



UBS European Low Exercise Price Call Warrants

*Series linked to Twenty-First Century Fox, Inc.
Common Stock*



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 14 March 2014



Product Disclosure Statement dated 14 March 2014

Important Notice

This document is a Product Disclosure Statement ("PDS") dated 14 March 2014 and relates to the issue of UBS Low Exercise Price Call Warrants ("UBS Warrants"). UBS Investments Australia Pty Limited ("UBSIA" or the "Issuer") (ABN 79 002 585 677) is the issuer of this PDS and the UBS Warrants. 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 UBS Warrants in accordance with the offer made by the Arranger to arrange for the issue of the UBS Warrants. 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 is an important document which should be read before making a decision to acquire UBS Warrants. A document of this kind cannot take into account your own 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 the UBS Warrants or in any Underlying Parcel. 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 the UBS Warrants or in the Underlying Parcel for you (bearing in mind your investment objectives, financial situation and particular needs). No cooling off rights apply to investments in UBS Warrants.

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 UBS Warrants, you must complete the Application Form attached to this PDS and return it to your Approved Adviser. UBS Warrants will only be issued to you upon receipt and acceptance of an Application Form which is attached to this PDS. Otherwise you can buy UBS Warrants on-market on ASX through your broker, once the UBS Warrants are admitted to quotation on ASX.

For Application Forms and instructions on how to apply, refer to **Part 10: How to Apply**. Investors should contact their adviser, stockbroker or financial planner when making an Application for UBS Warrants.

Underlying Parcel

References in this PDS to Underlying Parcel are included solely for the purposes of identification of the underlying securities to which the UBS Warrants relate. None of the issuers of the Underlying Parcel have authorised, been involved in the preparation of, or caused the issue of this PDS. The issuers of the Underlying Parcel do not take any responsibility for any part of this PDS.

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

Restrictions on Distribution of the Product Disclosure Statement

The offer to which this PDS relates is available to persons receiving this PDS in Australia. This PDS does not constitute an offer of the UBS Warrants or the Underlying Parcel 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. The UBS Warrants are not a security and have not been, and will not be, registered under the US Securities Act 1933 (as amended) and may not be offered or sold in the United States or to, or for the account of or benefit of, US persons. Accordingly neither this PDS nor the Application Form may be sent to persons in the United States or otherwise distributed in the United States.

Update of information

This PDS is current as at 14 March 2014. Information in this PDS is subject to change from time to time, for example:

- the Underlying Parcel may be altered in some circumstances, for example in the case of corporate actions in respect of the underlying Shares (refer to **Part 3** for details); and
- the Issuer may increase the issue size with the consent of the ASX.

To the extent that the change is not materially prejudicial to investors, the Issuer may update the information by making an announcement on the ASX's company announcements platform. The Issuer will provide to investors, free of charge, a paper copy of updated information upon request.

ASX Booklets

The ASX publishes a number of brochures in relation to warrants. These can be downloaded in pdf format from the ASX website at www.asx.com.au.

Electronic PDS

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 UBS' Warrants desk on 1800 633 100.

Interpretation

Expressions defined for the purposes of this PDS are set out in **Part 8**.

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 in respect of the UBS Warrants are guaranteed by UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland (the "Guarantor") subject to certain qualifications—see **Part 6** 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 UBS Warrants 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.

Investment Risk

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

Table of Contents

Investor Information:

Part 1—Summary & Key Dates _____	2
Part 2—Key Features _____	3
Part 3—Description of UBS Warrants _____	10
Part 4—Risk Factors _____	16
Part 5—Description of the Issuer, the Arranger and the Guarantor _____	20
Part 6—Description of the Guarantee _____	21
Part 7—General Information _____	23
Part 8—Definition and Terms of Issue _____	28
Part 9—Taxation Summary _____	39
Part 10—How to Apply – Application Form _____	43

Schedules:

Schedule 1—Terms of Issue 8.3.1 – The Register _____	54
Schedule 2—Terms of Issue 8.3.3 – Transfer of UBS Warrants _____	55
Schedule 3—Variations _____	56
Schedule 4— Terms of Issue 8.8.1 – Resolution of Holders _____	57

Part 1 - Summary & Key Dates

SUMMARY TABLE OF EUROPEAN LOW EXERCISE PRICE CALL WARRANTS OFFERED:

ASX Warrant Code	Company	Underlying Share	NASDAQ Symbol	Type of Warrant	Issue Size	Exercise Price (AUD)	Expiry Date
FX1WUA	Twenty-First Century Fox, Inc.	Class B Voting Common Stock	FOX	Call	30m	\$0.01	10 March 2022
FX2WUA	Twenty-First Century Fox, Inc.	Class A Non-Voting Common Stock	FOXA	Call	30m	\$0.01	10 March 2022

Note: These UBS Warrants are **European** style and cannot be exercised prior to the Expiry Date. They will be automatically exercised at 6:00pm (New York time) on the Expiry Date.

The features of warrants can vary from issue to issue and between issuers. You should ensure that you are familiar with the features of these warrants before you invest in them, and should not assume that the features are the same as any other warrants, whether issued by UBSIA or by another issuer.

KEY DATES¹ FOR EUROPEAN LOW EXERCISE PRICE CALL WARRANTS OFFERED:

Offer Period Opens:	17 March 2014
Commencement of Trading on ASX	17 March 2014
Offer Period Close:	5pm (Sydney time) on the last Business Day before the Expiry Date for that Series
Expiry Date:	10 March 2022 (or any anniversary of the date of the PDS, if UBSIA declares it to be an Early Expiry Date in accordance with Term of Issue 8.2.7)

Summary

For a summary of the UBS Warrants offered pursuant to this PDS, refer to **Part 2: Key Features**.

Enquiries

FOR GENERAL ENQUIRIES PLEASE CONTACT UBS' WARRANT DESK ON 1800 633 100 OR EMAIL US ON SH-WARRANTS@UBS.COM.

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 Offer Period Close, Expiry 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.

Part 2 – Key Features

Part 2 is intended to be an outline of the main features of the UBS Warrants. Investors should read the entire Product Disclosure Statement before making an investment decision.

A. UBS Warrants at a glance

Feature	Summary	Cross Reference
Who is the issuer of this PDS and the UBS Warrants?	This Product Disclosure Statement or PDS and the UBS Warrants are issued by UBS Investments Australia Pty Limited (ABN 79 002 585 677) ("UBSIA" or "Issuer").	Part 5
Who is the Arranger of these UBS Warrants?	UBS Securities Australia Limited (ABN 62 008 586 481) ("UBS Securities" or "Arranger").	Part 5
What are the benefits of investing in the UBS Warrants?	<p>The opportunity:</p> <ul style="list-style-type: none"> to gain exposure to the performance of the underlying Shares issued by the Company through a low exercise price call warrant; and for a Holder on a Record Date to receive a Distribution Amount equal to the cash dividend amount or cash return of capital amount paid on the Underlying Parcel, less applicable Costs and Taxes, converted into Australian dollars at the Exchange Rate determined by the Calculation Agent; and to receive the Cash Settlement Amount from UBSIA on the Settlement Date (provided no Extraordinary Event or compulsory acquisition has occurred). <p>The Cash Settlement Amount is the Average Price of the Underlying Parcel less the Exercise Price, where the Average Price is calculated by reference to average of the daily volume weighted average price of the underlying Shares traded on NASDAQ during the Averaging Period, less applicable Costs and Taxes, and converted into Australian dollars at the Exchange Rate determined by the Calculation Agent. The Cash Settlement Amount is also payable on an Early Expiry Date.</p> <p>If an Extraordinary Event or compulsory acquisition occurs, Holders will receive the Termination Amount per UBS Warrant, as determined by the Calculation Agent.</p>	
What stock exchange are Shares in the Company listed on and where can I obtain information relating to the Company?	The underlying Share in the Company which the UBS Warrants are over is listed on both the Australian Securities Exchange ("ASX") and NASDAQ. On 9 January 2014, the Company announced a proposal to delist from the ASX, subject to the approval of holders of the Company's Class B Common Stock. The ASX has indicated that it would be likely to delist the Company from the ASX upon the Company's submission of a formal request. If stockholder approval is obtained and the ASX approves the request to delist, the Company expects that it would delist from the ASX on or about 8 May 2014, and by which time the Company's Class A non-voting shares and Class B voting shares will have ceased to trade on ASX. UBSIA will not nominate the delisting of the Company from the ASX as an Extraordinary Event.	

Feature	Summary	Cross Reference
	<p>Information about the Company may be obtained from:</p> <ul style="list-style-type: none"> • filings lodged with ASIC and the US Securities and Exchange Commission on the websites of ASX (www.asx.com.au) and NASDAQ (www.nasdaq.com) • through information services such as Reuters and Bloomberg; and • the websites of the Company (www.21cf.com/Investor_Relations/). 	
<p>What are the key Terms of Issue of the UBS Warrants?</p>	<p>The key Terms of Issue of the UBS Warrants are summarised in Section B of this Part 2 and are more fully described in Part 3 of this PDS. The Terms of Issues are contained in full in Part 8.</p>	<p>Section B, Part 2 Part 3</p>
<p>What are the risks of investing in the UBS Warrants?</p>	<p>The UBS Warrants are speculative and involve a degree of risk, including:</p> <ul style="list-style-type: none"> • the risk of adverse performance of an underlying Share, which may include that Share paying lower dividends than you expected and /or the value of that Share declining over the term of the UBS Warrants. The UBS Warrants may expire worthless if the price of- a Share included in the Underlying Parcel falls below the Exercise Price; • the price of the UBS Warrants is expected to fluctuate with changes in the AUD value of the underlying Share price, so investors will generally suffer a loss if the underlying Share price falls or if the USD depreciates against the AUD; • the risk that UBSIA may be unable or unwilling to fulfil its obligations including to pay the Cash Settlement Amount, any Distribution Amount, Rights Amount or Termination Amount, and that the Guarantor is unable or unwilling to fulfil its obligations under the Guarantee; • the risk that trading in the UBS Warrants on the ASX may be illiquid and/or may be suspended from time to time, including at the request of UBS; • if the underlying Shares delist from trading on ASX, the risk that, because NASDAQ and ASX exchanges are located in different time zones, the trading price of the UBS Warrants may change significantly due to the overnight movement of the prices of the underlying Shares on NASDAQ. However, given the underlying Share may not be trading on ASX (after the proposed delisting of the Company on ASX) there may not be any significant intraday movement of the UBS Warrant trading price during ASX trading hours; • the risk that the UBS Warrants may be terminated early if an Extraordinary Event or compulsory acquisition occurs; and • the risk of an Early Expiry Date for the UBS Warrants, on each anniversary of the date of the PDS if, in the absolute discretion of UBSIA, the continued issue of the UBS Warrants by UBSIA is not reasonably practicable or economically viable. • the risk that a Dividend Amount or Rights Amount payable to you will be subject to Costs and Taxes (including withholding taxes) actually and/or notionally incurred on the underlying Shares and in the case of withholding taxes, UBSIA would assume that the holder is not entitled to any concessional withholding tax rate in 	<p>Part 3.7 Part 3.10 Part 4 Part 6</p>

Feature	Summary	Cross Reference									
	<p>the jurisdiction where the underlying Share is listed. This may result in up to 30% reduction in the value of any distribution. You should seek professional advice as to whether you can be eligible to any concessional tax treatment as a holder of the UBS Warrant.</p>										
<p>What are the fees and expenses?</p>	<p>Investors must pay a variable Premium to UBSIA on Application. The Premium for each UBS Warrant is not specified in this PDS. The Premium on any day will reflect the Australian dollar cost to UBSIA of entering into hedge arrangements to acquire exposure to the Shares comprising the Underlying Parcel and may include a margin. This amount is determined by UBSIA and can be obtained by contacting UBS' Warrant desk on 1800 633 100.</p> <p>The factors impacting the value of UBS Warrants and their effect on the value of UBS Warrants includes the variables listed in the following table:</p> <table border="1" data-bbox="491 734 1177 902"> <thead> <tr> <th data-bbox="497 790 603 824">Variable</th> <th data-bbox="930 741 1026 824">Change in variable</th> <th data-bbox="1058 741 1153 824">Change in Premium</th> </tr> </thead> <tbody> <tr> <td data-bbox="497 831 898 864">Price of the underlying Share (in US\$)</td> <td data-bbox="962 831 978 864">↑</td> <td data-bbox="1090 831 1106 864">↑</td> </tr> <tr> <td data-bbox="497 869 754 902">USD appreciates vs AUD</td> <td data-bbox="962 869 978 902">↑</td> <td data-bbox="1090 869 1106 902">↑</td> </tr> </tbody> </table> <p>Variables such as volatility of underlying Shares, market interest rates, and time remaining to Expiry Date are not expected to have a measurable impact on the value of UBS Warrants given the significant relative difference between the Exercise Price and the current underlying Share price.</p> <p>Investors executing trades on ASX will pay brokerage to their executing broker.</p>	Variable	Change in variable	Change in Premium	Price of the underlying Share (in US\$)	↑	↑	USD appreciates vs AUD	↑	↑	
Variable	Change in variable	Change in Premium									
Price of the underlying Share (in US\$)	↑	↑									
USD appreciates vs AUD	↑	↑									
<p>What commissions are payable?</p>	<p>No commissions are payable by the Issuer in relation to the UBS Warrants.</p>										
<p>What if I have a complaint?</p>	<p>UBSIA has established a complaints handling and disputes resolution process for investors.</p>	<p>Part 7.11</p>									
<p>What are the taxation consequences of the UBS Warrants?</p>	<p>Acquiring or dealing in UBS Warrants may have tax implications for Investors. Please refer to Part 9 for a taxation summary. Investors should obtain their own taxation advice.</p>	<p>Part 9</p>									
<p>How can I obtain further information?</p>	<p>For general enquiries please contact UBS' Warrant Desk on 1800 633 100 or email us at sh-warrants@ubs.com.</p>										
<p>Are UBS Warrants able to be traded on the ASX?</p>	<p>An application has been made to ASX Limited to quote the UBS Warrants for trading on the ASX.</p>										
<p>Is there a cooling off period?</p>	<p>There is no cooling off period for investors in the UBS Warrants.</p>	<p>Part 7.14</p>									
<p>Are labour standards, or environmental, social or ethical considerations taken into account when selecting the underlying Shares?</p>	<p>The Issuer does not take into account any of these issues in selecting the underlying Shares.</p>										

B. Key Terms of Issue

Broker:	UBS Securities Australia Ltd
Registrar:	Computershare Investor Services Pty Limited
Issue:	Series of low exercise price Call Warrants over underlying Shares in the Company set out in the Summary Section of this PDS.
Issue Size:	Subject to Part 4.14, UBSIA may issue up to the number of UBS Warrants for the Series set out in the Summary Section of this PDS. There is no minimum number of UBS Warrants to be issued.
Minimum Application:	10,000 UBS Warrants of a Series and thereafter in multiples of 1.
Underlying Parcel:	The Underlying Parcel for each Series is one underlying Share as set out in the Summary Section of this PDS, subject to adjustment in accordance with the Terms of Issue (see Term of Issue 8.4).
Cash Settlement Amount:	An amount equal to the Average Price less applicable Costs and Taxes, converted into AUD at the Exchange Rate, less the Exercise Price, and rounded down to two decimal places, payable on the Settlement Date (provided no Extraordinary Event or compulsory acquisition has occurred).
Rights and Dividends:	<p>The UBS Warrants do not confer on the Holder any entitlement to any dividends, voting or any other rights in respect of the Underlying Shares. However, UBSIA will pay to the Holder of the UBS Warrant as at a Record Date, any applicable Distribution Amount or Rights Amount in respect of the UBS Warrant less applicable Costs and Taxes.</p> <p>There is a risk that a Dividend Amount or Rights Amount payable to you will be subject to Costs and Taxes (including withholding taxes) actually and/or notionally incurred on the underlying Shares and in the case of withholding taxes, UBSIA would assume that the holder is not entitled to any concessional withholding tax rate in the jurisdiction where the underlying Share is listed. This may result in up to 30% reduction in the value of any distribution. You should seek professional advice as to whether you can be eligible to any concessional tax treatment as a holder of the UBS Warrant</p>
Exercise of UBS Warrants:	The UBS Warrants will be automatically exercised at Expiry, provided no Extraordinary Event or compulsory acquisition has occurred. There is no need for the Holder to give any notice for exercise of the UBS Warrant. The UBS Warrants are European style and may not be exercised prior to the Expiry Date.
Exercise Price:	<p>The Exercise Price per Underlying Parcel in each Series is set out in the Summary Section of this PDS. This will be deducted from the Average Price before the Cash Settlement Amount is paid to the entitled Holder.</p> <p>The Exercise Price is subject to adjustment in certain situations as set out in the Terms of Issue.</p>
Expiry Date:	<p>The UBS Warrants will expire:</p> <ul style="list-style-type: none">• at 6pm (New York time) on the date set out in the Summary Section of this PDS; or• on any anniversary of the date of the PDS, if UBSIA declares it to be an Early Expiry Date in accordance with Term of Issue 8.2.7 (provided such declaration is not unfair (as defined in Section 12 BG of the ASIC Act).

Early Expiry Date:	UBSIA may declare any anniversary of the date of this PDS to be an Early Expiry Date if, in the absolute discretion of UBSIA, the continued issue of the UBS Warrants by UBSIA is not reasonably practicable or economically viable. In order for UBSIA to declare an Early Expiry Date, it must give at least 30 calendar days notice prior to the next anniversary date. If UBSIA declares an Early Expiry Date, Holders will receive the Cash Settlement Amount on the Settlement Date.
No Certificates:	The UBS Warrants will be held in uncertificated form pursuant to CHESS and no certificates will be issued.
Form:	The UBS Warrants will be noted in the register of Holders maintained by the Registrar.
Transfer of UBS Warrants:	On-market. Off-Market transfers may be arranged by agreement between the relevant parties.
Buy Back, Cancellation and Resale:	UBSIA may, but is not obliged to, buy back UBS Warrants. UBS Warrants bought back may be resold or cancelled.
Extraordinary Event or compulsory acquisition:	If an event occurs causing the UBS Warrants to lapse automatically (see Terms of Issue 8.1.5 and 8.2.3), UBSIA will nominate an Early Termination Date on occurrence of the event and, on the sixth Business Day after that date, Holders will receive the Termination Amount per UBS Warrant as determined by the Calculation Agent.
Payment of Cash Settlement Amount	A Holder will receive the Cash Settlement Amount on exercise of the UBS Warrant. The Holder is not entitled to physical delivery of the Underlying Parcel under the Terms of Issue.
Shareholding Disclosure Requirements/Takeovers:	The UBS Warrants do not confer a right to acquire the Underlying Parcel. Nonetheless, each Investor should obtain their own independent legal advice as to any implications that the acquisition or exercise of a UBS Warrant could have for them under the Corporations Act, the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth), the US Securities Act 1933 (as amended) or other applicable legislation, regulations and rules, or under the constitution of the Company (see Part 3.8 and Part 3.11) to disclose an interest in the Company arising from the Investor's interest in a UBS Warrant and in respect of any applicable takeover laws.
Superannuation Funds and self-managed Super	Superannuation entities are subject to restrictions on the type of investments that can be made. Superannuation entities should obtain independent advice on the suitability of warrants as part of their overall investment strategy, and should take into account the exposure to the Underlying Parcel acquired through a UBS Warrant. No determination by the Regulators has been sought in respect of the UBS Warrants offered under this PDS.
Offer Period:	The offer of UBS Warrants under this PDS is open from the date of this PDS and will close in respect of each Series at the earlier of: (a) the issue of all the UBS Warrants in the Series; or (b) 5:00pm Sydney time on the Business Day before the Expiry Date for that Series, subject to the rights of UBSIA to withhold offering any or all UBS Warrants at any time and for any period of time and to close the offer with respect to any or all UBS Warrants on an earlier date without prior notice. No UBS Warrants in a Series will be issued on the basis of this PDS later than the last Business Day before the Expiry Date for that Series.

UBS Warrants can be bought on ASX by contacting your broker (once the UBS Warrants are admitted for quotation on ASX).

Purchase of Warrants:

Alternatively, investors wishing to apply for UBS Warrants in the primary market must complete the Application Form attached to this PDS in accordance with the instructions on the back of that Application Form and send it together with the Premium to UBS Securities (the Arranger).

The market price of the warrant is determined by reference to the price at which the Issuer is able to acquire its hedge, an exposure to the underlying Share, and the AUD/USD exchange rate as determined by the Calculation Agent.

Directory:

The last page of this PDS contains a full directory including names and addresses of UBSIA, UBS Securities, the Guarantor, the Registrar and other contact details.

The following are illustrative examples only. Actual performance may differ materially. Any growth in value, prices or exchange rates shown in these examples are assumed returns over the period and are not based on any historical period and are not an indicator of future returns. Assumptions for the following examples are:

- Exercise Price = \$0.01 (AUD)
- No Costs and Taxes
- Calculations in these examples have been rounded to the nearest cent.

Example 1: Cash Settlement Amount Calculations

At expiry, assume the following two scenarios of daily volume weighted average prices are observed in respect of the underlying Shares on NASDAQ on the five Averaging Dates:

Scenario 1: Falling underlying Share price over Averaging Period

	USD Daily volume weighted average price
Averaging Date 1	\$33.00
Averaging Date 2	\$32.75
Averaging Date 3	\$32.25
Averaging Date 4	\$32.50
Averaging Date 5 (Expiry Date)	\$32.25
Arithmetic Average of Daily Prices	\$32.55

Illustrative Example of UBS Warrants

Assuming an AUD/USD Exchange Rate of \$0.90, the Cash Settlement Amount per UBS Warrant is equal to:

$$\$32.55 \div 0.900 - \$0.01 = \text{AUD } \$36.16$$

The Holder will therefore receive AUD \$36.16 from the Issuer for each UBS Warrant held.

Scenario 2: Rising underlying Share price over Averaging Period

	USD Daily volume weighted average price
Averaging Date 1	\$33.00
Averaging Date 2	\$33.25
Averaging Date 3	\$33.50
Averaging Date 4	\$33.75
Averaging Date 5 (Expiry Date)	\$34.25
Arithmetic Average of Daily Prices	\$33.55

Assuming an AUD/USD Exchange Rate of \$0.90, the Cash Settlement Amount per UBS Warrant is equal to:

$$\$33.55 \div 0.900 - \$0.01 = \text{AUD } \$37.27$$

The Holder will therefore receive AUD \$37.27 from the Issuer for each UBS Warrant held.

Example 2: Return on Investment

The following hypothetical examples cover two scenarios of how AUDUSD exchange rate movements may impact the return on the UBS Warrant price.

Assume the following variables applied if the investor purchases UBS Warrants on 1 September Year 1:

1 September Year 1	Price
Exchange Rate (AUDUSD)	\$0.90
Underlying Share price (USD)	\$33.00

The UBS Warrant price at that time would be approximately AUD \$36.66 (i.e. $(\$33.00 \div 0.900) - \$0.01 = \$36.66$)

Scenario 1: Appreciating USD (with rising Share price and falling Share price)

If the Investor then sells the UBS Warrants on 1 September Year 2, and assuming the applicable USD exchange rate appreciates to \$0.85, the approximate price of the UBS Warrants would be as follows (assuming either a \$1 price rise and fall in the USD Share price).

1 September Year 2	\$1 Rise in Share Price	\$1 Fall in Share Price
Exchange Rate (AUDUSD)	\$0.85	\$0.85
Underlying Share (USD)	\$34.00	\$32.00
Sell Warrant (1 Sept Year 2) (AUD)	\$39.99	\$37.64
Percentage change in UBS Warrant Price	9.08%	2.67%

Scenario 2: Depreciating USD (with Rising Share price and Falling Share price)

If the Investor then sells the UBS Warrants on 1 September Year 2, and assuming the applicable USD exchange rate depreciates to \$0.95, the approximate price of the UBS Warrants would be as follows (assuming either a \$1 price rise and fall in the USD Share price).

1 September Year 2	\$1 Rise in Share Price	\$1 Fall in Share Price
Exchange Rate (AUDUSD)	\$0.95	\$0.95
Underlying Share (USD)	\$34.00	\$32.00
Sell Warrant (1 Sept Year 2)	\$35.78	\$33.67
Percentage change in Warrant Price	-2.40%	-8.14%

This product should only be considered by Investors who are prepared to sustain a total loss of the amount invested in the UBS Warrants.

Part 3 – Description of UBS Warrants

3.1 GENERAL

Investors should note that the information contained in this Part 3 of the PDS is, and is only intended to be, a brief description. Holders' rights and obligations which are governed by the Terms of Issue (see Part 8) and the general law and if there is any conflict between the information set out in this Part 3 of the PDS and the Terms of Issue, the Terms of Issue shall prevail.

3.2 INTRODUCTION

The UBS Warrants are a product offered by UBSIA to enable Holders to acquire an exposure to the AUD value of the underlying Shares.

On expiry, a Holder of a UBS Warrant is entitled to receive the Cash Settlement Amount on the Settlement Date. A Holder as at a Record Date is also entitled to receive any applicable Distribution Amount or Rights Amount in respect of a UBS Warrant less applicable Costs and Taxes.

3.3 EXERCISE

The UBS Warrants will be automatically exercised on the scheduled Expiry Date (provided that no Extraordinary Event, Early Expiry Date or compulsory acquisition has occurred). The person who is or who becomes the registered Holder as at the Closing Time on the Expiry Date is entitled to receive the Cash Settlement Amount from UBSIA on the Settlement Date. The UBS Warrants are European style and may not be exercised prior to the Expiry Date.

The UBS Warrants may expire early if UBSIA declares there to be an Early Expiry Date. UBSIA may declare an Early Expiry Date on each anniversary of the date of this PDS if, in the absolute discretion of UBSIA, the continued issue of the UBS Warrants by UBSIA is not reasonably practicable or economically viable. If UBSIA declares an Early Expiry Date, Holders will receive the Cash Settlement Amount on the Settlement Date following the Early Expiry Date.

Trading in UBS Warrants may continue until approximately 4:10pm (Sydney time) on the scheduled Expiry Date of the relevant Series with the effect that an Investor may not be registered as a Holder as at the Closing Time on the Expiry Date. To take account of this, the Terms of Issue allow a person who claims to be entitled to be registered as the Holder of a UBS Warrant as at the Closing Time on the Expiry Date, to be entitled to receive the Cash Settlement Amount provided that:

- (a) the person concerned is registered as the Holder within three (3) Business Days after the Expiry Date;
- (b) to the knowledge, or in the reasonable opinion, of UBSIA, no other person has become registered as the Holder later in time prior to the Closing Time on the Expiry Date, than the person who claims to be the registered Holder at Expiry; and
- (c) the UBS Warrant has not lapsed.

The Cash Settlement Amount per UBS Warrant is determined by the Calculation Agent as the Average Price of the Underlying Parcel net of applicable Costs and Taxes, converted into Australian Dollars at the Exchange Rate, less the Exercise Price.

3.4 EXERCISE AND REGISTRATION PROCEDURES

Investors should note that the Cash Settlement Amount and Termination Amount will only be payable under the Terms of Issue to the person who becomes the Holder no later than the third Business Day after the Expiry Date, Early Expiry Date or Early Termination Date (respectively). Investors who acquire UBS Warrants should ensure that their broker makes appropriate arrangements to ensure the registration of their holding by the relevant time, having regard to the requirements of CHES.

3.5 EXPIRY DATE (INCLUDING EARLY EXPIRY DATE)

The UBS Warrants in each Series will expire on the date listed for those Series in the Summary Section of this PDS. UBS Warrants will be automatically exercised at the Closing Time on the Expiry Date or, if UBSIA declares an Early Expiry Date, the relevant anniversary of the date of this PDS. In order for UBSIA to declare an Early Expiry Date, it must give at least 30 calendar days notice prior to the next anniversary date.

Investors should note that UBS Warrants will lapse if there is an Extraordinary Event or if compulsory acquisition procedures are commenced in respect of the underlying Shares.

3.6 EXERCISE OF DISCRETION BY UBSIA

Investors should note that a number of provisions of the Terms of Issue confer discretions on UBSIA which could affect the value of the UBS Warrants. These include the powers to nominate Extraordinary Events (see below and Term of Issue 8.1.5), to determine whether rights offered have value (see Term of Issue 8.4.5), declare an Early Expiry Date (see Term of Issue 8.2.7) and to vary the adjustments contemplated in Term of Issue 8.4.

Holders do not have the power to direct UBSIA concerning the exercise of any discretion. Any determination made by UBSIA using any discretion mentioned herein will be made in its sole discretion, acting in good faith and in a commercially reasonable manner. However, in relation to many of the discretions, UBSIA may only exercise those discretions with the consent of ASX. Also, UBSIA must notify the ASX of the occurrence of an Extraordinary Event.

3.7 EXTRAORDINARY EVENTS

If an Extraordinary Event in respect of a Series is nominated by UBSIA (and the nomination has become effective), the UBS Warrants in respect of that Series will automatically lapse. An event may be nominated by UBSIA with the consent of ASX as an Extraordinary Event if it is, or results in, delisting, removal from quotation, withdrawal of trading status or suspension of the underlying Shares or UBS Warrants or the Shares ceasing to be CHESS Approved Securities (see Terms of Issue 8.1.5, 8.1.6 and 8.1.7 for a complete explanation of the steps involved).

The UBS Warrants will also automatically lapse if compulsory acquisition procedures under the law of any applicable jurisdiction are commenced in respect of the underlying Shares.

In any of these cases, the Holder will receive the Termination Amount per UBS Warrant from UBSIA.

The proposed delisting of the Company from ASX, which is subject to approval by holders of the Company's Class B Common Stock, and is expected to occur on or about 8 May 2014, will not be nominated as an Extraordinary Event by UBSIA.

3.8 LEGISLATION REGULATING DISCLOSURE BY SUBSTANTIAL SHAREHOLDERS AND TAKEOVERS: ASSOCIATIONS ARISING AS A RESULT OF WARRANT TRADING

The acquisition, disposal and exercise of a UBS Warrant should not have implications for Holders under Chapter 6 of the Corporations Act or the US Securities Act 1933 (as amended) because the Holders do not have any interest in the Underlying Parcel nor any right to call for physical delivery of the Underlying Parcel. Holders should, however, obtain their own independent legal advice on the obligations they may have under the above legislation and rules, taking into account their specific circumstances.

3.9 MERGER EVENTS

UBSIA may nominate an Early Termination Date for a Series if there is a Merger Event. A Merger Event occurs in respect of the Company if there is a transfer or agreement to transfer all of the Company's shares to another entity or person, for cash or shares or other consideration, or there is a reorganisation of capital involving a merger or amalgamation of the shares with securities of another entity, or there is a takeover or tender offer made for it in excess of 10% of the voting shares in the Company.

UBS Warrants will lapse on the Early Termination Date and UBSIA will pay the entitled Holder the Termination Amount per UBS Warrant on the sixth Business Day after the Early Termination Date.

3.10 LAPSE OF WARRANT ON COMPULSORY ACQUISITIONS

UBS Warrants will lapse if compulsory acquisition procedures under the law of any applicable jurisdiction, such as pursuant to a takeover bid or under a scheme of arrangement or reduction of capital, are initiated in respect of the shares of the Company. UBS Warrants may also lapse where the underlying Shares or the UBS Warrants are suspended or delisted and this is nominated as an Extraordinary Event by UBSIA with the consent of ASX (see Terms of Issue 8.1.5, 8.1.6, 8.1.7 and 8.2.3). UBSIA will not nominate the proposed delisting of the Company on or about 8 May 2014 from the ASX as an Extraordinary Event.

If the UBS Warrant lapses for any of the above reasons, Holders will be entitled to receive the Termination Amount referred to in Terms of Issue 8.1.5 and 8.2.3.

3.11 OWNERSHIP RESTRICTIONS

The UBS Warrants do not confer any right to acquire or to take physical delivery of the underlying Shares. As such, the acquisition and exercise of UBS Warrants should not have implications for Holders under the

Corporations Act, *Foreign Acquisitions and Takeovers Act 1975* (Cth), under the constitution of the Company or under US Securities Act 1933 (as amended).

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

3.12 SUSPENSION, DISCONTINUANCE OR MODIFICATION OF UNDERLYING PARCELS

Except where it constitutes an Extraordinary Event, delisting, removal from quotation, withdrawal of trading status or suspension of the underlying Shares will not affect the validity of UBS Warrants, or in any way detract from the obligations of UBSIA under UBS Warrants, unless UBS Warrants themselves consequently are delisted, have their Trading Status withdrawn or are suspended. UBSIA will not nominate the proposed delisting of the Company on or about 8 May 2014 from the ASX as an Extraordinary Event.

The cancellation of any Shares or the modification of their rights attached to the underlying Shares may, in certain circumstances, lead to a change in the Underlying Parcel or an adjustment to the Exercise Price. Otherwise, except where UBSIA nominates it as an Extraordinary Event, the cancellation of the Shares or the modification of their rights attached to the underlying Shares will not affect the validity of a UBS Warrant or in any way detract from the obligations of UBSIA.

3.13 SUSPENSION OF UBS WARRANT TRADING

Trading on the ASX of UBS Warrants may be halted or suspended by ASX, including at the request of UBSIA. This may occur whenever ASX deems such action appropriate in the interests of maintaining a fair and orderly market in UBS Warrants or otherwise deems such action advisable in the public interest or to protect Investors.

Matters that may also be considered include circumstances where ASX has been advised that the Company is about to make an important announcement, or trading in the underlying Shares has been halted or suspended, or any unusual conditions or circumstances are present or UBSIA becomes unable or unwilling or fails to comply with the ASX Operating Rules or if ASX in its absolute discretion thinks fit.

The withdrawal of admission to Trading Status or suspension of the UBS Warrants may, in UBSIA's discretion (with the consent of ASX), cause the UBS Warrants to lapse (except as a result of the proposed delisting of the Company on or about 8 May 2014 from the ASX).

3.14 DELISTING OF A COMPANY

Except to the extent that it constitutes an Extraordinary Event (in which case the UBS Warrants will lapse), the removal of a Company from the official list of NASDAQ will not affect the validity of UBS Warrants or in any way detract from the obligations of UBSIA under UBS Warrants. However, UBS Warrants themselves may have Trading Status withdrawn by ASX in such circumstances. If the Underlying Parcels become worthless or the Company is wound up or ceases to exist, it is likely that the UBS Warrants will cease to have any value.

3.15 TRANSFERS

Transfers of UBS Warrants will be effected on-market through the parties' brokers in accordance with the Corporations Act, the ASX Operating Rules, the ASX Settlement Operating Rules and the Terms of Issue. Off-Market transfers may be arranged by agreement between the relevant parties.

3.16 POTENTIAL CONFLICTS OF INTEREST

Investors should note that UBSIA and its related bodies corporate may buy UBS Warrants and/or exchange traded options in the underlying Shares as principal. UBSIA or its relevant related bodies corporate, as principal, may conduct transactions in the Company's securities, including the underlying Shares. UBS Securities Australia Ltd may conduct such transactions as agent for UBSIA or its related bodies corporate, as well as for other principals.

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

3.17 VOTING RIGHTS

The issue of any UBS Warrant or the holding of a UBS Warrant does not entitle the Holder to any voting rights attached to the underlying Shares.

3.18 TREATMENT OF RIGHTS, CAPITAL RETURNS, BONUS ISSUES, DIVIDENDS AND RECONSTRUCTION OF CAPITAL

UBS Warrants do not entitle a Holder to dividends, rights, capital returns, bonus issues or other distributions in respect of the underlying Shares or to participate in offers made in respect of the underlying Shares.

However, Holders as at a Record Date will receive a Distribution Amount that is equal to the cash dividend or cash return of capital paid on Shares comprising an Underlying Parcel, converted into AUD at the Exchange Rate, less applicable Costs and Taxes. Holders as at a rights offer Record Date will receive a Rights Amount that is equal to the Rights Value determined by the Calculation Agent, less applicable Costs and Taxes and converted into AUD at the Exchange Rate.

In case of a bonus share issue or a reconstruction of capital, the description of the Underlying Parcel may be adjusted by the Calculation Agent.

3.19 COSTS AND TAXES

UBSIA may deduct Costs and Taxes from various payments including any Distribution Amounts, Rights Amounts and the payment of the Cash Settlement Amount. These Costs and Taxes include any incidental costs and taxes incurred by UBSIA and any of its affiliated entities in relation to the establishment, holding and unwinding of hedges in respect of the UBS Warrant and the payment of the Cash Settlement Amount, any Distribution Amount, and any Rights Amount, including but not limited to, any GST and withholding tax that may apply.

It is currently expected that there will be withholding tax amounts deducted from Distribution Amounts paid on the UBS Warrants. Please refer to Part 3.27 for more information on taxes.

3.20 UBSIA'S OBLIGATIONS

UBSIA will seek to ensure that it will meet its obligation to pay the Cash Settlement Amount, any Distribution Amount and any Rights Amount by a combination of physical, derivative and synthetic hedging products to the extent UBSIA considers necessary.

If UBSIA does not comply with its obligation to pay the Cash Settlement Amount, the amount outstanding will accrue interest at the Default Rate from but excluding the Settlement Date, and Holders may make a claim under the Guarantee and pursue all available remedies against UBSIA and the Guarantor.

3.21 PAYMENT DATES

UBSIA must pay the following amounts to the entitled Holder on or by the following dates:

- a) the Cash Settlement Amount – on the Settlement Date;
- b) a Distribution Amount – on the Distribution Amount Payment Date;
- c) a Rights Amount – by latest the Rights Amount Payment Date.

3.22 VARIATION OF TERMS OF ISSUE

UBSIA may change the Terms of Issue in some circumstances including:

- (a) where the Change is approved by a resolution of Holders in accordance with Schedule 4 to the Terms of Issue;
- (b) where, in UBSIA's opinion and with the consent of ASX, the Change is necessary or desirable to comply with legal or statutory requirements or ASX requirements;
- (c) with the consent of ASX if the Change relates to Schedule 2 to the Terms of Issue and permits the transfer by an alternative method;
- (d) where, in UBSIA's opinion, the Change is necessary or desirable to correct a defect, manifest error or ambiguity in the Terms of Issue and does not, in UBSIA's opinion, materially prejudice the interests of Holders and is not unfair (as defined in Section 12BG of the ASIC Act) and ASX consents to that Change; or
- (e) where in UBSIA's reasonable opinion, the Change does not materially prejudice the interests of Holders and is not unfair (as defined in Section 12BG of the ASIC Act) and ASX consents to that Change; or
- (f) in the case of an adjustment or Extraordinary Event occurring, as specified in the Terms of Issue, provided that the Change is not unfair (as defined in Section 12BG of the ASIC Act).

Any determination made by UBSIA using any discretion mentioned in (b), (d) or (e) above will be made in its sole discretion, acting in good faith and in a commercially reasonable manner.

The requirements for a resolution of Holders are set out in Schedule 4 to the Terms of Issue and include:

- (a) notice to Holders by UBSIA of the Change;
- (b) a document setting out reasons for and any advantages or disadvantages of the Change; and
- (c) a ballot paper allowing the Holder to vote for or against the Change,

and at least three (3) times as many votes in favour of the Change as are cast against it (by Holders who validly cast votes), with voting on the basis of one vote per UBS Warrant (see Schedule 4 to the Terms of Issue).

The votes will be validated and checked by UBSIA's auditors. Each Holder will have one vote for each UBS Warrant held. The voting period may not be less than twenty (20) Business Days from despatch of the last notice of proposed change to a Holder. No ballot can be requisitioned by Holders.

Where the UBS Warrants are held by UBSIA or its associate as trustee or nominee for a Holder, UBSIA or its associate will only cast a vote in respect of each UBS Warrant so held, in the manner directed by the beneficial owner.

3.23 COPY OF TERMS OF ISSUE

The Terms of Issue are set out in Part 8 of this PDS. The Terms of Issue (incorporating any Changes) can be inspected at UBSIA's office at Level 16, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000 and Level 16, 8 Exhibition Street, Melbourne, VIC, 3000. Copies are available for \$10.00.

3.24 TELEPHONE RECORDING

Investors agree under the Terms of Issue to the tape recording by UBSIA, for retention and use as evidence, of any telephone conversations concerning the UBS Warrants (see Term of Issue 8.8.3).

3.25 REGISTER

UBSIA will arrange (at its own cost) for a register of Holders to be established and maintained at the offices of the Registrar. The Register will be open during business hours for inspection by any Holder or any officer or member of the Company.

The Registrar does not cause or authorise the issue of the PDS and the Registrar was not involved in the preparation of the PDS or any part of it, except for the references in the PDS to its name.

As the UBS Warrants will be CHESS Approved Securities, a CHESS and an Issuer Sponsored Subregister of holdings will be maintained (see Part 7.5).

3.26 INCOME TAX CONSIDERATIONS

Depending upon their own circumstances, the acquisition, dealing in and exercise of UBS Warrants could have income tax or capital gains tax implications for Holders. Investors should therefore seek advice from their taxation advisers as to the ramifications of this type of investment.

This PDS is of a general nature only and should not be regarded as constituting legal or taxation advice.

3.27 GOODS AND SERVICES TAX AND WITHHOLDING TAX

The *A New Tax System (Goods and Services Tax) Act 1999* and related legislation imposes 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) Act 1999* identify a range of "financial services" that are input taxed.

The issue of a UBS Warrant, transfer of a UBS Warrant, payment of the Cash Settlement Amount, Termination Amount, Distribution Amount or Rights Amount will not, under current GST laws, be a "taxable supply" and thus will not be subject to GST.

However, if GST becomes payable on the issue of a UBS Warrant, or on the any other taxable supplies made by UBSIA to Holders, then UBSIA, to comply with its obligations under the GST laws, will charge an additional amount equal to the GST to the Holder.

If withholding taxes or other local taxes are paid or are payable by UBSIA in respect of its hedge positions held to cover its obligations under the UBS Warrants, then UBSIA is entitled to deduct the amount from any payments due to the Holder as part of the definition of "Costs and Taxes".

U.S. withholding taxes are expected to apply to hedge positions held in respect of the UBS Warrants. As a result, withholding tax on hedge positions is expected to result in Costs and Taxes that will reduce any cash dividend amount paid on the underlying Shares by 15%. These amounts will be subject to changes in withholding tax regulations, withholding tax rates and withholding tax treaty arrangements.

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 ("Treasury") regulations (if finalized in their current form), certain payments or deemed payments with respect to certain equity-linked instruments ("Specified ELLs") 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 UBS Warrants on or after January 1, 2016 that are treated as Dividend Equivalents for UBS Warrants acquired on or after March 5, 2014. Under a recent U.S. Internal Revenue Service ("IRS") Notice, however, the IRS announced that the IRS and the Treasury Department intend that final Treasury regulations will provide that "Specified ELLs" will exclude equity-linked instruments such as the UBS Warrants issued prior to 90 days after the date the final Treasury regulations are published. Accordingly, we generally expect that Non-US Holders of the UBS Warrants should not be subject to tax under Section 871(m). However, it is possible that such withholding tax could apply to the UBS Warrants under these proposed rules if, for example, the Non-U.S. Holder enters into certain subsequent transactions in respect of the Underlying References. If withholding is required, we (or the applicable paying agent) would be entitled to withhold such taxes without being required to pay any additional amounts with respect to amounts so withheld. Non-U.S. Holders 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 UBS Warrants.

3.28 MONEY RECEIVED ON TRUST

If UBSIA holds money in an account on behalf of a Holder in accordance with section 1017E of the Corporations Act, UBSIA will be entitled to retain any interest payable on the account.

Part 4 – Risk Factors

4.1 GENERAL

Investors should note that investment in the UBS Warrants is speculative and that the UBS Warrants may become significantly less valuable upon expiration or may, in certain circumstances, automatically lapse. This means that Holders may either lose money or sustain a total loss on their investment. A document of this kind cannot take into account each Investor's investment objectives, financial situation and needs. Accordingly, nothing in this PDS is or is intended to be a recommendation by UBSIA or UBS Securities or any other person to invest in the UBS Warrants, the Company or any other security. Investors should reach an investment decision only after carefully considering, with their advisers, the suitability of the UBS Warrants in light of their particular circumstances.

4.2 ABILITY OF ISSUER AND GUARANTOR TO FULFIL THEIR OBLIGATIONS UNDER THE TERMS OF ISSUE

You are exposed to counterparty risk in relation to the Issuer and Guarantor which is a risk that the Issuer may default on its obligations under the Terms of Issue and that the Guarantor may default on its obligations under the Guarantee. In either scenario, you risk losing your entire investment amount including any unpaid Distribution Amount, Rights Amount or Termination Amount.

The Issuer 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 Part 6 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 Part 5 for more details and information about how to access the financial information of the Guarantor.

Under the Terms of Issue, the Issuer has the right to transfer its rights and obligations under this PDS and the Terms of Issue (provided that the transfer is not to the detriment of Holders and is not otherwise unfair (as defined in section 12BG of the ASIC Act)) so your credit exposure to the Issuer of UBS Warrants may change. In the event that any transfer is made, notice will be given to Holders.

4.3 NO GUARANTEE BY ASX, NATIONAL GUARANTEE FUND OR ASX CLEAR PTY LIMITED

The capacity of UBSIA to settle all outstanding UBS Warrants is not guaranteed by the ASX, the National Guarantee Fund (see Part 7.6) or ASX Clear Pty Limited.

4.4 ENTITLEMENTS AND REGISTRATION PROCEDURES

Investors should note that the entitlement to receive the Cash Settlement Amount, any Distribution Amount and any Rights Amount accrue only to the registered Holder as at the Closing Time on the Expiry Date and relevant Record Date (as applicable). As such, investors should ensure that their broker makes appropriate arrangements to ensure that the Investor becomes registered as the Holder within the required time.

4.5 PRICE OF UNDERLYING PARCEL

The UBS Warrants may be of significantly less value if the market price of the Shares comprising the Underlying Parcels falls or may be of no value if the market price of the Shares comprising the Underlying Parcels falls below the Exercise Price.

As the Cash Settlement Amount is calculated by reference to the arithmetic average of the daily volume weighted average of the price of the underlying Shares on the NASDAQ during the Averaging Period,

Investors should note that the averaging calculation means the Holder may not receive the full benefit of an increase in price of the underlying Share from the purchase date to the Expiry Date.

4.6 EXCHANGE RATE CHANGES AND IMPACT ON DISTRIBUTION AMOUNT AND RIGHTS AMOUNT (IF ANY)

Holders are exposed to changes in the AUD/USD exchange rate because all payments made by UBSIA to the Holder (including the Cash Settlement Amount, Distribution Amounts and Rights Amounts) are calculated in USD but are then converted and paid in AUD based on the Exchange Rate determined by the Calculation Agent. An appreciation of the USD against the AUD will therefore increase the amount payable to the Holder all else being equal. Conversely, the AUD amount receivable by a Holder will decrease if the USD weakens against the AUD.

You should be aware that:

- (a) the Calculation Agent will determine (at its discretion) the exchange rate using prevailing market rates at the time of calculation which will be used to calculate the Cash Settlement Amount, Distribution Amount or Rights Amount of a UBS Warrant which may be payable to you; and
- (b) changes in the applicable exchange rate could have a significant effect on the determination of the amounts (if any) you are entitled to receive in relation to a UBS Warrant, and consequently the outcome of your investment in a UBS Warrant.

4.7 EARLY EXPIRY DATE, LAPSE OR EARLY TERMINATION OF WARRANTS BEFORE EXPIRY

Pursuant to Term of Issue 8.2.7, UBSIA may declare any anniversary of the date of this PDS to be an Early Expiry Date if, in the absolute discretion of UBSIA, the continued issue of the UBS Warrants by UBSIA is not reasonably practicable or economically viable. In order for UBSIA to declare an Early Expiry Date, it must give at least 30 calendar days notice prior to the next anniversary date. If UBSIA declares an Early Expiry Date, Holders will receive the Cash Settlement Amount on the Settlement Date following the Early Expiry Date.

Pursuant to Term of Issue 8.1.5, UBSIA may nominate as an Extraordinary Event any event which is a Market Disruption Event, a Merger Event, the actual or proposed delisting, removal from quotation, withdrawal of admission to trading status or suspension from trading of the underlying Shares of the UBS Warrants. An Extraordinary Event may include a Market Disruption Event, such as a Hedging Disruption when UBSIA or its affiliates are not able to establish, maintain or unwind its hedges in relation to the UBS Warrants, or a Change in Law event where it becomes illegal for UBSIA or its affiliates to maintain a hedge for the UBS Warrants or UBSIA or its affiliates are exposed to materially increased costs or taxes in relation to the performance of UBSIA's obligations under this PDS.

Under clause 8.2.3, the UBS Warrants will automatically lapse if UBSIA nominates an event as an Extraordinary Event or the underlying Shares become the subject of compulsory acquisition under the law of any applicable jurisdiction. UBSIA will not nominate the delisting of the Company from the ASX as an Extraordinary Event.

Upon the automatic lapsing of a UBS Warrant, Holders will receive the Termination Amount per UBS Warrant as determined by the Calculation Agent on the sixth Business Day after the Early Termination Date.

4.8 FACTORS AFFECTING THE VALUE OF UBS WARRANTS

The trading value of a UBS Warrant is expected to be dependent on and correlated with the AUD value of the underlying Share price. Furthermore, the value of the UBS Warrant will change with changes in the USD/AUD exchange rate – all else being equal, any depreciation of the USD against the AUD will result in a decrease in the price of the UBS Warrant. This means that the general risks applicable to the currency market and to the equity markets on which the underlying Shares are traded will also impact upon the value of the UBS Warrants. These include changes in supply and demand for USD and AUD, changes in equity indices, the strength of the Australian and world economies, investor perceptions, government policy and laws affecting the price and trading of options.

The fact that UBS Warrants may become significantly less valuable during their currency and in certain circumstances automatically lapse or expire worthless, means that the Holder may lose any or all of the amount invested in the UBS Warrants.

The quantum of Distribution Amounts and Rights Amounts payable to Holders will also affect the value of UBS Warrants. These amounts are paid net of Costs and Taxes, such as withholding tax actually and/or notionally incurred on share dividends and in the case of withholding taxes, UBSIA would assume that the

holder is not entitled to any concessional withholding tax rate in the jurisdiction where the underlying Share is listed. This may result in up to 30% reduction in the value of any distribution, if this occurs, the value of UBS Warrants may fall if there is an imposition of new or additional taxes in respect of distributions and returns on the underlying Shares (refer to Part 3.27 Goods and Services Tax and Withholding Tax, and Part 9 Taxation Summary).

You should seek professional advice as to whether you can be eligible to any concessional tax treatment as a holder of the UBS Warrant.

4.9 POSSIBLE ILLIQUIDITY OF TRADING MARKET

Investors should note that at present there is no accurate indication as to how the UBS Warrants will trade on the ASX and as to whether the market will be liquid or illiquid. As a consequence, you may not be able to sell your UBS Warrants at a price acceptable to you. UBSIA has certain obligations under the ASX Operating Rules to make a market in the UBS Warrants, however this does not oblige UBSIA to buy a UBS Warrant from you at a price specified by you (nor does it oblige UBSIA to sell you a UBS Warrant).

4.10 TIME ZONE DIFFERENCES

If the underlying Shares delist from trading on ASX, there is a risk that, because NASDAQ and ASX exchanges are located in different time zones, the trading price of the UBS Warrants may change significantly due to the overnight movement of the prices of the underlying Shares on NASDAQ. However, given the underlying Share will not be trading on ASX (after the proposed delisting of the Company on ASX) there may not be any significant intraday movement of the UBS Warrant trading price during ASX trading hours.

4.11 EXERCISE OF DISCRETION BY UBSIA

Investors should also note that a number of provisions of the Terms of Issue confer discretions on UBSIA which could affect the value of the UBS Warrants. These include the powers to nominate Extraordinary Events (see Term of Issue 8.1.5), to determine whether rights offered have value (see Term of Issue 8.4.5), declare an Early Expiry Date (see Term of Issue 8.2.7) and to vary the adjustments contemplated in Term of Issue 8.4 (see Term of Issue 8.4.7).

Holder do not have the power to direct UBSIA concerning the exercise of any discretion (see Term of Issue 8.8.6). Any determination made by UBSIA using any discretion mentioned herein will be made in its sole discretion, acting in good faith and in a commercially reasonable manner. However, in relation to many of the discretions, UBSIA may only exercise those discretions with the consent of ASX.

4.12 SUSPENSION OF UBS WARRANTS TRADING

Trading of the UBS Warrants on the ASX may be halted or suspended when ASX deems, including at the request of UBSIA, that action appropriate in the interests of maintaining a fair and orderly market in the UBS Warrants or otherwise deems the action otherwise advisable in the public interest or to protect investors.

4.13 CHANGE TO TERMS OF ISSUE

UBSIA may change the Terms of Issue in some circumstances including:

- (a) where the Change is approved by a resolution of Holders in accordance with Schedule 4 to the Terms of Issue; or
- (b) where, in UBSIA's opinion and with the consent of ASX, the Change is necessary or desirable to comply with legal or statutory requirements or ASX requirements; or
- (c) with the consent of ASX if the Change relates to Schedule 2 of the Terms of Issue and permits the transfer by an alternative method;
- (d) where, in UBSIA's opinion, the Change is necessary or desirable to correct a defect, manifest error or ambiguity in the Terms of Issue and does not, in UBSIA's opinion, materially prejudice the interests of Holders and is not unfair (as defined in Section 12BG of the ASIC Act) and ASX consents to that Change; or
- (e) where in UBSIA's reasonable opinion, the Change does not materially prejudice the interests of Holders and is not unfair (as defined in Section 12BG of the ASIC Act) and ASX consents to that Change; or
- (f) in the case of an adjustment or Extraordinary Event occurring, as specified in the Terms of Issue, provided that the Change is not unfair (as defined in Section 12BG of the ASIC Act).

Any determination made by UBSIA using any discretion mentioned in (b), (d) or (e) above will be made in its sole discretion, acting in good faith and in a commercially reasonable manner.

The requirements for a resolution of Holders are set out in Schedule 4 to the Terms of Issue and include:

- (a) notice to Holders by UBSIA of the Change;
- (b) a document setting out reasons for and any advantages or disadvantages of the Change; and
- (c) a ballot paper allowing the Holder to vote for or against the Change,

and at least three (3) times as many votes in favour of the Change as are cast against it (by Holders who validly cast votes), with voting on the basis of one vote per UBS Warrant.

UBSIA will, if required by the ASX Operating Rules, notify ASX of any Changes to the Terms of Issue.

4.14 CHANGES TO ISSUE SIZE

UBSIA reserves the right to issue further UBS Warrants in each Series without the consent of Holders, subject to making a further application to ASX on the basis that any new UBS Warrants will be issued on terms identical to those applying to existing UBS Warrants in that Series and will trade on the same basis under the same ASX code as those existing UBS Warrants.

Part 5 - 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 UBS Warrants. 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 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 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 UBS AG 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 www.ubs.com/1/e/investors.html.

UBS AG Australia Branch holds an Australian financial services license (AFSL number: 231087).

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 UBS Warrants. However, the Issuer's obligations in respect of the UBS Warrants are guaranteed by the Guarantor (UBS AG) subject to certain qualifications. The Guarantee is more fully described in Part 6 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 "UBS Securities") (ABN 62 008 586 481; AFSL 231098) pursuant to an intermediary authorisation for the purposes of section 911A2(b) of the Corporations Act. Pursuant to that section, the Issuer will issue the UBS Warrants in accordance with the offer made by the Arranger to arrange for such issue of UBS Warrants.

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 Australian Clearing House Pty Limited (the clearing and settlement facility for the derivatives markets operated by ASX), and a participant of CHES (the clearing and settlement facility operated by ASX Settlement and Transfer Corporation Pty Limited).

Part 6 - 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 Holders. 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 UBS Warrants 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 UBS Warrants 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 UBS Warrants and return outstanding application monies without interest within 5 Business Days of that event occurring.

If such events do not occur before the UBS Warrants are issued, the Guarantee will cover the obligations of the Issuer to Holders under the Terms of Issue.

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

It is important to note that the Guarantee operates in respect of the Issuer's payment and delivery obligations in respect of the UBS Warrants, but that it is not a guarantee of the performance of the UBS Warrants or the underlying Shares.

How do Holders make a claim under the Guarantee?

A Holder 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 of Issue. To make a claim, the Holder 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 Holder's full name as set out in the Application Form;
- indicate that the Holder is making a claim under the Guarantee;
- indicate that the claim is made in respect of the Holder's holding in the UBS Warrants, and the number of UBS Warrants held by the Holder;
- 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 Holder 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 Holder to their address as notified to the Issuer, or paying the money into the account according to the details notified by the Holder to the Issuer. Once the payment is made, this shall discharge absolutely the obligation of the Guarantor to make that payment to the Investor and the Investor will have no further recourse to the Issuer for such payments.

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.

Part 7 – General Information

7.1 PREPARATION OF THIS PDS

Information in this PDS in respect of the underlying Shares has been prepared by UBSIA from publicly available information only and has not been independently verified. Neither the Issuer, Arranger, Guarantor nor any of their related bodies corporate accepts any liability or responsibility for, and makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. Investors should make their own enquiries.

Investors 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 affairs of the Company or UBSIA and its related bodies corporate since the dates as at which information is given in this document. No representation as to future performance, assets or dividends of a Company are made in this PDS or in any offer or invitation to subscribe for, sell or issue the UBS Warrants.

7.2 ADMISSION TO TRADING STATUS ON ASX

Application has been made and approval has been granted for the UBS Warrants offered by this PDS to be admitted to trading status by ASX.

The fact that ASX admits the UBS Warrants to trading status is not to be taken in any way as an indication of the merits of UBSIA or of the UBS Warrants now offered for subscription. ASX does not warrant the accuracy or truth of the content of this PDS including any expert's report which it may contain.

In admitting the UBS Warrant to trading status, ASX has not authorised or caused the issue of this PDS and is not in any way a party to or concerned in authorising or causing the issue of this PDS or the making of offers or invitations with respect to the UBS Warrants. ASX takes no responsibility for the contents of this PDS. ASX makes no representation as to whether this PDS, or the UBS Warrants comply with the Corporations Act or the ASX Operating Rules.

To the extent permitted by the ASIC Act, the *Competition and Consumer Act 2010* (Cth) or any other relevant law, ASX will be under no liability for any claim whatsoever, including for any financial or consequential loss or damage suffered by Holders or any other person, whether that claim arises wholly or substantially out of:

- (a) reliance on any information contained in this PDS; or
- (b) any error in, or omission from, this PDS.

7.3 OBLIGATIONS OF UBSIA

UBS Warrants will constitute direct unconditional obligations of UBSIA. The obligations are unsecured contractual obligations which will rank equally with other unsecured contractual obligations and unsecured debt. UBS AG has granted a Guarantee in respect of certain obligations of the Issuer on the terms summarised in Part 6. More information on the Issuer, the Arranger and the Guarantor is set out in Part 5.

The Issuer may, but is not obliged to, buy back UBS Warrants that have been issued. UBS Warrants bought back may be resold or cancelled by UBSIA. UBS Warrants will be cancelled when the Registrar receives a notice of cancellation from UBSIA.

UBSIA will accept receipt of Applications at any time from the date of this PDS and up until the end of the offer period for UBS Warrants, subject to the right of UBSIA to close the offer at an earlier date without prior notice. UBSIA will not accept Applications after the maximum subscription has been reached and will not be reserving a portion of the issue for any nominated subscribers, subject to UBSIA's right to increase the issue size with the consent of the ASX. To facilitate any market making activities in relation to the UBS Warrants, UBS Securities Australia Ltd ("UBS Securities") intends to apply for a sufficient number of UBS Warrants for itself or on behalf of UBSIA (or a nominee on behalf of either of them). No cooling off rights apply in respect of a purchase of UBS Warrants.

UBS Securities reserves the right to apply for all or any of the remaining UBS Warrants of the Series (in its name or in the name of a nominee) at a nominal Premium if the aggregate number of UBS Warrants of the Series applied for by Investors and by UBS Securities or its nominee for market making purposes is less than the total number of UBS Warrants of the Series.

7.4 UBS WARRANTS

In the absence of an Extraordinary Event, the underlying Shares becoming the subject of compulsory acquisition under the law of any applicable jurisdiction or Early Expiry Date, the Holder has the right to receive the Cash Settlement Amount from UBSIA on the Settlement Date.

The UBS Warrants will constitute direct obligations of UBSIA. The obligations are unsecured contractual obligations which will rank equally with other unsecured contractual obligations and unsecured debt. UBSIA intends to hedge its obligations to pay the Cash Settlement Amount, any Distribution Amount and any Rights Amount by either buying and holding the underlying Shares or entering into derivative transactions to acquire an exposure to the underlying Shares. However, UBSIA is under no obligation to hedge in this manner, and UBSIA makes no assurance that it will do so. Information in relation to UBSIA is set out in Part 5.

The Guarantor has granted a Guarantee in respect of certain obligations of UBSIA as described in Part 6.

No UBS Warrants in the Series will be issued on the basis of this PDS before the date of this PDS or later than the last Business Day before the Expiry Date for the Series.

Investors should note that the issue of UBS Warrants does not include the transfer of any voting rights attached to an underlying Share. See "Voting Rights" at Part 3.17.

The acquisition or exercise of a UBS Warrant may have implications for the Holder under the Corporations Act in particular, Chapter 6 of the Corporations Act, the *Foreign Acquisitions and Takeovers Act 1975* (Cth), the US Securities Act (as amended) or other legislation, regulations and rules or under the constitution of the Company (see Part 3.8).

Investors must make their own assessment of the ability of UBSIA and the Guarantor to meet their obligations in relation to the UBS Warrants. 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.

7.5 CLEARING HOUSE ELECTRONIC SUBREGISTER SYSTEM ("CHESS")

The UBS Warrants will be CHESS Approved Securities in accordance with the ASX Operating Rules and the ASX Settlement Operating Rules. In addition to the CHESS subregister, an electronic Issuer Sponsored Subregister will be maintained. These two subregisters together will provide UBSIA's principal register of holdings.

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

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

Ownership of UBS Warrants can be transferred without paper documentation due to the electronic nature of the CHESS environment.

By virtue of ASIC Class Order 02/312, UBS Warrants are "Division 4 financial products" in relation to the CS facility operated by ASX Settlement. This enables the UBS Warrants to be transferred through CHESS under the regulations made for the purposes of Div 4 of Pt 7.11 of the Corporations Act and with the benefit of the statutory warranties and indemnities contained in those regulations.

7.6 NATIONAL GUARANTEE FUND – NOT A GUARANTOR IN ALL CASES

Claims against the National Guarantee Fund may only be made in respect of secondary trading in UBS Warrants between ASX Market Participants. Such claims can in no way relate to the primary issue of UBS Warrants by UBSIA, an off market transfer of UBS Warrants or settlement obligations of UBSIA arising from the exercise or expiry of a UBS Warrant.

7.7 OVERSEAS DISTRIBUTION

This PDS is not an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make an offer or invitation in relation to the UBS Warrants. The distribution of this PDS outside Australia may be restricted by the laws of places where it is distributed. Therefore, persons into whose possession this PDS comes, should seek advice on any applicable restrictions and observe those restrictions. Failure to comply with those restrictions may violate those laws. UBS Warrants have not been,

and will not be, registered under the US Securities Act 1933 (as amended) and must not be offered or sold in the United States of America, or to persons of the United States of America.

7.8 BROKER

UBS Securities as Broker to the issue may receive a discount, commission or fee from UBSIA in respect of UBS Warrants placed by UBS Securities and in relation to hedging transactions entered into by UBS Securities (and its related entities) on behalf of UBSIA.

7.9 POTENTIAL CONFLICT OF INTERESTS

Investors should note that UBSIA and its related bodies corporate may buy UBS Warrants and/or exchange traded options in the underlying Shares as principal. UBSIA or its relevant related bodies corporate, as principal, may conduct transactions in the Company's securities, including the underlying Shares. UBS Securities Australia Ltd may conduct such transactions as agent for UBSIA or its related bodies corporate, as well as for other principals.

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

7.10 ASX OPERATING RULES TERMINOLOGY

Certain terms are used in sections of the ASX Operating Rules in relation to warrants generally. Some of these terms correspond approximately to the terms or concepts used in this PDS in relation to UBS Warrants.

7.11 COMPLAINTS

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

- (a) Contact the UBSIA representative with whom you have been dealing and tell that person about your complaint.
- (b) If your complaint is not satisfactorily resolved within 3 Business Days, please contact our Regional Manager in your State or put your complaint in writing and send it to us at the following address:

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

We will try to resolve your complaint quickly and fairly.

- (c) If you do not get a satisfactory outcome, depending upon the nature of your complaint, you may have the right to complain to:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Telephone: 1300 78 08 08
Email: info@fos.org.au

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

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

7.12 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 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 at the date of this PDS has not withdrawn, its written consent to being named as having acted as solicitors to the Issuer in connection with the issue of the UBS Warrants pursuant to this PDS. It has in that capacity, prepared the Terms of Issue of the UBS Warrants and the Taxation Summary in Part 9 of this PDS in the form and context in which is it included. 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 Issue of the UBS Warrants and the Taxation Summary in Part 9 of this PDS in the form and context in which is it included.

Computershare Investor Services Pty Limited has given, and at the date of this PDS has not withdrawn, its written consent to be named as Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the PDS other than being named as Registrar to the UBS Warrants. Computershare Investor Services Pty Limited has not authorized or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the PDS.

7.13 FINANCIAL SERVICES GUIDES

The financial services guides of UBS Securities and UBS AG Australia Branch, which contain information about the services provided by UBS Securities and UBS AG Australia Branch is available from www.ubs.com/equitysolutions or by contacting UBS on 1800 633 100. You should read and ensure you fully understand the financial services guides of UBS Securities and UBS AG Australia Branch before investing in the UBS Warrants.

7.14 COOLING OFF PERIOD

There is no cooling off period when you acquire UBS Warrants issued under this PDS.

7.15 Privacy Statement

Should you apply for UBS Warrants by lodging an application form with UBSIA, you acknowledge and agree that:

- (a) the Issuer and your adviser collect, hold, use and disclose your Personal Information for the purpose of processing your Application, issuing the UBS Warrants, 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 UBS Warrants;
 - (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 or your Approved Adviser 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, 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. If you establish that information the Issuer holds about you is not accurate, complete and up-to-date, the Issuer will take reasonable steps to correct it.

All Personal Information collected from you will be collected, used and stored by your adviser. Please contact your adviser for a copy of its privacy policy. You can access the Personal Information the Issuer or your adviser holds about you. The Issuer or your adviser 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 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. The privacy policy of the Issuer contains information regarding the exercise of such rights in relation to access, correction and complaints.

Part 8 – Terms of Issue

8.1 INTERPRETATION

8.1.1 Definitions

In the PDS and these Terms of Issue unless the context otherwise requires:

"Accretions" means all rights, accretions and entitlements attaching to underlying Shares after the date of issue of the UBS Warrant (including, without limitation, all voting rights, all dividends and all rights to receive dividends and other distributions or shares, notes, options or other securities exercisable, declared, paid or issued in respect of the underlying Shares);

"Application" means, in respect of a UBS Warrant, an application to UBSIA for that UBS Warrant, the particulars of which are specified in an Application Form;

"Application Form" means the form to be completed by an Investor for UBS Warrants in the form attached to this PDS;

"Approved Adviser" means, in respect of a Series, such broker(s) or advisers approved by the Issuer and whose identity can be confirmed by contacting the Issuer;

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

"ASIC" means Australian Securities and Investments Commission;

"ASIC Act" means the *Australian Securities and Investments Commission Act 2001* (Cth);

"ASX" means ASX Limited (ABN 98 008 624 691) or the equity market conducted by ASX Limited as the context requires;

"ASX Market Participant" has the meaning given in the ASX Operating Rules;

"ASX Operating Rules" means the operating rules of ASX as amended from time to time;

"ASX Settlement" means ASX Settlement Pty Limited (ABN 49 008 504 532) or any clearing house or other entity which is substituted for it;

"ASX Settlement Operating Rules" means the operating rules of the clearing and settlement facility operated by ASX Settlement as amended from time to time;

"AUD" means Australian dollars;

"Average Price" means the price (in USD) per Underlying Parcel calculated by reference to the arithmetic average of the daily volume weighted average price of the relevant Shares on the NASDAQ over the Averaging Period;

"Averaging Date" in respect of a Series means a Trading Day during the Averaging Period when the daily volume weighted average price for the underlying Shares on the NASDAQ observed on that day is used in the calculation of the Cash Settlement Amount;

"Averaging Period" means the five consecutive Trading Days ending on and including the Expiry Date or Early Expiry Date (as applicable), varied if at all, in accordance with Term of Issue 8.5.2;

"Business Day" means, in respect of the transfer of UBS Warrants, and the establishment and maintenance of a Register, Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day and, in all other respects, a Trading Day;

"Calculation Agent" means UBS Securities Australia Ltd (ABN 62 008 586 481);

"Call Warrant" means a call option conferred under these Terms of Issue on a Holder;

"Cash Settlement Amount" means, in respect of each UBS Warrant, an amount equal to the Average Price less applicable Costs and Taxes, converted into AUD at the Exchange Rate, less the Exercise Price, and rounded down to two decimal places;

"Change" means, in respect of these Terms of Issue, any modification, variation, alteration or deletion of, or addition to, these Terms of Issue;

"Change in Law" means, that on or after the date of issue of UBS Warrants:

(a) due to the adoption of or any change in applicable law or regulation (including, without any 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),

UBSIA determines in its sole and absolute discretion that:

(c) it has become illegal for it or any of its affiliates or agents acting on its behalf to hold, acquire or dispose of the underlying Shares; or

(d) it will incur a materially increased cost in performing its obligations in relation to the UBS Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of UBSIA or its affiliates or agents acting on its behalf);

"CHESS" means the Clearing House Electronic Subregister System;

"Closing Time" means 6:00pm (New York time);

"Company" means, in relation to the Series, the company listed in the Summary Tables on Part 1 of this PDS;

"Corporations Act" means *Corporations Act 2001* (Cth);

"Costs and Taxes" means, any incidental costs and taxes incurred by UBSIA and any of its affiliated entities in relation to the establishment, holding and unwinding of hedges in respect of the UBS Warrant and the payment of the Cash Settlement Amount, any Distribution Amount, and any Rights Amount, including but not limited to, any GST and withholding tax that may apply;

"Default Rate" means the overdraft rate from time to time of UBSIA's principal banker for amounts in excess of \$100,000;

"Distribution Amount" means, in respect of each UBS Warrant and each Record Date, the cash dividend amount or cash return of capital amount, or both, paid on the underlying Shares, less applicable Costs and Taxes, converted into AUD at the Exchange Rate;

"Distribution Amount Payment Date" means the third Business Day after the date declared by the Company to be a payment date in relation to a dividend or cash return payment in respect of the underlying Shares as amended by the Company from time to time;

"Early Expiry Date" means a date that is an anniversary of the date of the PDS that is declared by UBSIA to be an Early Expiry Date in accordance with Term of Issue 8.2.7;

"Early Termination Date" means the date that a nomination of an Extraordinary Event under Term of Issue 8.1.5 becomes effective or the date of the lapsing of the UBS Warrant in accordance with Term of Issue 8.2.3;

"Exchange Rate" means, the AUD/USD exchange rate determined by the Calculation Agent for the purpose of calculating the Cash Settlement Amount, any Distribution Amounts and any Rights Amounts;

"Exercise Price" means, the number so listed for the Series in the Summary Tables on Part 1 of this PDS, as varied, if at all, in accordance with Term of Issue 8.4;

"Expiry Date" means, in relation to a Series, the date so listed for that Series in the Summary Tables on Part 1 of this PDS, as varied, if at all, in accordance with Term of Issue 8.5.2, and includes an Early Expiry Date;

"Extraordinary Event" means any event the subject of a nomination under Term of Issue 8.1.5 which has not been withdrawn under Term of Issue 8.1.6 and has become effective;

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

"Guarantor" means UBS AG;

"Guarantee" means the guarantee deed poll granted by UBS AG on 4 January 2011 in favour of Holders whose terms are summarised in Part 6 of this PDS;

"Hedging Disruption" means where UBSIA or its affiliates or agents acting on its behalf is unable to:

(a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transactions or assets it deems necessary to hedge the equity or other price risk of UBSIA issuing and performing its obligations under this PDS; or

(b) realise, recover or remit the proceeds of any such transactions or assets;

"Holder" means in relation to a UBS Warrant, a person whose name is for the time being entered in the Register as the holder of that UBS Warrant;

"Investor" means a person who:

(a) applies, or contemplates applying, for a UBS Warrant (whether or not that person's application is accepted); and

(b) as applicable, acquires or contemplates acquiring a UBS Warrant on the ASX;

"Issuer" means UBS Investments Australia Pty Limited (ABN 79 002 585 677) ;

"Listing Date" means the date the UBS Warrants are quoted on the ASX;

"Low Exercise Price Call Warrant" has the same meaning as UBS Warrant;

"Market Disruption Event" means:

(a) the suspension of or limitation imposed on trading on the NASDAQ Stock Market in respect of the Company;

(b) any Hedging Disruption; or

(c) any Change in Law,

if, in the determination of the Calculation Agent, such suspension, limitation, disruption or change (as applicable), is material;

"Merger Event" means:

(a) a transfer or agreement to transfer all of the Company's shares to another entity or person, for cash or shares or other consideration;

(b) a reorganisation of capital involving a merger or amalgamation of the Company's shares with securities of another entity; or

(c) a takeover offer made for in excess of 10% of the voting shares in the Company;

"month" means calendar month;

"NASDAQ" means the NASDAQ Stock Market;

"Office" means the principal office of UBS in Sydney or another office of UBS of which UBS has given notice to the Holder;

"PDS" means this PDS dated 14 March 2014 issued by UBSIA;

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

"Premium" means, in relation to a UBS Warrant, the amount paid on application for that UBS Warrant;

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

"Register" means the register of Holders kept and maintained by UBSIA in accordance with Term of Issue 8.3.1;

"Record Date" means in respect of an Underlying Parcel, either a dividend record date, a cash return of capital record date or a rights offer record date declared by the Company in respect of the underlying Shares that occurs after the date of issue of the UBS Warrant and before the commencement of the Averaging Period;

"Registrar" means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or such other registrar as may be approved by UBSIA;

"Rights Amount" means the Rights Value in respect of each Underlying Parcel, less any Costs and Taxes, converted into Australian dollars at the Exchange Rate;

"Rights Amount Payment Date" means, in relation to a renounceable rights offer, the sixth Business Day after the last rights trading day, and in relation to a non-renounceable rights offer, the sixth Business Day after the date of issue of shares allotted pursuant to a take up of rights offered;

"Rights Value" means the market value of rights issued by the Company in respect of the Shares comprising the Underlying Parcel, as determined by the Calculation Agent in its absolute discretion;

"Series" means the UBS Warrants which relate to an underlying Share of a particular Company and otherwise have identical rights;

"Settlement Date" means the sixth Business Day after the Expiry Date or Early Expiry Date (as applicable), as varied, if at all, in accordance with Term of Issue 8.5.2;

"Share" means, the common stock of the Company so listed in the Summary Tables in Part 1 of this PDS for that Series as varied, if at all, under Term of Issue 8.4;

"Termination Amount" means the amount determined by the Calculation Agent as the fair market value of a UBS Warrant on the Early Termination Date, taking into account the impact that the Extraordinary Event has had or likely to have on the value of the Underlying Parcel, the UBS Warrant, and the value of hedges held by UBSIA or its affiliates in relation to the UBS Warrant;

"Terms" or **"Terms of Issue"** means these terms of issue of the UBS Warrants set out in Part 8 of the PDS;

"Trading Day" means a day on which ASX's stock market is open for trading and banks are open for general business in Sydney or Melbourne, and the NASDAQ is open for trading and banks are open for general business in New York;

"Underlying Parcel" means, in relation to a Series, one Share for that Series, as varied, if at all, in accordance with Term of Issue 8.4;

"UBS" means UBS AG, Australia Branch (ABN 47 088 129 613);

"UBSIA" means UBS Investments Australia Pty Limited (ABN 79 002 585 677) (which in the ASX Operating Rules is described as the "Warrant-Issuer") or its successors and assigns;

"UBS Securities" means UBS Securities Australia Ltd (ABN 62 008 586 481);

"UBS Warrant" means a Call Warrant issued under the terms of this PDS;

"USD" means US dollars;

8.1.2 General

In the PDS and these Terms of Issue unless the context otherwise requires:

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision;
- (b) the singular includes the plural and vice versa;
- (c) a reference to an individual or person includes a corporation, partnership, joint venture, association, authority, trust, government and governmental authority and vice versa;
- (d) a reference to a gender includes all genders;
- (e) a reference to a Term of Issue or Schedule is to a term or schedule of or to these Terms of Issue;
- (f) a schedule, annexure or description of the parties forms part of these Terms of Issue;
- (g) a reference to any agreement or document (including, without limitation, the ASX Operating Rules and these Terms of Issue) is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;
- (h) a reference to "dollars", "cents" and "\$" is a reference to Australian currency;
- (i) a reference to a matter being "with the consent of ASX" is a reference to that matter being with the consent of ASX which consent is not to be unreasonably withheld or delayed;
- (j) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (k) a reference to a time is to that time in Sydney;
- (l) a reference to underlying Shares "ceasing to be officially quoted" is to underlying Shares ceasing to be officially quoted on NASDAQ whether that occurs by reason of delisting, removal from quotation, suspension or otherwise;
- (m) expressions not otherwise defined in these Terms of Issue which are defined in the Corporations Act have the meaning given to them in the Corporations Act; and

- (n) expressions not otherwise defined in these Terms of Issue or the Corporations Act which are defined in the ASX Operating Rules or the ASX Settlement Operating Rules have the meaning given to them in the ASX Operating Rules or ASX Settlement Operating Rules as the case may be.

8.1.3 Headings

In the PDS and these Terms of Issue, headings are for convenience only and do not affect interpretation.

8.1.4 ASX Operating Rules and ASX Settlement Operating Rules

All provisions of these Terms of Issue are subject, to the extent that they apply to the UBS Warrants, to any contrary requirement from time to time of the ASX Operating Rules or the ASX Settlement Operating Rules unless ASX or ASX Settlement (as applicable) gives or has given a waiver or consent in respect of the UBS Warrants of any or all of those rules.

8.1.5 Nomination of Extraordinary Event

UBSIA may at any time with the consent of ASX nominate as an Extraordinary Event any event which is a Market Disruption Event, a Merger Event, the actual or proposed delisting, removal from quotation, withdrawal of admission to trading status or suspension from trading of the underlying Shares or the UBS Warrants (except in the case of a UBS Warrant, where that delisting or suspension is caused by UBSIA). Unless otherwise provided in the nomination, the nomination shall be effective from the time that it is made. The date that the nomination becomes effective will be the Early Termination Date. The affected Series of UBS Warrants will lapse on the Early Termination Date, and the Holder will be entitled to receive the Termination Amount from UBSIA on the sixth Business Day after the Early Termination Date. UBSIA undertakes that it will not nominate the proposed delisting of the Company on or about 8 May 2014 from the ASX as an Extraordinary Event.

8.1.6 Withdrawal of Nomination

Where UBSIA has nominated an event as an Extraordinary Event under Term of Issue 8.1.5 but the nomination has not become effective, the UBS Warrants have not lapsed under Term of Issue 8.2.3 (or, in relation to Term of Issue 8.2.3(a), the lapse has not taken effect), UBSIA may in its absolute discretion and with the consent of ASX, withdraw that nomination at any time and the UBS Warrants are deemed never to have lapsed under Term of Issue 8.2.3(a).

8.1.7 Notice of Nominations or Withdrawals

Where a nomination of an event is made under Term of Issue 8.1.5 or a nomination is withdrawn under Term of Issue 8.1.6, UBSIA must immediately notify that nomination or withdrawal of nomination (as the case may be) by:

- (a) placing a notice in a major financial daily newspaper (if any) and a major daily newspaper circulating in each State and Territory of Australia giving details of the nomination or withdrawal of nomination (as the case may be); and
- (b) giving a copy of the text of that notice to ASX and when the UBS Warrants are CHES Approved Securities, to ASX Settlement.

Failure to give a notice required by this Term of Issue 8.1.7 does not invalidate the nomination or withdrawal of a nomination.

8.2 THE UBS WARRANT

8.2.1 Grant of UBS Warrant

In return for a person paying the Premium to UBSIA (receipt of which is acknowledged by UBSIA), UBSIA grants the UBS Warrant, on and subject to these Terms of Issue, to that person, whose name will be entered into the Register as the holder of that UBS Warrant.

8.2.2 Nature of UBS Warrant

Each UBS Warrant confers on its Holder:

- (i) the right to receive the Cash Settlement Amount on the Settlement Date;
- (ii) the right to receive a Distribution Amount on the Distribution Amount Payment Date; and
- (iii) the right to receive a Rights Amount by no later than the Rights Amount Payment Date.

8.2.3 Lapse of UBS Warrant

A UBS Warrant automatically lapses if:

- (a) there is an Extraordinary Event, with that lapse taking effect on and from the Business Day on which the nomination under Term of Issue 8.1.5 becomes effective; or
- (b) any procedure is adopted in accordance with the law of any applicable jurisdiction which would, subject only to any intervention of a court impeding or invalidating that procedure, necessarily result in the compulsory acquisition or cancellation of underlying Shares, with that lapse taking effect on and from the date that procedure is adopted.

Following the automatic lapsing of the UBS Warrant, the Holder will be entitled to receive the Termination Amount from UBSIA on the sixth Business Day after the Early Termination Date.

8.2.4 Notice of Lapse or Expiry

UBSIA must give notice to each Holder of the lapse of a UBS Warrant under Term of Issue 8.2.3 within ten (10) Business Days after the date on which such lapse occurs.

8.2.5 Accretions do not accrue to UBS Warrant

UBS Warrants do not confer any right or interest in respect of Accretions to underlying Shares. Accretions to underlying Shares may lead to payments of Distribution Amounts and Rights Amounts and/or adjustments as provided in Term of Issue 8.4.

8.2.6 Buy Backs and Cancellation

UBSIA may, but is not obliged to, buy back a UBS Warrant. A UBS Warrant bought back by UBSIA will be held in the name of UBSIA or UBSIA's nominee. A UBS Warrant bought back by UBSIA may be cancelled or resold at any time prior to the Expiry Date. Until a UBS Warrant is cancelled, UBSIA has a right to resell the UBS Warrant in the secondary market. If UBSIA or UBSIA's nominee is a Holder, UBSIA may cancel a UBS Warrant held by either of them. A UBS Warrant is cancelled on receipt by the Registrar of a notice of cancellation from UBSIA.

8.2.7 Early Expiry Date on each anniversary of date of PDS

UBSIA may, acting in good faith, in a commercially reasonable manner and provided such alteration is not unfair (as defined in Section 12BG of the ASIC Act), declare any anniversary of the date of this PDS to be an Early Expiry Date if, in the absolute discretion of UBSIA, the continued issue of the UBS Warrants by UBSIA is not reasonably practicable or economically viable. In order for UBSIA to declare an Early Expiry Date, it must give at least 30 calendar days notice prior to the next anniversary date. If UBSIA declares an Early Expiry Date, Holders will receive the Cash Settlement Amount on the Settlement Date following the Early Expiry Date.

8.3 REGISTER OF HOLDERS, CERTIFICATES AND TRANSFERS

8.3.1 Register

UBSIA must keep and maintain (at its cost) a register of Holders in accordance with the provisions of Schedule 1 and in accordance with the requirements of the ASX Operating Rules and the ASX Settlement Operating Rules.

8.3.2 No Certificates for UBS Warrants

UBSIA need not issue a certificate evidencing the Holder's title to the UBS Warrant but must instead comply with the rules governing CHESS and the ASX Operating Rules concerning the issue of notices relating to UBS Warrants and the ASX Settlement Operating Rules.

8.3.3 Transfer

A UBS Warrant may be transferred if and only if the transfer is in the manner prescribed by or under the ASX Operating Rules and the ASX Settlement Operating Rules or, if permitted, in accordance with the provisions of Schedule 2.

8.3.4 Registration of Transfer of UBS Warrants

UBSIA:

- (a) must deal with, certify and register a transfer of a UBS Warrant which complies with Term of Issue 8.3.3 in accordance with the ASX Operating Rules and the ASX Settlement Operating Rules; and
- (b) may refuse to register such a transfer if permitted by the ASX Operating Rules and the ASX Settlement Operating Rules.

8.3.5 Holder Entitled to Copy of Terms of Issue

Where the Holder gives notice to UBSIA requesting a copy of these Terms of Issue accompanied by a fee of \$10, UBSIA must, within ten (10) Business Days of receipt of that notice, supply a copy of these Terms of Issue (incorporating any Changes) to the Holder.

8.3.6 Copy of Terms of Issue Available

UBSIA must keep available for inspection at the Office a copy of these Terms of Issue (incorporating any Changes) and the Holder and any member of the public has the same right to inspect these Terms of Issue as it has in respect of the Register.

8.4 VARIATION OF EXERCISE PRICE AND UNDERLYING PARCELS

8.4.1 Automatic Variation

Where an ex date in respect of an event specified in Terms of Issue 8.4.2 to 8.4.6 occurs in respect of the underlying Shares after the date of this PDS and before the commencement of the Averaging Period, then subject to Term of Issue 8.4.7, the Exercise Price, the description of the underlying Share the subject of the UBS Warrants and the property which constitutes an Underlying Parcel, as specified in the relevant Term of Issue, are automatically and immediately varied in accordance with this Term of Issue 8.4 and Schedule 3.

8.4.2 Reconstructions of Capital

If the underlying Shares are divided into a greater number of securities or consolidated into a lesser number of securities or are subject to a similar reconstruction:

- (a) the description of the underlying Shares becomes that of the securities issued in substitution by reason of the reconstruction;
- (b) the Underlying Parcel becomes the number of the new securities into which the Underlying Parcel is converted by the reconstruction; and
- (c) the Exercise Price is unchanged.

8.4.3 Cash Return of Capital

If there is a pro rata cash distribution in respect of the underlying Shares by way of return of capital which:

- (a) does not involve the repurchase or cancellation of any underlying Shares:
 - (i) the number of Shares constituting an Underlying Parcel is unchanged; and
 - (ii) the Holder as at the Record Date is entitled to a Distribution Amount;
- (b) involves the repurchase or cancellation of underlying Shares:
 - (i) the number of Shares constituting the Underlying Parcel is reduced in accordance with the number of Shares per Underlying Parcel before the distribution which are repurchased or cancelled; and
 - (ii) the Holder as at the Record Date is entitled to receive the Distribution Amount from UBSIA on the Distribution Amount Payment Date.

8.4.3A Dividends (including Special Dividends)

If the Company declares a cash dividend or special dividend in respect of the underlying Shares, and the ex-dividend date is after the date of issue of the UBS Warrant and before the commencement of the Averaging Period, then the Holder as at the Record Date is entitled to receive a Distribution Amount from UBSIA on the Distribution Amount Payment Date.

For the avoidance of doubt, the Distribution Amount is calculated by reference to the AUD value of the cash dividend amount only, as determined by the Calculation Agent, and will not include the value of any associated tax benefits, such as imputation credits attached to the underlying Share dividend.

8.4.4 Bonus Issues

If in satisfaction of any dividend (except pursuant to a scheme of the issuer of the underlying Shares allowing a holder of underlying Shares to elect to receive an issue or distribution of securities instead of payment of dividends), there is an issue or distribution of securities to a holder at no cost to that holder by way of a bonus issue, capitalisation of any account or any other distribution in specie (each such issue or distribution being a "Bonus Issue"):

- (a) the Exercise Price is unchanged;
- (b) where the securities issued are further underlying Shares, the number of Shares constituting an Underlying Parcel is increased in accordance with the formula set out in Part 1 of Schedule 3; and
- (c) where Term of Issue 8.4.4(b) does not apply, the property constituting an Underlying Parcel is the aggregate of the number of Shares constituting the Underlying Parcel before the Bonus Issue and the number of securities the subject of the Bonus Issue to which the holder of an underlying Share is entitled calculated in accordance with the formula set out in Part 2 of Schedule 3.

8.4.5 Rights Issue

If the holder of underlying Shares is given a right to acquire securities ("Rights Issue"), whether or not that right is renounceable:

- (a) the Exercise Price is unchanged;
- (b) the Holder as at the Record Date is entitled to receive the Rights Amount from UBSIA by latest the Rights Amount Payment Date; and
- (c) the number of Shares comprising the Underlying Parcel is unchanged.

8.4.6 Partly Paid Shares

If any of the Shares are not fully paid and a call is made for the payment of any or all of the unpaid amount, the Exercise Price is unchanged and the number of Shares constituting an Underlying Parcel is decreased in accordance with the formula set out in Part 3 of Schedule 3.

8.4.7 Discretion of UBSIA

Where UBSIA determines with the consent of ASX that any of the provisions of Terms of Issue 8.4.2 to 8.4.6 are not appropriate in any particular circumstance, it may make any alterations to the effect of that provision that it considers with the consent of ASX to be appropriate provided such alteration is not unfair (as defined in Section 12BG of the ASIC Act).

8.4.8 Notifications

Where UBSIA exercises any of the discretions conferred on it by Terms of Issue 8.4.7, it must, if so required by the ASX Operating Rules, give notice of the exercise of discretion to all Holders.

8.4.9 Calculations and underlying Shares

In this Term of Issue 8.4:

- (a) all calculations will be done to not less than two decimal places;
- (b) no rounding of numbers will occur until a Holder exercises a UBS Warrant and at that time the entitlement attaching to all UBS Warrants of that Holder the subject of exercise will be aggregated and that aggregate will be rounded so that all money amounts are rounded to the nearest whole cent and all numbers of underlying Shares are rounded to the nearest whole number so that any fraction being a value of 0.5 or more is rounded up and all other fractions are rounded down; and
- (c) where, following an application of this Term of Issue 8.4, the Shares constituting an Underlying Parcel comprise or relate to property of different kinds, each of those kinds of property is to be treated as the Shares and as if it were an Underlying Parcel in its own right, and each adjustment required by this Term of Issue 8.4 is to be made for each kind of property separately.

8.5 EXERCISE OF UBS WARRANT

8.5.1 Automatic Exercise

The UBS Warrants will be automatically exercised at the Closing Time on the Expiry Date. There is no need for Holders to provide an exercise notice. The UBS Warrants are European style and cannot be exercised prior to the Expiry Date.

Registered Holders or persons who become registered as Holders as at the Closing Time on the Expiry Date are entitled to receive the Cash Settlement Amount from UBSIA on the Settlement Date.

8.5.2 Market Disruption Event

If a Market Disruption Event occurs during the Averaging Period for a Series, UBSIA may elect to delay the Expiry Date and the corresponding Settlement Date for that Series by up to ten Trading Days. In doing so, UBSIA may elect not to treat a day on which the Market Disruption Event occurs or is subsisting as an Averaging Date. Alternatively, UBSIA may, nominate an Early Termination Date for that Series.

8.5.3 Failure of UBSIA to perform

If UBSIA does not pay the Cash Settlement Amount by 6:00pm Sydney time on the Settlement Date, interest accrues on that amount at the Default Rate calculated on a daily basis from but excluding the Settlement Date.

8.6 NOTICES

8.6.1 Method of giving Notices by UBSIA

Except where otherwise provided by these Terms of Issue, all notices required or permitted to be given by UBSIA to the Holder pursuant to these Terms of Issue or the ASX Operating Rules must be in writing and are treated as being duly given if:

- (a) left at that party's address; or
- (b) sent by pre-paid mail to that party's address (which must be air mail if that address is not within Australia).

8.6.2 Time of Receipt

A notice given by UBSIA in accordance with Term of Issue 8.6.1 is treated as having been duly given and received:

- (a) when delivered (in the case of it being left at that party's address); and
- (b) on the third Business Day after posting (in the case of it being sent by pre-paid mail).

8.6.3 Address of Parties

For the purposes of this Term of Issue 8.6:

- (a) the address of the Holder is the address of the Holder shown in the Register; and
- (b) if more than one person is entered in the Register as the Holder of any UBS Warrant, a notice given to any of those persons is effective as notice to all of those persons.

8.6.4 Notices by Holder

All notices required or permitted to be given by the Holder to UBSIA pursuant to these Terms of Issue or otherwise in respect of the UBS Warrant must be in writing and are treated as being duly given if and only if they are actually received by UBSIA at the Office or at such other address as UBSIA may by notice to the Holder specify.

8.7 Investor's representations and warranties

8.7.1 General

By signing the Application Form and arranging for the Approved Adviser 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 investment;
- (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 and the Investor acknowledges that the Issuer has not made any representations to the Investor regarding the suitability or appropriateness of the UBS Warrants;
- (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 UBS Warrants;
- (e) the UBS Warrants 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 the UBS Warrants 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.

8.7.2 Superannuation Funds and Trusts

By signing the Application Form and lodging it with your Approved Adviser 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 to invest in the UBS Warrants;
- (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 UBS Warrants;
- (f) investing in UBS Warrants 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.

8.8 GENERAL

8.8.1 Amendments

UBSIA may from time to time by notice sent to the Holder make any Change to these Terms of Issue where:

- (a) the terms of that Change are authorised by a resolution of the Holders passed in accordance with the provisions of Schedule 4; or
- (b) the Change is necessary or desirable in the reasonable opinion of UBSIA to comply with any statutory or other requirement of law or any requirement of ASX and ASX consents to that Change; or
- (c) with the consent of ASX, if the Change relates to Schedule 2 and permits the transfer of a UBS Warrant by another method;
- (d) where, in UBSIA's opinion, the Change is necessary or desirable to correct a defect, manifest error or ambiguity in the Terms of Issue and does not, in UBSIA's opinion, materially prejudice the interests of Holders (and the Change is not unfair, as defined in section 12BG of the ASIC Act) and ASX consents to that Change; or
- (e) where in UBSIA's opinion, the Change does not materially prejudice the interests of Holders (and the Change is not unfair, as defined in section 12BG of the ASIC Act) and ASX consents to that Change; or
- (f) the Change is in the case of an adjustment specified in clause 8.4 above or Extraordinary Event occurring, as specified in the Terms of Issue, provided that the Change is not unfair (as defined in Section 12BG of the ASIC Act).

except that the Expiry Date is not to be brought forward except in the case of an Extraordinary Event or an Early Expiry Date in accordance with Term of Issue 8.2.7.

Any determination made by UBSIA using any discretion mentioned in (b), (d) or (e) above will be made in its sole discretion, acting in good faith and in a commercially reasonable manner.

8.8.2 Notification of Change to ASX

Any Change to these Terms of Issue made under Term of Issue 8.8.1 must, if required by the ASX Operating Rules, be notified to ASX.

8.8.3 Telephone Recording

The Holder agrees to:

- (a) the tape recording by UBSIA of any telephone conversations concerning the UBS Warrant;
- (b) the retention of any tape recording so made; and
- (c) the use of any tape recording so made as evidence of the content of the conversation.

8.8.4 No Requisition by Holders

Nothing in these Terms of Issue authorises a Holder (alone or together with other Holders) to requisition the consideration of any resolution.

8.8.5 Waiver

The failure, delay, relaxation or indulgence on the part of UBSIA in exercising any power or right conferred upon UBSIA by these Terms of Issue does not operate as a waiver of that power or right nor does any single exercise of any power or right preclude any other or further exercise of it or the exercise of any other power or right under these Terms of Issue.

8.8.6 Discretions

The Holder must not give any direction to UBSIA, even where the UBS Warrant is exercised, concerning the exercise by UBSIA of any discretion relating to the underlying Shares, or any discretion conferred on UBSIA by these Terms of Issue. Any determination made by UBSIA using any discretion mentioned herein will be made in its sole discretion, acting in good faith and in a commercially reasonable manner.

8.8.7 Governing Law and Jurisdiction

The Warrant is governed by and construed in accordance with the law of New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales and any court hearing appeals from those courts.

8.8.8 Goods and Services Tax

A Holder or Investor must pay to UBSIA an amount equal to any GST that UBSIA or UBS Securities must pay in respect of any supply by UBSIA or UBS Securities to a Holder or Investor under or in connection with these Terms of Issue or the PDS.

8.8.9 Assignment and transfer of interests

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

Part 9 – Taxation Summary

This summary has been prepared by Baker & McKenzie for the purposes of inclusion in this PDS and any opinions expressed in this Part 9 are those of Baker & McKenzie. This summary sets out the views of Baker & McKenzie on the main Australian income tax and stamp duty consequences for Australian resident individuals and companies (other than in the capacity of trustee) who acquire UBS Warrants.

The discussion contained in this summary is of a general nature only and does not take into account the specific circumstances of any individual Holder. It is based on the Australian income tax laws and administrative practice operative as at 4 February 2014 and only addresses the position of Holders who are Australian residents operating from Australia for the purpose of this investment. This discussion is provided only for the benefit of UBSIA and all Investors should seek their own independent advice on the taxation implications of an investment in UBS Warrants in relation to their own circumstances before investing. Baker & McKenzie is not involved in the marketing of the UBS Warrants and its role should not be interpreted to mean that it encourages any party to invest.

Investors should be aware that the ultimate interpretation of taxation law rests with the Courts and that the law, and the way the Commissioner of Taxation ("Commissioner") and state and territory revenue authorities administer the law, may change at any time. There may be other events or circumstances during the term of the UBS Warrants that give rise to tax implications to the Holder that are not discussed in this summary. Holders should seek their own advice in relation to those events or circumstances.

EXPIRY OF UBS WARRANTS

Upon exercise, warrants expire. References in this summary to the exercise of this warrant are also references to the end of the warrant by way of expiry.

9.1 CHARACTERISATION OF HOLDINGS

The taxation treatment of receipts and expenditure incurred by Holders in respect of the UBS Warrants will depend on whether the UBS Warrants are held as trading stock, on revenue account or on capital account. As this characterisation will depend on the Holder's specific circumstances, including how this investment relates to any other investment or trading activities carried out by the Holder, Holders should seek their own independent advice on whether they hold the interest on capital account, revenue account or as trading stock in light of their own particular circumstances.

For the purposes of providing this taxation summary, it is assumed that characterisation of a Holder's investment in the UBS Warrants remains the same throughout the period in which the Holder holds the UBS Warrants. Different taxation implications may arise if the characterisation or intention changes during the holding period.

9.1.1 Trading stock

Holders who acquire and hold UBS Warrants for the purposes of sale or exchange in the ordinary course of a business they carry on should hold UBS Warrants as trading stock. Generally, the trading stock provisions may apply to Holders who are in the business of trading or dealing in UBS Warrants and/or similar instruments. UBS Warrants held for the purpose of exercise (rather than for sale or exchange) should not be treated as trading stock.

9.1.2 Revenue account

Holders who acquire and hold UBS Warrants in the ordinary course of their business other than for the purpose of sale or exchange (eg, a business of investing in UBS Warrants and/or similar instruments) or who acquire UBS Warrants for a profit-making or speculative purpose may be required to treat expenditure and receipts in respect of the UBS Warrants on revenue account.

9.1.3 Capital account

Holders who acquire UBS Warrants other than in the course of carrying on a business or otherwise as revenue assets would generally hold their UBS Warrants on capital account.

9.2 TRADING STOCK

The following tax implications may be relevant to Holders who acquire, hold and dispose of UBS Warrants as trading stock.

9.2.1 Purchase of UBS Warrants

The Premium or purchase price paid by a Holder to acquire the UBS Warrants should be deductible in full in the income year the UBS Warrants become trading stock "on hand" of the Holder (which will generally be the income year in which the expense is incurred).

9.2.2 Accounting for trading stock on hand

- For each income year during which UBS Warrants are held, the Holder should bring to account the difference between the "value" of UBS Warrants on hand at the end of the income year and the "value" of UBS Warrants on hand at the start of that income year.
- The Holder may elect to value UBS Warrants either at cost or market value or its replacement value.
- The value of UBS Warrants on hand at the start of the income year in which they are acquired will be nil, and for subsequent income years will be equal to their value at the end of the previous income year. The value of UBS Warrants at the end of the income year in which the UBS Warrants are exercised, lapse or are transferred will be nil.
- Where UBS Warrants are exercised, transferred or lapse in the same income year in which they are acquired, no amount would need to be brought to account, other than as is noted in 9.2.3.

9.2.3 Lapse or transfer of UBS Warrants

Where the Holder holds UBS Warrants as trading stock and those UBS Warrants lapse or are transferred in the ordinary course of the Holder's trading business, any Termination Amount or the consideration received for the transfer of UBS Warrants (as applicable) should be included in the Holder's assessable income.

9.2.4 Exercise of UBS Warrants

Where the Holder holds the UBS Warrants as trading stock and exercises the UBS Warrants in the ordinary course of its trading business, the Cash Settlement Amount should be included in the Holder's assessable income in the year of income in which the UBS Warrants are exercised.

9.3 REVENUE ACCOUNT

The following tax implications may be relevant to Holders who acquire and hold UBS Warrants on revenue account.

9.3.1 Purchase of UBS Warrants

The Premium or purchase price paid by a Holder to acquire the UBS Warrants should not be deductible to the Holder, but would be taken into account in determining any net gain or loss in respect of the UBS Warrants.

9.3.2 Lapse or transfer of UBS Warrants

- The Holder should generally be required to include any net gain made on the lapse or transfer of the UBS Warrants (including where the UBS Warrants are bought back by UBSIA) in its assessable income. The amount of any net gain should generally be equal to the difference between any Termination Amount or consideration received for the transfer of UBS Warrants (as applicable), and the Premium or purchase price paid by the Holder to acquire the UBS Warrants.
- Similarly, any net losses incurred on the lapse or transfer of UBS Warrants should be deductible to the Holder.
- In some circumstances, the Holder may be required to account for the Premium or purchase price and any Termination Amount or consideration received on a gross basis (eg. where the Holder incurs the Premium or purchase price as a business expense to acquire UBS Warrants used to hedge its position on shares which it holds on revenue account or as trading stock). Such Holders should obtain their own tax advice as to the amount and timing of allowable deductions for expenditure and the assessability of receipts.

9.3.3 Exercise of UBS Warrants

Where the Holder holds the UBS Warrants on revenue account:

- Any net gain made in respect of the exercise of UBS Warrants should generally be included in the Holder's assessable income.
- Similarly, any net losses incurred on the exercise of UBS Warrants should generally be deductible to the Holder.

The Cash Settlement Amount should be included in the calculation of the net gain or loss in the year of income in which the UBS Warrants are exercised.

Different tax consequences, including as to the amount and timing of allowable deductions and assessable receipts, may arise depending on the Holder's individual circumstances. Holders should therefore obtain their own tax advice in relation to the exercise of their UBS Warrants.

9.4 CAPITAL ACCOUNT

The following tax implications may be relevant to Holders who acquire and hold UBS Warrants on capital account.

9.4.1 Purchase of UBS Warrants

The Premium or purchase price paid by a Holder to acquire the UBS Warrants would not be deductible to the Holder, but would be included in the Holder's cost base in the UBS Warrants, together with any incidental costs incurred by the Holder in acquiring the UBS Warrants (e.g. brokerage fees)..

9.4.2 Lapse or transfer of UBS Warrants

- A UBS Warrant is a CGT asset. A CGT event would occur upon the lapse or transfer of the UBS Warrants (including where the UBS Warrants are bought back by UBSIA).
- The capital proceeds received by the Holder should equal any Termination Amount or consideration received in respect of the transfer, as applicable.
- The Holder would realise a capital gain where the capital proceeds exceed the cost base of the UBS Warrants. Discount CGT treatment may be available if the Holder is a resident individual, trust, complying superannuation entity or a life insurance company in respect of an asset that is a complying superannuation/first home savers account asset and holds the UBS Warrants for at least 12 months. A capital loss would arise where the capital proceeds are less than the reduced cost base of the UBS Warrants. Any capital loss can only be used to offset against other capital gains made in the same or subsequent income years.

9.4.3 Exercise of UBS Warrants

Where the Holder holds the UBS Warrants on capital account:

- A CGT event occurs on exercise of the UBS Warrant.
- In respect of the exercise of Call Warrants, the Holder may make a gain or loss calculated as the difference between the Cash Settlement Amount and the cost base of the UBS Warrants, which would include the Premium or the purchase price paid by the Holder and any other associated costs.

Any capital gain should generally be treated as a discount capital gain where the Holder is a resident individual, trust, complying superannuation entity or a life insurance company in respect of an asset that is a complying superannuation/first home savers account asset and has held the UBS Warrant for at least 12 months prior to the date of exercise of the UBS Warrants. However, Holders should obtain their own tax advice in relation to the exercise of their UBS Warrants.

9.5 OTHER TAXATION ISSUES

9.5.1 Distribution and Rights Amounts

The receipt of Distribution Amounts and Rights Amounts should be included in the Holder's assessable income in the year in which the amounts are received.

For the avoidance of doubt, Call Warrants do not provide Holders with a legal entitlement from the Company to any dividends, voting or any other rights in respect of the underlying Shares. However UBSIA has agreed under this offer to provide payment to Holders of Distribution and Rights amounts.

9.5.2 Taxation of Financial Arrangements ("TOFA") rules

The taxation of financial arrangements ("TOFA") rules represent a separate regime for the taxation of gains and losses from financial arrangements. The TOFA Act states that generally the TOFA rules are to apply to financial arrangements entered into from the first tax year beginning on or after 1 July 2010.

Under the TOFA Act, a taxpayer may also elect for the TOFA rules to apply to all financial arrangements existing at the start date.

For the purposes of the TOFA provisions, each UBS Warrant may constitute a "financial arrangement".

The TOFA rules set out a number of exceptions to the application of the rules. Relevantly, these include financial arrangements that are not "qualifying securities", and which are held by:

- individuals;
- superannuation funds or managed investment schemes whose total assets are less than \$100 million; or
- other types of (non-financial) entities whose annual turnover is less than \$100 million, whose financial assets are less than \$100 million and whose total assets are less than \$300 million.

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

9.5.3 Proposed foreign accumulation fund provisions

The Government has proposed provisions allowing the Commissioner to attribute income of the foreign entity to an Australian investor where, very broadly, it is reasonable to conclude that an entity entered into or carried out a scheme for the dominant purpose of deferring the recognition of foreign income. Based on the current announcements, these new provisions should not apply to a UBS Warrant, but Holders should discuss the progress of this proposal with their own professional tax adviser.

9.5.4 Part IVA

- Part IVA is a general anti-avoidance provision which applies where the dominant purpose of the taxpayer (or any other person) in entering into a "scheme" is to obtain a "tax benefit".
- Whilst, Part IVA should not apply to a typical Holder of UBS Warrants, the application of Part IVA to a particular Holder can only be conclusively determined on an examination of that Holder's individual circumstances. Holders should therefore seek their own independent advice on the application of Part IVA in their own particular circumstances.

9.6 STAMP DUTY

9.6.1 Issue, transfer of UBS Warrants

Under current laws, the issue, transfer or exercise of the UBS Warrants should not attract stamp duty.

Part 10— How to Apply: Primary Market Applicants

DISCLAIMER

This PDS contains important information regarding the UBS Warrants offered by UBSIA. Potential Investors should read the entire PDS to ensure they understand the Terms of Issue, conditions and risks involved in investing in UBS Warrants.

This document does not take into account the financial situation and particular needs of each Investor, and nothing in this PDS is a recommendation by UBSIA or any other person concerning investment in UBS Warrants. Investors should seek independent financial and taxation advice before making a decision whether to invest in UBS Warrants.

Instructions for Applicants

Applications for Warrants can only be made by completing and lodging an Application Form attached to this PDS.

- Application Forms must not be distributed (whether electronic 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 UBSIA upon request.
- The number of UBS Warrants which may be applied for must not be less than 1,000 and thereafter in multiples of 1.
- Applicants must pay the variable Premium to UBSIA on application. The amount of the current Premium can be obtained by contacting the Warrant Desk on 1800 633 100. If a decision is made to apply, the Investor will be given a discrete Application Number which must be inserted in the Investor's Application Form. The Premium is payable once the Application Number has been given.
- Where the applicant is a trustee, the Application Form must be completed in the name of the trustee and signed by the trustee without reference to the trust.
- Joint applications must be signed by all applicants.
- Where this Application Form is executed by a company, it must be executed 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 without using a common seal if the document is signed by two directors, a director and company secretary or (if applicable) the sole director who is also the company secretary. If this Application Form is signed under a power of attorney, the attorney hereby certifies that it has not received notice of revocation of that power of attorney. A certified copy of the power of attorney must be attached to this Application Form.
- Completed Application Forms should be sent, together with the Premium, to UBS Securities Australia Ltd at Level 16, Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000.
- Cheques should be made payable to UBS AG, Australia Branch and crossed "Not Negotiable".
- An applicant who is already sponsored by a participant in CHESS may give the PID of the relevant CHESS participant and the applicant's HIN or forward a signed Application Form to the applicant's sponsoring participant for completion prior to sending to UBS Securities. If no CHESS details are completed on the Application Form, the applicant will, if the Application is accepted, be registered on the Issuer Sponsored Sub-register.
- Applications will not be effective until the proceeds of all cheques have been cleared.
- Applications for UBS Warrants will be received by UBS Securities at any time on or after the date of the PDS up until the last Business Day before the Expiry Date for that Series, subject to the right of UBSIA to close the offer at an earlier date without prior notice. Applications will not be accepted after that date.

UBSIA reserves the right to refuse any application in whole or part without giving any reason. To the extent that an application is rejected the monies received will be refunded to the applicant (without interest).

Application Form

Broker/Financial Planner
Stamp

UBS European Low Exercise Price Call Warrants

**To: UBS Securities Australia Ltd
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000**

This is an Application Form for UBS European Low Exercise Price Call Warrants issued by UBS Investments Australia Pty Limited (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 14 March 2014 and any supplementary PDS issued for the UBS Warrants. The PDS contains important information about investing in UBS Warrants which you are advised to read before completing this Application Form. UBSIA will send you paper copies of the PDS (including any supplementary PDS) and this Application Form on request and without charge.

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

I/We* agree to accept the UBS Warrants on the conditions set out in the PDS to which this Application Form is attached. In particular, I/we* acknowledge that I/we* received and read a complete copy/print-out of the PDS accompanied by this Application Form before I/we* completed this Application Form. Terms used in this notice have the same meaning as in the Terms of Issue unless otherwise indicated.

I/We* have full legal capacity and power to apply for the UBS Warrants and carry out the transactions that the UBS Warrants contemplate; and I/We* have taken all actions that are necessary or desirable to apply for the UBS Warrants and carry out the transactions that this document contemplates.

I/We* agree to receive Financial Services Guides and supplementary Financial Services Guides from UBS Securities Australia Limited and UBS AG Australia Branch 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 Guides prior to signing this Application Form.

When completing this Application Form, please refer to the Instructions for Applicants at the end of this form.

Relating to the issue by UBSIA of UBS Warrants, the Terms of Issue of which are specified in Part 8 of the PDS issued by UBSIA dated 14 March 2014, I/we* hereby apply for the following UBS Warrants:

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. drivers 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 ACN and ABN/ARBN (if there is one) 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 ACN and ABN/ARBN (if there is one) 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 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 ACN and ABN/ARBN (if there is one) 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 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.

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 # (e.g. passport number or drivers licence)	Source of wealth e.g. employment, investments, other (please specify)	
<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 # (e.g. passport number or drivers licence)	Source of wealth e.g. employment, investments, other (please specify)	
<input type="text"/>	<input type="text"/>	

Applicant 3 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 # (e.g. passport number or drivers licence)	Source of wealth e.g. employment, investments, other (please specify)	
<input type="text"/>	<input type="text"/>	

Applicant 4 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 # (e.g. passport number or drivers licence)	Source of wealth e.g. employment, investments, other (please specify)	
<input type="text"/>	<input type="text"/>	

2) Company/Corporate Trustee Name

Name
<input type="text"/>
ACN and ABN/ARBN (if there is one)
<input type="text"/>

3) Trust/Super Fund Name

Name
<input type="text"/>
ACN and ABN/ARBN (if there is one)
<input type="text"/>

4) Details of beneficial owners (persons holding 25% or more of shares) of 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 (if applicable)

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)

Contact Name

Email address

D. DETAILS OF THE UBS WARRANTS TO BE PURCHASED

Details of UBS Warrants applied for:		Details provided by UBSIA by telephone	
UBS Warrant Code	Number of UBS Warrants applied for:	Application Number	Premium
FX1WUA			
FX2WUA			

CHES Details (if currently a holder of CHES securities):

PID: _____ **HIN:** _____

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 am/are obliged to do under the Terms or any other agreement or arrangements between me/us and the Issuer relating to the UBS Warrants;
 - (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 UBS Warrants on my/our behalf;
 - (c) anything which, in the opinion of the Issuer, is necessary or desirable in connection with the protection of the Issuer's interests or the exercise of the rights, powers and remedies of the Issuer;
 - (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 UBS Warrants on the Terms relevant to my/our UBS Warrants. In particular, I/we:
 - (a) acknowledge that by signing this Application Form and arranging for the Approved Adviser to lodge it with the Issuer:
 - (i) the Approved Adviser, as my/our agent, will forward this Application Form to the Issuer for the number of UBS Warrants set out 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 UBS Warrants 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 UBS Warrants;
 - (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 UBS Warrants.
4. 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 UBS Warrants 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 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 Terms of Issue 8.7.
 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 UBS Warrants (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 UBS Warrants 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 UBS Warrants.
10. I/We acknowledge that UBS Warrants are not a deposit obligation of the Issuer and are subject to investment risks, including the possible loss of the Premium invested, including in the event of an Extraordinary Event and an Early Termination Date.
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 UBS Warrants, given my/our investment objectives, financial situation or particular needs or the tax consequences of making this investment in UBS Warrants;
 - (c) acknowledge that neither the Issuer nor its related bodies corporate, Affiliates, associates or officers:
 - (i) guarantees the performance of the UBS Warrants;
 - (ii) guarantees that the UBS Warrants will achieve a particular rate of return; or
 - (iii) guarantees the repayment of capital from an investment in the UBS Warrants;
 - (d) understand that nothing in the PDS or Application Form can be considered investment advice or a recommendation to invest in UBS Warrants;
 - (e) represent that I/we am/are Australian resident(s) for tax purposes;
 - (f) acknowledge that application monies will only be accepted and any payments by the Issuer will only be paid in Australian currency;
 - (g) acknowledge that an investment in UBS Warrants 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.
 - (h) 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;
 - (i) 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;
 - (j) agree to give further information or personal details to the Issuer or my/our Approved Adviser or other relevant person if required to allow the Issuer to meet its obligations under anti-money laundering, counter-terrorism and taxation legislation;
 - (k) 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;
 - (l) 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;
 - (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 UBS Warrants 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 am/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 Premium 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 Part 7 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 of 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 or other adviser and that once the Issuer provides information to my/our Approved 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 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 UBS Warrants;
 - to effect investments in UBS Warrants in my/our name(s);
 - to communicate with me/us in relation to the UBS Warrants;
 - to comply with legislative or regulatory requirements;
 - to perform the Issuer’s administrative operations; and
 - for any other purpose identified the Privacy Statement in Part 7 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 the Loan or 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/our 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 Part 7 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 Part 7 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.

Advisers

- (a) Advisers adding their Adviser Stamp to this Application Form provide the following acknowledgements and representations:
 - i) I acknowledge that I am either an Australian financial services licensee or an authorised representative of an Australian financial services licensee and that, in relation to this Application, I have only provided financial services that are within the scope of the Australian financial services licence applicable to me;
 - ii) I acknowledge that I have complied with the relevant disclosure requirements, including all relevant requirements in relation to the disclosure of fees, and any requirement to provide Product Disclosure Statements, Financial Services Guides, Statements of Advice or any other disclosures required by the Corporations Act;
 - iii) I represent that in compliance with the provisions of the AML/CTF Act and Rules, I have taken the steps required to identify and verify the Applicant's identity (including the directors, beneficial owners and trustees listed in the Application Form) by checking and verifying the identity, nationality, residential address and signature of the Applicant, and any other relevant details, in compliance with the AML/CTF Act and Rules and any Distribution Agreement entered into for purposes of compliance with the AML/CTF Act and Rules;
 - iv) I represent that I have taken adequate steps to assist in the prevention of money laundering activities which steps may include, without limitation, identifying the Applicant's source of wealth and monitoring of any unusual transactions; and
 - v) 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.

ONLY PERSONS WITHIN AUSTRALIA MAY USE THE APPLICATION FORM ATTACHED TO THIS PDS TO APPLY FOR UBS WARRANTS.

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

Dated

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

Schedule 1 – Terms of Issue 8.3.1 – The Register

1. UBSIA must establish and maintain or cause to be established and maintained a register of Holders at the Office (or any other place considered appropriate by UBSIA) ("the principal part of the Register") and may also establish, and if UBSIA so establishes, must maintain, any number of other registers of Holders at such other places as UBSIA may determine (which will form part of the Register).
2. UBSIA must enter, or cause to be entered, in the Register the full name and address of each Holder, the number of UBS Warrants held by that Holder, the date of grant and the Exercise Date of each of those UBS Warrants and any other particulars which it thinks proper.
3. Where there is more than one part of the Register, Holders may elect by notice to UBSIA as to the part of the Register on which their UBS Warrant must, for the time being, be registered.
4. If no election under paragraph 3 of this Schedule is made on the grant of the UBS Warrant, the UBS Warrant will be registered on the principal part of the Register.
5. If there are any further issues or transfers of UBS Warrants and no election is made as to the part of the Register on which those UBS Warrants are to be registered, a UBS Warrant will be registered on the principal part of the Register or such other part of the Register as UBSIA may decide.
6. The Register will be open at all reasonable times during business hours on each Business Day to the inspection of any Holder, or any person authorised in writing by the Holder, or any officer or member of a Company.
7. Where there is more than one part of the Register, a UBS Warrant will be transferred by UBSIA from one part of the Register to another part of the Register without fee on the written request of the Holder, subject to any payment by the Holder of any stamp duty involved.
8. UBSIA may, subject to the ASX Settlement Operating Rules, from time to time close the Register for any period or periods not exceeding twenty (20) Business Days in any year or any longer period that ASX may allow.
9. Except as required by law, no notice of any trust (express, implied, resulting or constructive) will be entered in the Register.
10. The Register will be examined by the auditor appointed by UBSIA at regular intervals of not more than twelve (12) months.
11. The property in the UBS Warrant is, for all purposes, situated at the place where the part of the Register on which the UBS Warrant is for the time being registered is situated and not elsewhere.
12. Except as otherwise provided in these Terms of Issue, UBSIA must recognise the Holder as the absolute owner of the UBS Warrant and all persons may act accordingly.
13. Except as otherwise provided in these Terms of Issue or as ordered by a court of competent jurisdiction or as required by law, UBSIA is not bound to take notice of any trust or equity affecting the ownership of a UBS Warrant or the rights incidental to the UBS Warrant and the receipt of the Holder in respect of the UBS Warrant of any money payable in respect of the UBS Warrant is a good discharge to UBSIA.
14. There must not be more than three (3) joint Holders of the UBS Warrant except in the case of the legal personal representatives of a deceased Holder.
15. If there are joint Holders of any UBS Warrant and one of those joint Holders dies, the survivor(s) will be the only person(s) recognised by UBSIA as having any title or interest in the UBS Warrant.
16. The legal personal representative of a deceased Holder (not being one of several joint Holders) is the only person recognised by UBSIA as having any title to the Holder's UBS Warrant.
17. Any person becoming entitled to the UBS Warrant in consequence of the death, unsoundness of mind or bankruptcy of any Holder, upon producing such evidence as UBSIA may reasonably require that s/he holds the office in respect of which he proposes to act or his title as successor to the Holder, may transfer the UBS Warrant.
18. When the UBS Warrants become "CHESS Approved Securities", holdings will be registered on CHESS or on an Issuer Sponsored Subregister. UBS Warrants held by a Holder that is a participant in CHESS, or a person sponsored by a participant in CHESS, will be registered on CHESS. All other UBS Warrant holdings will be registered on the Issuer Sponsored Subregister.

Schedule 2 – Terms of Issue 8.3.3 – Transfer of UBS Warrants

1. No fee will be charged for the registration of a transfer.
2. A transfer must be in accordance with the ASX Operating Rules and the ASX Settlement Operating Rules.
3. The transferor of a UBS Warrant is regarded as remaining the owner of the UBS Warrant the subject of the instrument of transfer until the name of the transferee is entered in the Register in respect of that UBS Warrant.
4. On registration of the transfer of a UBS Warrant, the transferee will be recognised as entitled to that UBS Warrant free from any equity, set off or cross-claim of UBSIA against the transferor.

Schedule 3 - Variations

In this Schedule 3:

- (a) "**Issue Ratio**" means, for a Bonus Issue, the general ratio used by the person making the issue to determine the entitlement of persons to participate in the issue;
- (b) "**Issue Numerator**" means, for a Bonus Issue, the component of the Issue Ratio which refers to the property the subject of the issue; and
- (c) "**Issue Denominator**" means, for a Bonus Issue, the component of the Issue Ratio which refers to the underlying Shares of the holders to which the issue is made.

Part 1 (Term of Issue 8.4.4(b))

Bonus Issue - same class

$$A = \frac{B \times (N + D)}{D}$$

where:

A = the number of common stock in the Company constituting an Underlying Parcel after the Bonus Issue;

B = the number of common stock in the Company constituting an Underlying Parcel before the Bonus Issue;

N = the Issue Numerator of the Bonus Issue; and

D = the Issue Denominator of the Bonus Issue.

Part 2 (Term of Issue 8.4.4(c))

Bonus Issues - different classes

$$A = \frac{B \times N}{D}$$

where:

A = the number of the securities the subject of the bonus issue which constitutes part of the Underlying Parcel immediately after the Bonus Issue;

B = the number of common stock in the Company constituting an Underlying Parcel before the Bonus Issue;

N = the Issue Numerator of the Bonus Issue; and

D = the Issue Denominator of the Bonus Issue.

Part 3 (Term of Issue 8.4.6)

Partly paid shares

$$A = \frac{B \times P}{P + E}$$

where:

A = the number of common stock in the Company constituting an Underlying Parcel immediately after the last time specified for payment of the unpaid amount;

B = the number of common stock in the Company constituting an Underlying Parcel immediately before the last time specified for payment of the unpaid amount;

P = the last price at which the underlying Shares were sold on the NASDAQ on the last Business Day that those underlying Shares were sold before the day on which the last time for payment of the unpaid amount was specified; and

E = the unpaid amount per underlying Share required to be paid.

Schedule 4 – Terms of Issue 8.8.1 – Resolution of Holders

A resolution of the Holders is duly passed if and only if:

1. UBSIA despatches by notice to every Holder a document setting out the terms of the proposed Change together with a ballot paper enabling the Holder to vote either in favour of or against the Change either by way of a postal ballot or at a meeting of Holders (at the discretion of UBSIA), a document setting out the reasons for and any advantages or disadvantages of the Change and a document summarising the provisions of this Schedule 4;
2. UBSIA retains all ballot papers which are returned to it within the voting period (which in the case of a postal ballot must, in any event, be not less than twenty (20) Business Days after the date of despatch of the last of the notices referred to in paragraph 1 of this Schedule 4 and, in the case of a meeting of Holders, is the period of the meeting);
3. UBSIA's auditor (after consultation with UBSIA's solicitor, if desired by either the auditor or UBSIA) determines the validity of all ballot papers returned during the voting period. If UBSIA or a person associated with UBSIA (within the meaning of Part 1.2 Division 2 of the Corporations Act 2001 (other than Sections 13 and 14), except if the person holds the relevant UBS Warrants as trustee or nominee for another person) returns a ballot paper that ballot paper is to be treated as not being valid;
4. UBSIA's auditor adds together all of the votes cast on valid ballot papers during the voting period (calculated on the basis of one vote for each UBS Warrant held by the person casting that vote) in favour of the Change and all of the votes cast on valid ballot papers during the voting period (calculated on the same basis) against the Change; and
5. The number of votes validly cast in favour of the Change (as determined by the previous paragraph) is not less than three (3) times greater than the number of votes validly cast against the Change (as so determined).

Directory

ISSUER

UBS Investments Australia Pty Limited

Level 16	Level 16
Chifley Tower	8 Exhibition Street
2 Chifley Square	MELBOURNE VIC 3000
SYDNEY NSW 2000	

ARRANGER AND BROKER

UBS Securities Australia Ltd

Level 16	Level 16
Chifley Tower	8 Exhibition Street
2 Chifley Square	MELBOURNE VIC 3000
SYDNEY NSW 2000	

GUARANTOR

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

REGISTRAR

Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
SYDNEY NSW 2000

ISSUER'S LEGAL ADVISERS

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

Level 16
8 Exhibition Street
Melbourne VIC 3000

INVESTOR ENQUIRY LINE 1800 633 100

www.ubs.com/equitysolutions