another exercise or attempted exercise of that right or the exercise of another right by the Issuer. Failure by the Issuer to exercise or delay in exercising a right does not prevent its exercise or operate as a waiver.

16.9 Assignment and transfer of interests

- (a) The Issuer may transfer its rights and obligations, under these Terms at any time by giving notice to the holder of the Units, provided that the transfer is not to the detriment of the Investor, and is not otherwise unfair (as defined in Section 12BG of the ASIC Act).
- (b) Subject to meeting any requirements and providing any information the Issuer may require, the rights and obligations under these Terms may be transferred or novated by an Investor with the prior consent of the Issuer.
- (c) When an Investor deals with a Unit in a manner that does not involve the transfer of legal ownership of the Unit, the Issuer has no duty to record the dealing on the Register. Each Beneficial Interest corresponding to a particular Unit will pass to a new Investor upon registration of a transfer of the Unit in the Register.

16.10 Recording conversations

The Investor acknowledges that conversations between the Investor and the Issuer (or any officer of the Issuer or an Approved Adviser Group) may be tape-recorded. The Investor consents to the tape-recording and its use (or any transcript of the recording) in any proceedings that may be commenced in connection with these Terms.

16.11 Calculations and references to dates and times

Calculations or determinations which are to be made on or by reference to a particular day are to be made on or by reference to that day in the place and time zone of the Relevant Exchange to which that calculation or determination relates.

16.12 Payments by the Issuer

All amounts payable by the Issuer under these Terms will be paid to the Investor's Settlement Account. If the Investor has not nominated a Settlement Account, payment will be made by the Issuer drawing a cheque made payable to the Investor which will be sent to the address recorded in the Register for that Investor, and on doing so the Issuer is discharged of its obligations under these Terms.

16.13 Governing law and jurisdiction

These Terms are governed by the laws of New South Wales. The Investor irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

16.14 Terms of the Deferred Purchase Agreement prevail

If there is an inconsistency between the Terms and conditions of the Deferred Purchase Agreement and statements made in the PDS, the Terms and conditions of the Deferred Purchase Agreement prevail.

16.15 Time is of the essence

Time is of the essence in respect of the obligations of the Investor under these Terms.

16.16 Discretions

Any determination made by the Issuer will be made in its sole discretion, acting in good faith and in a commercially reasonable manner and will be conclusive and binding on all parties, except in the case of manifest error.

17. Interpretation

- (a) In these Terms, unless the context requires another meaning, a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a document (including these Terms) is a reference to that document (including any schedules and annexures) as amended, consolidated, supplemented, novated or replaced;
 - (iii) to a person (including a party) includes an individual, company, other body corporate, association, partnership, firm, joint venture, trust or government agency, and it also includes the person's successors, permitted assigns, substitutes, executors and administrators;
 - (iv) to a law is a reference to that law as amended, consolidated, supplemented or replaced and it includes a reference to any regulation, rule, statutory instrument, by-law or other subordinate legislation made under that law, or any legislation, treaty, judgment, rule of common law or equity or rule of any applicable stock exchange;
- (b) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (c) Headings are for convenience only and do not affect interpretation.
- (d) If a payment or other act must (but for this clause) be made or done on a day that is not a Business Day or where relevant a Trading Day, then it must be made or done on the next Business Day or where relevant a Trading Day.
- (e) If a period occurs from, after or before a day or the day of an act or event, it excludes that day.
- (f) These Terms may not be construed adversely to a party only because that party was responsible for preparing them.
- (g) Any term not defined in these Terms and which is defined in the PDS has the same meaning as in the PDS unless the context otherwise requires.
- (h) All references to time are to time in Sydney, Australia (unless otherwise stated).

Section 14—Glossary

Capitalised words have the following meaning given to them, unless the context requires otherwise. All references to clauses are to clauses in the Terms.

"Accretions" means all rights, accretions and entitlements attaching to the Component Indices, the shares that make up the Component Indices or the Delivery Assets after the Issue Date including without limitation, all voting rights, all dividends and all rights to receive dividends and other distributions or shares, notes, options, units or other financial products exercisable, declared, paid or issued in respect of the shares that make up the Component Indices, the Component Indices or Delivery Asset;

"Adjustment Event" means in respect of any of the shares that make up the Component Indices, Component Indices or the Delivery Asset ("the Relevant Asset") any of the following events:

- (a) where the Relevant Asset is a security or a basket of securities or is an interest in a managed investment scheme:
 - (i) the actual or proposed adoption of any procedure, event or action which is or which is likely to result in any cash return of capital, pro-rata cash distribution, capital reduction, any capital raising, liquidator's distributions, share buy-back, bonus issue, rights issue, arrangement, scheme of arrangement, compromise, merger, demerger, reconstruction, compulsory acquisition, redemption, cancellation, replacement, modification, subdivision or consolidation, takeover bid, special dividend, non-cash dividend, share split or any other similar or like event or which will result in the replacement of the Relevant Asset with some other property or asset;
 - (ii) any event which is or which results in the actual or proposed administration, liquidation, winding up or termination of the issuer of the Relevant Asset or other similar or like event (however described); or
 - (iii) any event which is or which results in the actual or proposed de-listing of the Relevant Asset (or any of its component securities in the case of a share basket) or the actual or proposed removal from quotation of the Relevant Asset (or any of its component securities in the case of a share basket) or the actual or proposed Suspension from trading of the Relevant Asset (or any of its component securities in the case of a share basket);
- (b) where the Relevant Asset is an index:
 - (i) the Relevant Asset is suspended or ceases to be published for a period of 24 hours or more;
 - (ii) the Relevant Asset is not calculated and announced by the Reference Index Provider, but is calculated and announced by a successor to the Reference Index Provider;
 - (iii) the Relevant Asset is replaced by a successor index using the same or a substantially similar formula for and method of calculation;
 - (iv) the Reference Index Provider or any successor makes a material change in the formula for or the method of calculating the Relevant Asset, the basket of constituents of the Relevant Asset or in any way materially modifies that Relevant Asset; or
 - (v) there is a Suspension or material limitation on trading of securities generally on a Relevant Exchange for a period of 24 hours or more;
- (c) where any Force Majeure Event occurs, or any other event occurs which the Issuer determines in good faith results in the performance of its obligations having become or becoming, in circumstances beyond its reasonable control, impossible, unlawful, illegal or otherwise prohibited;

- (d) Hedging Disruption or Increased Costs of Hedging, Change in Law or any termination, suspension, adjustment, change or delay of the Issuer's hedging arrangements, or any suspension, termination, adjustment, change, delay, postponement or close-out of a Relevant Asset relevant to the hedging arrangements or any suspension, termination, adjustment, change, delay, postponement or close-out of a calculation under the hedging arrangements (or the calculation is brought forward or calculated on a different day) occurs in such a manner that it is reasonably impracticable for the Issuer to adjust or change the Terms to reflect the adjustment or change in the hedging arrangements;
- (e) any actual or proposed event that may reasonably (in the Issuer's opinion) be expected to lead to any of the events in paragraphs (a) to (d) occurring; or
- (f) any other event which the Issuer reasonably declares to be an Adjustment Event;

"**Adviser Group Fee**" has the meaning given in the Term Sheet;

"**Affiliates**" means any related bodies corporate of the Issuer that is involved in the hedging of risks taken on by the Issuer under this Deferred Purchase Agreement or involved in the performance by the Issuer of its obligations under this Deferred Purchase Agreement;

"**Agency Sale Arrangement**" means the agreement between the Investor and the Issuer entered into on receipt by the Issuer of a Maturity Notice specifying the Investor's election to use the Agency Sale Arrangement, under which the Issuer will sell, or procure the sale of, the Delivery Parcel for and on behalf of, at the direction of and as agent for the Investor on or as soon as practicable after the Settlement Date in accordance with clause 5.4 of the Terms;

"**Applicant**" means a person or entity that makes an Application;

"**Application**" means an offer by the Investor to the Issuer to acquire the Delivery Parcel on a deferred basis on the Terms and conditions set out in the Terms;

"**Application Form**" means, for an investment during the Initial Offer Period, the Investor Application Form attached to or accompanying the PDS for the relevant Series, and for an investment during the General Offer Period, the application form attached to the Supplementary PDS for the relevant Series;

"**Applications Open Date**" means the date specified as such in the "Key Dates" section of this PDS;

"**Approved Adviser Group**" means a financial advisory business specified in your Application Form and approved by the Issuer for the distribution of Units;

"**Arranger**" means UBS Securities Australia Limited ABN 62 008 586 481;

"**ASIC**" means the Australian Securities & Investments Commission;

"**ASIC Act**" means the *Australian Securities & Investments Commission Act 2001 (Cth)* as amended from time to time;

"**ASX**" means as the context requires, the Australian Securities Exchange, as operated by ASX Limited (ABN 98 008 624 691), or ASX Limited;

"**ASX Settlement Operating Rules**" means the business rules as amended from time to time of ASX Settlement Pty Limited (or any clearing house or other entity which is substituted for it), as approved under the Corporations Act;

"**ASX Trading Day**" means a day on which all of ASX is open for normal trading;

"**AUD**" or "**A\$**" or "**\$**" means Australian dollars;

"**AUD Series 38**" means an issue of Units that are identified in the Term Sheet as being applicable to those forming AUD Series 38 units;

"**Authorised Deposit-Taking Institution**" has the meaning given in section 9 of the *Banking Act 1959 (Cth)*;

"**Average Price**" means, as calculated by the Issuer, the average weighted price per Delivery Asset at which the Issuer (or its nominee) acquires or purchases, in connection with the Units, the Delivery Asset on the Trading Day immediately following the Maturity Date (or in the case of an Early Maturity, the Early Maturity Date), unless it is not possible to determine the price of the Delivery Asset at that time, in which case the Issuer may nominate another time or period of time to determine the average weighted price at which the Issuer (or its nominee) acquires or purchases, in connection with the Units, the Delivery Asset;

"**Beneficial Interest**" means the beneficial interest in the Portion of the Delivery Asset granted in accordance with clause 10 of the Terms;

"**Break Costs**" means all costs, expenses and losses incurred by the Issuer acting in good faith (including without limitation any amounts paid or incurred on account of any GST or similar tax to the extent that input tax credits are not available, Taxes and losses incurred by the Issuer and any Adviser Group Fee paid to an Approved Adviser Group) and notified by the Issuer as payable by the Investor as a result of:

- (a) the determination of an Early Maturity Date (other than a Call Date) or Buy-Back Date or other early termination of the Deferred Purchase Agreement;
- (b) the termination or reversal of any arrangements or hedge position entered into by the Issuer in connection with Units which is terminated early; or
- (c) any loss of profits that the Issuer may suffer by reason of the early termination of the Deferred Purchase Agreement;

"**Business Day**" means a day on which banks are open for business in Sydney for the AUD Series and Sydney and New York for the USD Series, but does not include a Saturday, Sunday or public holiday;

"**Buy-Back Date**" means a Weekly Pricing Date on which the Issuer executes an Issuer Buy-Back request;

"**Buy-Back Price**" means, in respect of each Series, the amount determined by the Issuer in its absolute discretion in respect of the buy-back of the Investor's Units in accordance with clause 6.3(c);

"**Call Dates**" has the meaning given in the Term Sheet;

"**Call Event**" in respect of a particular Series, has the meaning given in the Term Sheet;

"**Call Level**" in respect of a particular Series, has the meaning given in the Term Sheet;

"**Change**" has the meaning attributed to it in clause 15 of the Terms;

"**Change in Law**" means that on or after the date of this PDS (a) due to the adoption of or change in any applicable law or regulation (including, without limitation, any tax law) or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority) it:

- (i) has become illegal to hold, acquire or dispose of the Delivery Assets or the Issuer's hedge; or
- (ii) the Issuer will incur a materially increased (as compared with circumstances existing on the date of this PDS) cost in performing its obligations under this PDS (including without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**Closing Level**" has the meaning given in the Term Sheet;

"**Closing Time**" means:

- (a) in respect of a Relevant Exchange on a Trading Day – the official time for close of trading on that Relevant Exchange on that Trading Day;
- (b) in respect of ASX on an ASX Trading Day - the official time for close of trading on ASX on that ASX Trading Day; or
- (c) if a day is not a Trading Day or an ASX Trading Day – 5:00pm Sydney time on that day.

"**Component Index**" has the meaning given in the Term Sheet;

"**Component Index Provider**" has the meaning given in the Term Sheet;

" **Confirmation Notice** " means a notice provided by the Issuer to an Investor in accordance with clause 1.3(c) of the Terms;

" **Corporations Act** " means the *Corporations Act 2001* (Cth) as amended from time to time;

" **Costs and Taxes** " means any incidental costs or expenses incurred by the Issuer or its Affiliates in relation to the transfer of any Delivery Assets to or for the benefit of the Investor following Maturity (whether by way of physical delivery of the Delivery Assets to the Investor or delivery to the Issuer or its nominee under clause 5.4 of the Terms) or Early Maturity (whether by way of physical delivery of the Delivery Assets to the Investor, delivery to the Issuer or its nominee under clause 5.4 of the Terms, payment of the Termination Payment or Buy-Back Price) plus any Taxes and any costs or expenses including brokerage incurred by or charged by the Issuer or its nominees under or in connection with the Agency Sale Arrangement, if applicable. For the avoidance of doubt, this includes, without limitation, any amounts paid or incurred by the Issuer or its nominees on account of GST to the extent that input tax credits are not available;

" **Deferred Purchase Agreement** " means the agreement set out in Section 13 of this PDS under which the Investor agrees to purchase the Delivery Parcel from the Issuer on a deferred basis on the Terms and conditions set out in the Terms for the relevant Series and the PDS including the Term Sheet for that Series;

" **Delivery Asset** " means, in respect of each Series, ordinary fully paid shares in Westpac Banking Corporation, or any other Delivery Asset specified in the PDS or determined by the Issuer in accordance with the Terms of that Series;

" **Delivery Parcel** " means the number of Delivery Assets to be delivered by the Issuer to the Investor on the Settlement Date as determined by the following formula:

(a) at the Final Maturity Date:

$$\frac{[(\text{Final Value (converted to AUD (for USD Series 38 Units) at the exchange rate determined by the Issuer) x number of Units held by an Investor) - any applicable Costs and Taxes}]$$

Average Price for the Delivery Assets

or

(b) if an Early Maturity Event occurs:

$$\frac{[(\text{Early Maturity Value (converted to AUD (for USD Series 38 Units) at the exchange rate determined by the Issuer) x Number of Units held by Investor) - any applicable Costs and Taxes}]$$

Average Price for the Delivery Assets

" **Disrupted Day** " means a day on which a Market Disruption Event is subsisting, as determined by the Issuer;

" **Early Maturity** " means accelerated maturity in accordance with clause 6 of the Terms including as a result of a Call Event;

" **Early Maturity Date** " means the date notified to the Investor as such in the Early Maturity Notice or a Call Date on which a Call Event occurs for a particular Series;

" **Early Maturity Event** " has the meaning given in clause 6.1 of the Terms;

" **Early Maturity Notice** " means the notice provided by the Issuer to the Investor notifying the Investor of the occurrence of an Early Maturity Event (if relevant) in respect of a Series and that an Early Maturity will take place on the specified Early Maturity Date for that Series;

" **Early Maturity Value** " per Unit means, where a Call Event has occurred, \$1.00 per Unit or, otherwise, the fair economic value of the Unit (net of Break Costs) at or around 5:00 pm Sydney time on the Early Maturity Date as determined by the Issuer in its sole discretion, unless it is not possible to determine the fair economic value of the Unit at that time, in which case the Issuer may nominate another time to determine the Early Maturity Value;

"**FATCA Individual Self-Certification**" means the FATCA Individual Self-Certification attached to or accompanying the PDS for the relevant Series;

"**Final Maturity Date**" means the date that will apply to a Series if the Series has not already matured as a result of an Early Maturity Event, as specified in the Key Dates table on page 1;

"**Final Value**" per Unit means, in respect of a Series, the value specified in the Term Sheet for that Series as the "Final Value" and is calculated in accordance with the formula in the Term Sheet for that Series;

"**Financial Adviser**" means a representative or an authorised representative of an Approved Adviser Group as specified in your Application Form;

"**Force Majeure Event**" means an event or circumstance beyond the reasonable control of a party that prevents one or more parties from performing their obligations under this Agreement;

"**General Offer Period**" means offer period for Units with open and close dates as specified in the Key Dates table on page 1 of this PDS;

"**General Offer Period Close**" means the date and time the General Offer Period ceases as specified in the Key Dates table on page 1 of this PDS;

"**General Offer Period Open**" means the date the General Offer Period commences as specified in the Key Dates table on page 1 of this PDS;

"**GST**" has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999* (as amended from time to time);

"**Guarantor**" means UBS AG;

"**Guarantee**" means the guarantee deed poll granted by UBS AG on 4 January 2011 in favour of Investors whose terms are summarised in Section 10 of this PDS;

"**Hedging Disruption**" means a situation where on or prior to the Maturity Date or any other relevant date, the Issuer is unable, in a reasonable timeframe and after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Units, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

"**HIN**" means Holder Identification Number;

"**Increased Costs of Hedging**" means a situation where on or prior to the Maturity Date or any other relevant date, the Issuer would incur a materially increased (as compared with circumstances existing on the Strike Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Units, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

"**Initial Offer Period**" means the offer period for Units with open and close dates as specified in the Key Dates table on page 1 of this PDS;

"**Initial Offer Period Close**" means the date and time the Initial Offer Period ceases as specified in the Key Dates table on page 1 of this PDS;

"**Initial Offer Period Open**" means the date the Initial Offer Period commences as specified in the Key Dates table on page 1 of this PDS;

"**Investor**" means the person or entity whose name is entered on the Register for a Series during the Investment Term of that Series;

"**Investor Sale Form**" means the Investor Sale Form attached to or accompanying the PDS for the relevant Series;

"Investment Term" means, in respect of Units held by an Investor, the time period from the Strike Date to the Maturity Date;

"Issuer" means the issuer identified in the Term Sheet;

"Issuer Buy-Back" means an Investor requested buy back of Units by the Issuer

"Issuer Credit Margin" means the additional margin that is added to market interest rates to determine the rate which the Issuer will pay on money deposited (relevant to when Units are issued) or money lent (relevant to when Units are bought back). The Issuer Credit Margin will be affected by the creditworthiness of both the Issuer and its Guarantor, UBS AG; and

"Issue Date" means the date specified in the Investor's Confirmation Notice as the "Issue Date" for Units held—see Key Dates table on page 1;

"Issue Price" means, in respect of a Unit in a Series, the price specified in the Term Sheet as the amount payable by an Investor who applies during the Initial Offer Period;

"Kick-In Event" in respect of a particular Series, has the meaning given in the Term Sheet;

"Kick-In Level" in respect of a particular Series, has the meaning given in the Term Sheet;

"Market Disruption Event" means the occurrence or existence on any Trading Day or ASX Trading Day of any of the following events, in the determination of the Issuer:

- (a) the suspension or material limitation of trading in (i) a Component Index, any part of a Component Index, any or all of the shares that make up a Component Index, or (ii) the Delivery Asset or (iii) securities generally on ASX or the Relevant Exchange or (iv) a market associated with any Component Index or Delivery Asset or a constituent or component of a Component Index or Delivery Asset, during the one hour period that ends at the corresponding Closing Time; or
- (b) a Relevant Exchange closes prior to its Closing Time on a Trading Day and the earlier closing time was not expected or announced with sufficient notice; or
- (c) any similar event the Issuer reasonably declares to be a Market Disruption Event, including a Force Majeure Event.

For the purposes of this definition, (1) a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Relevant Exchange; (2) a limitation on trading imposed during the course of a day by reason of movements in price otherwise exceeding levels permitted by the Relevant Exchange will constitute a Market Disruption Event; and (3) issues of materiality are to be determined in the discretion of the Issuer;

"Maturity" means the settlement of the deferred purchase of the Delivery Parcel in accordance with clause 5 of the Terms (other than as a result of Early Maturity);

"Maturity Date" means the Final Maturity Date, unless there is an Early Maturity under clause 6 of the Terms, in which case the Maturity Date will be the Call Date or Early Maturity Date (as applicable);

"Maturity Notice" means a notice issued by the Issuer in accordance with clause 5.1 or 6.4(a) of the Terms;

"Minimum Periodic Payment Amount" has the meaning given in the Term Sheet;

"Minimum Total Payment Amount" means, in respect of a Series, the amount specified in the Term Sheet for that Series as the "Minimum Total Payment Amount";

"Offer Period Close" means the Initial Offer Period Close and the General Offer Period Close;

"Payment Date" means, in respect of Applications made during the Initial Offer Period, the date specified in the Key Dates table on page 1 of this PDS, and in case of Applications lodged after the Initial Offer Period, is the date as advised by the Issuer to the Applicant;

"PDS" means the Product Disclosure Statement, including any Supplement, any Supplementary PDS, any Application Form and any Investor Sale Form, for the relevant Units in a Series;

"**Periodic Payment**" means the payment the Issuer may make under clause 3.3 of the Terms and is calculated in accordance with the Term Sheet;

"**Periodic Payment Amount**" means the amount per Unit stated in the Term Sheet as the basis for calculating Periodic Payments;

"**Periodic Payment Date**" has the meaning given in the Term Sheet;

"**Periodic Payment Determination Date**" has the meaning given in the Term Sheet;

"**Personal Information**" has the meaning given in the Privacy Act;

"**Portion of the Delivery Asset**" means 0.0001 of one Delivery Asset being Westpac Banking Corporation;

"**Privacy Act**" means the Privacy Act 1998 (Cth);

"**Purchase Price**" means the amount determined by the Issuer during the General Offer Period in its absolute discretion as the price at which an Investor can acquire a Unit in a Series at a particular point in time and does not include any Adviser Group Fee. During the Initial Offer Period, it is equal to the Issue Price specified in the Term Sheet for that Series;

"**Reference Basket**" means the basket of indices specified in the Term Sheet;

"**Registrar**" means the Registrar identified in the Term Sheet or any other registrar appointed by the Issuer from time to time;

"**Register**" means the register of holders of Units maintained by the Issuer or a person approved by the Issuer;

"**Relevant Exchange**" means in the case of:

- (a) any exchange traded financial product, the primary exchange upon which that financial product is traded; and
- (b) an index, the primary exchange upon which the financial products which primarily constitute that index are traded; or

as determined in the discretion of the Issuer in accordance with the Term Sheet in Section 2;

"**Sale Proceeds**" means the proceeds of the sale of the Delivery Parcel obtained by the Issuer (or its nominee) on behalf of the Investor under the Agency Sale Arrangement, less any Costs and Taxes, including brokerage, applicable to the sale of the Delivery Parcel, and, if applicable, converted at an exchange rate determined by the Issuer into the currency denomination of the relevant Series;

"**Series**" means an issue of Units that are identified in the Term Sheet applicable to those Units as forming a "Series" and in relation to this PDS means UBS Callable Goals Series 38;

"**Settlement Account**" means the transactional banking account held with an Australian bank which is nominated by the Investor on its Application Form;

"**Settlement Date**" means, in respect of a Series, the fifth Trading Day after the Maturity Date or such other date as determined by the Issuer in its discretion as is reasonably necessary for the Issuer to fulfil its obligations under the Terms or unwind and settle any hedging arrangements it has in place in respect of the Units;

"**Settlement Notice**" means the notice from the Issuer to Investors following settlement of a Series, an Early Maturity or a Buy-Back Date;

"**Supplementary PDS**" means a supplement issued by the Issuer to this PDS;

"**Suspension**" means any temporary cessation of the trading or quotation of a Component Index or the Delivery Asset, including a trading halt on the ASX or the Relevant Exchange (as the context requires);

"**Standing Election Notice**" means the notice from the Issuer to Investors prior to the first Call Date providing for the Investor to make a revocable election to use the Agency Sale Arrangement if a Call Event occurs;

"**Starting Level**" has the meaning given in the Term Sheet;

"**Strike Date**" is as specified in the Key Dates table on page 1 of this PDS, which is the date on which the Issuer will determine the Periodic Payment Amount applicable to a Series;

"**S&P/ASX 200 Index**" means the S&P/ASX 200 price return index (Bloomberg Code: AS51)

"**Tax**" or "**Taxes**" means any income tax, capital gains tax, GST, withholding tax, stamp, registration and other duties, and other related taxes, levies, imposts, deductions, interest, penalties and charges payable by any person on, as a consequence of, or in connection with, the purchase, sale or transfer of a Delivery Asset or rights, the payment of any Periodic Payment, or any other supply made under or in connection with the Terms;

"**Termination Payment**" means the amount determined by the Issuer in its absolute discretion and by whatever means the Issuer deems appropriate. Without limiting the foregoing, in determining the Termination Payment, the Issuer may adjust the Termination Payment for any costs, losses or expenses that it incurs in relation to the Early Maturity, including without limitation, Costs and Taxes, Break Costs, administrative costs, costs of unwinding any hedge put in place for the purposes of meeting its obligations under the Terms, and any cost of funding or any loss of bargain;

"**Terms**" means, in respect of a Series, the Terms and conditions of the Deferred Purchase Agreement and the PDS on which the Investor agrees to acquire the Delivery Parcel from the Issuer;

"**Term Sheet**" means in respect of a Series the section described as the "Term Sheet" for that Series, in this case for UBS Callable Goals, Section 2 "Term Sheet".

"**Total Investment Amount**" means an amount equal to Total Payment Amount less any Adviser Group Fee you agree to pay to your Approved Adviser Group;

"**Total Payment Amount**" means the amount nominated by you in your Application Form that you must pay to the Issuer that is no less than the Minimum Total Payment Amount.

"**Trading Day**" means, in respect of any of the Relevant Exchanges, a day on which that exchange is open for normal trading;

"**UBS**" means UBS AG or its successors and assigns;

"**UBS Callable Goals**" means this product, UBS Callable Goals Series 38 issued by UBS Investments Australia Pty Limited;

"**UBSIA**" means UBS Investments Australia Pty Limited (ABN 79 002 585 677) or its successors and assigns;

"**UBSSA**" means UBS Securities Australia Limited (ABN 62 008 586 481) or its successors and assigns;

"**Unit**" means a Deferred Purchase Agreement entered into by the Issuer and the Investor. The total number of Units held by the Investor will be notified by the Issuer to the Investor in the Confirmation Notice provided by the Issuer in accordance with clause 1.3(c) of the Terms;

"**US**" means the United States of America;

"**USD Series 38**" means an issue of Units that are identified in the Term Sheet as being applicable to those forming USD Series 38 units;

"**USD**" or "**US\$**" or "**\$**" means United States dollars; and

"**Weekly Pricing Date**" means the last Trading Day of each week during the Investment Term starting on and from 5 December 2014 or a date nominated by the Issuer as a Weekly Pricing Date unless the Issuer determines that that day is a Disrupted Day.

FORMS

How to Invest and Sell Back

Who should you contact?

You should contact your Financial Adviser to arrange for investment in or sale of Units. For general queries, please contact the Issuer on 1800 633 100 or visit the Issuer's website www.ubs.com/equitysolutions.

Purchase of Units from the Issuer—Application Form (Form A) and FATCA Individual Self-Certification (Form B)

You may apply for Units on any day during the Offer Period set out on page 1, by providing to your Financial Adviser a completed Application Form for the quantity of Units that you wish to invest in and, for any Applicant that is an individual, the FATCA Individual Self-Certification.

You may also be required to provide other supporting documentation as required by the Approved Adviser Group. The Approved Adviser Group will forward your Application Form for Units to the Issuer on your behalf.

To acquire Units through a Financial Adviser:

1. Contact your Financial Adviser and provide to them a completed Application Form for the quantity of Units that you wish to invest in and the FATCA Individual Self-Certification (for any Applicant that is an individual).
2. You should ensure that you allow enough time for the Approved Adviser Group to provide the Application Form and the FATCA Individual Self-Certification (for any Applicant that is an individual) to the Issuer and to process your purchase request prior to the Offer Period Close time.
3. You must pay the Issuer your Total Payment Amount by:
 - (a) for Applications during the Initial Offer Period – arranging for your Financial Adviser to pay the Issuer on your behalf; or
 - (b) for Applications during the General Offer Period – requesting in your Application Form that the Issuer process a direct debit in that amount from your nominated bank account.
4. If the Issuer accepts your Application, the Units will be registered in your name.

Purchases during the Initial Offer Period must be made using the Initial Offer Period Application Form included in this PDS. Purchases during the General Offer Period must be made using an Application Form that will be included in a Supplementary PDS issued after the Initial Offer Period closes. A copy of the Supplementary PDS will be made available on the Issuer's website at www.ubs.com/equitysolutions.

You should read the PDS to ensure you understand the Terms, conditions and risks involved in investing in the UBS Callable Goals Units. This document does not take into account the financial situation and particular needs of each Investor, and nothing in the PDS is a recommendation by the Issuer or any other person concerning the Units, the Component Indices or the Delivery Assets. Investors should seek independent financial and taxation advice before making a decision whether to invest in the Units.

Arranging for your Approved Adviser Group to pay UBS

For Applications in the Initial Offer Period, you may arrange for your Approved Adviser Group to pay funds equalling your Total Payment Amount to the Issuer. This must be done in the period between when you lodge your Application and the Payment Date (inclusive). **If your Approved Adviser Group fails to make payment to the Issuer by the Payment Date, you will not be able to participate in the Initial Offer Period.**

Selling your Units early to the Issuer (Form C)

While the Units are designed as a “buy and hold” investment, if you wish to exit your investment in the Units you may request the Issuer to buy back your Units.

The Issuer intends to provide you with the opportunity to sell Units to the Issuer from time to time as specified in the PDS (generally the last Trading Day of each week commencing on and from 5 December 2014). To request a sale of your Units to the Issuer:

- a. Contact your Financial Adviser or the Issuer and submit a completed Investor Sale Form for the quantity of Units that you wish to sell to the Issuer by 5 pm (Sydney time) on the Business Day prior to the Weekly Pricing Date. Your request must be in respect of parcels of 1,000 Units and your residual holding must be at least 20,000 Units.
- b. The Issuer may, in its absolute discretion, accept or reject your request, without giving any reasons. If the Issuer accepts, then your Units will be sold to the Issuer and the Issuer will pay to you a Buy-Back Price determined by the Issuer in its absolute discretion. You will not be entitled to receive the Delivery Parcel on the sale of your Units.
- c. The Issuer will arrange for your name and details to be removed from the Register and you will receive confirmation that the Issuer accepted the request to buy back the Units, and the actual Buy-Back Price at which your Units were sold.

Sales must be made using the Investor Sale Form included in this PDS.

Indicative bid prices

The Issuer intends to publish indicative bid prices for the Units and provide that information to certain market data service providers and to Approved Adviser Groups on request. These indicative bid prices are available from the market data service providers or the Approved Adviser Groups (please refer to the market data codes listed in the Term Sheet). These indicative bid prices will change over time and as such, may be materially different to the actual Buy-Back Price at which the Issuer may buy back your Units.

Instructions for Application Form (Form A)

THIS APPLICATION FORM IS TO BE USED IF YOU WISH TO PURCHASE UNITS. THIS APPLICATION FORM SHOULD BE FORWARDED TO YOUR FINANCIAL ADVISER

Please complete the Application Form in accordance with the following instructions.

- A. Enter your details here—note carefully the information required for each particular type of Applicant in parts 1. to 6. Note that the Issuer reserves the right to request further information if required to process your Application.
- B. Enter your postal address here for all correspondence.
- C. Enter your telephone and email contact details here.
- D. Enter your bank account details here if you wish to have any cash payments deposited directly to your account. If you are applying for multiple Series ensure that you provide bank account details (for direct credit of any funds to your account) for each Series you are applying for in the Application Form. If this is left blank, a cheque for any cash payments will be sent to the address provided.
- E. Enter your Total Payment Amount here. This is the total AUD or USD amount you will have to pay to the Issuer and includes the Adviser Group Fee authorised by you in this Application Form. The Minimum Total Payment Amount is \$20,000 and in multiples of \$1,000 above that. The amount actually invested in the Units (your Total Investment Amount) will be this Total Payment Amount less any Adviser Group Fee. The Purchase Price will be equal to the Issue Price in the case of Applications in the Initial Offer Period and will be as determined by the Issuer on the day your Application is accepted for Applications in the General Offer Period. The number of Units purchased will be your Total Investment Amount divided by the Purchase Price (rounded down the nearest whole Unit). You may apply for multiple Series using the one Application Form. If you wish to apply for multiple Series, please ensure you clearly outline the details of the Units to be purchased.
- F. If you wish to pay an Adviser Group Fee to your Approved Adviser Group, then enter details of your Approved Adviser Group and Financial Adviser here and provide your consent for (i) the Issuer to collect from you an amount in respect of the Adviser Group Fee and pay it to your Approved Adviser Group (as specified) on your behalf; and (ii) the Approved Adviser Group to hold the amount in respect of the Adviser Group Fee on trust and pay to your Financial Adviser all or part of that amount as disclosed to you by your Financial Adviser in the statement of advice or financial services guide relevant to the financial services they provide to you in respect of the Units or as otherwise disclosed to you by your Financial Adviser.

You acknowledge by executing the Application Form you agree to be bound by the Terms set out in the PDS.

Lodging the Form

Application Forms and accompanying documents should be forwarded to your Financial Adviser. Please note that Applications will only be processed after the Applications Open Date. Purchases of Units can only be made by completing and lodging an Application Form attached to this PDS with your Financial Adviser or Approved Adviser Group. 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 the Issuer upon request. The Financial Adviser or Approved Adviser Group should forward the signed original Application Form to the Registrar at:

Link Market Services Limited
PO Box 3721
Rhodes NSW 2138

Payment

For Applications during the Initial Offer Period, payment for the Units can be made by arranging with your Financial Adviser to pay the Issuer on your behalf.

For Applications during the General Offer Period, payment for the Units can be made by requesting in your Application Form that the Issuer process a direct debit in the amount of your Total Payment Amount from your nominated bank account.

Initial Offer Period Application Form (Form A)

UBS Callable Goals – Series 38

*Linked to three equity
indices*

Financial Adviser
Stamp



THIS FORM IS TO BE USED IF YOU WISH TO INVEST IN UNITS DURING THE INITIAL OFFER PERIOD. THIS FORM SHOULD BE FORWARDED TO YOUR FINANCIAL ADVISER.

**** By affixing their Adviser Stamp, Financial Advisers verify the acknowledgements and representations listed under the heading "Financial Advisers" in this Application Form.**

This is an Application Form for the UBS Callable Goals Series 38 Units issued by UBS Investments Australia Pty Limited ("UBSIA") (ABN 79 002 585 677). The issue of the PDS in Australia is arranged by UBS Securities Australia Limited (ABN 62 008 586 481, AFSL 231098).

This Application Form accompanies the PDS dated 16 October 2014 and any supplementary PDS issued for the Units. It is important that Investors read the PDS in full and the acknowledgements contained in this Application Form before applying for the Units. The Issuer will provide you with a paper copy of the PDS including any supplemental PDS and the Application Form, on request without charge.

A person who gives another person access to the Application Form must at the same time and by the same means give the other person access to the PDS including any supplemental PDS.

Please refer to the Instructions for the Application Form on the previous page.

I/we hereby apply during the Initial Offer Period for the following Units to be issued by the Issuer to me/us as set out in this Application Form below pursuant to the PDS dated 16 October 2014 for UBS Callable Goals Series 38:

A. FULL DETAILS OF APPLICANT:

If an individual Applicant, please provide:

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

If a company Applicant, please provide:

- the details of all directors under 1) below
- the name of the company and ABN/ARBN or ACN (if there is no ABN) under 2) below
- the details of the beneficial owners under 4) below

If a super fund Applicant with an individual trustee, please provide:

- the details of the trustees under 1) below
- the name of the super fund and ABN under 3) below
- the source of assets contributed into trust under 7) below.

If a super fund Applicant with a corporate trustee, please provide:

- 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 3) below.
- the details of the beneficial owners of the corporate trustee under 4) below
- the source of assets contributed into trust under 7) below.

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

- the details of the trustees under 1) below
- the name of the trust under 3) below

- the details of the trust beneficiaries of the trust under 5) below
- the details of the contributors to trust assets under 6) below
- the source of assets contributed into trust under 7) below.

If a trust Applicant with a corporate trustee, please provide

- 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 trust under 3) below
- the details of the beneficial owners of the corporate trustee under 4) below
- the details of the trust beneficiaries under 5) below
- the details of the contributors to trust assets under 6) below
- the source of assets contributed into trust under 7) below.

If there are more than two Applicants, please provide a completed and signed copy of this Application Form for each additional Applicant.

1) Applicant 1 Individual/Trustee/Director Name

First Name	Middle Name	Last Name
<input type="text"/>	<input type="text"/>	<input type="text"/>
Date of Birth	Occupation (if retired, please state occupation before retirement)	
<input type="text"/>	<input type="text"/>	
Residential Address Details—Number and Street (please note that PO Box is not accepted)		
<input type="text"/>		
Suburb, City or Town	State	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>
Country	Nationality	
<input type="text"/>	<input type="text"/>	
Government issued unique identification # <i>e.g. passport number or drivers licence</i>	Source of wealth <i>e.g. employment, investments, other (please specify)</i>	
<input type="text"/>	<input type="text"/>	

Applicant 2 Individual/Trustee/Director Name

First Name	Middle Name	Last Name
<input type="text"/>	<input type="text"/>	<input type="text"/>
Date of Birth	Occupation (if retired, please state occupation before retirement)	
<input type="text"/>	<input type="text"/>	
Residential Address Details—Number and Street (please note that PO Box is not accepted)		
<input type="text"/>		
Suburb, City or Town	State	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>
Country	Nationality	
<input type="text"/>	<input type="text"/>	
Government issued unique identification # <i>e.g. passport number or drivers licence</i>	Source of wealth <i>e.g. employment, investments, other (please specify)</i>	
<input type="text"/>	<input type="text"/>	

2) Company/Corporate Trustee Name

Name

ABN/ARBN or ACN (if there is no ABN)

3) Trust/Super Fund Name

Name

ABN

4) Details of beneficial owners (who own through one or more shareholdings more than 25% of the issued capital) in the Company/Corporate Trustee

Full Name

Date of Birth

Country of Residence

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

Full Name

Date of Birth

Country of Residence

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

Full Name

Date of Birth

Country of Residence

7) Source of assets contributed into trust

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

B. POSTAL ADDRESS DETAILS:

Number and Street

Suburb, City or Town

State

Postcode

C. TELEPHONE AND EMAIL DETAILS (Individual/Company/Trustee):

Daytime Number (include area code)	<input type="text"/>	Contact Name	<input type="text"/>
Email address	<input type="text"/>		

D. BANK ACCOUNT DETAILS (FOR DIRECT CREDIT OF FUNDS TO YOUR ACCOUNT):

I/We request that payments due to me/us by the Issuer be deposited directly into the following accounts for each Series. I/We acknowledge that these instructions supersede and have priority over all previous instructions, but will only apply in respect of the Units issued pursuant to the PDS dated 16 October 2014 for the UBS Callable Goals Series 38. Unless advised in writing or otherwise, I/we acknowledge that all future payments due to me/us will be paid into the nominated account for each Series.

1) AUD Series

Bank/Financial institution name	BSB Number	Account number
<input type="text"/>	<input type="text"/> - <input type="text"/>	<input type="text"/>
Account name	Name of Branch/suburb	
<input type="text"/>	<input type="text"/>	
Type of account (Units: do NOT use your credit card number)		
<input type="text"/>		

2) USD Series

Bank/Financial institution name	BSB Number	Account number
<input type="text"/>	<input type="text"/> - <input type="text"/>	<input type="text"/>
Account name	Name of Branch/suburb	
<input type="text"/>	<input type="text"/>	
Type of account (Units: do NOT use your credit card number)		
<input type="text"/>		

Investor acknowledgements and representations

1. I/we irrevocably appoint for valuable consideration the Issuer, its related bodies corporate, its attorneys and its nominees and each of their respective employees whose title includes the word "director" jointly, and each of them severally as my/our true and lawful agent to do:
 - (a) all acts and things that I/we is/are obliged to do under the Terms or any other agreement or arrangements between me/us and the Issuer relating to the Units (including arranging physical delivery of the Delivery Assets or acting in accordance with the Agency Sale Arrangement);
 - (b) everything necessary or expedient to bind me/us to the Terms, complete any blanks in the Terms and date and execute the Terms and any other documents necessary to effect the sale and purchase of Units on my/our behalf;
 - (c) anything which, in the opinion of the Issuer, is necessary or desirable in connection with the Delivery Assets or the protection of the Issuer's interests or the exercise of the rights, powers and remedies of the Issuer, including without limitation the authorised to sell the Delivery Assets on my/our behalf in accordance with clause 5.4(b) of the Terms;

- (d) 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).
2. I/We indemnify the agent against all claims, losses, damages and expenses suffered or incurred as a result of anything done in accordance with the above agency appointment.
3. I/We have read and understood, and agree to accept the Units on the Terms relevant to my/our Units. In particular, I/we:
- (a) acknowledge that by signing this Application Form and arranging for the Approved Adviser Group to lodge it with the Issuer:
 - (i) the Approved Adviser Group, as my/our agent, will forward this Application Form to the Issuer for the number of Units applied for in this Application Form; and
 - (ii) the Issuer may, in its absolute discretion, accept or reject my/our Application and may allocate a lower number of Units than I/we applied for;
 - (b) acknowledge that I/we received a complete copy/print-out of the PDS accompanied by this Application Form before I/we completed this Application Form;
 - (c) acknowledge that I/we cannot withdraw my/our Application Form except as permitted by law;
 - (d) agree to be bound by the Terms set out in the PDS;
 - (e) acknowledge that neither the Issuer 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 Units;
 - (f) acknowledge that to the extent I/we deem appropriate, I/we have or will obtain my/our own financial, legal and taxation advice from an independent professional adviser; and
 - (g) waive and agree not to assert any claim against the Issuer or any of its related entities with respect to the tax aspects of this investment in Units.
4. 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 any cash payments by cheque. I/we acknowledge that the Issuer may impose a charge reflecting the cost of processing cheque payments, provided the Issuer gives prior notice to me/us of its intention to impose such a charge. Neither the Issuer nor the Registrar 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.
5. I/We agree to accept the issue of the Units specified above subject to the same conditions.
6. I am/we are not bankrupt or insolvent (as the case may be) and 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 or make an arrangement, compromise or composition with any of my/our creditors.
7. I/we have read and understood the Terms and make all the representations and warranties contained in clause 12 of the Deferred Purchase Agreement.
8. I/we declare that:
- (a) I/we received this PDS in Australia and am/are made this offer in Australia;
 - (b) if signing as an attorney, the power of attorney authorises the signing of this Application Form and no notice of revocation has been received;
 - (c) I/we am/are not minor(s) and do not suffer from any other legal disability preventing the execution of this Application Form;
 - (d) if signing in a capacity other than a personal capacity, in addition to being bound in that other capacity, I/we agree to be bound in an unlimited personal capacity,
 - (e) in the case of joint applicants, we agree to be jointly and severally bound; and
 - (f) I/we have full legal capacity to complete and lodge this Application Form and have taken all action that is necessary to authorise this Application and be bound by the Terms of this offer.

9. If I am/we are acting as trustee in relation to the holding of the Units (including acting as trustee for a superannuation fund):
- (a) I am /we are acting in accordance with my/our designated powers and authority under the trust deed. In the case of superannuation funds (if applicable) I/we also confirm that the funds are complying funds under the Superannuation Industry (Supervision) Act;
- (b) I/we declare that I am / we are familiar with the documents constituting the trust (the **Trust Documents**) (and as amended, if applicable) purporting to establish, and relating to, the Trust and hereby declare and confirm that:
- a) the trust and the Trust Documents have been validly constituted and is subsisting at the date of this declaration;
- b) I am/we are empowered and authorised by the terms of the Trust Documents examined by me/us to enter into and bind the trust to the transactions completed by the Terms and this PDS;
- c) it is proper for me/us to apply for Units and to do everything that the PDS contemplates that I/we will do
- d) the transactions completed by the Terms and this PDS do or will benefit the beneficiaries of the trust; and
- e) I/we have all the power, authority and discretion vested as trustee to apply for and hold the Units.
10. I/we will not offer, sell, re-sell or deliver, directly or indirectly, any Units so purchased in any overseas jurisdiction or to any foreign persons, or for the account or benefit of any such foreign person, or to others for the offering, sale or re-sale or delivery in any overseas jurisdiction or to any such foreign persons where that offer, sale, resale or delivery would be in breach of any Australian or foreign law.
11. I/we acknowledge that Units in the UBS Callable Goals Series 38 are not a deposit obligation of the Issuer and are subject to investment risks, including the possible loss of the Total Investment Amount invested, in the event of Early Maturity or Issuer Buy-Back.
12. By signing this Application Form, I/we:
- (a) agree to receive Financial Services Guides and supplementary Financial Services Guides from UBS Securities Australia Limited by having them made available via www.ubs.com/equitysolutions 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 Guide of the Issuer prior to signing this Application Form;
- (b) represent that I/we have not relied in any way whatsoever on any statements made by, or purported to be made by, the Issuer or their related entities or any of their respective servants, agents, employees or representatives in relation to this investment, other than as set out in the PDS and acknowledge that the Issuer has not made, and the PDS does not contain, any representations to me/us with regard to the suitability or appropriateness of this investment in Units, given my/our investment objectives, financial situation or particular needs or the tax consequences of making this investment in Units;
- (c) acknowledge that neither the Issuer nor its related bodies corporate, Affiliates, associates or officers:
- (i) guarantees the performance of the UBS Callable Goals Series 38 Units;
- (ii) guarantees that the UBS Callable Goals Series 38 Units will achieve a particular rate of return; or
- (iii) guarantees the repayment of capital from an investment in the UBS Callable Goals Series 38 Units;
- (d) understand that nothing in the PDS or Application Form can be considered investment advice or a recommendation to invest in Units;
- (e) acknowledge that application monies will only be accepted and any payments by the Issuer will only be paid in Australian currency for the AUD series and in US currency for the USD series;
- (f) acknowledge that an investment in Units is subject to investment risk and agree that those risks are appropriate for a person in my/our circumstances and with my/our investment objectives.
- (g) represent and warrant that I am/we are not prohibited by law from being given the PDS and any replacement or supplementary document or making an Application;
- (h) have read the Terms of the PDS and note the obligations under the Anti-Money Laundering and Counter-Terrorism Act 2006 (AML/CTF ACT) and Rules as summarised below;

- (i) agree to give further information or personal details to us if required to allow us to meet our obligations under anti-money laundering, counter-terrorism and taxation legislation;
 - (j) declare that I am/we are not commonly known by any other names to those disclosed in this Application Form, unless I have disclosed otherwise to the Issuer and the Issuer;
 - (k) declare that any document or information to be used for the purposes of this Application (whether or not provided on or with this Application Form) is complete and correct, is not misleading and I/we have not withheld any relevant information;
 - (l) declare that the amount nominated by me in the Application Form as the Total Payment Amount is an amount that I have not borrowed from any source or in any form (whether secured or unsecured);
 - (m) acknowledge that it may be a criminal offence to knowingly provide false, forged, altered or falsified documents or misleading information or documents when completing an Application Form for the product.
 - (n) warrant that:
 - (i) I/We are not aware and have no reason to suspect that:
 - a. the moneys used to fund my/our investment in the Units have been derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international law or convention or by agreement; or
 - b. the proceeds of my/our investment will be used to finance any illegal activities; and
 - (ii) I/We are not a politically exposed person or organisation;
13. I/we acknowledge that I/we have read and understood the declarations set out above in this Application Form, and by returning the Application Form together with my/our payment for the Total Payment Amount, I/we agree to be bound by them and make the declarations contained therein. I/we agree to indemnify the Issuer and any of its related bodies corporate against any loss, liability, damage, claim, cost or expense incurred as a result, directly or indirectly, of any such declaration set out in this Application Form proving to be untrue or incorrect.
14. I/we have read and understood the Privacy Statement in Section 12 of this PDS and agree that information about me/us written on this form will be collected, used, held and disclosed in accordance with, and for the purposes stated in such Privacy Statement. Where I/we have provided information about any other individual, I/we have procured 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, and have made such individual aware of the information contained in such Privacy Statement.
15. I/we agree that the Issuer may disclose Personal Information about me/us to my/our Approved Adviser Group, Financial Adviser or other adviser and that once the Issuer provides information to my/our Approved Adviser Group, Financial Adviser or other adviser, the Issuer can no longer control the ways in which that information is used and I/we agree that the Issuer is not liable for any loss, expense, damage, or claim directly or indirectly connected with any disclosure of information by the Issuer to my/our Approved Adviser Group, Financial Adviser or other adviser, except to the extent required by law.

Privacy Consent

The Personal Information 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 the Issuer. The privacy policy of the Issuer contains information regarding the exercise of such rights.

- 1) I/We acknowledge that the Personal Information about me/us provided to the Issuer 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 Units;
 - to effect investments in Units in my/our name(s);
 - to communicate with me/us in relation to the Units;

- to comply with legislative or regulatory requirements;
 - to perform the Issuer’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 the Issuer:
- giving Personal Information about me/us to:
 - a) the Issuer’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 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 the Issuer 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 in Section 12 of this PDS, regardless of whether or not such entity is subject to privacy obligations equivalent to those which apply to the Issuer.
- 3) I/We represent and warrant that, if at any time I/we supply the Issuer 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 Section 12 of this PDS and this Privacy Consent, and have made such individual aware of the information set out in such Privacy Statement.

AML/CTF Act and Rules

The Issuer aims to prevent, detect and not knowingly facilitate money laundering and terrorism financing. The Issuer does this to comply with the AML/CTF Act and Rules. To meet its regulatory and compliance obligations under the AML/CTF Act, its contractual obligations and its internal due diligence requirements, the Issuer will be implementing a number of measures and controls including carefully identifying, verifying and monitoring its investors and, where required by law, reporting any suspicious matters to the regulator, AUSTRAC.

We ask you to note:

- a) our right to collect and identify information and to verify documents under the AML/CTF Act and Rules;
- b) our right not to provide a designated service in certain circumstances;
- c) that transactions may be delayed, blocked, frozen or refused where reasonable grounds are established that the transaction breaches Australian law or sanctions, or the law or sanctions of any other country;
- d) that where transactions are delayed, blocked, frozen or refused, we are not liable for any loss you suffer (including consequential loss) as a result of our compliance with the AML/CTF Act as it applies to the product;
- e) from time to time during the term of your investment, you may be required to provide additional information to assist us in the above process;
- f) we have reporting obligations in relation to the AML/CTF regulatory regime and must report certain matters to AUSTRAC;
- g) that the tipping off prohibition requirements under the AML/CTF regulatory regime may prevent us from informing you that any such reporting has taken place; and
- h) that we may have other legal obligations to disclose the information gathered about you to regulatory and/or law enforcement agencies, including AUSTRAC and to other bodies, including a related company that forms part of our Designated Business Group (if any), if required by law.

Financial Advisers

- a) Financial 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 consent to the arrangement that the Investor has specified in the Application Form in relation to the collection and payment of the Adviser Group Fee.
- iv) I represent that in compliance with the provisions of the AMP/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;
- v) 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; and
- vi) I represent that I have assessed the suitability of this product and other relevant factors for the Applicant and have only recommended or distributed it as I consider it suitable for the Applicant, taking into account the Applicant's investment objectives, financial situation and particular needs.

The Issuer, Financial Adviser or your Approved Adviser Group and/or its associates may wish to communicate with you in the future about other investment opportunities that may be of interest. Please tick this box if you do NOT wish to be contacted for this purpose.

No thanks, I/we prefer NOT to be contacted about investment opportunities in the future.

E. DETAILS OF THE TOTAL PAYMENT AMOUNT

UBS Callable Goals Series 38 (You may apply for multiple Series in one Application Form)	Total Payment Amount
AUD Series 38	
USD Series 38	

Please Note: The Total Payment Amount includes an amount on account of the Adviser Group Fee (if any). The amount actually invested in the Units (your Total Investment Amount) will be this Total Payment Amount less the Adviser Group Fee. The Purchase Price of Units will be equal to the Issue Price specified in the Term Sheet in the case of Applications in the Initial Offer Period and will be as determined by the Issuer on the day your Application is accepted for Applications in the General Offer Period.

The number of Units purchased will be your Total Investment Amount divided by the Purchase Price (rounded down the nearest whole Unit).

F. DETAILS OF APPROVED ADVISER GROUP, FINANCIAL ADVISER AND YOUR AGREEMENT TO PAY THE ADVISER GROUP FEE

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

Name of Approved Adviser Group

Name of Financial Adviser (individual)

Address Details—Number and Street

Suburb, City or Town

State

Postcode

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

- (1) pay an amount on account of the percentage Adviser Group Fee specified below and direct the Issuer to collect that amount from me/us as part of the Total Payment Amount, and I/we consent and direct the Issuer to pay that amount to my/our Approved Adviser Group specified above on my/our behalf.
- (2) Where applicable, the Approved Adviser Group holding that amount in respect of the Adviser Group Fee on trust and paying to my Financial Adviser all or part of that amount as disclosed to me by my Financial Adviser in the statement of advice or financial services guide relevant to the financial services they provide to me in respect of the Units or as otherwise disclosed to me by my Financial Adviser.

Adviser Group Fee % of the Total Payment Amount.

Note: This percentage is inclusive of GST and cannot exceed 3.50% of the Total Payment Amount.

Dated

By signing below I confirm that I agree to the Investor acknowledgements and representations referred to above and the details specified in sections E and F above.

SIGNED, SEALED AND DELIVERED by:

(Individual Applicant, Joint Applicants or Individual Trustee Applicant)

First Applicant's Signature

First Applicant's Name

Second Applicant's Signature

Second Applicant's Name

(Company Applicant or Corporate Trustee Applicant) Executed by:

Company Name

Affix Company Seal (if you have one):

Director's Signature

Director's Name

Director/Secretary's Signature

Director/Secretary's Name

(Power of Attorney) Executed by and on behalf of:

Company Name

By its attorney in the presence of:

Attorney Signature

Witness Signature

Attorney Name

Witness Name

Supporting notes for FATCA Individual Self-Certification (Form B)

COMPLETE THIS FATCA INDIVIDUAL SELF-CERTIFICATION FOR EACH APPLICANT THAT IS AN INDIVIDUAL. THIS CERTIFICATION SHOULD BE FORWARDED TO YOUR FINANCIAL ADVISER

Please Note: For the avoidance of doubt, the supporting notes and guidance provided are for reference purposes only and do not constitute tax advice. If you require assistance in completing this FATCA Self-Certification then you should seek qualified professional assistance.

Part 1 – Basic Information

Name of individual - Enter the full name of the individual that is the beneficial owner of the account as it appears on their passport.

Country of birth - Please enter the country of birth of the individual named above. Please write the name of the country in full and do not abbreviate (e.g. write United Kingdom rather than UK).

Date of Birth - Please enter the date of birth of the individual named above.

Resident / Permanent address - Enter the permanent address where the individual is resident including the postcode and country.

Mailing address - Please enter the mailing address for the individual including the postcode and country (if different from the resident address).

Part 2 – Tax Residency

Jurisdiction for tax purposes - Enter the country where the Individual is resident for the purposes of that country's income taxation. If the individual is tax resident in more than one country, please list each one separately.

TIN - Enter the tax identification number that the country of tax residence has issued to the Individual. For example, in the US it will be the Social Security Number. For the purposes of this form, an equivalent to a TIN is any unique identifying number assigned to the individual by the local tax authorities in its country of tax residence. E.g. a National Insurance Number or a Social Security Number.

No TIN available - If you are unable to provide a TIN for a jurisdiction of tax residence, please tick "TIN unavailable" and specify why there is no TIN available in the space provided (e.g. the local tax authority does not assign TINs, the individual is a minor, etc.).

US Person - In relation to individuals, a US Person is any US citizen (even if residing outside the US) or resident alien of the US.

A **resident alien of the US** is an individual that is not a citizen or national of the United States and who meets either the green card test or the substantial presence test for the calendar year.

Green card test - An individual is a resident, for U.S. federal tax purposes, if they are a Lawful Permanent Resident of the United States at any time during the calendar year. An individual is a Lawful Permanent Resident of the US, if they are in possession of a US alien registration card ("Green Card") as a lawful permanent resident issued by the US Citizen and Immigration Service (USCIS), irrespective of its expiry date.

Substantial presence test - An individual is a resident, for U.S. federal tax purposes, if they are physically present in the US for at least 31 days during the current year and they were present in the US for at least 183 days during the current and 2 preceding years, according to the following formula:

([number of days in the current year x 1] + [number of days in the first preceding year x 1/3] + [number of days in the second preceding year x 1/6]) >=183

Part 3 – Certification

Please sign and date the form in this section. In addition, please print the name of the individual signing the form and the capacity in which they are acting. By signing this section you are certifying the points below.

True, correct, and complete: You certify that the person signing the form has examined the information provided in the FATCA Self-Certification, and to the best of their knowledge and belief it is true, correct, and complete.

Change in circumstance: You agree to inform UBS if any of the information provided in this FATCA Self-Certification becomes incorrect or invalid due to changes in circumstances within 30 days of the change. In the event that this change causes the form to be invalid, you will provide a new FATCA Self-Certification.

Capacity to sign: You confirm that the person signing this form has the capacity to sign for the individual named in Part 1 of this form that is the beneficial owner of the account. In addition, if requested by UBS, you will provide evidence of the person's authority to sign on behalf of the beneficial owner.

Information disclosure: You agree that UBS may share details provided on this form with relevant competent authorities as per regulatory requirements. Generally, the term relevant 'competent authorities' refers to either the local tax authorities (under a Model 1 IGA) or the US tax authorities (under the Final US Regulations or a Model 2 IGA). Due to local law in certain jurisdictions it may be necessary for UBS to collect a waiver in order to disclose account details. Where this is the case, you agree to provide any such waiver as provided by UBS to allow the beneficial owner's account details to be shared with the relevant competent authorities for regulatory purposes.

FATCA Individual Self-Certification (Form B)

**COMPLETE THIS FATCA INDIVIDUAL SELF-CERTIFICATION FOR EACH APPLICANT THAT IS AN INDIVIDUAL.
THIS FORM SHOULD BE FORWARDED TO YOUR FINANCIAL ADVISER**

Please Note: For the avoidance of doubt, the supporting notes and guidance provided are for reference purposes only and do not constitute tax advice. If you require assistance in completing this FATCA Self-Certification then you should seek qualified professional assistance.

INDIVIDUAL APPLICANT 1

Part 1 – Basic Information

Name of Individual			
<input type="text"/>			
Country of birth		Date of birth	
<input type="text"/>		<input type="text"/>	
Resident / Permanent address Number and Street (please note that PO Box is not accepted)			
<input type="text"/>			
Suburb, City or Town	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Mailing address (if different to the permanent address) Number and Street			
<input type="text"/>			
Suburb, City or Town	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Part 2 – Tax Residency

Please specify the jurisdiction in which you are resident for tax purposes:

Primary Jurisdiction:	TIN	or TIN unavailable*	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>		
Additional Jurisdiction:	TIN	or TIN unavailable*	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>		
Additional Jurisdiction:	TIN	or TIN unavailable*	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>		

* Please specify the reason for non-availability of TIN

<input type="text"/>			
Is the individual a US person? A US person for FATCA purposes means a US Citizen (even if residing outside the US) or a resident alien of the US. Please see Part 2 of the Supporting Notes.	Yes	No	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part 3 – Certification

I certify that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete.

I agree that I will inform you within 30 days if any change in circumstances renders this certification incorrect.

I certify that the individual signing this form is either the beneficial owner as named in Part 1 of this form, or has the capacity to sign on behalf of the beneficial owner.

I agree you can share the beneficial owner's account details with relevant competent authorities as per regulatory requirements. Where required, I agree to provide a waiver to allow this information to be reported to the competent authority.

SIGNED - Signature of Individual Applicant	Date
<input type="text" value="X"/>	<input type="text"/>
Individual Applicant's Name	Capacity (if not signed by account holder)
<input type="text"/>	<input type="text"/>

INDIVIDUAL APPLICANT 2

Part 1 – Basic Information

Name of Individual			
<input type="text"/>			
Country of birth		Date of birth	
<input type="text"/>		<input type="text"/>	
Resident / Permanent address Number and Street <i>(please note that PO Box is not accepted)</i>			
<input type="text"/>			
Suburb, City or Town	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Mailing address (if different to the permanent address) Number and Street			
<input type="text"/>			
Suburb, City or Town	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Part 2 – Tax Residency

Please specify the jurisdiction in which you are resident for tax purposes:

Primary Jurisdiction:	TIN	or TIN unavailable*	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>		
Additional Jurisdiction:	TIN	or TIN unavailable*	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>		
Additional Jurisdiction:	TIN	or TIN unavailable*	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>		

* Please specify the reason for non-availability of TIN

<input type="text"/>				
Is the individual a US person? A US person for FATCA purposes means a US Citizen (even if residing outside the US) or a resident alien of the US. Please see Part 2 of the Supporting Notes.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Part 3 – Certification

I certify that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete.

I agree that I will inform you within 30 days if any change in circumstances renders this certification incorrect.

I certify that the individual signing this form is either the beneficial owner as named in Part 1 of this form, or has the capacity to sign on behalf of the beneficial owner.

I agree you can share the beneficial owner's account details with relevant competent authorities as per regulatory requirements. Where required, I agree to provide a waiver to allow this information to be reported to the competent authority.

SIGNED - Signature of Individual Applicant	Date
<input type="text" value="X"/>	<input type="text"/>
Individual Applicant's Name	Capacity (if not signed by account holder)
<input type="text"/>	<input type="text"/>

Instructions for Investor Sale Form (Form C)

THE INVESTOR SALE FORM IS TO BE USED IF YOU ARE AN INVESTOR AND WISH TO SELL UNITS PRIOR TO MATURITY. THIS INVESTOR SALE FORM SHOULD BE PROVIDED TO THE ISSUER.

Please complete the Investor Sale Form in accordance with the following instructions.

Completing the Form

- A. SELLER DETAILS— Enter the name of the Seller here. This should be the name in which the Units are registered. Where the seller is a company, write the company name and ABN. Please provide your Client Reference Number if you have one.

Where the seller is a trustee, the Investor Sale Form must be completed in the name of the trustee and signed by the trustee without reference to the trust.

- B. POSTAL ADDRESS—Enter your postal address here for all correspondence.
- C. TELEPHONE AND EMAIL—Enter your telephone and email contact details here.
- D. UNIT DETAILS—Please enter the total number of Units you wish to sell. Your request must be in respect of parcels of 1,000 Units and your residual holding must be at least 20,000 Units for each Series.
- E. ACKNOWLEDGEMENT—Each seller must read this section.
- F. SIGNATURE

Where the Investor Sale Form is executed by a company, it must be executed either in accordance with section 127 of the Corporations Act or under a power of attorney. Section 127 of the Corporations Act allows a company to execute a document with or 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 sole company secretary.

If the Investor Sale 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 Investor Sale Form.

Lodging the Form

Investor Sale Forms should be forwarded to the address at the top of the Investor Sale Form. Once you lodge the Investor Sale Form your request that the Issuer buy-back your Units is irrevocable.

Sale of Units can only be made by completing and lodging an Investor Sale Form attached to this PDS. Investor Sale 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 the Issuer upon request.

Investor Sale Form (Form C)

UBS Callable Goals Series 38

Linked to three equity indices

THIS FORM IS TO BE USED IF YOU ARE AN INVESTOR AND WISH TO SELL UNITS TO THE ISSUER PRIOR TO MATURITY. THIS FORM SHOULD BE PROVIDED TO THE ISSUER.

To: UBS Investments Australia Pty Limited
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000
Attention: Equity Risk Management Products
Re: UBS Callable Goals Series 38

Please refer to the Instructions for the Investor Sale Form on the previous page.

I/We hereby apply for the following Units issued by the Issuer pursuant to the relevant PDS to be transferred from me/us to the Issuer:

A. Name of Seller (if a company, provide full name and ABN/ACN/ARBN)

Transferor Full Name/Company Name

Client Reference Number

B. Address details

Residential Address Details—Number and Street

Suburb, City or Town

State

Postcode

C. Telephone and Email Details:

Daytime Number
(include area code)

Contact Name

Email address

D. Details of the Units to be sold:

Investment	Number of Units to be Sold**
UBS Callable Goals – AUD Series 38	
UBS Callable Goals – USD Series 38	

**** Your request must be in respect of parcels of 1,000 Units and your residual holding must be at least 20,000 Units.**

E. Acknowledgements:

I/We the registered holder(s) and seller(s) sell to the Issuer for the above consideration the Units specified above, subject to the conditions on which I/We held those Units at the time of signing of this transfer. I/We have full legal power to sell the Units and do so free of any encumbrance or security (whether registered or not).

F. Signature

Dated:

SIGNED, SEALED AND DELIVERED by:

(Individual Seller, Joint Seller or Individual Trustee Seller)

First Seller's Signature

First Seller's Name

Second Seller's Signature

Second Seller's Name

(Company Seller or Corporate Trustee Seller) Executed by:

Company Name

Affix Company Seal (if you have one):



Director's Signature

Director's Name

Director/Secretary's Signature

Director/Secretary's Name

(Power of Attorney)

Executed by and on behalf of (insert name of company)

by its attorney in the presence of:

Attorney Signature

Attorney Name

Witness Signature

Witness Name

UBS USE ONLY

Name of Buyer

I/We the Buyer(s) agree to accept the transfer of the Units specified above subject to the same conditions. I/We have not received any notice of revocation of the Power of Attorney under which the transfer is signed, by death of the grantor or otherwise.

SIGNED for UBS Investments Australia Pty Limited by its authorised representatives:

DATED:

Investment	Number Sold	Purchase Price per Unit	Total Purchase Price Payable
UBS Callable Goals – AUD Series 38		\$	\$
UBS Callable Goals – USD Series 38		\$	\$

Directory

Issuer

UBS Investments Australia Pty Limited

Level 16

Chifley Tower

2 Chifley Square

SYDNEY NSW 2000

Level 16

8 Exhibition Street

MELBOURNE VIC 3000

Arranger

UBS Securities Australia Limited

Level 16

Chifley Tower

2 Chifley Square

SYDNEY NSW 2000

Level 16

8 Exhibition Street

MELBOURNE VIC 3000

Guarantor

UBS AG, Zurich

C/O General Counsel

UBS AG, Australia Branch

Level 16, Chifley Tower,

2 Chifley Square

Sydney, NSW 2000 Australia

Issuer's Solicitors

Baker & McKenzie

Level 27

AMP Centre

50 Bridge Street

Sydney NSW 2000



UBS Investments Australia Pty Limited

ABN 79 002 585 677

UBS Securities Australia Limited

ABN 62 008 586 481, AFSL 231098

Level 16

Chifley Tower

2 Chifley Square

Sydney NSW 2000

INVESTOR ENQUIRY LINE 1800 633 100

Level 16

8 Exhibition Street

Melbourne VIC 3000

www.ubs.com/equitysolutions