



UBS Investment
Bank

UBS Hindsight PIP (Protected Investment Product) - Series 1 – Australian Equities



Issued by UBS AG, Australia Branch
ABN 47 088 129 613, AFSL 231087

Product Disclosure Statement

Dated 9 February 2010

Product Disclosure Statement dated 9 February 2010

Important Notice

This Product Disclosure Statement ("PDS") is for the offer of an agreement to purchase shares in BHP Billiton Limited listed on the ASX ("Delivery Asset") on certain terms including deferred delivery. This PDS is dated 9 February 2010 and is issued by UBS AG, Australia Branch ("UBS") (Australian Financial Services Licence No. 231087). This PDS has not been lodged, and is not required to be lodged with the Australian Securities and Investments Commission ("ASIC"). UBS will notify ASIC that this PDS is in use in accordance with the Corporations Act. ASIC and its officers take no responsibility for the contents of this PDS.

Your Decision to Invest

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

Applications

This PDS is available in paper form and in electronic form. If you wish to invest in the Units, you must complete the Investor Application Form attached to this PDS and return it to your Approved Adviser. The Units will only be issued to you upon receipt and acceptance of an Investor Application Form which is attached to this PDS. For Investor Application Forms and instructions on how to apply for Units, refer to the **"How to Apply"** section. Investors should contact their adviser, stockbroker or financial planner when making an application for Units.

The Delivery Assets

The Delivery Assets you will receive on Maturity will be ordinary fully paid shares in BHP Billiton Limited, listed on the ASX. At Maturity you may elect to dispose of the Delivery Assets by utilising the Agency Sale Arrangement as described in the PDS.

Restrictions on Distribution of the PDS

Unless it is lawful to offer the Units and Delivery Assets to which this PDS relates in a jurisdiction outside Australia, the offer to which this PDS relates is only made in Australia. This PDS is only available from UBS, or an Approved Adviser in Australia. This PDS does not constitute an offer of Units or the Delivery Asset in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and any person who resides outside Australia into whose possession this PDS comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions. Failure to comply with the relevant restrictions may violate those laws. Units may not be offered or sold in the United States of America ("US") or to, or for the account of or benefit of, US persons. Accordingly neither this PDS nor the Investor Application Form may be sent to persons in the US or otherwise distributed in the US.

Disclosure of Interests

UBS and its related entities, and their directors and employees may have pecuniary or other interests in the Delivery Asset. Customers who have received this PDS from a financial intermediary, adviser or broker should be aware that if you invest in UBS Hindsight PIP Units, UBS may pay that financial intermediary/adviser/broker a commission or fee in the nature of an up front selling fee. The upfront selling fee is generally between 0% and 2.2% (inclusive of GST) of the Total Investment Amount. UBS may pay to an Approved Adviser a trail fee of 0.275% p.a. (inclusive of GST) of the Total Investment Amount outstanding. UBS may also pay distribution fees in the nature of a product distribution fee and a product distribution trail fee to the entity that holds the Australian Financial Services licence under which your adviser is authorised to provide you with financial services in relation to the Units ("Distributor"). The product distribution fee is generally between 0 and 1.1% (inclusive of GST) of the Total Investment Amount and the product distribution trail fee is generally between 0 and 0.275% p.a. (inclusive of GST) of the Total Investment Amount outstanding. All fees and charges described in this PDS are GST inclusive unless stated otherwise.

Update of information

This PDS is current as at 9 February 2010. Information in this document is subject to change from time to time, for example the Reference index may be altered in some circumstances (refer to the **"Risk Factors"** section). To the extent that the change is not materially adverse to investors, it may be updated by UBS posting a notice of the change on its website at www.ubs.com/keyinvest. UBS will provide to investors, free of charge, a paper copy of the updated information upon request.

Electronic Product Disclosure Statement

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

Definitions

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

The Issuer

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

*Nature of Units

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

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Key Dates¹

Initial Offer Period Open:	18 February 2010
Initial Offer Period Close:	5pm (Sydney time) 26 March 2010
Applications Open Date	10 March 2010
Issue Date ² :	7 April 2010
Payment Date:	7 April 2010
Strike Date:	7 April 2010
Call Date	8 October 2012
Maturity Date	7 April 2015
Semi-Annual Observation Dates	7 October 2010; 7 April 2011; 7 October 2011; 9 April 2012; 8 October 2012; 8 April 2013; 7 October 2013; 7 April 2014; 7 October 2014.

* Applications will only be processed after the Applications Open Date. If you are applying for the Units and paying by cheque, please send us your Application Form and payment only **after** the Applications Open Date. Applications returned before the Applications Open Date will be returned to investors.

¹ The Key Dates are indicative only. UBS may, in its discretion, extend or shorten the offer period without prior notice. If this happens, the Issue Date and/or Payment Date, Strike Date, Call Date and Maturity Date may vary accordingly. If UBS extends or shortens the offer period it may post a notice on its website informing Applicants of the changes at: www.ubs.com/keyinvest. If a Key Date above is not a Trading Day then the relevant calculation date will be the following Business Day.

² Units in a Series will only be issued if the High Water Mark ("HWM") Participation Rate as determined on the Strike Date is greater than or equal to the Minimum HWM Participation Rate (refer to Term Sheet). If the HWM Participation Rate is not greater than or equal to the Minimum HWM Participation Rate, the Units in the Series will not be issued and UBS will return the application monies to applicants without interest within 5 Business Days

Section 1 - Product Overview

An investment linked to the performance of the S&P/ASX 200 Accumulation Index over 5 years with 90% Limited Capital Protection.

UBS Hindsight PIP - Series 1 also contains a look back feature to periodically lock-in a portion of index returns and may mature early if a pre-determined level of performance is achieved after 2.5 years.



An investment in UBS Hindsight PIP – Series 1 Units will provide investors with an exposure to Australian equities based on the return of the S&P/ASX 200 Accumulation Index less a 5% p.a. Dividend Drag Amount along with a 90% Limited Capital Protection feature.

At the end of 5 years, investors will have the opportunity to benefit from a “look back” feature which will operate as follows:

- during the term of your investment, the performance of the Reference Index (measured from the Issue Date) net of the Dividend Drag Amount will be observed on a semi-annual basis (this is the Dragged Reference Index Return);
- the highest positive observation of the Dragged Reference Index Return becomes the “High Water Mark”;
- At Maturity, the Final Value per Unit will be at least \$0.90³. This is the 90% Limited Capital Protection feature.
- If the Dragged Reference Index Return is positive on the Maturity Date, the Final Value per Unit will be \$0.90 plus the greater of that Dragged Reference Index Return and the product of the High Water Mark and the High Water Mark Participation Rate⁴.

The UBS Hindsight PIP – Series 1 investment also offers investors an early call feature. Your investment will mature early after 2.5 years on the Call Date, if the Dragged Reference Index Return (measured from the Issue Date to the Call Date) is greater or equal to 50% - this is a Call Event. If this occurs, you will receive a minimum Call Value per Unit of \$1.40 (taking into account the 90% Limited Capital Protection, plus the 50% Dragged Reference Index Return). For information on how the Call Value and Final Value are calculated, please refer to the formulae below under “What are the returns on UBS Hindsight PIP – Series 1 Units”.

Combined, these features are designed so that:

1. you can take profit when your investment has performed well and is called early on the Call Date;
2. if a Call Event does not occur, your Units will lock in any Reference Index performance above 5%p.a. on the pre-determined observation dates and reduce the potential of forgoing investment returns in subsequent periods of negative equity returns leading up to Maturity; and
3. if the Reference Index performs poorly over Investment Term, the minimum Final Value per Unit will be at least \$0.90.

³ Issue Price per Unit is \$1.00.

⁴ The High Water Mark Participation Rate is determined by the Issuer on the Issue Date. As an indication, if the High Water Mark Participation Rate was set on the date of this PDS, the High Water Mark Participation Rate would be 100%.

What am I investing in?

Each Unit is a separate Deferred Purchase Agreement between you and UBS under which you agree to purchase the Delivery Assets from UBS on a deferred basis. This means that if, for example, the Issue Price is \$1.00 and your initial investment is \$100,000, you have entered into 100,000 separate Deferred Purchase Agreements at \$1.00 per Unit. Although each Unit constitutes a separate agreement between you and UBS, UBS may in its discretion aggregate the Units for the purposes of calculations.

At Maturity or after a Call Event, Units are physically settled to your account in the form of a Delivery Parcel. The Delivery Parcel will be the number of Delivery Assets equal in value to the Final Value or Call Value (as applicable) of all the Units comprising your investment (less Costs and Taxes, if any).

Investors may elect to sell the Delivery Parcel and receive cash by using the Agency Sale Arrangement described on page 19 of this PDS.

What are the returns on UBS Hindsight PIP – Series 1 Units

There will be no payments or distributions made to you in respect of your Units prior to Maturity or Early Maturity. The value of the Delivery Parcel that you receive following Maturity will be calculated according to the Final Value formula below.

What is the Final Value on the Final Maturity Date (i.e. if a Call Event does not occur)?

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

The Final Value per Unit on the Final Maturity Date will be equal to the **greater of:**

(i) \$0.90

or

(ii) the amount equal to:

$\$0.90 + [\$1.00 \times \text{Dragged Reference Index Return}]$

or

(iii) the amount equal to:

$\$0.90 + [\$1.00 \times \text{HWM Participation Rate} \times \text{High Water Mark}]$

Each of the Dragged Reference Index Return and the High Water Mark are net of a Dividend Drag Amount. This Dividend Drag Amount can be calculated on any day according to the following formula:

$$5\% \times \frac{\text{Number of calendar days from but excluding the Issue Date to and including the relevant day}}{365}$$

On each Trading Day on which the Dragged Reference Index Return is required to be calculated (i.e. the Semi-Annual Observation Dates and the Final Maturity Date), this Dividend Drag Amount is applied to the performance of the Reference Index on that particular day to calculate the Dragged Reference Index Return as follows:

$$\text{Dragged Reference Index Return} = \frac{\text{Index Ending Level} - \text{Index Starting Level}}{\text{Index Starting Level}} - \text{Dividend Drag Amount}$$

Where, for a particular Trading Day:

- The Index Starting Level is the Closing Level of the Reference Index on Strike Date.
- The Index Ending Level is the Closing Level of the Reference Index on that Trading Day.

The Dragged Reference Index Return is measured on each Semi-Annual Observation Date and the maximum observed value for the Dragged Reference Index Return on these dates becomes the High Water Mark to be used in the calculation of the Final Value at Maturity.

Your exposure to the S&P/ASX200 Accumulation Index will end on the Final Maturity Date and UBS will deliver the Delivery Parcel with a value, on the Final Maturity Date, equal to the Final Value of all the Units comprising your investment (less Cost and Taxes, if any). On the Settlement Date, your investment in the Units will terminate and the Delivery Parcel will be delivered to you.

Following the Final Maturity Date, you will have exposure only to the Delivery Assets, unless you elect to use the Agency Sale Arrangement.

What is the High Water Mark Participation Rate?

The HWM Participation Rate will be set by UBS on the Strike Date and is a component of the Final Value calculation. As an indication, if the product had been issued at the date of this PDS, the HWM Participation Rate would have been 100%. However, if UBS cannot set the HWM Participation Rate to at least the Minimum HWM Participation Rate of 80% on the Strike Date, then UBS will not issue the Units and will return application monies to Investors without interest within 5 Business Days of the Strike Date.

The HWM Participation Rate is dependent on a number of factors when it is set. The main factors and the relationship between them (assuming all other factors are constant) and their effect on the HWM Participation Rate can be summarised generally as follows:

Variable	Change in variable	Change in HWM Participation Rate
Australian interest rates	↑	↑
UBS Credit Margin	↑	↑
Reference Index volatility	↑	↓

If you invest during the Initial Offer Period, you will be notified of the HWM Participation Rate in your Confirmation Notice.

What are the returns on UBS Hindsight PIP Units if a Call Event occurs?

The Call Date is 8 October 2012.

On the Call Date the Dragged Reference Index Return is calculated as a percentage and if it is greater or equal to 50% then a Call Event will occur and result in Early Maturity of all your Units. A Call Event is the only example of an Early Maturity where 90% Limited Capital Protection will still apply.

If a Call Event occurs, the Call Value per Unit on the Call Date will be equal to
 $\$0.90 + [\$1.00 \times \text{Dragged Reference Index Return}]$

Any High Water Mark set prior to the Call Date will not be used in the calculation of the Call Value, even where the High Water Mark multiplied by the High Water Mark Participation Rate is greater than the Dragged Reference Index Return on the Call Date.

Your exposure to the S&P/ASX200 Accumulation Index will end on the Call Date and your investment in the Units will terminate on the Settlement Date. UBS will deliver the Delivery Parcel, with a value, on the Call Date, equal to the Call Value of all the Units comprising your investment (less Cost and Taxes, if any). On the Settlement Date, the Delivery Parcel will be delivered to you.

Following the Call Date, you will have exposure only to the Delivery Assets, unless you elect to use the Agency Sale Arrangement.

What happens at Maturity or following a Call Event?

By investing in the Units, you agree to purchase the Delivery Parcel from UBS which consists of ordinary fully paid shares in BHP Billiton Limited ("BHP"), listed on the ASX (the "Delivery Assets"). The value of the Delivery Assets you receive from UBS will equal the Final Value of your Units at the end of the Investment Term (or Call Value if a Call Event occurs) less any Costs and Taxes incurred by UBS in relation to Maturity or the Call Event. As at the date of this PDS, UBS does not expect there to be any Costs and Taxes that are not set out in the "Fees & Expenses" section at page 9, or in the paragraph below.

You will need to consider whether the Delivery Assets are a suitable investment for you at the time the Units mature. You should note that in certain circumstances, UBS has the discretion to substitute the Delivery Assets, which means that you will receive the substituted Delivery Asset rather than ordinary fully paid shares in BHP Billiton Limited. You should take this into consideration when deciding whether to purchase Units. Please refer to Section 5 - "The Delivery Asset" on page 21 of this PDS for more information on BHP Billiton Limited.

Once the Units mature and you receive the Delivery Parcel, you will have an investment in the Delivery Asset, and will no longer have an exposure to the Reference Index.

Refer to the "What Happens at Maturity or following a Call Event?" section on page 19 for further details.

Can I elect to receive a cash payment at Maturity or following a Call Event?

You will automatically receive the Delivery Parcel on the Settlement Date (or as soon as practicable thereafter) although you may elect to sell your Delivery Assets through a special sale facility (the "Agency Sale Arrangement") that UBS may offer at Maturity or prior to the Call Date. Where you elect to use the Agency Sale Arrangement you will receive the Sale Proceeds within 10 Business Days of the Settlement Date or as soon as reasonably practicable thereafter.

Refer to Section 4 - "What Happens at Maturity or following a Call Event?" on page 19 of this PDS for further details.

The Delivery Asset

The Delivery Assets are ordinary fully paid shares in BHP Billiton Limited, listed on the ASX.

Please refer to Section 5 - "The Delivery Assets" on page 21 of this PDS for further details about the Delivery Asset.

Can I exit my Units prior to Maturity?

While the Units are designed as a "buy and hold" investment, you will have the opportunity to request that UBS buys back your Units on the last Trading Day of every week during the Investment Term (a "UBS Buy-Back") commencing on 16 April 2010. However your Units will not have the benefit of 90% Limited Capital Protection if you choose to sell your Units at such time (see the example on page 16 for more details).

You may request UBS to buy-back your Units by filling out the Investor Sale Form attached to this PDS and lodging it with UBS. If UBS accepts your offer to sell your Units prior to Maturity, then UBS will determine the actual price you receive on the relevant Weekly Pricing Date (the "Buy-Back Price"). This price will vary during the Investment Term.

Details of the executed UBS Buy-Back and the actual Buy-Back Price will be notified to Investors by way of a Settlement Notice.

UBS may publish the indicative Buy-Back Prices at any time and provide this information to certain market data service providers – please refer to the market data codes listed in the Term Sheet on page 13 of this PDS. Investors should note that these prices will be indicative only and may be higher or lower than the Buy-Back Price that you will actually receive when you sell your Units.

Once the Investor Sale Form is lodged, your request for UBS to buy back your Units is irrevocable and UBS may accept or reject your request. Please refer to Section 6 "After the Initial Offer Period" for important

information on how the Buy-Back Price is determined and how you can make a request to sell your Units. You should also refer to clause 5.3 of the Deferred Purchase Agreement to understand your rights and obligations if you request a UBS Buy-Back.

Can UBS nominate an Early Maturity?

UBS has an absolute discretion to nominate certain events as Early Maturity Events in certain circumstances.

You will be given prior notice of any proposed Early Maturity unless it is otherwise impracticable to do so. You should read clauses 5 and 6 of the "Terms of the Deferred Purchase Agreement" for a full list and detailed description of the circumstances in which UBS may call an Early Maturity Event, and to fully understand your rights and obligations if it does occur.

One of the circumstances in which an Early Maturity Event may be called is termed an Adjustment Event, and a list of these may be found in the Glossary on page 51.

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

- 1) Where the Reference Index is calculated and announced by a successor to the Reference Index Provider;
- 2) Where the Reference Index is suspended, no longer calculated or changed materially;
- 3) Where UBS is unable to establish, maintain or unwind its hedging activities in respect of the Units or where there is a materially increased cost of doing this (generally UBS will seek to hedge the units in futures and options over the Reference Index) or where UBS' hedge is terminated, closed out or suspended;
- 4) UBS is or will become unable to perform its obligations under the Units because it has become unlawful or illegal to do so.

Items 1 to 4 above are Adjustment Events. In the case of Adjustment Events, UBS will generally seek to adjust the terms of the Units to put both it and the investor in substantially the same economic position as if the Adjustment Event had never occurred. If it is not possible to do this then UBS will look at calling an Early Maturity Event.

What are the taxation implications of this investment?

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

- the Australian Tax Office (ATO) should treat a capital gain or loss as arising in respect of the Units on delivery of the Delivery Parcel;
- any such capital gain should be a discount capital gain where delivery occurs more than 12 months after the date of acquisition of the Units;
- a capital gain or loss may arise in respect of the Delivery Parcel when the Delivery Parcel is sold (including under the Agency Sale Arrangement); and
- the ATO should treat the date of acquisition of the Delivery Parcel for the purposes of CGT discount treatment as being the date of delivery of the Delivery Parcel under the Units.

The taxation summary is set out in Section 9 - "Taxation Summary" on page 30 of this PDS.

⁵ Depending on your personal circumstances and subject to the applicability and correctness of the assumptions in Section 9. You should seek your own independent advice on the taxation implications of investing in the Units.

Key benefits of UBS Hindsight PIP - Series 1

- Potential to generate capital growth by reference to a diversified Australian equities index.
- Uncapped upside performance.
- The comfort of 90% Limited Capital Protection at Maturity and on the Call Date*.
- A High Water Mark observed semi-annually providing the potential to lock in a portion of any positive performance of the Reference Index in excess of 5% p.a. and reduce the potential of forgoing investment returns in subsequent periods of negative equity returns.
- An investment with the potential to outperform – UBS Hindsight PIP Series 1 may outperform a direct investment in the Reference Index where the Reference Index Closing Level on the Maturity Date is less than 90% of the Index Starting Level or where there is a period of strong growth observed on a Semi-Annual Observation Date followed by a fall in the Reference Index leading up to Maturity.
- The potential for a Call Event after 2.5 years with minimum Call Value of \$1.40 per Unit.
- Maximum investment term of 5 years.
- Potential for weekly redemptions at UBS's discretion.

* less any applicable Costs and Taxes and provided the Units were acquired at the Issue Price during the Initial Offer Period, no Early Maturity Event occurs (other than a Call Event) and no UBS Buy-Back occurs.

What are the risks of investing?

UBS Hindsight PIP Units are a structured investment, providing exposure to a variable return. The return on your investment could be less than that you might earn on other investments and could be zero and you may lose some of your initial investment.

The key risks include:

- Underlying investment risk – the risk that the S&P/ASX200 Accumulation Index does not perform well, including as a result of recent increased equity market volatility and the global economic downturn;
- Observation Date or "Snap Shot" Risk - snap shots of the Reference Index are taken on Semi-Annual Observation Dates to determine the High Water Mark as a component of determining the Final Value. If the Reference Index performs poorly on those observation dates then the High Water Mark may not be as high as if the High Water Mark were determined on other dates or on a continuous basis on each day throughout the Investment Term.
- Early Maturity risk - there is no 90% Limited Capital Protection on Early Maturity (unless a Call Event occurs) or if an Investor sells their Units back to UBS prior to Maturity pursuant to a UBS Buy-Back, which means that your Units can be worth less than \$0.90 per Unit;
- Buy-Back risk - there is no assurance that UBS (or its nominee) will buy-back your Units if you request a UBS Buy-Back and there is no obligation on UBS to do so. UBS Buy-Back requests are irrevocable and UBS might not accept a UBS Buy-Back request immediately but hold it over. This may delay the processing of an Investor's buy-back request and may impact the Buy-Back Price you receive;
- Price risk - the Early Maturity Value and Buy-Back Price may be less than the Purchase Price and may also be reduced by any related Costs and Taxes, Break Costs, administrative costs and costs of unwinding any hedge incurred by the Issuer on Early Maturity or UBS Buy-Back. These Break Costs may be significant and may not be in your favour;
- Dividend Drag Amount Risk – the performance of the Reference Index as measured on the Semi-Annual Observation Dates, Call Date and Final Maturity Date is reduced by the Dividend Drag Amount of 5% p.a. in calculating the Call Value or Final Value of your Units (as the case may be). The S&P/ASX200 Accumulation Index captures the share price performance of the securities that make up the Reference Index including the accumulated dividends paid on these securities. If the actual dividend yield of the securities that make up the Reference Index is less than 5% p.a. then the Dragged Reference Index Return will underperform the share price performance of the component securities in the S&P/ASX200 price return index.

- Break-even risk – based on a HWM Participation Rate of 100% and assuming a Call Event does not occur, the High Water Mark or Dragged Reference Index Return at Maturity must be at least 10% for your investment to break even. If the HWM Participation Rate was 80%, the High Water Mark would need to be at least 12.5% for the investment to break even (unless the Dragged Index Return at Maturity is higher).
- Counterparty risk - the delivery of the Delivery Asset (or the Sale Proceeds if you elect to use the Agency Sale Arrangement) at the Final Value or Early Maturity Value is subject to the creditworthiness of UBS and you should make your own assessment of this risk. In particular, you should note that these obligations are unsecured obligations of UBS which rank equally with all other unsecured obligations of UBS and in the event that UBS is wound up, you may not receive these amounts. In addition, the market value of the Units may be affected by the market's perception of the creditworthiness of UBS.
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Please ensure you read Section 7 "Risk Factors" for a more complete description of the risks of investing.

Please refer to Section 2 "Term Sheet" for a summary of the certain terms of the Units.

Fees & Expenses

You will be charged an Application Fee of 2.2% of your Total Investment Amount that you must pay in addition to your Total Investment Amount. This means that if, for example, the Issue Price is \$1.00 and you wish to purchase 100,000 Units, you will be debited \$102,200 (if you elect to pay by direct debit). If your Approved Adviser agrees to waive the entire Approved Adviser Upfront Fee (by ticking the relevant box on the Application Form), the Application Fee will not be payable. For example, if your Total Investment Amount is \$100,000 in the Units, and the Application Fee is waived, you will receive 100,000 units at the Issue Price of \$1.00, and therefore you will have entered into 100,000 separate Deferred Purchase Agreements. The number of units you receive will be calculated as (Total Investment Amount) / (Purchase Price).

UBS may pay (out of its own funds) to the Approved Adviser upfront selling fees ("Approved Adviser Upfront Fee") ranging from 0% to 2.20% (inclusive of GST) of the Total Investment Amount of Units distributed by the Approved Adviser. For example, if you invest \$100,000, UBS may pay the Approved Adviser up to \$2,200.

UBS may also pay (out of its own funds) to an Approved Adviser a trail fee ("Approved Adviser Trail Fee") of 0.275% p.a. (inclusive of GST) of the Total Investment Amount of Units distributed by the Approved Adviser and still outstanding regardless of whether the Approved Adviser Upfront Fee and Application Fee are waived.

In addition UBS may pay an upfront distribution fee to the entity holding the Australian Financial Services licence under which your Approved Adviser is authorised to provide financial services in relation to your investment in the Units ("Distributor Fee") ranging from 0 to 1.10% (inclusive of GST) of the Total Investment Amount and a trailing distribution fee ("Distributor Trail Fee") of 0.275% p.a. (inclusive of GST) of the Total Investment Amount outstanding. These fees will be paid by UBS out of its own funds.

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

UBS reserves the right to pass on to you any unforeseen Costs and Taxes. At the date of this PDS, UBS is not aware of any Costs and Taxes payable.

Break Costs may arise in relation to Early Maturity (other than Early Maturity from a Call Event) or a UBS Buy-Back. Break Costs are a component of the calculation of the Buy-Back Price or Early Maturity Value and are not a separate charge levied by UBS. In practice, the Buy-Back Price will depend on the economic value that UBS achieves on the unwinding of any securities or derivatives it has in place to hedge its exposure under the Units and on the quantum of any Break Costs. The economic value that it achieves will be reliant on several factors including but not limited to the level and volatility of the Reference Index, Australian interest rates and the remaining term to maturity. The actual size of the impact of these factors on the Buy-Back Price will vary and is not quantifiable at the time you acquire your Units, however the effect of factors on Unit value has

been provided for you in the table on page 22. UBS may also incur Break Costs when executing the early unwind, which are costs, expenses and losses suffered by UBS as a result of the early termination of the Deferred Purchase Agreement. Such amounts may include, but are not limited to costs incurred in terminating UBS's hedge positions, taxes or fees paid that are non-recoverable, administrative cost of processing the early termination, or loss of profits on the terminated positions. These costs will vary over time and may be linked to the economic value that UBS achieves on the unwinding of its hedge positions so they cannot be determined with certainty at the time you acquire your Units.

Investors and their advisers can contact UBS at anytime and request an estimate of the Buy-Back Price. Note that a UBS Buy-Back of your Units may only occur on the last Trading Day of each week. UBS will provide an estimate of the Buy-Back Price (which will be net of any Break Costs) to investors to enable them to determine the likely Buy-Back Price if the Investor requests a UBS Buy-Back. However, the actual Buy-Back Price at which UBS will buy-back your Units will only be available on the Weekly Pricing Date and can only be confirmed when the UBS Buy-Back is transacted. The actual Buy-Back Price may therefore be different to the estimate provided at an earlier time.

If Units are terminated early as a result of an Early Maturity Event (other than where a Call Event occurs) then the Early Maturity Value payable by UBS will be determined in accordance with clause 5 of the Terms in Section 121

How do I invest in the Units?

You can apply for Units through an Approved Adviser on any day during the offer period set out on page 2 of this PDS, by providing your Approved Adviser with a completed Investor Application Form referencing the number of Units that you wish to invest in, and providing payment of your Total Investment Amount and the Application Fee (if applicable). You may also be required to provide other supporting documentation as required by the Approved Adviser. The Approved Adviser will forward your application to UBS.

By signing the Investor Application Form, you agree to be bound by the Terms, which include the Terms of the Deferred Purchase Agreement in Section 11 of this PDS, this PDS and any Supplementary PDS applicable to your Units. You also agree to appoint UBS as your agent to enable UBS to execute all documents necessary on your behalf to effect the sale and purchase of Units. Refer to the "How to Invest and Sell Back" section on page 58 of this PDS for more details.

Applications will only be processed after the Applications Open Date. If you are applying for the Units and paying by cheque then please send us your Application Form and make payment only **after** the Applications Open Date. Any Applications with a cheque received before this date will be returned.

The Investor Application Form is on page 61.

The Reference Index

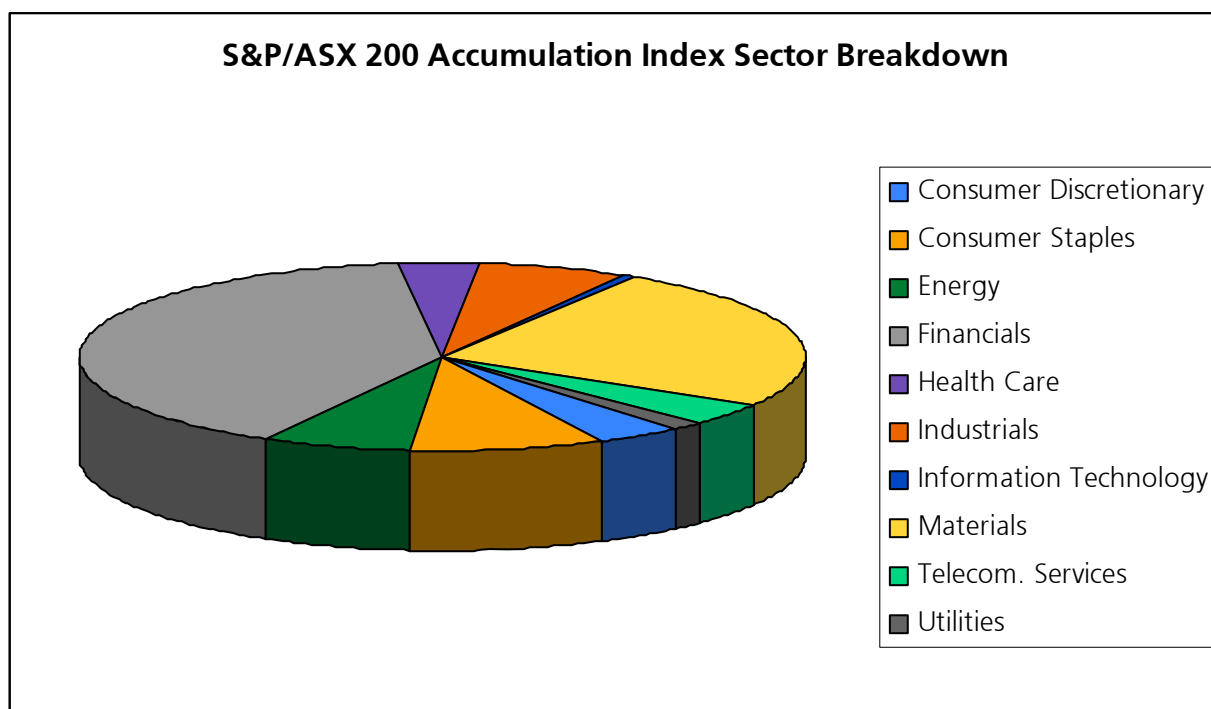
The S&P/ASX 200 Accumulation Index is comprised of the S&P/ASX 100 plus an additional 100 stocks and covers approximately 78% of Australian equity market capitalisation.

This index is maintained by the S&P Australian Index Committee, comprised of five members representing both the Australian Securities Exchange and Standard & Poor's. They follow a set of published guidelines and policies that provide the transparent methodologies used to maintain the indices.

The Index Committee reviews constituents quarterly to attempt to ensure adequate market capitalization and liquidity. Both market capitalization and liquidity are assessed using the previous six months' worth of data. Quarterly review changes take effect the third Friday of December, March, June, and September. The weighting of constituents in the S&P/ASX 200 is determined by the float-adjusted market capitalization assigned to each security by the Index Committee. Every index constituents' float adjustment is reviewed as part of the March quarterly review.

The accumulation index captures the share price performance of these securities, including the accumulated dividends paid on these securities. Standard & Poor's use the net dividend as quoted by the company. This quoted dividend is net of any franking credits.

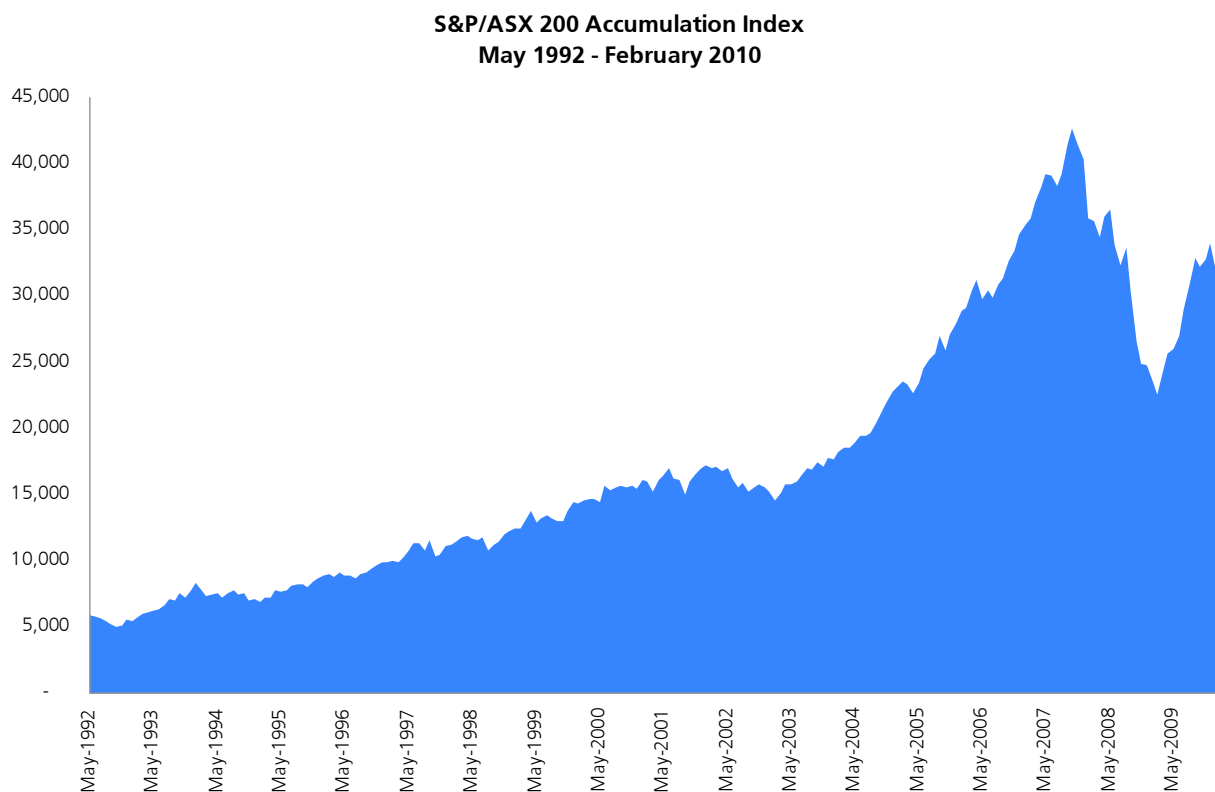
As at 5 February 2010, the sector breakdown of the index was as follows:



Source: Standard & Poors

For more information, please go to www.indices.standardandpoors.com

The below chart shows the performance of the S&P/ASX 200 Accumulation Index:



NB: Past performance is not an indicator of future performance

Source: Bloomberg

S&P/ASX 200 Accumulation Index Disclaimer

The UBS Hindsight PIP Series 1 (the "Product") is not sponsored, endorsed, sold or promoted by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") or the Australian Securities Exchange ("ASX"). S&P and ASX make no representation, condition or warranty, express or implied, to the owners of the Product or any member of the public regarding the advisability of investing in securities generally or in the Product particularly or the ability of the S&P/ASX 200 Accumulation Index to track general stock market performance. S&P's only relationship to the Licensee is the licensing of certain trademarks and trade names of S&P and the S&P/ASX 200 Accumulation Index, which is determined, composed and calculated by S&P without regard to the Licensee or the Product. S&P has no obligation to take the needs of the Licensee or the owners of the Product into consideration in determining, composing or calculating the S&P/ASX 200 Accumulation Index. S&P is not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Product to be issued or in the determination or calculation of the equation by which the Product is to be converted into cash. S&P and ASX have no obligation or liability in connection with the administration, marketing or trading of the Product.

S&P SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE S&P INDEXES FROM SOURCES THAT S&P CONSIDERS RELIABLE, BUT S&P ACCEPTS NO RESPONSIBILITY FOR, AND SHALL HAVE NO LIABILITY FOR, ANY ERRORS, OMISSIONS OR INTERRUPTIONS THEREIN. S&P AND ASX DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P INDEXES OR ANY DATA INCLUDED THEREIN. S&P AND ASX MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM THE USE OF THE S&P INDEXES OR ANY DATA INCLUDED THEREIN. S&P AND ASX MAKE NO EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIM ALL CONDITIONS AND WARRANTIES IMPLIED BY STATUTE, GENERAL LAW OR CUSTOM WITH RESPECT TO THE S&P INDEXES OR ANY DATA INCLUDED THEREIN EXCEPT ANY IMPLIED CONDITION OR WARRANTY THE EXCLUSION OF WHICH WOULD CONTRAVENE ANY STATUTE OR CAUSE ANY PART OF THIS SECTION TO BE VOID.

Section 2 – Term Sheet

Term Sheet for the UBS Hindsight PIP Units offered by UBS – linked to the S&P/ASX200 Accumulation Index:

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

Issuer:	UBS AG, Australia Branch (ABN 47 088 129 613, AFSL 231087) ("UBS")
Series:	UBS Hindsight PIP – Series 1 – Australian Equities
Reference Index:	S&P/ASX200 Accumulation Index (IRESS code: XJOAI ; Bloomberg Code ASA51) ("Index")
Reference Index Provider:	Standard & Poor's, a division of The McGraw-Hill Companies, Inc.
Investment:	Your agreement to purchase the Delivery Parcel on a deferred basis.
Minimum Investment Amount:	\$20,000 and in multiples of \$1,000 above that amount. (UBS may agree to accept different minimum and/or incremental amounts if you are an Indirect Investor.)
Issue Price per Unit:	\$1.00 (Units are not units in a managed investment scheme)
Total Investment Amount:	Purchase Price per Unit x Number of Units This is the amount that you pay when you make an investment.
Investment Term:	From the Issue Date to the earlier of the Call Date (2.5 years) and the Final Maturity Date (5 years).
90% Limited Capital Protection:	The Final Value per Unit at Maturity will be at least \$0.90. This means that you will receive a Delivery Parcel made up of the Delivery Assets equal in value to at least 90% of your Total Investment Amount (less any Costs & Taxes) provided the Units are acquired at the Issue Price during the Initial Offer Period and are held until the Final Maturity Date.
Final Value:	The Final Value per Unit on the Maturity Date will be equal to the greater of : (i) \$0.90 or (ii) the amount equal to: $\$0.90 + [\$1.00 \times \text{Dragged Reference Index Return on the Maturity Date}]$ or (iii) the amount equal to: $\$0.90 + [\$1.00 \times \text{High Water Mark Participation Rate} \times \text{High Water Mark}]$
Dividend Drag Amount	For any day calculated as: $5\% \times \text{Number of calendar days from but excluding the Issue Date to and including the relevant day} \div 365$
High Water Mark (HWM)	The highest observed positive Dragged Reference Index Return on a Semi-Annual Observation Date
HWM Participation Rate:	Set on the Issue Date and subsequently notified to Investors. The issue will not proceed if the HWM Participation Rate is less than the Minimum HWM Participation Rate.

Indicative HWM Participation Rate as at the date of the PDS	100%
Minimum HWM Participation Rate:	80%
Dragged Reference Index Return (expressed as a %):	$\frac{\text{Index Ending Level} - \text{Index Starting Level}}{\text{Index Starting Level}} - \text{Dividend Drag Amount}$
Index Starting Level:	The Reference Index Closing Level on the Issue Date
Index Ending Level:	The Reference Index Closing Level on the Semi-Annual Observation Date, Call Date, the Final Maturity Date (as the case may be) or any other date on which a calculation or determination is to be made.
Closing Level:	The official closing level of the Reference Index at the close of trading on the Relevant Exchange on the relevant date on which a calculation or determination is to be made.
Semi-Annual Observation Dates:	7 October 2010; 7 April 2011; 7 October 2011; 9 April 2012; 8 October 2012; 8 April 2013; 7 October 2013; 7 April 2014; 7 October 2014.

Call Event

Call Event:	A Call Event occurs if the Call Condition is satisfied on the Call Date. If a Call Event occurs the Units will mature early at the Call Value on the Call Date.
Call Condition:	If the Dragged Reference Index Return is greater or equal to 50% on the Call Date
Call Date:	8 October 2012
Call Value	The Call Value per Unit if a Call Event occurs is: \$0.90 + \$1.00 x Dragged Reference Index Return

At Maturity

Delivery at Maturity:	Units are physically settled. This means that the Final Value or Call Value (as applicable) per Unit will be delivered in the form of a Delivery Parcel composed of the Delivery Assets. This delivery will occur following a Call Event or after the Final Maturity Date (whichever occurs first).
Delivery Parcel	<p>The Delivery Parcel is the number of Delivery Assets to be delivered by UBS to you on the Settlement Date. The number of Delivery Assets in the Delivery Parcel is determined according to the following formula:</p> $\frac{[(\text{Final/Call Value} \times \text{no. of Units held}) - \text{applicable Costs \& Taxes}]}{\text{Average Price for that Delivery Asset}}$ <p>Fractional shares will not be delivered. If the total value of fractional shares in your Delivery Parcel exceeds A\$20 then UBS will pay that amount to you in cash on the Settlement Date.</p>
Delivery Assets:	Ordinary fully paid shares in BHP Billiton Limited, listed on the ASX ("BHP")
Relevant Exchange:	Australian Securities Exchange ("ASX")

Other Information

Application Fee:	2.2% of the Total Investment Amount payable by the Investor in addition to the Total Investment Amount (unless your Approved Adviser has agreed to waive the Approved Adviser Upfront Fee in which case no Application Fee will be payable).
Exit Fee:	Nil
Approved Adviser Upfront Fee:	<p>UBS may pay an Approved Adviser an upfront selling fee of up to 2.2% (incl. GST) of an Investor's Total Investment Amount.</p> <p>This is an upfront fee paid by UBS out of its own revenue from issuing the Units and is not a fee payable by the Investor in addition to their investment amount. The payment of this fee has no impact on the calculation of the Final Value.</p>
Approved Adviser Trail Fee:	UBS may pay to an Approved Adviser an investment trail fee of 0.275% p.a. (inclusive of GST) of the Total Investment Amount of Units distributed by the Approved Adviser and still outstanding, out of its own funds.
Distribution Fee:	<p>UBS may pay a an upfront selling fee to the entity holding the Australian Financial Services licence under which your Approved Adviser is authorised to provide financial services in relation to your investment in the Units of up to 1.1% (incl. GST) of the Total Investment of Units distributed by the Approved Adviser ("Distributor").</p> <p>This is an upfront fee paid by UBS out of its own revenue from issuing the Units and is not a fee payable by the Investor in addition to their Total Investment Amount. The payment of this fee has no impact on the calculation of the Final Value.</p>
Distribution Trail Fee:	UBS may also pay the Distributor a trailing fee of up to 0.275%p.a. (inclusive of GST) of the Total Investment Amount of Units distributed by the Approved Adviser and still outstanding, out of its own funds.
Dividends / Distributions:	No dividends or distributions will be paid to you during the Investment Term.
Denomination:	Australian Dollars
Registrar:	Computershare Investor Services Pty Ltd
No Listing:	The Units will not be listed or displayed on any securities exchange.
Market data codes:	<p>Bloomberg: PIPH1</p> <p>Reuters: UBSPIPH1</p> <p>IRESS: UBSPIPH1.IF</p>

Contact Details

For more information on the UBS Hindsight PIP Units please contact your financial adviser or UBS on 1800 633 100.

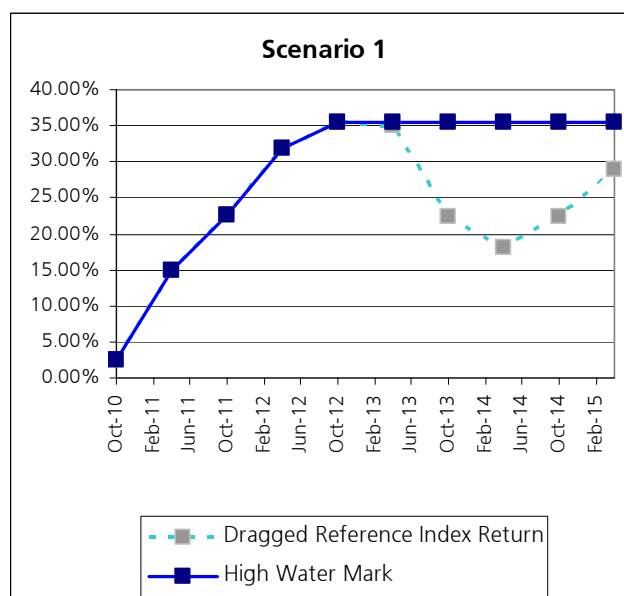
Section 3 – Illustrative Examples

The following tables and calculations set out three scenarios for the Final Value of the Units. The first scenario is where no Call Event occurs, and the second is where a Call Event occurs on the Call Date and the third demonstrates the 90% Limited Capital Protection feature.

Note each of the dates listed is a Semi-Annual Observation Date except the final date, which is the Maturity Date.

Scenario 1

Date	Reference Index Return	Dividend Drag Amount	Dragged Reference Index Return	High Water Mark
7-Oct-10	5%	2.51%	2.49%	2.49%
7-Apr-11	20%	5.00%	15.00%	15.00%
7-Oct-11	30%	7.51%	22.49%	22.49%
9-Apr-12	42%	10.04%	31.96%	31.96%
8-Oct-12	48%	12.53%	35.47%	35.47%
7-Apr-13	50%	15.01%	34.99%	35.47%
7-Oct-13	40%	17.52%	22.48%	35.47%
7-Apr-14	38%	20.01%	17.99%	35.47%
7-Oct-14	45%	22.52%	22.48%	35.47%
7-Apr-15	54%	25.01%	28.99%	35.47%



Assuming a HWM Participation Rate of 100%

The Final Value per Unit, as per the formula in the Term Sheet in Section 2, is equal to the **greater of**:

(i) \$0.90

or

(ii) the amount equal to:

$$\$0.90 + [\$1.00 \times 28.99\%]$$

or

(iii) the amount equal to:

$$\$0.90 + [\$1.00 \times 100\% \times 35.47\%]$$

That is,

(i) \$0.90

or

(ii) the amount equal to:

$$\$0.90 + \$0.2899 = \$1.1899$$

or

(iii) the amount equal to:

$$\$0.90 + \$0.3547 = \$1.2547$$

Therefore, the Final Value per Unit is equal to \$1.2547

Assuming a HWM Participation Rate of 80%

The Final Value per Unit, as per the Term Sheet in Section 2, is equal to the **greater of**:

(i) \$0.90

or

(ii) the amount equal to:

$$\$0.90 + [\$1.00 \times 28.99\%]$$

or

(iii) the amount equal to:

$$\$0.90 + [\$1.00 \times 80\% \times 35.47\%]$$

That is,

(i) \$0.90

or

(ii) the amount equal to:

$$\$0.90 + \$0.2899 = \$1.1899$$

or

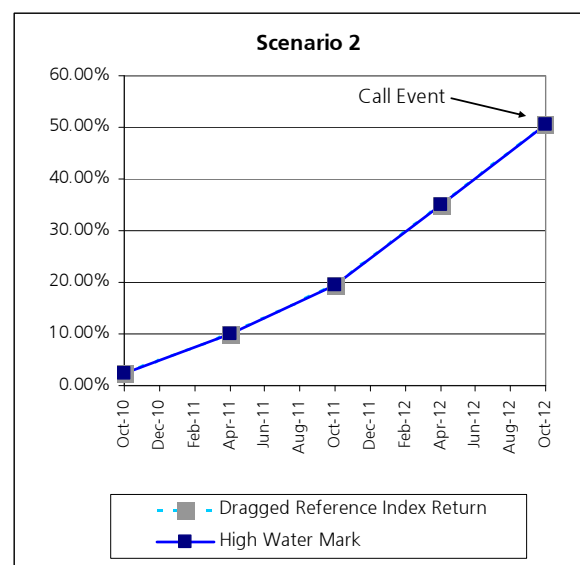
(iii) the amount equal to:

$$\$0.90 + \$0.2838 = \$1.1838$$

Therefore, the Final Value per Unit is equal to \$1.1899.

Scenario 2

Date	Reference Index Return	Dividend Drag Amount	Dragged Reference Index Return	High Water Mark
7-Oct-10	5%	2.51%	2.49%	2.49%
7-Apr-11	15%	5.00%	10.00%	10.00%
7-Oct-11	27%	7.51%	19.49%	19.49%
9-Apr-12	45%	10.04%	34.96%	34.96%
8-Oct-12	63%	12.53%	50.47%	50.47%



As the Dragged Reference Index Return is greater than 50% on the Call Date (8 October 2012), a Call Event has occurred.

The Call Value per Unit, as per the Term Sheet in Section 2, is equal to:

$$\$0.90 + [\$1.00 \times 50.47\%]$$

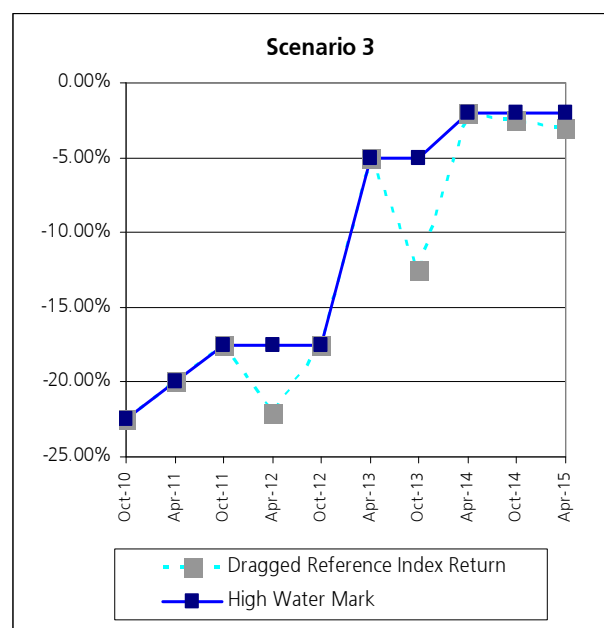
That is

$$\$0.90 + \$0.5047$$

Therefore, the Call Value is \$1.4047.

Scenario 3

Date	Reference Index Return	Dividend Drag Amount	Dragged Reference Index Return	High Water Mark
7-Oct-10	-20%	2.51%	-22.51%	-22.51%
7-Apr-11	-15%	5.00%	-20.00%	-20.00%
7-Oct-11	-10%	7.51%	-17.51%	-17.51%
9-Apr-12	-12%	10.04%	-22.04%	-17.51%
8-Oct-12	-5%	12.53%	-17.53%	-17.51%
7-Apr-13	10%	15.01%	-5.01%	-5.01%
7-Oct-13	5%	17.52%	-12.52%	-5.01%
7-Apr-14	18%	20.01%	-2.01%	-2.01%
7-Oct-14	20%	22.52%	-2.52%	-2.01%
7-Apr-15	22%	25.01%	-3.01%	-2.01%



This scenario demonstrates the 90% Limited Capital Protection feature. In this scenario there has been no Call Event, so the Units mature at the Maturity Date with a Final Value calculated as follows:

Assuming a HWM Participation Rate of 100%

The Final Value per Unit, as per the formula in the Term Sheet in Section 2, is equal to the **greater of**:

(i) \$0.90

or

(ii) the amount equal to:

$$\$0.90 + [\$1.00 \times -3.01\%]$$

or

(iii) the amount equal to:

$$\$0.90 + [\$1.00 \times 100\% \times -2.01\%]$$

That is,

(i) \$0.90

or

(ii) the amount equal to:

$$\$0.90 - \$0.0301 = \$0.8699$$

or

(iii) the amount equal to:

$$\$0.90 - \$0.0201 = \$0.8799$$

Therefore, the Final Value per Unit is equal to \$0.90.

Section 4 - What happens at Maturity or following a Call Event?

Subject to the Term Sheet in Section 2 of this PDS, UBS will notify Investors of an upcoming Maturity by sending them a Maturity Notice approximately 20 Business Days before the Maturity Date.

UBS will also remind Investors of the potential for Early Maturity due to a Call Event, by sending a Call Notice approximately 20 Business Days prior to the Call Date (30 months after the Strike Date). This Call Notice will include an election between the two options outlined below, that will apply for any Early Maturity occurring as a result of a Call Event. This election may be revoked by the Investor in writing at any time and any revocation will be effective for Call Dates occurring at least 5 Business Days after the revocation is lodged with UBS.

To facilitate settlement, UBS will calculate the Delivery Parcel for the Units using the Final Value or if a Call Event occurs the Call Value. The Delivery Parcel is the number of Delivery Assets to be delivered by UBS or its nominee to you on the Settlement Date. The Delivery Assets are fully paid ordinary shares in BHP Billiton Limited, listed on the ASX. See Section 5 "The Delivery Assets" for details about UBS' ability to substitute the Delivery Assets.

At Maturity or following a Call Event there are two options available to you. These options are:

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

Once the Units mature and you accept delivery of the Delivery Parcel, or elect to sell the Delivery Parcel, you will no longer have exposure to the Reference Index. You will need to consider whether an investment in fully paid ordinary shares in BHP Billiton Limited will be suitable for you at Maturity. If you choose to accept delivery of the ordinary fully paid shares in BHP Billiton Limited, then you will hold that investment. If, at Maturity, you think this investment is not suitable, you can elect to use the Agency Sale Arrangement and sell the Delivery Parcel and receive the Sale Proceeds. If you do not choose to use the Agency Sale Arrangement physical delivery of the Delivery Parcel will occur.

Option 1 - Physical delivery of the Delivery Parcel

You do not need to do anything when you receive the Maturity Notice or Call Notice. By doing nothing, physical delivery will automatically occur.

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

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

Option 2 - The Agency Sale Arrangement

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

- elect the Agency Sale Arrangement option in the Maturity Notice or Call Notice; and
- return the Maturity Notice or Call Notice (as applicable) to UBS at least 5 Business Days prior to the Maturity Date or Call Date (as applicable).

Under the Agency Sale Arrangement UBS or one of its related entities will accept physical delivery of the Delivery Parcel on the Settlement Date on your behalf and will then sell the Delivery Parcel on your behalf. UBS will pay to you the Sale Proceeds, which will equal the number of Delivery Assets sold multiplied by the Average Price less any Costs and Taxes, converted into the currency of denomination of the relevant Series. If, for any reason whatsoever, UBS is unable to sell the relevant Delivery Parcel at the Average Price, UBS will

use its best endeavours to sell that relevant Delivery Parcel as soon as practicable at the best price that it can obtain.

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

Fractional Units

If after aggregating all Delivery Assets transferable to you on the Settlement Date, and if the Delivery Parcel includes a fractional share in the Delivery Asset which is valued at more than \$20.00, UBS will transfer the relevant amount of dollars into your nominated Settlement Account or pay it to you by cheque within 10 Business Days after the Settlement Date or as soon as reasonably practicable thereafter. This amount is in effect a reimbursement of a portion of the Total Investment Amount.

Section 5 – The Delivery Assets

The Delivery Assets are fully paid ordinary shares in BHP Billiton Limited listed on the ASX (ASX Code: BHP), or any other asset specified as the Delivery Asset in the Term Sheet.

BHP Billiton Limited ("BHP") is the world's largest diversified resources group with a global portfolio of high quality assets. Core activities comprise of production and distribution of minerals, mineral products and petroleum.

More information on BHP can be obtained from www.bhpbilliton.com. As BHP is listed on the ASX, information and announcements are also available from the ASX website (www.asx.com.au) and major newspapers and market information services.

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

UBS may in its reasonable opinion determine that if it is not possible or desirable or efficient to obtain or transfer one or more of the intended Delivery Assets (i.e. shares in BHP), it may substitute the Delivery Assets for any other security quoted and trading on ASX (including any other security or fund or entity listed on ASX) and deliver that substituted asset instead.

As at the date of this PDS the Delivery Assets are expected to be the ordinary fully paid shares in BHP, and all references to the Delivery Asset in this PDS are to those shares.

However, you should note that UBS has the right to substitute another asset as the Delivery Asset. The substitute Delivery Asset may be any security quoted and trading on the ASX selected at UBS' discretion. You should take this into account when considering whether to invest in the Units. For further information about substitution of the Delivery Asset refer to clause 5 of the Terms of the Deferred Purchase Agreement in Section 11 of this PDS and Section 7 "Risk Factors" in this PDS.

Section 6 – After the Initial Offer Period

How can I monitor my investment?

You can obtain information about the level of the Reference Index by referring to newspapers or news services, or by contacting your financial adviser.

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

UBS, in its discretion, will calculate the value of Units prior to Maturity having regard to a number of factors including (but not limited to):

- level of the Reference Index;
- Australian interest rates and the UBS Credit Margin;
- volatility of the Reference Index; and
- the remaining term to Maturity.

UBS Buy-Back

While the Units are designed as a “buy and hold” investment, if you wish to exit your investment in the Units you may request that UBS buys back your Units. UBS intends to provide you with the opportunity to sell Units to UBS on the Terms set out in this PDS, although UBS is not required to do so and may stop offering to buy back the Units at any time without notice. The market value of the Units may be affected by the market’s perception of the creditworthiness of UBS.

A UBS Buy-Back can only be requested in respect of a minimum amount of 1,000 Units and the Investor must have a residual holding of at least 20,000 Units.

If UBS accepts your request, the price at which UBS will buy back your Units is the “Buy-Back Price”. This price will vary during the Investment Term and may be less than the Issue Price.

When determining the Buy-Back Price UBS will take into account the economic value that it achieves on the unwinding of any securities or derivatives it has in place to hedge its exposure under the Units and on the quantum of any Break Costs. The economic value that it achieves will be reliant on several factors including but not limited to the level and volatility of the Reference Index, Australian interest rates and the remaining term to maturity. The actual size of the impact of these factors on the Buy-Back Price will vary and is not quantifiable at the time you acquire your Units, however the effect of those factors on the Buy-Back Price (assuming all other factors remain constant) can be summarised generally as follows:

Variable	Change in variable	Change in Unit value
Australian interest rates	↑	↓
UBS Credit Margin	↑	↓
Reference Index level	↑	↑
Reference Index volatility	↑	↑
Remaining Term to Maturity	↑	↑

Break Costs may arise in relation to Early Maturity (other than where a Call Event occurs) or a UBS Buy-Back. Break Costs are a component of the calculation of the Buy-Back Price or Early Maturity Value and are not a separate charge levied by UBS. Break Costs include all costs, expenses and losses incurred by UBS as a result of the determination of an Early Maturity Date, Buy-Back Date or other early termination (other than where a Call Event occurs), unwinding any hedge position entered into by UBS in connection with the Units, taxes or fees paid that are non-recoverable, administrative cost of processing the early termination, or any loss of profits by reason of such an early termination. UBS will provide you with an estimate of the Buy-Back Price if

you request a UBS Buy-Back. That estimate will have already taken into account any Break Costs but you should note that the actual Buy-Back Price will only be confirmed when the UBS Buy-Back is transacted and may be different to the estimate provided. Physical delivery of the Delivery Asset will not occur under a UBS Buy Back. Instead, UBS will cash settle, and pay you the proceeds.

For example, say you have invested in 100,000 Units at \$1.00 per Unit. Three months later UBS may quote you a Buy-Back Price (which depends on how the factors listed above have changed) of, say, \$0.95 per Unit. If the Buy-Back Price has not moved when the request is accepted and executed on the Buy-Back Date then you will receive a total of \$95,000 for your holding.

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

You should read clause 5.3 of the Deferred Purchase Agreement carefully to understand your rights and obligations if you request a UBS Buy-Back.

You can make a UBS Buy-Back request by filling out the Investor Sale Form attached to this PDS and lodging it with UBS. Once the Investor Sale Form is lodged, the request for UBS Buy-Back is irrevocable. UBS may in its absolute discretion accept or reject a request to buy-back your Units. The Investor Sale Form must be lodged with UBS by 5 pm (Sydney time) on the Business Day prior to a Weekly Pricing Date. If a Weekly Pricing Date is a Disrupted Day then UBS may in its discretion defer the execution of the UBS Buy-Back to a later date. Please refer to the "How to Invest and Sell Back" section on page 58 for more details on how to sell your Units.

UBS may publish the indicative Buy-Back Prices at any time and provide this information to certain market data service providers – please refer to the market data codes listed in the Term Sheet on page 13 of this PDS. UBS may upon request provide indicative Buy-Back Prices on dates that are not Weekly Pricing Dates but those prices will be indicative only and may be higher or lower than the Buy-Back Price that you will actually receive when you sell your Units.

As the Units will not be listed or displayed on any securities exchange such as the ASX, there may be little or no secondary market for the Units. Even if a secondary market for the Units develops, it may not provide significant liquidity or trade at prices advantageous to you. Also the price you receive may not be any more than your Drawdown Amount per Unit, leaving you with no net proceeds from the sale.

Register

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

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

Section 7 - Risk Factors

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

Units are intended to be held until Maturity. 90% Limited Capital Protection of the Total Investment Amount only applies if you purchase Units at the Issue Price and hold the Units to Maturity and where there is no occurrence of an Early Maturity Event (other than a Call Event) or UBS Buy-Back.

90% Limited Capital Protection and minimum return amounts

On the Settlement Date, you will receive a Delivery Parcel which is the number of Delivery Assets equal in value to the Final Value or Call Value (as applicable) of all your Units (less Costs and Taxes, if any). The Final Value as defined in the Term Sheet in Section 2 on page 13 of this PDS will be equal to at least 90% of the Issue Price of \$1.00 per Unit (less Costs and Taxes) if you hold your Units until Maturity i.e. there is no Early Maturity Event (other than a Call Event) or UBS Buy-Back and assuming you invest during the Initial Offer Period.

An Investor who purchases Units at the Issue Price risks the loss of \$0.10 per Unit. If the Reference Index stays the same or falls in value, the Final Value of your Unit will be \$0.90, assuming no Costs and Taxes apply.

If you sell your Units back to UBS prior to Maturity, or if there is an Early Maturity Event (other than a Call Event) you will not receive the benefit of 90% Limited Capital Protection on the portion of your Units sold or subject to the Early Maturity and the amount you receive may be less than the Purchase Price you paid for the Units.

Ability of UBS to fulfil its obligations

UBS and its affiliates have certain obligations under the Terms. You must make your own assessment of the ability of UBS and its affiliates to meet their obligations and their general creditworthiness. Please refer to Section 8 - "Description of UBS" on page 29 of this PDS for more detail.

Obligations created by the Units are unsecured contractual obligations of UBS and will rank equally with UBS' other unsecured obligations and debt other than liabilities mandatorily preferred by law. Obligations created by the Units do not constitute deposit obligations of UBS. UBS may also transfer its rights and obligations under the Terms of the Units.

Opportunity Cost

The Units are a speculative financial product and may produce a return that is less than that offered by other investments of the same Maturity. While the Term Sheet for 90% Limited Capital Protection, the actual return on your investment could possibly be zero and you may receive an amount back less than the Total Investment Amount. In addition, it is likely that it will not be the same return as that you would earn if you had invested directly in the Delivery Assets or the securities which make up the Reference Index where you may have received the distributions paid on the Delivery Assets or the securities which make up the Reference Index during the Investment Term.

Historical levels of the Reference Index should not be taken as an indication of the future performance of the Reference Index during the Investment Term. Past performance is not a reliable guide to future performance.

It is impossible to predict whether the Reference Index will rise or fall. Trading prices of the securities that make up the Reference Index will be influenced by complex and interrelated political, economic, financial and other factors, including:

- general movements in local and international security and commodity markets;
- prevailing economic conditions, including interest rates and inflation;
- market perception of the prospects for the Relevant Exchange;
- profitability of the securities which make up the Reference Index;
- the distribution payment policy of each of the securities that make up the Reference Index;
- and
- Changes in Law affecting the market relevant to the Reference Index.

UBS does not guarantee the performance of the Reference Index. Nothing in this PDS is a recommendation by UBS concerning an investment in the Units, the Reference Index or the Delivery Assets.

Semi-Annual Observation Dates and High Water Mark – Observation Date or "Snap Shot" Risk

Snap shots of the Reference Index are taken on Semi-Annual Observation Dates to determine the High Water Mark as a component of determining the Final Value. If the Reference Index performs poorly on those observation dates then the High Water Mark may not be as high as if the High Water Mark were determined on other dates or as a continuous matter on each day throughout the Investment Term.

The Units may return less than the Total Investment Amount at Maturity due to the 90% Limited Capital Protection - Break-even risk

Based on a HWM Participation Rate of 100% and assuming a Call Event does not occur, the High Water Mark or Dragged Reference Index Return at Maturity must be at least 10% for your investment to break even. The break-even point will also be affected by a lower HWM Participation Rate. If the HWM Participation Rate was 80% (which is the Minimum HWM Participation Rate), the High Water Mark would need to be at least 12.5% for the investment to break even. This is unless the Dragged Reference Index Return at Maturity is greater than the product of the High Water Mark and the HWM Participation Rate.

You will not receive dividend or other distribution payments on the securities that make up the Reference Index or have security holder rights in the securities that make up the Reference Index

You will not receive any dividend payments or other distributions paid in respect of the securities that make up the Reference Index. As an owner of Units, you will not have any voting rights or any other rights that holders of the securities that make up the Reference Index may have.

You will not receive dividend or other distribution payments on the Delivery Parcel or have security holder rights in the securities that make up the Delivery Parcel

You will not receive any dividend payments or other distributions paid in respect of the Delivery Assets that make up the Delivery Parcel during the Investment Term. As an owner of Units, you will not have any voting rights or any other rights that holders of the units or other securities that make up the Delivery Parcel may have during the Investment Term, other than the right to receive a Delivery Parcel on the Settlement Date.

The Dragged Reference Index Return may underperform the return on the S&P/ASX 200 Price Index over the same period

The Dividend Drag Amount is 5% p.a. The Dragged Reference Index Return will underperform the return on the S&P/ASX 200 Price Index over the same period where the actual dividend yield is less than 5% p.a. There

is a risk that the actual dividend yield will be less than 5% p.a. and investors may receive reduced returns compared to holding an investment that provides exposure to the S&P/ASX 200 Price Index.

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

There may be little or no secondary market for the Units. The Units will not be listed or displayed on any securities exchange such as the ASX. You may request a UBS Buy-Back by submitting an Investor Sale Form and UBS may accept your request for UBS to buy back your Units from time to time (as specified in clause 5.3 of the Terms of the Deferred Purchase Agreement in Section 11 of this PDS) at prices set by UBS, although UBS is not required to do so and may stop accepting UBS Buy-Back requests at any time without notice. Even if a secondary market for the Units develops, it may not provide significant liquidity or trade at prices advantageous to you.

As a result, if you sell your Units before Maturity, you may have to do so at a discount from the Total Investment Amount and you may suffer losses.

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

The market value of the Units may fluctuate between the date you purchase Units and the Maturity Date when UBS will determine the value of your Delivery Parcel at Maturity. Therefore, you may sustain a significant loss if you sell Units in the secondary market (if one exists) or to UBS. Several factors, many of which are beyond UBS' control, will influence the market value of the Units. UBS expects that generally the level and volatility of the Reference Index, Australian interest rates, the UBS Credit Margin and the remaining term to Maturity on any day will affect the market value of the Units more than any other factors. Other factors that may influence the market value of the Units include:

- the market price of the securities that make up the Reference Index;
- supply and demand for the Units;
- economic, financial, political, regulatory, or judicial events that affect the level of the Reference Index or the market price of the securities that make up the Reference Index or that affect stock markets generally; or
- the creditworthiness of UBS (which can influence the UBS Credit Margin).

Potential Conflicts of Interest

UBS and its affiliates may conduct transactions as principal or agent in various securities including the Delivery Asset and the securities which make up the Reference Index. These trading activities may affect (positively or negatively) the value, or liquidity of the Delivery Asset or the Reference Index and may therefore affect the return you receive on the Units.

Under the Terms of the Deferred Purchase Agreement in Section 11 of this PDS, UBS has powers to make adjustments to the Terms of the Units, including the termination of the Units pursuant to an Early Maturity Event, which may or may not depend on UBS' determination as to whether it would incur a materially increased cost to maintain or unwind its hedge positions or is unable to maintain or unwind its hedging positions. Since any adjustments made by UBS to the Terms of the Units may affect the market value of the Units UBS may have a conflict of interest if it needs to make any such determinations.

UBS and its affiliates have no affiliation with Standard & Poor's or the ASX and are not responsible for their public disclosure of information.

UBS and its affiliates are not affiliated with Standard & Poor's or the ASX in any way and have no ability to control or predict their actions, including any errors in or discontinuation of disclosure regarding their methods or policies relating to the calculation of the Reference Index. If Standard & Poor's discontinues or suspends the calculation of its Reference Index, it may become difficult to determine the market value of the PIP or the amount payable at Maturity. UBS may designate a successor index to replace the discontinued or suspended index, selected in its sole discretion. Investors should read clause 5 in the Terms of the Deferred Purchase Agreement in Section 11 of this PDS to fully understand their rights and obligations if an Adjustment Event or Market Disruption Event occurs. Neither Standard & Poor's nor the ASX are involved in

the offer of the PIP in any way and have no obligation to consider your interest as an Investor in the PIP in taking any actions that might affect the value of the PIP.

UBS can substitute the proposed Delivery Assets

UBS may in its reasonable opinion determine that if it is not possible using commercially reasonable efforts or desirable or efficient to obtain or transfer one or more of the intended Delivery Assets it may substitute the Delivery Assets for any other security quoted and trading on ASX (including any other security or fund or entity listed on ASX) and deliver that substituted asset instead. Refer to clause 4.7 of the Terms of the Deferred Purchase Agreement in Section 11 of this PDS for information about substitution of Delivery Assets.

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

If you elect physical delivery of the Delivery Parcel, you will have exposure to the market value of the Delivery Parcel immediately following the Final Maturity Date. Due to fluctuations in price, the market value of the Delivery Parcel on delivery on the Settlement Date may be less than the Final Value (or Call Value for a Call Date).

UBS can make adjustments to the Terms due to Adjustment Events, including setting an Early Maturity Date

UBS may make adjustments to the Terms of the Units due to Adjustment Events such as (but not limited to) mergers and disposals, price source disruption, trading suspension, material change in the calculation and/or composition of the Reference Index, changes in the Corporations Act or taxation laws, Hedging Disruptions and Increased Costs of Hedging as set out in the Terms. Please refer to clause 6.1 of the Terms of the Deferred Purchase Agreement in Section 11 of this PDS for the types of adjustments that UBS can make. Since any adjustments made to the Terms of the Units by UBS may affect the market value of the Units UBS may have a conflict of interest if it needs to make any such determinations.

UBS has the discretion to nominate an Early Maturity Event on the occurrence of certain events. You will be given 20 days' notice of any proposed Early Maturity unless it is otherwise impracticable to do so. Refer to clause 5 in the Terms of the Deferred Purchase Agreement in Section 11 of this PDS.

UBS is only obliged to provide 90% Limited Capital Protection for Units that are held till Maturity (i.e. where no Early Maturity other than a Call Event or UBS Buy-Back occurs). Prior to Maturity or the occurrence of a Call Event the fair economic value of the Units or the Refund (as determined by UBS in the event of an Early Maturity) will be based on various market factors, such as level and volatility of the Reference Index, Australian interest rates, the UBS Credit Margin and the time remaining to Maturity. This may result in the value of the Units being less than 90% of the Issue Price in instances where Early Maturity (other than a Call Event) applies. In determining the fair economic value or the Refund UBS may deduct Break Costs in relation to any Early Maturity. Break Costs include all costs, expenses and losses incurred by UBS as a result of the determination of an Early Maturity Date, Buy-Back Date or other early termination, unwinding of any hedge position entered into by UBS in connection with the Units, or any loss of profits by reason of such an early termination. You should be aware that Break Costs could be significant and may not be in your favour.

Investors should read clauses 5 and 6 in the Terms of the Deferred Purchase Agreement in Section 11 of this PDS to fully understand their rights and obligations if an Adjustment Event or an Early Maturity Event occurs.

UBS can postpone the determination of an amount or level (including the Closing Level of the Reference Index, Average Price, and the Final Value) or the Maturity Date if a Market Disruption Event occurs (or continues to occur) on a relevant calculation date (including the Maturity Date)

The determination of the Closing Level of the Reference Index may be postponed if UBS determines that a Market Disruption Event has occurred or is continuing on any date on which a calculation is to be made.

If such a postponement occurs, then UBS will instead use the Closing Level of the Reference Index on the first Trading Day after the original date on which no Market Disruption Event occurs or is continuing. In no event, however, will the Maturity Date (or other calculation date) be postponed by more than eight Trading Days. If the Maturity Date or other calculation date is postponed to the last possible day, but a Market Disruption Event occurs or is continuing on such last possible day, that day will nevertheless be the Maturity Date or relevant calculation date for the Reference Index. If a Market Disruption Event is occurring on such last possible calculation date or Maturity Date, UBS will make a good faith estimate in its absolute discretion of the Closing Level of the Reference Index that would have prevailed on the original calculation date or Maturity Date in the absence of the Market Disruption Event.

Investors should read clause 6.2 in the Terms of the Deferred Purchase Agreement in Section 11 of this PDS to fully understand their rights and obligations if a Market Disruption Event occurs.

The issue will not proceed if the Minimum HWM Participation Rate is not achieved

If the actual HWM Participation Rate on the Strike Date is less than the Minimum HWM Participation Rate of 80% then the issue of the Hindsight PIP will not proceed and UBS will return application monies to Investors without interest within 5 Business Days.

Tax Risk

The expected tax implications of entering into the investment may change as a result of changes in the taxation laws and interpretation of them, for example, if the ATO changes its views in relation to the tax treatment of deferred purchase agreements, as currently set out in Taxation Determinations TD 2008/21 and TD 2008/22. The Taxation Determinations are discussed in greater detail in the Taxation Summary in Section 9 of this PDS. All Investors should seek independent tax advice as to the possible impact of these matters in light of their own personal circumstances.

Section 8 - Description of UBS

The information set out below is intended to be a brief summary only of UBS. Investors must make their own assessment of the ability of UBS to meet its obligations in relation to the Units. Nothing in this PDS is, or may be relied upon as, a representation as to any future event or a promise as to the future.

UBS AG was formed on 29 June 1998 from the merger of Swiss Bank Corporation and Union Bank of Switzerland. UBS AG is in its opinion one of the world's leading financial firms. Securities in UBS AG are listed on the New York, Swiss and Tokyo Stock Exchanges.

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

UBS will provide a copy, free of charge, of any of the following documents to any person who requests such copies during the life of this PDS, by contacting UBS on 1800 633 100:

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

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

Section 9 - Taxation Summary

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

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

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

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

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

Assumptions

This summary of the taxation implications for an Investor in Units assumes that:

- an Investor will hold the Units and Delivery Parcel on capital account and will not be a person who is carrying on a business of either trading in securities or investing in securities in the course of which they regularly acquire and dispose of securities;
- the market value of the Beneficial Interest in the Portion of the Delivery Assets will not change from the Issue Date to the Maturity Date;
- an Investor will be an Australian resident for Australian tax purposes at all times;
- the Delivery Assets will be denominated in A\$ and will not be shares in a foreign company or units in a foreign trust;
- at all times during the term of the investment in Units, BHP Billiton Limited will be an Australian resident for tax purposes and will be managed and controlled in Australia;
- the Units will be denominated in A\$;
- neither the Reference Index nor any Delivery Asset will be an equity interest in UBS or an entity that is a connected entity of UBS;
- there is nothing in the circumstances of the transaction, or in the way it is implemented, that would indicate at commencement of an investment that an Investor would elect to request a buy back of their Units or utilise the Agency Sale Arrangement at Maturity, and there is nothing in the conduct of an Investor prior to or during their holding period of the Units that would indicate such an intention;
- the Investor does not enter into a Unit in substitution for an economically equivalent investment that they would otherwise be expected to enter into; and
- the Delivery Assets in each Delivery Parcel (the Delivery Assets being ordinary fully paid shares in BHP Billiton Limited) does not represent 90% or more of the issued capital of that company.

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

Australian Resident Investors:

Acquisition of Units

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

Delivery of the Delivery Parcel

Under the ATO's approach in relation to the taxation of deferred purchase agreements, as outlined in Taxation Determination TD 2008/22, a capital gains tax event (CGT event) "C2" occurs upon delivery of the Delivery Parcel to the Investor in respect of the CGT assets comprised by the Investor's rights under the Units. This approach would apply whether delivery occurs by way of physical delivery to the Investor or by delivery to UBS or its nominee on behalf of the Investor (that is, where the Agency Sale Arrangement is utilised). Under this approach, the Investor is regarded as deriving a capital gain or incurring a capital loss on the happening of this CGT event, equal to the difference between the value of the Delivery Parcel at the time of delivery and the Investor's cost base or reduced cost base (respectively) in the Units. The Investor's cost base and reduced cost base will include the Total Investment Amount (less any reimbursement referable to a fractional Unit), plus any incidental costs.

Investors should be aware that where an Investor acquires a Unit in the course of carrying on a business or as part of a business operation or commercial transaction with a purpose of profit-making, the ATO may seek to treat any gain in respect of the Investor's Unit upon delivery of the Delivery Parcel as being on revenue account. Acquiring a Unit with the intention of disposing of the Delivery Parcel immediately upon Maturity, e.g. through the Agency Sale Arrangement, may be viewed as evidence of a profit-making purpose. Any such gain will be assessable to the Investor as income under either section 6-5 or 15-15 of the Tax Act, rather than as a capital gain (such that discount CGT treatment (as discussed below) will not apply).

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

Sale of the Delivery Parcel

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

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

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

Where the Investor uses the Agency Sale Arrangement, the Investor's capital proceeds will include the Sale Proceeds obtained by UBS on behalf of the Investor. In this circumstance, as the sale of the Delivery Assets under the Agency Sale Arrangement is likely to occur on, or very soon after, the date of delivery, we would expect the Sale Proceeds to closely reflect the market value of the Delivery Assets at the date of delivery. Since the ATO should treat the Investor's cost base in the Delivery Assets as being equal to this market value amount, any capital gain or loss arising should be relatively minimal.

Beneficial Interest

At the time of acquisition of Units the Investor will also acquire a Beneficial Interest in a Portion of the Delivery Assets. This will also be a CGT asset of the Investor. The Investor's cost base in this asset will include the value of any consideration given to acquire the Beneficial Interest.

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

Buy-Back of Units

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

The Investor's cost base in the Units will include the Total Investment Amount paid by the Investor to acquire the Units and any non-deductible interest (although such interest is not included in the reduced cost base), and the capital proceeds will include the total amount received by the Investor on the transfer of the Units to UBS.

Discount CGT treatment

Investors who are individuals, complying superannuation funds or trusts may be entitled to discount CGT treatment on any of the capital gains discussed above (e.g. from the satisfaction of their rights under the Unit by way of delivery of the Delivery Assets, the disposal of the Delivery Assets or any disposal of their Units (and the Beneficial Interest)) where the Investor has held the relevant asset for at least 12 months prior to the disposal (excluding the acquisition and disposal dates). For individuals and trusts, the discount rate is currently 50%. For complying superannuation entities, the discount rate is currently 33 1/3%.

The Investor's acquisition date for the Units (and the Beneficial Interest) should be the date the Investor enters into the Deferred Purchase Agreement (that is, either the Issue Date or the date of the contract for the transfer of the Units to the Investor). Accordingly, under the ATO's approach in TD 2008/22, Investors may be entitled to discount CGT treatment provided they acquire the Unit at least 12 months prior to the date of satisfaction of their rights under the Unit by delivery of the Delivery Parcel or the date of disposal of the Units (as appropriate) (excluding the acquisition and disposal dates).

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

Qualifying Securities and Traditional Securities

Under current income tax laws, returns on "qualifying securities" may be taxable on an accruals basis over the term of that security. Securities that are not "qualifying securities" may be "traditional securities" for income tax purposes, with any gains or losses on the disposal of that security taxable on revenue account. These rules take precedence over the capital gains tax regime such that discount CGT treatment (as discussed above) would not apply to any gain upon delivery of the Delivery Assets.

The Units should not be characterised as either a "qualifying security" or a "traditional security". In Taxation Determination TD 2008/21, the ATO has confirmed that a deferred purchase agreement with the features described in TD 2008/21 (which include capital guarantee features and rights to receive coupons during the investment period) will generally not have sufficient "debt-like" characteristics to satisfy the definition of a "security" in section 159GP(1) of the Tax Act.

Interest Costs

An investor holding Units on capital account will not derive any amounts of assessable income (other than net capital gains) from the Units. As a result, interest costs incurred by the Investor in respect of money borrowed to acquire units should not be allowable deductions for income tax purposes. Each Investor should obtain their own independent advice as to the taxation implications arising from the incurrence of such expenses.

Taxation of Financial Arrangements

The *Tax Laws Amendment (Taxation of Financial Arrangements) Act 2009* (**TOFA**) contains amendments to the Tax Act as it applies to "financial arrangements". Under the new provisions, each Unit may constitute a "financial arrangement".

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

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.

As discussed above, the Units should not be characterised as a "qualifying security" on the basis that they should not have sufficient "debt-like" characteristics to satisfy the definition of "security". TD 2008/21 confirms that this view applies for deferred purchase agreements with the features described in TD 2008/21. Please refer to the heading "Qualifying Securities and Traditional Securities" above for more detail.

As a result, an Investor who is an individual or satisfies the thresholds above should qualify for this exemption, unless the Investor elects for the rules to apply.

The new rules will only have compulsory application to income years commencing on or after 1 July 2010, unless the Investor elects for the provisions to apply to income years commencing on or after 1 July 2009. Further, unless the Investor elects to apply the rules to all of their financial arrangements existing at the start of the relevant income year, the provisions will apply only to new financial arrangements entered into after that time. Where an Investor makes this election, a balancing adjustment calculation is required in respect of these financial arrangements and the resulting gain/loss is spread evenly over four income years.

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

Part IVA

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

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

GST

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

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

However, if GST were to become payable by UBS or any other person in connection with the purchase, sale or transfer of a Unit, a Delivery Asset or rights, or any other supply made under or in connection with the Terms of the Units, then UBS would be entitled to recover an additional amount on account of GST from the Investor. For example, for Australian resident Investors, it is expected that GST would be payable by UBS in respect of the fee charged for its services under the Agency Sale Arrangement (see Section 4 - "What happens at Maturity or on the Call Date?" in this PDS), in which case the fee charged by UBS would include an additional amount on account of GST. In such a case, the amount of the Sale Proceeds may be reduced. Fees or commissions charged by financial advisers to Investors may also include an additional amount on account of GST. Investors should obtain their own advice as to whether input tax credits are available for any such GST, as it will depend on their personal circumstances.

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

Stamp Duty

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

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

Other events and circumstances

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

Section 10 - Additional Information

Preparation of this PDS

Information in this PDS in respect of the Reference Index and Delivery Assets has been derived from publicly available information only and has not been independently verified. Neither UBS nor any of its affiliates accepts any liability or responsibility for, and makes no representation or warranty, express or implied, as to the adequacy, accuracy or completeness of such information. You should make your own enquiries.

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

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

Obligations of UBS

The Units will constitute direct unconditional obligations of UBS. The obligations are unsecured contractual obligations which will rank equally with other unsecured contractual obligations and unsecured debt. Information in relation to UBS is set out in the section entitled "Description of UBS" on page 29.

UBS reserves the right to buy back Units that have been issued. UBS may cancel at its option the Units bought back.

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

Complaints

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

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

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

We will try to resolve your complaint quickly and fairly.

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

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

Toll Free: 1300 780 808
Fax: (03) 9613 6399
Email: info@fos.org.au

FOS is an independent dispute resolution scheme. Subject to FOS rules, a claim must be under AUD500,000 for FOS to consider it (unless UBS and the Investor agree otherwise in writing).

The Australian Securities & Investments 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.

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.

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

Clayton Utz, solicitors, has given, and not withdrawn at the date of this PDS, its written consent to being named as having acted as solicitors to UBS in connection with taxation issues associated with the issue of the Units pursuant to this PDS. Clayton Utz does not make any statement in, or take responsibility for any part of, this PDS, except for the section entitled "Taxation Summary" in the PDS and has not authorised the issue of the PDS. Nor does any statement herein purport to be based on a statement made by Clayton Utz except for the section entitled "Taxation Summary".

Privacy Policy

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

- (a) UBS and your Approved Adviser collect your personal information for the purpose of processing your application for the Units, issuing the Units, managing your investment and complying with relevant laws. If you do not provide the personal information UBS or your Approved Adviser requires, your application may not be processed; and
- (b) UBS or your Approved Adviser may be required to 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;
 - (ii) share registries, custodians and certain software providers related to the operational management and settlement of the Units;
 - (iii) other third parties for the purpose of account maintenance and administration, marketing research or acquiring any interest in any part of the business of your Approved Adviser; and
 - (iv) regulatory authorities such as the ASX.

All personal information collected from you will be collected, used and stored by UBS in accordance with the UBS Privacy Policy, a copy of which can be made available to you on request. To obtain a copy, please contact the UBS on 1800 633 100.

All personal information collected from you will be collected, used and stored by your Approved Adviser. Please contact your Approved Adviser for a copy of its privacy policy.

You can access the personal information UBS or your Approved Adviser holds about you.

UBS or your Approved 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 Investor Application Form or contact UBS or your Approved Adviser (as appropriate).

Financial Services Guide

The financial services guide of UBS Securities Australia Limited ("UBSSA") and UBS Nominees Pty Limited ("UBS Nominees"), which contains information about the services provided by (i) UBSSA if it acts as ASX broker in relation to the Agency Sale Arrangement; and (ii) UBS Nominees acting as nominee in relation to the beneficial interest in a Portion of the Delivery Asset is available from www.ubs.com/keyinvest or by contacting UBS on 1800 633 100. You should read and ensure you fully understand the financial services guide of UBS Securities Australia Limited and UBS Nominees Pty Ltd before investing in the Units.

Direct Debit Request Service Agreement

Definitions

account means the account held at your financial institution from which we are authorised to arrange for funds to be debited.

agreement means this Direct Debit Request Service Agreement between you and us.

banking day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

debit day means the day that payment by you to us is due.

debit payment means a particular transaction where a debit is made.

direct debit request means the Direct Debit Request between us and you.

us or **we** means UBS AG, Australia Branch, the Debit User you have authorised by signing a direct debit request.

you means the customer who signed the direct debit request.

your financial institution is the financial institution where you hold the account that you have authorised us to arrange to debit.

1. Debiting your account

- 1.1** By signing a direct debit request, you have authorised us to arrange for funds to be debited from your account. You should refer to the direct debit request and this agreement for the terms of the arrangement between us and you.
- 1.2** We will only arrange for funds to be debited from your account as authorised in the direct debit request.
- 1.3** If the debit day falls on a day that is not a banking day, we may direct your financial institution to debit your account on the following banking day.

If you are unsure about which day your account has or will be debited you should ask your financial institution.

2. Changes by us

- 2.1** We may vary any details of this agreement or a direct debit request at any time by giving you at least fourteen (14) days' written notice.

3. Changes by you

- 3.1** Subject to 3.2 and 3.3, you may change the arrangements under a direct debit request by contacting us on 1800 633 100.
- 3.2** If you wish to stop or defer a debit payment you must notify us in writing at least fourteen (14) days before the next debit day. This notice should be given to us in the first instance.
- 3.3** You may also cancel your authority for us to debit your account at any time by giving us fourteen (14) days notice in writing before the next debit day. This notice should be given to us in the first instance at the following address:

UBS Structured Products
Equity Operations
GPO Box 4151
Sydney NSW 2001

4. Your obligations

- 4.1** It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a debit payment to be made in accordance with the direct debit request.
- 4.2** If there are insufficient clear funds in your account to meet a debit payment:
- (a) you may be charged a fee and/or interest by your financial institution;
 - (b) you may also incur fees or charges imposed or incurred by us; and
 - (c) you must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the debit payment.
- 4.3** You should check your account statement to verify that the amounts debited from your account are correct.
- 4.4** Unless indicated otherwise, any fees and charges payable on a supply made under or in connection with this agreement are stated exclusive of GST.
- 4.5** If UBS AG, Australia Branch is liable to pay GST on a supply made under or in connection with this agreement, then you agree to pay UBS AG, Australia Branch on demand an additional amount equal to the GST payable on that supply (unless the consideration is expressed to be inclusive of GST).
- 4.6** Terms used in clauses 4.4 and 4.5 have the same meaning as in the A New Tax System (Goods and Services Tax) Act 1999 unless the context suggests otherwise.

5. Dispute

- 5.1** If you believe that there has been an error in debiting your account, you should notify us directly on 1800 633 100 and confirm that notice in writing with us as soon as possible so that we can resolve your query more quickly.
- 5.2** If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arranging for your financial institution to adjust your account (including

interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.

5.3 If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding.

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

6. Accounts

6.1 You should check:

- (a) with your financial institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions;
- (b) your account details which you have provided to us are correct by checking them against a recent account statement; and
- (c) with your financial institution before completing the direct debit request if you have any queries about how to complete the direct debit request.

7. Confidentiality

7.1 We will keep any information (including your account details) in your direct debit request confidential. We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.

7.2 We will only disclose information that we have about you within the Direct Debit Request Form:

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

8. Notice

8.1 If you wish to notify us in writing about anything relating to this agreement, you should write to us at the following address:

UBS Structured Products
Equity Operations
GPO Box 4151
Sydney NSW 2001

8.2 We will notify you by sending a notice in the ordinary post to the address you have given us in the direct debit request.

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

Section 11 - Terms of the Deferred Purchase Agreement

These Terms form the terms and conditions on which the Investor agrees to acquire the Delivery Parcel from UBS under the Units. Capitalised words have the meaning given to them in the "Glossary" section of the PDS.

1. Applications and Acceptance

1.1 Offer by the Investor

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

- (a) by completing and returning a valid Investor Application Form to an Approved Adviser and ensuring the Approved Adviser provides the Investor Application Form to UBS by the time specified by UBS; and
- (b) by ensuring that an amount equal to the Total Investment Amount is received by UBS in cleared funds by the Payment Date.

1.2 Investor bound by Terms

By signing the Investor Application Form and arranging for the Approved Adviser to lodge it with UBS, the Investor agrees to be bound by these Terms.

1.3 Acceptance of the offer by UBS

- (a) UBS may decide in its absolute discretion whether or not they will accept the Investor's offer to acquire the Delivery Parcel from UBS.
- (b) If UBS decides that it will accept an Application and provided that UBS has received the Total Investment Amount in cleared funds by the Payment Date (or such other time if otherwise accepted by UBS in its discretion), acceptance of the Investor's offer will take place, and the parties' rights and obligations under these Terms will commence, on the Issue Date. For each multiple of the Purchase Price paid the Investor will be entitled to one Unit.
- (c) Within 10 Business Days of the Issue Date of a Series, UBS will send to the Investor a Confirmation Notice acknowledging either the acceptance or rejection of an Investor's offer and setting out any relevant details of the Unit, such as the HWM Participation Rate.

2. Appointment of Registrar

- (a) UBS will either act as Registrar or appoint the Registrar set out in the Term Sheet. The Registrar will be responsible for establishing and maintaining a separate Register for each Series of Units issued by UBS during the term of the Registrar's appointment. The Register will be established and maintained in Sydney (or any other place in Australia as UBS and the Registrar may agree).
- (b) The Investor acknowledges and agrees that the Register will be conclusive evidence of ownership of interests in the Units. UBS is not required to recognise any interest in Units not recorded in the Register.

3. Deferred purchase of Delivery Assets

3.1 Purchase of Delivery Assets

The Investor agrees to purchase from UBS the Delivery Parcel for the Total Investment Amount (which will be paid by the Investor in accordance with clause 3.2). Following Maturity, UBS will deliver the Delivery Parcel to the Investor on the Settlement Date in accordance with clause 4.

3.2 Payment of the Total Investment Amount

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

3.3 Call Event

- (a) The occurrence of a Call Event is, under these Terms, an Early Maturity Event.
- (b) A Call Event will result in Investors being entitled to receive a Delivery Parcel with a value equivalent to the Call Value (less any applicable Costs and Taxes).

4. Maturity and Settlement of deferred purchase

4.1 Notice of Maturity

UBS will, unless otherwise specified in the PDS:

- (a) give a Maturity Notice to the Investor not less than twenty (20) Business Days before the Final Maturity Date; and
- (b) give a Call Date reminder notice and Call Notice to the Investor not less than twenty (20) Business Days before the Call Date. If a Call Event occurs on the Call Date, then the Call Date reminder notice will serve as the Maturity Notice for the purposes of these Terms.

4.2 Effecting Maturity

- (a) If the Investor wishes to use the Agency Sale Arrangement, the Investor must return the Maturity Notice or Call Notice (as applicable) to UBS on the date which is at least 5 Business Days before the Final Maturity Date or 5 Business Days before the relevant Call Date (as applicable), specifying in the Maturity Notice or Call Notice that the Investor will use the Agency Sale Arrangement.
- (b) If the Investor:
 - i. does not lodge a Maturity Notice or Call Notice with UBS by the date which is at least 5 Business Days before the Maturity Date or Call Date; or
 - ii. returns the Maturity Notice or Call Notice to UBS by the date which is at least 5 Business Days before the Maturity Date or Call Date (as applicable) and the Investor has not elected in the Maturity Notice or Call Notice to use the Agency Sale Arrangement; or
 - iii. withdraws or revokes a Call Notice provided under clause 4.2(a) at least 5 Business Days prior to the Call Date on which Early Maturity occurs,

physical delivery of the Delivery Parcel will occur in accordance with clause 4.3.

4.3 Physical delivery of the Delivery Assets to the Investor

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

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

4.4 Delivery through the Agency Sale Arrangement

If the Investor has elected to use the Agency Sale Arrangement,

then, UBS (either itself or through a nominee) will procure the delivery of the Delivery Parcel as follows:

- (a) UBS or its nominees are irrevocably authorised to accept physical delivery of the Delivery Parcel for and on behalf of the Investor on the Settlement Date;
- (b) the Investor irrevocably authorises UBS or its nominees to sell, and irrevocably directs and authorises UBS or any of its nominees to take all actions necessary or desirable to effect the sale by UBS or its nominees of, the Delivery Parcel for and on behalf of the Investor;
- (c) UBS or its nominees on behalf of UBS will pay to the Investor's Settlement Account (or pay by cheque to the Investor if no Settlement Account is nominated) the Sale Proceeds, within 10 Business Days of the Settlement Date or as soon as reasonably practicable thereafter; and
- (d) the Investor acknowledges and agrees that:
 - (i) UBS or its nominees agree to sell the Delivery Parcel on behalf of the Investor for an amount per Delivery Asset equal to the Average Price;
 - (ii) to the maximum extent permitted by law, UBS and its nominees are not responsible for any loss, costs or expense incurred by the Investor as a result of using the Agency Sale Arrangement, except to the extent that such loss, cost or expense arises as a result of UBS's or the nominee's gross negligence, wilful default, fraud or dishonesty;
 - (iii) UBS and its nominees will use their best endeavours to sell the relevant Delivery Parcel in accordance with clause 4.4(d)(i). If, for any reason whatsoever, UBS and its nominees are unable to sell the relevant Delivery Parcel at the Average Price, the Investor irrevocably authorises UBS and its nominees to use their best endeavours to sell the relevant Delivery Parcel as soon as practicable at the best price UBS and its nominees can reasonably obtain.

4.5 Satisfaction of obligations

Upon delivery of the Delivery Parcel to the Investor in accordance with clause 4.3 or payment by UBS or its nominee (on behalf of UBS) to the Investor of the Sale Proceeds under clause 4.4(c), UBS's obligations to the Investor under these Terms are satisfied in full and discharged.

4.6 Delivery of a whole number of Delivery Assets only

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

4.7 Substitution of Delivery Assets

UBS may, in its reasonable opinion, determine that it is not possible using commercially reasonable efforts or desirable or efficient to obtain or to transfer one or more of the Delivery Assets comprising the Delivery Parcel to the Investor. In this case, Maturity will take place in accordance with clause 4 (or, in the case of an Early Maturity, in accordance with clause 5.4(a)) except that UBS may substitute any one or more of the Delivery Assets for any other security, fund or entity quoted and trading on ASX or a basket of such financial products and deliver that substituted security, securities or financial products in accordance with these Terms as if the definition of "Delivery Assets" was amended to refer to the substituted security(ies) instead of the security(ies) which it replaced.

5. Early Maturity

5.1 Early Maturity by UBS

In accordance with clause 3.3 of these Terms a Call Event is an Early Maturity Event (UBS will not separately nominate the Call Date as an Early Maturity Event). UBS may also, at any time (in its absolute discretion), nominate any of the following events as an Early Maturity Event:

- (a) an event considered to be an Early Maturity Event (other than a Call Event), as described in the PDS (whether or not specifically described as an Early Maturity Event);

- (b) an Adjustment Event occurs or is proposed to occur and in UBS's reasonable opinion it is not possible or desirable to deal with the occurrence of that event in accordance with clause 6;
- (c) if UBS determines in good faith that the performance of its obligations in relation to or under these Terms has or will become, in circumstances beyond the reasonable control of UBS, impossible, unlawful, illegal or otherwise prohibited as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any government, administrative, legislative or judicial authority or power; or
- (d) any actual or proposed event that may reasonably (in UBS's opinion) be expected to lead to any of the events referred to in paragraphs (a) to (c) above occurring.

If any event occurs which constitutes both an Adjustment Event and an Early Maturity Event as defined in this clause, UBS may in its discretion treat that event as either an Adjustment Event or Early Maturity Event.

5.2 Determination that there will be an Early Maturity

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

5.3 Investor Requested UBS Buy-Back

The Investor may request UBS to buy back their Units by giving an Investor Sale Form to UBS (a UBS Buy-Back). A UBS Buy-Back can only be requested in respect of a minimum amount of 1,000 Units and the Investor must have a residual holding of at least 20,000 Units. Once lodged the request for a UBS Buy-Back is irrevocable. Upon making the request:

- (a) The Investor acknowledges that 90% Limited Capital Protection will not apply and the Investor may receive less than 90% of the Issue Price per unit.
- (b) UBS will, as soon as practicable after the request is received determine whether to accept or reject the request. If the request is accepted, UBS must execute the UBS Buy-Back on the Weekly Pricing Date. The Investor acknowledges that a UBS Buy Back may not be available on a Weekly Pricing Date of that day is a Disrupted Day.
- (c) UBS will, in its absolute discretion, determine the Buy-Back Price for the purchase of the Investor's Units. The Buy-Back Price will be calculated by reference to the fair market value of the Units on the Weekly Pricing Date, less Costs and Taxes and Break Costs. UBS will, upon request, provide an Investor with an estimate of the Buy-Back Price before effecting the buy-back. The Investor acknowledges this is an estimate only and the actual Buy-Back Price on the Buy-Back Date may be significantly less than the estimate. UBS will notify the Investor of the actual Buy-Back Price in the Settlement Notice.
- (d) Upon payment by UBS of the Buy-Back Price to an Investor all of UBS's obligations to the Investor under these Terms are deemed to be satisfied and discharged in full.
- (e) Upon payment of the Buy-Back Price UBS will arrange for an Investor's name and details to be removed from the Register.

5.4 Early Maturity Mechanism

- (a) If UBS determines that there will be an Early Maturity or there is an Early Maturity as a result of a Call Event, the Early Maturity will take place as follows:
 - (i) If:
 - (A) Early Maturity occurs as a result of a Call Event, the Maturity process will occur in accordance with clause 5.4(a)(ii) and the Call Date on which the Call Event occurs will be the Early Maturity Date;
 - (B) Early Maturity occurs other than as a result of a Call Event, UBS will, before the Early Maturity Date, notify the Investor that Early Maturity will occur on the Early Maturity Date in accordance with clause 5 of these Terms. The Early Maturity Notice issued by UBS under this clause shall serve as the Maturity Notice. UBS will specify in the Early Maturity Notice whether Early Maturity will occur by the maturity process in accordance with clause 5.4(a)(ii) or by Refund in accordance with clause 5.4(a)(iii).

- (ii) If specified in the Early Maturity Notice and subject to clause 5.4(b), Early Maturity will take place in accordance with the procedures set out in clauses 4.2 to 4.7 of these Terms.
 - (iii) If specified in the Early Maturity Notice, Early Maturity will occur by UBS paying to the Investor the Refund to the Investor's Settlement Account (or pay by cheque to the Investor if no Settlement Account is nominated) by the Settlement Date or as soon as practicable thereafter.
 - (iv) After the Delivery Parcel is delivered to the Investor under clause 4.3 or UBS (or its nominee) pays the Investor the Refund in accordance with clause 5.4(a)(iii) or the relevant amount in respect of the Delivery Parcel under clause 4.4 as a result of an Early Maturity Event occurring, all obligations of UBS to the Investor under these Terms are deemed to be satisfied in full and UBS is discharged from its obligations under these Terms. This clause does not discharge UBS of its obligations under the Privacy Act or the terms of its privacy policy.
- (b) If there is an Early Maturity, the definition of "Delivery Parcel" in the Glossary section of the PDS does not apply and instead the following definition will be applied: "Delivery Parcel" means the number of Delivery Assets to be delivered by UBS to the Investor on the Settlement Date as determined by the following formula:
- $$\text{Delivery Parcel} = \frac{\text{Early Maturity Value} \times \text{Number of Units held by the Investor} - \text{applicable costs and Taxes}}{\text{Average Price}}$$
- (c) The Early Maturity Value on the Call Date is the Call Value.
- (d) If a Call Event occurs, UBS will deliver the Delivery Parcel or Sale Proceeds (if the Agency Sale Arrangement is elected) on the Settlement Date or as soon as reasonably practicable thereafter.

5.5 No 90% Limited Capital Protection on Early Maturity or UBS Buy-Back

- (a) 90% Limited Capital Protection will not apply if there is an Early Maturity Event (other than a Call Event), or a UBS Buy-Back.
- (b) Without limiting the foregoing, in determining the "Early Maturity Value" or the Buy-Back Price UBS may deduct any costs, losses or expenses that it incurs in relation to the Early Maturity or UBS Buy-Back, including without limitation, Costs and Taxes, Break Costs, administrative costs, costs of unwinding any hedge put in place for the purposes of meeting its obligations under these Terms, and any cost of funding or any loss of bargain.

5.6 Possible reduction of value on Early Maturity

If there is an Early Maturity, UBS does not guarantee to deliver to the Investor a Delivery Parcel based on the Final Value. For the avoidance of doubt, when there is an Early Maturity (and UBS elects to apply the maturity process in accordance with clause 5.4(a)(ii)) the Delivery Parcel will only be determined in accordance with clause 5.4(b), and any 90% Limited Capital Protection will not apply (unless otherwise specified in the PDS).

5.7 Adjustments to this clause

Subject to clause 14, where UBS determines that any of the provisions of this clause 5 are not appropriate in any particular circumstances, or that any event which is not dealt with in clause 6 should have been dealt with, it may make any alterations to the effect of this provision or any other Term that it considers to be appropriate.

6. Adjustment Events and Market Disruption Events

6.1 Adjustment Events

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

- (a) substitute part or all of the affected Reference Index or Delivery Asset with any other asset; and/or
- (b) substitute a Delivery Asset with any other security quoted and trading on the ASX; and/or

- (c) adjust or amend any variable, date, formula, rate (including participation rate), amount or calculation as set out or used in these Terms (including the PDS and Term Sheet); and/or
- (d) adjust, amend or substitute the definition of Reference Index or Delivery Asset: and/or
- (e) vary any of the terms referred to in the PDS, including without limitation the Call Condition; and/or
- (f) determine to suspend or delay any of the necessary calculations referred to in these Terms as appropriate until reliable values can be obtained,

in a manner consistent with any adjustment or change made to UBS's hedging arrangement or, if no change is made to UBS's hedging arrangements, in a manner consistent with the PDS provided that in the reasonable opinion of UBS the adjustment is appropriate to put both UBS and the Investor in as similar an economic position as possible to the one the Investor and UBS would have been in had the Adjustment Event not occurred. If, in the reasonable opinion of UBS, it is not possible or desirable to deal with the occurrence of the Adjustment Event in accordance with this clause 6, UBS may nominate the event as an Early Maturity Event and may deal with that event in accordance with clause 5. UBS will notify Investors of any adjustment that it proposes to make under this clause before the adjustment occurs or as soon as reasonably practicable after the adjustment occurs and UBS will determine and notify Investors of the effective date of that adjustment.

6.2 Market Disruption Events

- (a) If there is a Market Disruption Event affecting any part of the Reference Index, the securities which make up the Reference Index, or a Delivery Asset (the "Affected Component") on any date that a calculation or determination is to be made, then the date for the determination or calculation in relation to the Reference Index or Delivery Asset, as the case may be, or the Maturity Date is to be the first succeeding Trading Day on which there is no Market Disruption Event in respect of the Affected Component. However, if there is a Market Disruption Event on each of the 8 Trading Days immediately following the original date that, but for the Market Disruption Event, would have been the date on which the determination or calculation was made or the Maturity Date, then:
 - (a) that 8th Trading Day is to be taken to be the Maturity Date or the relevant date for the determination or calculation (as applicable), despite the Market Disruption Event; and
 - (b) UBS must on that 8th Trading Day in good faith and in its absolute discretion determine the observation to be reached for the calculation or determination that would have prevailed on the original date but for that Market Disruption Event.
- (b) If there is a Market Disruption Event affecting the Reference Index during the Investment Term, then UBS may treat the Market Disruption Event as an Adjustment Event under this clause 6, including to nominate the event as an Early Maturity Event.
- (c) UBS must, as soon as practicable (and in no event later than 5 Business Days after the original date that, but for the occurrence or existence of a Market Disruption Event, would have been the date on which the determination or calculation was made or the Maturity Date) notify Investors of the existence or occurrence of a Market Disruption Event.

7. Accretions

These Terms do not confer on the Investor any right or interest in respect of Accretions to the securities that make up the Reference Index or Accretions to the Delivery Assets arising prior to delivery of the Delivery Assets in accordance with clause 4.3. Accretions to the Delivery Assets or the securities that make up the Reference Index may lead to adjustments as provided for in clause 6 of these Terms.

8. UBS's obligations are unsecured

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

9. Beneficial interest in a Portion of the Delivery Assets

- (a) Upon acceptance by UBS of the Investor's application for Units, the Investor receives, for no additional consideration, a beneficial interest in a Portion of the Delivery Assets on the Issue Date

(the "Beneficial Interest"). The Investor holds the Beneficial Interest until the earlier of the Maturity Date or transfer of their Units in accordance with these Terms.

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

10. Taxes

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

11. Investor's representations and warranties

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

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

12. Set off Rights

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

13. Notices

- (a) Any notice or statement to be given or demand to be made on the Investor under these Terms:
 - (i) will be effectively signed on behalf of UBS if it is executed by UBS, any of its officers, its solicitor or its attorney;
 - (ii) may be served by being delivered personally to, by being left at, by being e-mailed to, or by being posted in a prepaid envelope or wrapper to the Investor's address (or e-mail address) notified to UBS or the Investor's registered office, place of business, or residence last known to UBS, or by being sent to the Investor by facsimile transmission;
 - (iii) may be posted on UBS's website or an announcement made in an Australian newspaper with national coverage, if providing notice in such a manner is allowed by the Corporations Act or any ASIC policy.
- (b) A demand or notice if:
 - (i) posted will be deemed served two Business Days after posting;
 - (ii) sent by facsimile or electronic transmission will be deemed served on conclusion of transmission;
 - (iii) posted on a website or published in a newspaper will be given the date of posting or publishing.

- (c) Service by any of these methods will be valid and effectual even if the Investor does not receive the document or if the document is returned to UBS unclaimed.

14. Amendment of Terms

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

- (a) the Change is one determined by UBS as being required under either of clauses 5 or 6 of these Terms;
- (b) the Change is necessary or desirable in the reasonable opinion of UBS to comply with any statutory or other requirement of law; or
- (c) the Change is desirable to correct an inconsistency or error in these Terms (but only if such Change does not, in the opinion of UBS materially adversely affect, prejudice the interests of the Investor).

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

15. General provisions

15.1 Currency

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

15.2 No merger

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

15.3 Rounding

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

15.4 Certificates

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

15.5 Execution by attorneys

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

15.6 Appointment of Agent

The Investor irrevocably appoints UBS and its nominees and any of their directors, secretaries and officers whose title includes the word "director" from time to time jointly and severally as agent of the Investor to do (either in the name of the Investor or the agent) all acts and things that the Investor is obliged to do under these Terms or which, in the opinion of UBS, are necessary or desirable in connection with the Delivery Assets or the protection of UBS's interests or the exercise of the rights, powers and remedies of UBS, including without limitation the authority to sell the Delivery Assets on behalf of the Investor in accordance with clause 4.4(b).

15.7 Invalid or unenforceable provisions

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

15.8 Waiver and exercise of rights

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

15.9 Assignment and transfer of interests

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

15.10 Recording conversations

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

15.11 Calculations and references to dates and times

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

15.12 Payments by UBS

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

15.13 Governing law and jurisdiction

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

15.14 Terms of the Deferred Purchase Agreement prevail

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

15.15 Time is of the essence

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

15.16 Discretions

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

15.17 Inconsistency

In the event of any inconsistency between these Terms in relation to the Deferred Purchase Agreement, the Terms will prevail.

16. Interpretation

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

Section 12 - Glossary

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

"90% Limited Capital Protection" has the meaning given to it in the Term Sheet;

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

"Adjustment Event" means in respect of either the securities that make up the Reference Index, the Reference Index or any of the Delivery Assets ("the Relevant Asset") any of the following events:

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

- (e) Hedging Disruption, Increased Costs of Hedging, Change in Law or any termination of UBS's hedging arrangement or the adjustment or change of UBS's hedging arrangements occurs in such a manner that it is reasonably impracticable for UBS to adjust or change the Terms to reflect the adjustment or change in the hedging arrangements; or
- (f) UBS's hedging arrangements are suspended, terminated, adjusted or changed for any reason as determined by the Calculation Agent for those hedging arrangements or any Relevant Asset relevant to the hedging arrangement is terminated suspended, adjusted or changed in any way;
- (g) a security granted by the Relevant Asset, its manager or certain service providers becomes enforceable or any of their trading or dealing arrangements become terminable because of default by them;
- (h) the net asset value of the Relevant Asset is not calculated or published as required, or the timing of the calculation or publication changes, or the methodology used changes;
- (i) information about the Relevant Asset is not published or provided as required;
- (j) trading in the Relevant Asset is suspended or restricted;
- (k) the Relevant Asset, its manager or certain service providers become insolvent by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the issuer of the Relevant Asset;
- (l) there is an event in respect of the Relevant Asset or its manager by which:
 - (i) the entity will be merged with another entity (unless it will continue as an entity without reclassification or change of its shares/units); or
 - (ii) there is a change in control of the entity;
- (m) a relevant securities lending agreement (if any) is terminated, adjusted or changed; or
- (n) any other event which UBS reasonably declares to be an Adjustment Event;

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

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

"Application Form" means the Investor Application Form attached to or accompanying the PDS;

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

"Approved Adviser" means, in respect of a Series, such broker(s) or advisers approved by UBS and notified to Investors via its website www.ubs.com/equitysolutions as the Approved Adviser(s) in respect of that Series from time to time;

"Approved Adviser Trail Fee" has the meaning given in the Term Sheet;

"Approved Adviser Upfront Fee" has the meaning given in the Term Sheet;

"ASTC Settlement Rules" means the settlement rules of the ASX Settlement and Transfer Corporations Pty Limited as amended or substituted from time to time;

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

"AUD" or "A\$" means Australian Dollars;

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

"Beneficial Interest" means the beneficial interest in the Portion of Delivery Assets acquired in accordance with clause 9;

"Break Costs" means all costs, expenses and losses incurred by UBS (including without limitation any amounts paid or incurred on account of any GST or similar tax to the extent that input tax credits are not available, Taxes and losses incurred by UBS and any upfront selling fees paid to an Approved Adviser that may be applicable) and notified by UBS as payable by the Investor as a result of:

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

"Business Day" means a day on which banks are open for business in Sydney and Melbourne, but does not include a Saturday, Sunday or public holiday;

"Buy-Back Date" means the date determined by UBS in its absolute discretion as the date on which it executes a UBS Buy-Back request;

"Buy-Back Price" means, in respect of each Series, the amount determined by UBS in its absolute discretion in respect of the buy-back of the Investor's Units in accordance with clause 5.3(c);

"Call Condition" has the meaning given to it in the Term Sheet;

"Call Event" has the meaning given to it in the Term Sheet;

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

"Call Value" has the meaning given to it in the Term Sheet;

"Change" has the meaning attributed to it in clause 14;

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

(i) has become illegal to hold, acquire or dispose of the Delivery Assets, the Reference Index or the securities which make up the Reference Index or UBS's hedge; or

(ii) UBS will incur a materially increased (as compared with circumstances existing on the Strike Date) cost in performing its obligations under this PDS (including without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse affect on its tax position).

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

"Closing Time" means the official time for close of trading on the Relevant Exchange on a Trading Day, or if a day is not a Trading Day, 5:00 pm Sydney time on that day;

"Confirmation Notice" means a notice provided by UBS to an Investor in accordance with clause 1.3(c);

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

"Costs and Taxes" means any incidental costs or expenses incurred by UBS in relation to the transfer of any Delivery Assets to or for the benefit of the Investor following Maturity (whether by way of physical delivery of the Delivery Assets to the Investor or delivery to UBS or its nominee under clause 4.4(a)) plus any Taxes and any costs or expenses including brokerage incurred by or charged by UBS or its nominees under or in connection with the Agency Sale Arrangement, if applicable. For the avoidance of doubt, this includes, without limitation, any amounts paid or incurred by UBS or its nominees on account of GST to the extent that input tax credits are not available;

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

"Delivery Asset" means, in respect of each Series, ordinary fully paid shares in BHP Billiton Limited, or any other Delivery Asset specified in the PDS or determined by UBS in accordance with the Terms of that Series;

"Delivery Parcel" means the number of Delivery Assets to be delivered by UBS to the Investor on the Settlement Date as determined by either of the following formulae:

Where a Call Event has not occurred:

$$\frac{[(\text{Final Value} \times \text{number of Units held by an Investor}) - \text{any applicable Costs and Taxes}]}{\text{Average Price for the Delivery Assets}}$$

and where a Call Event has occurred:

$$\frac{[(\text{Call Value} \times \text{number of Units held by an Investor}) - \text{any applicable Costs and Taxes}]}{\text{Average Price for the Delivery Assets}}$$

"Disrupted Day" means a day on which a Market Disruption Event has occurred or is continuing.

"Distributor Fee" has the meaning given in the Term Sheet;

"Distributor Trail Fee" has the meaning given in the Term Sheet;

"Dividend Drag Amount" has the meaning given in the Term Sheet;

"Dragged Reference Index Return" has the meaning given in the Term Sheet;

"Early Maturity" means accelerated maturity in accordance with clause 5;

"Early Maturity Date" means the date notified to the Investor as such in the Early Maturity Notice or, where a Call Event has occurred, the Call Date;

"Early Maturity Event" has the meaning given in clause 5.1 of the Terms;

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

"Early Maturity Value" per Unit means, in respect of an Early Maturity Event other than a Call Event, the fair economic value of the Unit (net of Break Costs) at or around 5:00 pm Sydney time on the Early Maturity Date as determined by UBS in its absolute discretion, unless it is not possible to determine the fair economic value of the Unit at that time, in which case UBS may nominate another time to determine the Early Maturity Value. Where Early Maturity occurs as a result of a Call Event, the Early Maturity Value means the Call Value.

"Final Maturity Date" means the date that will apply to a Series if the Series has not already matured as a result of an Early Maturity Event, as specified in the Key Dates table on page 2;

"Final Value" has the meaning given to it in the Term Sheet;

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

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

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

"HIN" means Holder Identification Number;

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

"Index Ending Level" has the meaning specified in the Term Sheet;

"Index Starting Level" has the meaning specified in the Term Sheet;

"Indirect Investor" means an investor who invests in Units through a master trust, wrap platform, investor directed portfolio service, managed account platform or similar whereby the operator of such trust or platform holds the units on behalf of their end investors;

"Initial Offer Period" means the offer period for Units with open and close dates as specified in the Key Dates table on page 2 of this PDS;

"Initial Offer Period Close" means the date the Initial Offer Period ceases as specified in the Key Dates table on page 2 of this PDS;

"Initial Offer Period Open" means the date the Initial Offer Period commences as specified in the Key Dates table on page 2 of this PDS;

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

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

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

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

"Issue Date" means the date specified in the Investor's Confirmation Notice as the "Issue Date" for Units held – see Key Dates table on page 2;

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

"Market Disruption Event" means the occurrence or existence on any Business Day or Trading Day during the one-half hour period that ends at the Closing Time of any of the following events, in the determination of UBS:

- (a) the suspension or material limitation of trading in (a) a security that makes up the Reference Index or (b) securities generally on ASX or the Relevant Exchange; or
- (b) any similar event UBS reasonably declares to be a Market Disruption Event, including a Force Majeure Event.

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

"Maturity" means the settlement of the deferred purchase of the Delivery Parcel in accordance with clause 4 of the Terms other than as a result of Early Maturity;

"Maturity Date" means the Final Maturity Date, unless there is an Early Maturity under clause 5, in which case the Maturity Date will be the Early Maturity Date (as applicable);

"Maturity Notice" means a notice issued by UBS in accordance with clause 4.1;

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

"Payment Date" means, in respect of Applications made during the Initial Offer Period, the date specified in the Key Dates table on page 2 of this PDS;

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

"Portion of the Delivery Assets" means 0.0001 of each Delivery Asset;

"Purchase Price" means, during the Initial Offer Period, the Issue Price specified in the Term Sheet for that Series, the amount determined by UBS in its absolute discretion as the price at which an Investor can acquire a Unit in a Series at a particular point in time;

"Reference Index" means the S&P/ASX200 Accumulation Index;

"Reference Index Provider" has the meaning specified in the Term Sheet;

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

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

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

"Relevant Exchange" means in the case of:

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

as determined in the absolute discretion of UBS in accordance with the Term Sheet;

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

"Series" means an issue of Units that are identified in the Term Sheet applicable to those Units as forming a "Series";

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

"Settlement Date" means, in respect of a Series, the fifth Trading Day after the Final Maturity Date, the Call Date where a Call Event has occurred or such other date as determined by UBS in its discretion as is reasonably necessary for UBS to fulfil its obligations under the Terms;

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

"Supplementary PDS" means a supplement issued by UBS to this PDS;

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

"Strike Date" is as specified in the Key Dates table on page 2 of this PDS, which is the date on which UBS has determined the Performance Cap applicable to a Series;

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

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

"Term Sheet" means the "Term Sheet" in Section 2 of this PDS;

"Total Investment Amount" means an amount equal to the number of Units purchased by an Investor multiplied by the Purchase Price;

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

"UBS" means UBS AG, Australia Branch (ABN 47 088 129 613) or its successors and assigns;

"UBS Buy-Back" means an Investor requested buy back of Units by UBS;

"UBS Credit Margin" means the additional margin that is added to market interest rates to determine the rate which UBS will pay on money deposited (relevant to when Units are issued) or money lent (relevant to when Units are bought back);

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

"Weekly Pricing Date" means the last Trading Day of each week during the Investment Term starting on and from 16 April 2010 or a date nominated by UBS as a Weekly Pricing Date unless UBS determines that such day is a Disrupted Day.

FORMS

How to Invest and Sell Back

Who should you contact?

You should contact your financial adviser to arrange for investment in or sale of Units. For general queries, please contact UBS on 1800 633 100 or visit the UBS website www.ubs.com/equitysolutions.

Purchase of Units from UBS – Application – “Form A”

You may apply for Units on any day during the offer period set out on page 2, by providing to the Approved Adviser a completed Investor Application Form for the amount of Units that you wish to invest in.

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

To acquire Units through an Approved Adviser:

- (a) Contact the Approved Adviser and provide to them a completed Investor Application Form for the amount of Units that you wish to invest in.

You should ensure that you allow enough time for the Approved Adviser to process your purchase request, Investor Application Form and provide the Investor Application Form to UBS prior to the Offer Period Close time.
- (b) You must also ensure that you give us your Form B or send a cheque with your Application Form after the Applications Open Date and before Initial Offer Period Close.
- (c) If UBS accepts your Application, the Units will be registered in your name.
- (d) UBS will arrange for your name and details to be included in the Register.

Purchases must be made using the Investor Application Forms included in this PDS.

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

Direct Debit Form – “Form B”

If you wish to use direct debit to pay for your Units, please fill out and attach an original of this Direct Debit Request form to your Investor Application Form and send both to your Approved Adviser. Initial direct debits are expected to be processed between 29 March 2010 and 7 April 2010 for the Initial Offer Period upon the acceptance of your Application but may be processed on any other date after the Applications Open Date as necessary.

For applications in the Initial Offer, cleared funds equalling your Total Investment Amount must be in the specified account throughout the period from 29 March 2010 and 7 April 2010 (inclusive). **If you are paying via a direct debit and your direct debit fails, you will not be able to participate in the Initial Offer and you may be charged a direct debit fail fee by your bank.**

Paying by cheque

Applications accompanied by cheque can only be processed after the Applications Open Date of 10 March 2010. If you intend to pay the Purchase Price by cheque then please send us your Application Form and payment only **after** the Applications Open Date.

Selling your Units early to UBS – “Form C”

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

UBS intends to provide you with the opportunity to sell Units to UBS on Weekly Pricing Dates commencing on 16 April 2010. To request a sale of your Units to UBS:

- (a)** Contact your adviser or UBS and submit a completed Investor Sale Form for the quantity of Units that you wish to sell to UBS, within the time frame specified by UBS in the Term Sheet for processing your request. Unless you are an Indirect Investor your request must be in respect of parcels of 1,000 Units and your residual holding must be at least 20,000 Units.
- (b)** UBS may, in its absolute discretion, accept or reject your request, without giving any reasons. If UBS accepts, then your Units will be sold to UBS and UBS will pay to you a Buy-Back Price determined by UBS in its absolute discretion. You will not be entitled to receive the Delivery Parcel on the sale of your Units.
- (c)** UBS will arrange for your name and details to be removed from the Register and you will receive confirmation that UBS accepted the request to buy back the Units, and the price at which your Units were sold.

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

Indicative bid prices

UBS intends to publish indicative bid prices for the Units and provide that information to certain market data service providers and the Approved Advisers. These indicative bid prices are available from the market data service providers or the Approved Advisers (please refer to the market data codes listed in the Term Sheet). These indicative bid prices will change over time and as such, may be materially different to the price at which UBS may buy back your Units.

Instructions for Application Form – Form A

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

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

- A.** Enter your details here - note carefully the information required for each particular type of Applicant in parts 1) to 6). Note that UBS reserves the right to request further information if required to process your Application.
- B.** Enter your postal address here for all correspondence.
- C.** Enter your telephone and email contact details here.
- D.** Enter your the number of Units that you wish to purchase here. The minimum application is for 20,000 Units and thereafter in multiples of 1,000. The number of Units you receive will then be this amount divided by the Purchase Price. The Purchase Price will be equal to the Issue Price of \$1.00 per Unit . UBS may agree to accept different minimum and/or incremental amounts if you are an Indirect Investor.
- E.** Please indicate here how you intend to pay.
- F.** Enter your bank account details here if you wish to have any cash payments deposited directly to your account. If this is left blank, a cheque for any cash payments will be sent to the address provided.
- G.** Enter details of your Approved Adviser here.

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

Lodging the Form

Application Forms and accompanying documents should be forwarded to your Approved Adviser. Please note that Applications will only be processed after the Applications Open Date.

Purchases of Units can only be made by completing and lodging an Application Form attached to this PDS with your Approved Adviser. Application Forms must not be distributed (whether electronically or otherwise) by any person to any other person unless accompanied by or attached to a complete and unaltered copy of this PDS. A free copy of the non-electronic PDS is available from UBS upon request. The Approved Adviser should forward the signed original Application Form to UBS at:

UBS Hindsight PIP
UBS AG, Australia Branch
Equity Risk Management Products Group
Level 16, Chifley Tower
Chifley Square
Sydney NSW 2000

Payment

Payment for the Units can be made by either Direct Debit (using Form B) or cheque. If you are applying for Units and paying by cheque then please send us your Application Form and payment **after** the Applications Open Date. Any cheques you attach to this Application Form for that purpose should be made out to **UBS Securities Australia Limited**, but sent to your Approved Adviser along with your Application Form.

FORM A –APPLICATION FORM

UBS Hindsight PIP – Series 1 – Australian Equities

**THIS FORM IS TO BE USED IF YOU WISH TO INVEST IN UNITS.
THIS FORM SHOULD BE FORWARDED TO YOUR APPROVED
ADVISER.**

Financial Adviser Stamp**:

Wealth Focus Pty Ltd
PO Box 760
Manly
NSW 1655
Tel: 1300 559 869
AFSL: 314872

**** By affixing their Adviser Stamp, Advisers verify the acknowledgements and representations listed under the heading "Advisers" in this Application Form and agree to the terms of the Adviser RCTI Agreement set out in that section.**

This is an Application Form for the UBS Hindsight PIP – Series 1 Units issued by UBS AG, Australia Branch, AFSL 231087.

This Application Form accompanies the PDS dated 9 February 2010 and any supplementary PDS issued for the Units. It is important that Investors read the PDS in full and the acknowledgements contained in this Application Form before applying for the Units. The Issuer will provide you with a paper copy of the PDS including any supplemental PDS and the Application Form, on request without charge.

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

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

I/we hereby apply for the following Units to be issued by UBS to me/us as set out in this Application Form below pursuant to the PDS dated 9 February 2010 for UBS Hindsight PIP – Series 1:

A. Full Details of Applicant:

If an individual Applicant, please provide:

- your full name, date of birth, residential address and occupation 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.

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.

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

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

1) Applicant 1 / 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 (number and street; suburb, city or town; state; and postcode – Please note that PO Box is not accepted)		
<input type="text"/>		
<input type="text"/>		

Applicant 2 / 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 (number and street; suburb, city or town; state; and postcode – Please note that PO Box is not accepted)		
<input type="text"/>		
<input type="text"/>		

Applicant 3/ 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 (number and street; suburb, city or town; state; and postcode – Please note that PO Box is not accepted)		
<input type="text"/>		
<input type="text"/>		

Applicant 4 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 (number and street; suburb, city or town; state; and postcode – Please note that PO Box is not accepted)		
<input type="text"/>		
<input type="text"/>		

2) Company / Corporate Trustee Name

Name

ACN and ABN / ARBN (if there is one)

3) Trust / Super Fund Name

Name

ABN (for super funds only)

4) Details of beneficial owners (persons holding more than 25% 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

B. Postal Address Details:

Number and Street

Suburb, City or Town

State

Postcode

C. Telephone and Email Details:

Daytime Number:
(include area code)

Contact Name

Email Address:

D. Details of the Units to be purchased:

UBS Hindsight PIP

Total Number of Units **

(Minimum 20,000 with 1,000 increments thereafter)

Series 1 linked to the S&P/ASX 200
Accumulation Index

**** Please Note:** The Purchase Price of Units will be equal to the Issue Price of \$1.00.

E. How do you intend to pay? (Please tick one)

Cheque*** (Please make payable to UBS Securities
Australia Limited and send only **after** the Applications
Open Date.)

☐

Direct Debit (Please complete Form B)

☐

***** Please Note:** If you are paying by cheque, ensure to include the Application Fee amount (as applicable, being 2.2% of the Total Investment Amount) in addition to the Total Investment Amount you wish to apply to purchase the Units.

F. Bank Account Details (for direct credit of funds to your account):

I/We request that payments due to me/us by UBS be deposited directly into the following account. I/We acknowledge that these instructions supersede and have priority over all previous instructions, but will only apply in respect of the Units issued pursuant to the PDS dated 9 February 2010 for the UBS Hindsight PIP – Series 1. Unless advised in writing or otherwise, I/we acknowledge that all future payments due to me/us will be paid into the nominated account.

Bank / Financial Institution Name:

BSB:

Account Number:

Account Name:

Name of Branch / Suburb:

Type of Account:

G. Details of Approved Adviser:

Adviser Name:

Company Name:

Wealth Focus Pty Ltd

Dealer Group Name and AFSL:

Wealth Focus Pty Ltd AFSL:314872

Daytime Number:
(include area code)

1300 559869

Email:

Address Details - Number and Street

Suburb, City or Town	State	Postcode

H. Waive Approved Adviser Upfront Fee? (Please tick one)

Yes ☐ No ☐

Please Note: If the "yes" box is ticked, Approved Advisers agree to waive the Approved Adviser Upfront Fee. In such case, UBS will waive the Application Fee. If no box is ticked above, then the Application Fee will be payable.

Investor acknowledgements and representations

1. I/we irrevocably appoint for valuable consideration UBS, its related bodies corporate 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) everything necessary or expedient to bind me/us to the Terms, complete any blanks in the Terms and date and execute the Terms on my/our behalf;
 - (b) anything which I/we must do under or in relation to the Terms or any other agreement or arrangement between me/us and UBS relating to the Units (including arranging physical delivery of the Delivery Assets or acting in accordance with the Agency Sale Arrangement); and
 - (c) anything incidental or necessary in relation to the above (including, but not limited to, completing any blanks in this Application Form and appointing any person as sub-attorney to do any of the above).
2. I/we indemnify the agent against all claims, losses, damages and expenses suffered or incurred as a result of anything done in accordance with the above agency appointment.
3. I/we have read and understood, and agree to accept the Units on the Terms relevant to my/our Units. In particular, I/we:
 - (a) acknowledge that by signing this Application Form and arranging for the Approved Adviser to lodge it with UBS:
 - (i) the Approved Adviser, as my/our agent, will forward this Application Form to UBS for the number of Units set out in this Application Form; and
 - (ii) UBS may, in its absolute discretion, accept or reject my/our Application and may allocate a lower number of Units than I/we applied for;
 - (b) acknowledge that I/we received a complete copy/print-out of the PDS accompanied by this Application Form before I/we completed this Application Form;
 - (c) acknowledge that I/we cannot withdraw my/our Application Form except as permitted by law;
 - (d) agree to be bound by the Terms set out in the PDS;
 - (e) acknowledge that neither UBS nor any of its related entities have provided any tax advice or otherwise made any representations regarding the tax consequences of an application for or an investment in Units;
 - (f) acknowledge that to the extent I/we deem appropriate, I/we have or will obtain my/our own financial, legal and taxation advice from an independent professional adviser; and
 - (g) waive and agree not to assert any claim against UBS or any of its related entities with respect to the tax aspects of this investment in Units.
4. Where bank account details have not been provided to enable direct credit of funds to my/our account, I/we acknowledge that I/we will receive any cash payments by cheque. I/we acknowledge that UBS may impose a charge reflecting the cost of processing cheque payments, provided UBS gives prior notice to me/us of its intention to impose such a charge. Neither UBS nor the Registrar will be responsible for any delays in crediting funds to my/our nominated account as a result of transaction procedures or errors by any financial institution.
5. I/we agree to accept the issue of the Units specified above subject to the same conditions.

6. I am/we are not bankrupt or insolvent (as the case may be) and am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors.
7. I/we have read and understood the Terms and make all the representations and warranties contained in clause 12 of the Deferred Purchase Agreement.
8. I/we declare that:
 - (a) I/we received this PDS in Australia and am/are made this offer in Australia;
 - (b) if signing as an attorney, the power of attorney authorises the signing of this Application Form and no notice of revocation has been received;
 - (c) I/we am/are not minor(s) and do not suffer from any other legal disability preventing the execution of this Application Form;
 - (d) if signing in a capacity other than a personal capacity, in addition to being bound in that other capacity, I/we agree to be bound in an unlimited personal capacity,
 - (e) in the case of joint applicants, we agree to be jointly and severally bound;
 - (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; and
 - (g) if I am/we are acting as trustee in relation to the holding of the Units (including acting as trustee for a superannuation fund), it is proper for me/us to apply for Units and to do everything that the PDS contemplates that I/we will do and those things do or will benefit the beneficiaries of the trust and I/we represent and warrant that I/we have all the power, authority and discretion vested as trustee to apply for and hold the Units.
9. I/we will not offer, sell, re-sell or deliver, directly or indirectly, any Units so purchased in any overseas jurisdiction or to any foreign persons, or for the account or benefit of any such foreign person, or to others for the offering, sale or re-sale or delivery in any overseas jurisdiction or to any such foreign persons where that offer, sale, resale or delivery would be in breach of any Australian or foreign law.
10. I/we acknowledge that Units in the UBS Hindsight PIP – Series 1 are not a deposit obligation of UBS AG and is subject to investment risks, including the possible loss of the Investment Amount invested, in the event of Early Maturity or UBS Buy-Back.
11. By signing this Application Form, I/we:
 - (a) agree to receive Financial Services Guides and supplementary Financial Services Guides from UBS or its related entities (including 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 UBS Securities 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 UBS 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 UBS has not made, and the PDS does not contain, any representations to me/us with regard to the suitability or appropriateness of this investment in Units, given my/our investment objectives, financial situation or particular needs or the tax consequences of making this investment in Units;
 - (c) acknowledge that neither the Issuer nor UBS or their related bodies corporate, affiliates, associates or officers:
 - (i) guarantees the performance of the UBS Hindsight PIP – Series 1 Units;
 - (ii) guarantees that the UBS Hindsight PIP – Series 1 Units will achieve a particular rate of return; or
 - (iii) guarantees the repayment of capital from an investment in the UBS Hindsight PIP – Series 1 Units;
 - (d) understand that nothing in the PDS or Application Form can be considered investment advice or a recommendation to invest in Units;
 - (e) represent that I/we am/are Australian resident(s) for tax purposes;
 - (f) acknowledge that application moneys will only be accepted and any payments by UBS will only be paid in Australian currency;
 - (g) acknowledge that an investment in Units is subject to investment risk and agree that those risks are appropriate for a person in my/our circumstances and with my/our investment objectives.
 - (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 us if required to allow us to meet our 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 UBS;

- (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) 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:
 - (iv) I/we are not aware and have no reason to suspect that:
 - a. the moneys used to fund my/our investment in the UBS Global Access Fund 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
 - (v) I am/we are not a politically exposed person or organisation;
12. 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 Investment Amount, I/we agree to be bound by them and make the declarations contained therein. I/we agree to indemnify UBS 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.
13. I/we have read and understood the Privacy Policy in this PDS and agree that information about me/us written on this form will not be collected, used or disclosed for any purpose other than for the purposes stated in the PDS. Where I/we have provided information about any other individual, I/we will make that individual aware of the provisions of the privacy statement.
14. I/we agree that UBS may disclose personal information about me/us to my/our Approved Adviser or other adviser and that once UBS provides information to my/our Approved Adviser or other adviser, UBS can no longer control the ways in which that information is used and I/we agree that UBS is not liable for any loss, expense, damage, or claim directly or indirectly connected with any disclosure of information by UBS to my/our Approved Adviser or other adviser, except to the extent required by law.

Privacy

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 not be used or disclosed except for a purpose 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. If at any time you wish to access the personal information held about you by UBS, you are welcome to request that information by contacting UBS.

- 1) I/we acknowledge that the personal information about me/us provided to UBS in this Application Form may be used for any of the following purposes:
 - to assess whether to accept my/our application;
 - to prepare any documentation relevant to, and to maintain, my/our investment in Units;
 - to effect investments in Units in my/our name(s);
 - to communicate with me/us in relation to the Units;
 - to comply with legislative or regulatory requirements;
 - to perform UBS's administrative operations; and
 - for any other purpose identified in the PDS including for marketing purposes unless you mark the opt-out box below.
- 2) I/we agree and consent to UBS:
 - giving personal information about me/us to:
 - a) UBS's agents, contractors and external advisers;
 - b) regulatory bodies, government agencies, law enforcement bodies and courts; and
 - c) the entities in which investments are made and/or to any agents or contractors, for the purpose of administering my/our investment or administering or enforcing 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 finance broker, legal and financial adviser); and
 - providing my/our ABN to UBS and its related entities,

even if the disclosure of my/our personal information is to an organisation overseas, regardless of whether or not such entity is subject to privacy obligations equivalent to those which apply to the Issuer or UBS.
- 3) I/we represent that, if at any time I/we supply UBS and the Issuer with personal information about another individual, I am/we are authorised to do so and agree to inform that individual of who UBS AG Australia and the Issuer are and of the matters set out in this section of the Application Form.

AML/CTF Act and Rules

UBS aims to prevent, detect and not knowingly facilitate money laundering and terrorism financing. UBS 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, UBS 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 AMP/CTF Act and Rules, I have taken the steps required to identify and verify the Applicant's identity (including the directors, beneficial owners and trustees listed in the Application Form) by checking and verifying the identity, nationality, residential address and signature of the Applicant, and any other relevant details, in compliance with the AML/CTF Act and Rules and any Distribution Agreement entered into for purposes of compliance with the AML/CTF Act and Rules;
 - 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.
- (b) **Adviser RCTI Agreement**—this section relates to supplies made by an Adviser (acting on behalf of the entity ("**Supplier**") that holds the requisite Australian Financial Services Licence) to UBS in consideration of a placement fee or trail fee. By completing the details below and affixing its stamp to this Application Form, and in consideration of the Approved Adviser Fees, the Adviser:
 - i) represents and warrants that it is authorised to enter into this agreement on the Supplier's behalf;
 - ii) represents and warrants that the Supplier is registered for ABN and GST purposes and that it will promptly notify UBS if it ceases to be so registered; and
 - iii) agrees that UBS may and will issue to the Supplier, self generated tax invoices (called "**Recipient Created Tax Invoices**" or "**RCTIs**") in respect of the supplies that the Supplier has made (or will make) to UBS; and
 - iv) agrees that the Supplier will not issue tax invoices for those same supplies, except where first agreed in writing with UBS.

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

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

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

Signature

Dated: _____

SIGNED, SEALED AND DELIVERED by:

(Individual Applicant, Joint Applicants or Individual Trustee Applicant)

First Applicant's
Signature

Second Applicant's Signature

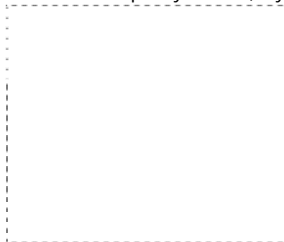
First Applicant's Name

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/Secretary's Signature

Director's Name

Director/Secretary's Name

FORM B – DIRECT DEBIT REQUEST

****IMPORTANT NOTICE****

Bank account name(s) **must match** the Applicant name(s) given in part A of the Application Form and be signed by that person(s). In the case of joint accounts, both signatures are required.

Note that if a joint account holder is not listed in part A, you must provide their details below:

Full Name _____ Date of Birth _____ Country of Residence _____

If a company or corporate trust is applying then the account should be an account of the company or trust and this form must be signed by either the sole director (if there is only one) OR two directors or a director and secretary (if there are two or more).

Request and Authority to debit the account named below to pay UBS AG, Australia Branch

Request and authority to debit

Surname / company name _____

Given names / ACN / ABN _____ ("you")

request and authorise UBS AG, Australia Branch (User ID number 181244 or 365034) to arrange, through its own financial institution, for any amount UBS AG, Australia Branch may debit or charge you to be debited through the Bulk Electronic Clearing System from an account held at the financial institution identified below and paid to UBS AG, Australia Branch, subject to the terms and conditions of the Direct Debit Request Service Agreement in Section 10 of the PDS.

Insert details of account to be debited

Please note: The account name below **must match** the Applicant name(s) given in part A of the Application Form contained in the PDS (e.g. same individual name if an individual applicant or same company name if a company applicant)

Name of account _____

Financial institution name _____

BSB number | | | | - | | | |

Account number | | | | | | | | | |

Acknowledgment

By signing this Direct Debit Request you acknowledge having read and understood and agree to the terms and conditions governing the debit arrangements between you and UBS AG, Australia Branch as set out in this Request and in your Direct Debit Request Service Agreement in Section 10 of the PDS.

Insert your signature and address

If signing for a company please print full name and capacity for signing (eg. Director).

*In the case of joint accounts, **BOTH** signatures are required.*

Signature: Applicant 1/(Sole) Director

.....

Address _____

Signature: Applicant 2/Director/Company Secretary/Joint account holder

.....

Address _____

Date ____ / ____ / ____

Instructions for Investor Sale Form – Form C

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

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

Completing the Form

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

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

B. POSTAL ADDRESS – Enter your postal address here for all correspondence.

C. TELEPHONE AND EMAIL – Enter your telephone and email contact details here.

D. UNIT DETAILS – Please enter the total number of Units you wish to sell. Unless you are an Indirect Investor, your request must be in respect of parcels of 1,000 Units and your residual holding must be at least 20,000 Units.

E. ACKNOWLEDGEMENT – Each seller must read this section.

F. SIGNATURE

Where the Investor Sale Form is executed by a company, it must be executed either in accordance with section 127 of the Corporations Act or under a power of attorney. Section 127 of the Corporations Act allows a company to execute a document with or without using a common seal if the document is signed by two directors, a director and company secretary or (if applicable) the sole director who is also the sole company secretary.

If the Investor Sale Form is signed under a power of attorney, the attorney by signing certifies that it has not received notice of revocation of that power of attorney. A certified copy of the power of attorney must be lodged with the Investor Sale Form.

Lodging the Form

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

Sale of Units can only be made by completing and lodging an Investor Sale Form attached to this PDS. Investor Sale Forms must not be distributed (whether electronically or otherwise) by any person to any other person unless accompanied by or attached to a complete and unaltered copy of this PDS. A free copy of the non-electronic PDS is available from UBS upon request.

FORM C – INVESTOR SALE FORM

Investor Sale Form – UBS Hindsight PIP – Series 1 - Australian Equities

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

To: UBS AG, Australia Branch
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000
Attention: Equity Risk Management Products
Re: UBS Hindsight PIP – Series 1

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

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

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

Transferor Full Name/Company Name

Client Reference Number

B. Address Details:

Number and Street

Suburb, City or Town

State

Postcode

C. Telephone and Email Details:

Daytime Number
(include area code)

Contact Name

Email:

D. Details of the Units to be sold:

Investment	Number of Units to be Sold **
UBS Hindsight PIP – Series 1	

**** Unless you are an Indirect Investor your request must be in respect of parcels of 1,000 Units and your residual holding must be at least 20,000 Units.**

E. Acknowledgements:

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

F. Signature:

Dated: _____

SIGNED, SEALED AND DELIVERED by:

(Individual Seller, Joint Seller or Individual Trustee Seller)

First Seller's Signature

Second Seller's Signature

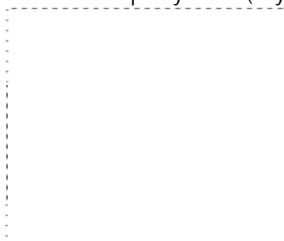
First Seller's Name

Second Seller's Name

(Company Seller or Corporate Trustee Seller) Executed by:

Company Name

Affix Company Seal (if you have one):



Director's Signature

Director/Secretary's Signature

Director's Name

Director/Secretary's Name

(Power of Attorney)

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

by its attorney in the presence of:

Attorney Signature

Attorney Name

Witness's Signature

Witness's Name

UBS USE ONLY

Name of Buyer: UBS AG, Australia Branch, ABN 47 088 129 613

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

SIGNED for UBS AG, Australia Branch by its authorised representatives:

DATED: _____

Investment	Number Sold	Purchase Price per Unit	Total Purchase Price Payable
UBS Hindsight PIP – Series 1		\$	\$



UBS AG, Australia Branch
ABN 47 088 129 613 AFSL 231087

Level 25
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Level 8
530 Collins Street
Melbourne VIC 3000

Directory

Issuer

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

Level 16
8 Exhibition Street
MELBOURNE VIC 3000

Issuer's Solicitors

Baker & McKenzie
Level 27
AMP Centre
50 Bridge Street
Sydney NSW 2000

Clayton Utz
1 O'Connell Street
Sydney NSW 2000



UBS AG, Australia Branch

ABN 47 088 129 613 AFSL 231087

Level 16
Chifley Tower
2 Chifley Square
Sydney NSW 2000

Level 16
8 Exhibition Street
Melbourne VIC 3000

INVESTOR ENQUIRY LINE 1800 633 100

www.ubs.com/equitysolutions