

## FINAL TERMS

No. 1

dated 19 October 2018

in connection with the Information Memorandum dated 10 December, 2013, as supplemented,  
updated or replaced from time to time

(and as also supplemented by the JSE Placement Document dated 8 February 2016 in respect of  
South African Securities, as supplemented, updated or replaced from time to time)

regarding the Structured Note Programme of

UBS AG

THE RISK FACTORS RELATING TO THE NOTES AND RELATING TO THE ISSUER ARE SET OUT IN THE INFORMATION MEMORANDUM AND JSE PLACEMENT DOCUMENT REFERRED TO ABOVE, AS SUPPLEMENTED BY THE ADDITIONAL RISK FACTORS IN ANNEX I TO THESE FINAL TERMS.

THE NOTES ARE LINKED TO A BASKET OF ASSETS. HOLDERS SHALL NOT HAVE ANY BENEFICIAL, PROPRIETARY OR OTHER INTEREST IN THE BASKET OR ANY CONSTITUENT THEREOF, AND NO CHARGE, MORTGAGE, PLEDGE, LIEN OR OTHER SECURITY OR QUASI-SECURITY INTEREST IS BEING GRANTED IN CONNECTION WITH THE NOTES.

THIS PRODUCT DOES NOT REPRESENT A PARTICIPATION IN ANY OF THE COLLECTIVE INVESTMENT SCHEMES PURSUANT TO ART. 7 SS OF THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES (CISA) AND THUS IS NOT SUBJECT TO THE SUPERVISION OF THE SWISS FEDERAL BANKING COMMISSION (EIDGENÖSSISCHE BANKENKOMMISSION). THEREFORE, INVESTORS IN THIS PRODUCT ARE NOT ELIGIBLE FOR THE SPECIFIC INVESTOR PROTECTION UNDER THE CISA.

THIS DOCUMENT AND ANY OF ITS SUPPLEMENT(S) ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE A SOLICITATION FOR INVESTMENTS FROM MEMBERS OF THE PUBLIC IN A COLLECTIVE INVESTMENT SCHEME IN TERMS OF THE SOUTH AFRICAN COLLECTIVE INVESTMENT SCHEMES CONTROL ACT, 2002 (AS AMENDED) ("CISCA") AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC AS CONTEMPLATED IN SECTION 99 OF THE COMPANIES ACT, 2008 (AS AMENDED). A POTENTIAL INVESTOR WILL BE CAPABLE OF INVESTING IN THE PRODUCT ONLY UPON CONCLUSION OF THE APPROPRIATE INVESTMENT AGREEMENTS AND PROVIDED THE RELEVANT INVESTOR COMPLIES WITH ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS. THIS DOCUMENT AND ANY ATTACHMENTS THERETO CONSTITUTE FACTUAL, OBJECTIVE INFORMATION ABOUT THE PRODUCT AND NOTHING CONTAINED HEREIN SHOULD BE CONSTRUED AS CONSTITUTING ANY FORM OF INVESTMENT ADVICE OR RECOMMENDATION, GUIDANCE OR PROPOSAL OF A FINANCIAL NATURE IN RESPECT OF THE PRODUCT OR ANY TRANSACTION IN RELATION THERETO. THE MANAGER OF THE PRODUCT ARE NOT FINANCIAL SERVICES PROVIDERS IN SOUTH AFRICA AND NOTHING IN THIS DOCUMENT SHOULD BE CONSTRUED AS CONSTITUTING THE CANVASSING FOR, OR MARKETING OR ADVERTISING OF FINANCIAL SERVICES BY THE MANAGER OF THE PRODUCT IN OR INTO SOUTH AFRICA.

ISIN:	ZAE000263935
Common Code:	Not Applicable
Other securities code:	Not Applicable
Product Long Name:	UBS SOL ex OIL A 18Oct21
Product Short Name:	UBS SOLA
Alpha Code:	UBSOLA
Pricing Date:	18 October 2018
Issue Date:	19 October 2018
Expiration Date:	18 October 2021

## **Issue of 2,000,000 Portfolio Notes linked to Sasol (long) versus S&P GSCI Brent Crude Official Close Index ER (short) Portfolio (Series 1) (the "Notes")**

These Final Terms are issued to give details of an issue of Notes under the Structured Note Programme of UBS AG (the "**Programme**") and are to be read in conjunction with the Terms and Conditions of the Notes (the "**Terms and Conditions**") set forth in the Information Memorandum dated 10 December, 2013 relating to the Programme which may be supplemented by a supplement from time to time, and as also supplemented by the JSE Placement Document dated 8 February 2016 in respect of South African Securities, as supplemented, updated or replaced from time to time. Capitalised Terms not otherwise defined herein (or, where applicable) shall have the meanings specified in the Terms and Conditions.

So far as the Issuer is aware, and save as set out in the additional Risk Factors in Annex I to these Final Terms, no person involved in the offer of the Notes has an interest material to the offer.

All references in these Final Terms to numbered sections are to sections of the Terms and Conditions, as supplemented, amended or replaced by the Additional South African Securities Conditions and all provisions in the Terms and Conditions corresponding to items in these Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the terms and conditions applicable to the Notes (the "**Conditions**").

The Issuer accepts responsibility for the information contained in these Final Terms and declares, that having taken all reasonable care to ensure that such is the case, the information contained in these Final terms is, to the best knowledge, in accordance with the facts and contains no omission likely to affect its import.

These Final Terms do not constitute an offer to sell or the solicitation of an offer to buy any Notes or an investment recommendation. Neither the delivery of these Final Terms nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or that the information contained herein is correct as of any date subsequent to this date.

The distribution of these Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Final Terms come are required by the Issuer to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on the offering and sale of the Series, see "**Subscription and Sale**" of the Information Memorandum as supplemented or amended by these Final Terms.

**Prospective purchasers of any Notes should ensure that they understand fully the nature of the Notes and the extent of their exposure to risks, and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial position. Notes involve a high degree of risk, including the risk of their expiring worthless. Potential investors should be prepared to sustain a total loss of their investment in Notes. The Notes represent general, unsecured, unsubordinated, contractual obligations of the Issuer and rank pari passu in all respects with each other. Purchasers are reminded that the Notes constitute obligations of the Issuer only and of no other person. Therefore, potential purchasers should understand that they are relying on the credit worthiness of the Issuer.**

1. Issuer: UBS AG acting through UBS AG, London Branch.
2. (i) Series Number: 1  
(ii) Tranche Number: 1
3. Language of Conditions: English only.
4. Specified Currency or Currencies: South African Rand (“ZAR”).
5. Aggregate Principal Amount:  
(i) Series: 2,000,000  
(ii) Tranche: 2,000,000
6. (i) Issue Price: ZAR 100 per Note  
(ii) Net proceeds: Not Applicable.
7. Specified Denomination(s): ZAR 100.00  
The Notes are subject to the minimum trading size specified in paragraph 14 below.
8. (i) Issue Date: 19 October 2018  
(ii) Interest Commencement Date: Not Applicable.
9. (i) Maturity Date: The third Business Day immediately following the Expiration Date or the Optional Redemption Date (as such date may be adjusted in accordance with the Additional Provisions in paragraph 47 (*Additional Provisions*) below).  
(ii) Expiration Date: Subject to the Notes not having already been redeemed early and/or cancelled in accordance with the Conditions, and to the Additional Provisions in paragraph 47 (*Additional Provisions*) below, 18 October 2021 (subject to Market Disruption Events provisions, Optional Redemption, Stop Loss Event provisions and Unwind Disruption provisions, provided that if the scheduled Expiration Date is not a Scheduled Trading Day, then the first following day that is a Scheduled Trading Day shall apply).
10. (i) Interest Basis: Not Applicable.  
(ii) Day Count Fraction: Not Applicable.
11. Redemption / Payment Basis: Subject to the Notes not having already been redeemed early and/or cancelled in accordance with the Conditions (including paragraph 9(ii) above), and to the Additional Provisions in paragraph 47 (*Additional Provisions*) below, each Note will be redeemed on the Maturity Date at its Final Redemption Amount.
12. Change of Interest or Redemption/Payment Basis: Not Applicable.
13. Put/Call Options: §4(3) (*Issuer’s Call*) is applicable, provided that §4(3) (*Issuer’s Call*) is deleted in full and replaced with the following:  
  
"Subject to the Notes not having already been redeemed early and/or cancelled in accordance with the Conditions, and to any Additional Provisions specified in paragraph 47 (*Additional Provisions*) of the applicable Final Terms, the Issuer may redeem all of the Notes then outstanding on any Optional Redemption Date at their Optional Redemption Amount upon

having given (i) not less than 45 Business Days' notice to Noteholders in accordance with Additional South African Securities Condition 8 and (ii), not less than 5 Business Days before the giving of the notice referred to in (i), notice to the Fiscal Agent (which notices shall be irrevocable and shall specify the Optional Redemption Date fixed for redemption)."

For these purposes:

**"Optional Redemption Amount"** means an amount per Note in the Specified Currency equal to the Final Redemption Amount:

Where:

**"Optional Redemption Date"** means the fifth Business Day immediately following a designated Optional Redemption Determination Date (as such date may be adjusted in accordance with the Additional Provisions in paragraph 47 (*Additional Provisions*) below).

**"Optional Redemption Determination Date"** means 30 June, 30 September, 31 December and 31 March in each calendar year, and including the Issue Date to, and including, the Expiration Date or, if any such day is not a Business Day, the immediately following Business Day.

§4(4) (*Noteholder's Put*) is not applicable.

- |     |                                    |  |
|-----|------------------------------------|--|
| 14. | Listing/Trading:                   | Application will be made to admit the Notes to listing on the Main Board of the Johannesburg Stock Exchange.   |
|     | Last Day to Trade:                 | 17h00 on the day that is 3 JSE Scheduled Trading Days before the Record Date.  |
|     | Notes may be listed and/or traded: | The Notes will only be offered with a minimum trading size of at least ZAR 1 million (calculated on the basis of the applicable number of Notes multiplied by the Specified Denomination). |
| 15. | Use of Proceeds:                   | General corporate purposes.  |

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- |     |  |                 |
|-----|--|-----------------|
| 16. | Fixed Rate Note Provisions:  | Not Applicable. |
| 17. | Floating Rate Note Provisions:   | Not Applicable. |
| 18. | Constant Maturity Swap Floating Rate Notes / Constant Maturity Swap Spread-Linked Notes: | Not Applicable. |
| 19. | Zero Coupon Note Provisions:   | Not Applicable. |
| 20. | Interest Bearing Linked Notes:   | Not Applicable. |

#### PROVISIONS RELATING TO REDEMPTION

- |        |                             |   |
|--------|-----------------------------|---|
| 21.    | Automatic Exercise:         | Not Applicable.   |
| 22.    | Call Option:                | Applicable in accordance with paragraph 13 ( <i>Put/Call Options</i> ) above. |
| 23.    | Automatic Early Redemption: | Not Applicable  |
| 24.    | Put Option:                 | Not Applicable.   |
| 25.(a) | §4(2) Tax Call:             | Applicable  |

25.(b) §4(5) Early Redemption following the occurrence of:

- (i) Change in Law: Applicable
- (ii) Hedging Disruption: Applicable
- (iii) Increased Cost of Hedging: Applicable

26. Final Redemption Amount of each Note:

The Final Redemption Amount per Note is an amount in the Specified Currency equal to:

$$\text{Specified Denomination} \times \text{Max} \left( 0 ; \frac{UL_T^L}{UL_0^L} - \left( \frac{UL_T^{SI}}{UL_0^{SI}} - 1 \right) \times \frac{FX_T}{FX_0} - \text{RMF} \times \frac{DC_{T,0}}{365} \right)$$

Where:

**UL<sub>T</sub><sup>L</sup>:** means the sale proceeds, as determined by the Calculation Agent in its reasonable discretion, that would be realized by a notional investor (in the same position as the Issuer) when selling its hedge positions in the Long Exposure Level on the Valuation Date;

**UL<sub>0</sub><sup>L</sup>:** means the Initial Long Exposure Level on the Pricing Date;

**UL<sub>T</sub><sup>SI</sup>:** means the closing level of the Short Index on the Valuation Date, as published by the Index Sponsor;

**UL<sub>0</sub><sup>SI</sup>:** means the closing level of the Short Index on the Pricing Date, as published by the Index Sponsor;

**FX<sub>T</sub>:** means the WM/Reuters (WMCO) Closing Spot Rate (fixed at 16:00 UK time) in the convention "USD:ZAR" (Bloomberg ticker: ZAR WMCO Curncy) in respect of a the Valuation Date or, if such rate is not available, such rate as determined by the Calculation Agent in good faith and a commercially reasonable manner;

**FX<sub>0</sub>:** means the WM/Reuters (WMCO) Closing Spot Rate (fixed at 16:00 UK time) in the convention "USD:ZAR" (Bloomberg ticker: ZAR WMCO Curncy) in respect of a the Pricing Date or, if such rate is not available, such rate as determined by the Calculation Agent in good faith and a commercially reasonable manner;

**RMF:** means Risk Management Fee, as defined below; and

**DC<sub>T,0</sub>:** means the number of calendar days from, and including, the Pricing Date to, but excluding, the Valuation Date.

In the event that a notional investor (in the same position as the Issuer) would be unable to unwind its hedge positions by the Expiration Date or the Optional Redemption Date, as applicable (such event an "**Unwind Disruption**"), the Issuer reserves the right to postpone the Expiration Date or the Optional Redemption Date in accordance with the Market Disruption Events provisions below.

For the purpose hereof, "**Redemption Amount**" means any Final Redemption Amount, Optional Redemption Amount, Stop Loss Event Redemption Amount, FX Disruption Event Redemption Amount or Early Redemption Amount, as relevant.

**Please note that the Redemption Amount may be less than the initially invested capital.**

Whilst the Redemption Amount is linked to the market value of the

Underlying, the Issuer is not obliged to invest the proceeds of the issuance of the Notes in the Underlying at any time and the holders of the Notes do not have any direct interest in, or beneficial ownership in the Underlying at any time.

Long Exposure Level

On the Pricing Date, the long exposure level is 100.00 (the "**Initial Long Exposure Level**"). On any Scheduled Trading Day thereafter, the long exposure level is an amount determined by the Calculation Agent in accordance with the following formula:

$$UL_t^L = UL_{t-1}^L \times \frac{P_t}{P_{t-1} - Div_t \times (1-T)}$$

Where:

- UL<sub>t</sub><sup>L</sup>:** means the Long Exposure Level on Scheduled Trading Day "t";
- UL<sub>t-1</sub><sup>L</sup>:** means the Long Exposure Level on the immediately preceding Scheduled Trading Day "t-1";
- P<sub>t</sub>:** means the closing price of Long Reference Share on the Exchange on Scheduled Trading Day "t";
- P<sub>t-1</sub>:** means the closing price of Long Reference Share on the Exchange on the immediately preceding Scheduled Trading Day "t-1";
- Div<sub>t</sub>:** means:
  - (i) If Scheduled Trading Day "t" is a dividend ex-date with respect to the Long Reference Share, the gross dividend amount going ex, as determined by the Calculation Agent in its reasonable discretion;
  - (ii) If Scheduled Trading Day "t" is not a dividend ex-date with respect to the Long Reference Share, then zero; and
- T:** means 20%.

27. Early Redemption Amount(s) of each Note payable on redemption on an Event of Default or Tax Call and / or method of calculating the same (if required or if different from that set out in §4):

The Early Redemption Amount per Note is an amount in the Specified Currency equal to the aggregate Early Redemption Unwind Proceeds divided by the number of Notes then outstanding, as calculated by the Calculation Agent.

**"Early Redemption Unwind Proceeds"** means the net proceeds received by the Issuer (if any) from terminating hedging positions entered into by the Issuer for the purposes of hedging its risks in respect of the Notes as of the date of the Issuer's notice of redemption (in the case of redemption pursuant to section 4.2 (*Tax Call*) or the date on which the Event of Default occurred (in the case of redemption pursuant to section 8 (*Events of Default*)) (as such date may be adjusted in accordance with the Additional Provisions in paragraph 47 (*Additional Provisions*)) below), as calculated by the Calculation Agent.

PROVISIONS RELATING TO INDEX LINKED NOTES

28. Index Linked Note Provisions: Not Applicable.

PROVISIONS RELATING TO EQUITY LINKED NOTES

29. Equity Linked Note Provisions: Not Applicable.

PROVISIONS RELATING TO FUND LINKED NOTES

30. Fund Linked Note Provisions: Not Applicable.

PROVISIONS RELATING TO BOND LINKED NOTES

31. Bond Linked Note Provisions: Not Applicable.

PROVISIONS RELATING TO COMMODITY LINKED NOTES

32. Commodity Linked Note Provisions: Not Applicable.

PROVISIONS RELATING TO CURRENCY LINKED NOTES

33. Currency Linked Note Provisions: Not Applicable.

PROVISIONS RELATING TO CREDIT LINKED NOTES

34. Credit Linked Note Provisions: Not Applicable.

PROVISIONS RELATING TO EXCHANGEABLE [NOTES] [BONDS]

35. Exchangeable [Note][Bond] Provisions: Not Applicable.

PROVISIONS RELATING TO [INTEREST] TRENDS- NOTES

36. [Interest] TRENDS Notes Provisions: Not Applicable.

PROVISIONS RELATING TO FX FAST NOTES

37. FX FAST Notes Provisions: Not Applicable.

PROVISIONS RELATING DUAL CURRENCY NOTES

38. Provisions for Dual Currency Notes: Not Applicable.

PROVISIONS RELATING TO FUTURE LINKED NOTES

39. Future Linked Note Provisions: Not Applicable.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

40. Form of Notes: Registered Form.
41. Relevant Financial Centre(s) or other special provisions relating to Payment Days (§5(2)): Applicable. Notwithstanding §5(2), “**Business Day**” means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and Johannesburg.
42. Details relating to Partly Paid Notes: Not Applicable.
43. Rebalancing: Not Applicable for the purposes of the Terms and Conditions of the Notes, as set out in the Information Memorandum.
44. Redenomination, renominisation and reconventioning: Not Applicable

- provisions:
45. Consolidation Provisions: Not Applicable
46. Price Discovery: UBS intends, for so long as the Notes are listed on Main Board of the Johannesburg Stock Exchange, under normal market conditions, to provide live bid and offer prices via Bloomberg and/or Reuters (or any successor information provider) during normal market hours throughout each Business Day.
47. Additional Provisions: Applicable.

### 1. Stop Loss Event

A “**Stop Loss Event**” shall be deemed to occur if at any time on any calendar day during the period from and including 18 October 2018 to and including the Expiration Date (and regardless of the duration of time during which such circumstances exist) the value of the Product is equal to or below the Stop Loss Level, as determined in the reasonable discretion of the Calculation Agent.

Subject to the Notes not having already been redeemed early and/or cancelled in accordance with the Conditions, and to the other Additional Provisions of this paragraph 47 (*Additional Provisions*), if a Stop Loss Event occurs, the Issuer shall redeem all of the Notes then outstanding on the Stop Loss Event Redemption Date at their Stop Loss Event Redemption Amount.

For these purposes:

“**Stop Loss Event Determination Date**” means the date on which a Stop Loss Event occurs.

“**Stop Loss Event Redemption Amount**” means an amount per Note in the Specified Currency equal to the aggregate Stop Loss Unwind Proceeds divided by the number of Notes then outstanding, as calculated by the Calculation Agent.

“**Stop Loss Event Redemption Date**” means the third Business Day immediately following a Stop Loss Event Determination Date.

“**Stop Loss Level**” means an amount equal to ZAR 50.00 per Note.

“**Stop Loss Unwind Proceeds**” means the net proceeds received by the Issuer (if any) from terminating hedging positions entered into by the Issuer for the purposes of hedging its risks in respect of the Notes.

### 2. Adjustments and Disruption Events

If any Valuation Date or any other date is a Disrupted Day in respect of either the Long Reference Share or the Short Index, to the extent that any determination or valuation is required on that day in respect of the Notes:

(i) In respect of the Long Reference Share, such determination or valuation shall be made by the Calculation Agent in good faith and commercially reasonable manner making such adjustments in respect of the relevant disruption as it determines appropriate due to the relevant disruption; and

(ii) In respect of the Short Index, the level of the Short Index shall not be determined by reference to the official closing level of the Short Index, if any, announced or published by the Index Administrator on that Valuation Date or such other date, but shall instead be determined by the Calculation Agent as follows:

(A) with respect to each Underlying Contract not affected by the occurrence of a Disrupted Day, the level of the Short Index will be based on the settlement price of such Underlying



Contract on the relevant Valuation Date or such other date;  
and

- (B) with respect to each Underlying Contract which is affected by the occurrence of a Disrupted Day, the level of the Short Index will be based on the settlement prices of each such Underlying Contract on the first day following the applicable Valuation Date which is not a Disrupted Day with respect to such Underlying Contract, provided that, if the immediately following three Scheduled Trading Days are all Disrupted Days then the price of such Underlying Contract to be used in calculating the level of the Reference Underlying (which for the avoidance of doubt could be zero) shall be determined by the Calculation Agent in its sole discretion and acting in good faith on the third Scheduled Trading Day following the relevant Valuation Date or such other date.
- (C) The Calculation Agent shall determine the level of the Short Index in respect of the applicable Valuation Date or such other date using the settlement prices determined in sub-paragraphs (i) and (ii) above in accordance with the formula for and method of calculating the level of the Underlying last in effect prior to the occurrence of the first Disrupted Day,

and provided further that if on any such day the Calculation Agent determines that an FX Disruption Event or Unwind Disruption Event has occurred, the Calculation Agent shall make such further amendments as it considers appropriate to take account of the relevant FX Disruption Event or the Unwind Disruption Event (as relevant).

**"Disrupted Day"** means, in respect of the Long Reference Share, any Scheduled Trading Day on which the Calculation Agent determines that trading and/or transactions in the relevant Exchange or related Exchange, as the case may be, is or are adversely affected (including without limitation where trading and/or transactions are limited by reason of illiquidity, any circumstances of market or trading disruption or the unavailability for any reason of any quote, official price or valuation in relation to the relevant Underlying); and in respect of the Short Index, any Scheduled Trading Day on which the Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

**"Market Disruption Event"** means the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of the Short Index exists at any time, if a Market Disruption Event occurs in respect of a security included in the Short Index at any time, then the relevant percentage contribution of that security to the level of the Short Index shall be based on a comparison of (x) the portion of the level of the Short Index attributable to that security and (y) the overall level of the Short Index, in each case immediately before the occurrence of such Market Disruption Event.

**"Valuation Time"** means the time at which the official closing level of the Equity Index is computed by the Index Sponsor.

**"Trading Disruption"** has the meaning given to it in the Information Memorandum.

**"Exchange Disruption"** has the meaning given to it in the Information Memorandum.

**"Early Closure"** has the meaning given to it in the Information Memorandum.

### 3. FX Disruption Event

If at any time an FX Disruption Event occurs that the Issuer determines has a material impact on its obligations in respect of the Notes, the Issuer may take any of the following actions:

- (i) on giving notice to Noteholders in accordance with Additional South African Securities Condition 8, redeem all of the Notes then outstanding, each such Note being redeemed at its FX Disruption Event Redemption Amount; or
- (ii) notwithstanding any provisions in the Conditions to the contrary, postpone any payment date under the Notes until the third Business Day following the date on which the Calculation Agent determines the FX Disruption Event is no longer subsisting, and no interest or other amount shall be paid by the Issuer in respect of such postponement; or
- (iii) make any adjustment to the Conditions that it determines to be appropriate to account for the FX Disruption Event.

In respect of any Business Day on which an FX Disruption Event has occurred, the value of any Underlying that is not denominated in ZAR shall be determined (if applicable) by the Calculation Agent in its sole and absolute discretion.

For these purposes:

**“Denomination Currency”** means, with respect to a Non-ZAR Underlying, the currency in which such Non-ZAR Underlying is denominated.

**“Designated Settlement Currency”** means the currency selected by the Issuer in its sole and absolute discretion in which the Notes will be redeemed and settled pursuant to sub-paragraph 3(i) above, if applicable.

**“FX Disruption Event”** means (i) an event that generally makes it illegal, impossible or inadvisable to convert one unit of any Denomination Currency into ZAR, or an event that generally makes it impossible to deliver ZAR to accounts outside South Africa; or (ii) that it is generally not possible to exchange ZAR for any Denomination Currency at a spot rate in any legal exchange market in the principal financial centre for the relevant Denomination Currency.

**“FX Disruption Event Redemption Amount”** means an amount per Note in the Designated Settlement Currency equal to the aggregate FX Disruption Unwind Proceeds (converted by the Calculation Agent, where necessary, into the Designated Settlement Currency) divided by the number of Notes then outstanding, as calculated by the Calculation Agent.

**“FX Disruption Unwind Proceeds”** means the net proceeds received by the Issuer (subject to a minimum of an amount equal to ZAR 0.00 per Note multiplied by the number of Notes outstanding) from terminating hedging positions entered into by the Issuer for the purposes of hedging its risks in respect of the Notes (which could be, as determined in the sole and absolute discretion of the Issuer, based on the level of each Underlying), as determined in the reasonable discretion of the Calculation Agent.

**“Non-ZAR Underlying”** means an Underlying which is not denominated in ZAR.

### 4. Unwind Disruption

If, in respect of a Redemption Determination Date, the Calculation Agent determines in its reasonable discretion that an Unwind Disruption Event has occurred and is continuing, the Redemption Determination Date may be postponed at the discretion of the Calculation Agent for a period of up to eight Business Days. For the avoidance of doubt, the amount (if any) payable by the Issuer in respect of such Redemption Determination Date shall be determined by reference to the Redemption Determination Date as it

is postponed (the "**Postponed Redemption Determination Date**").

In the event that an Unwind Disruption Event is continuing on the Postponed Redemption Determination Date, the amount payable in respect of redemption of the Notes will be determined by reference to any relevant levels of an Underlying on the Postponed Redemption Determination Date, as determined by the Calculation Agent acting in good faith, in accordance with (and subject to any minimum amount specified in) the relevant paragraph(s) of these Final Terms.

For the purposes of the above, "**Redemption Determination Date**" means any Valuation Date, Stop Loss Event Determination Date or other date on which the Calculation Agent is required to make a determination.

## 5. Conflict

If any event occurs and / or circumstances arise which mean that, in accordance with the Conditions (including the foregoing provisions of this paragraph 47 (*Additional Provisions*)), the Issuer is permitted to, or required to, take (or refrain from taking) any particular action or make any determination, or any other circumstances apply, in respect of two or more of a Stop Loss Event, a Disrupted Day, an FX Disruption Event or an Unwind Disruption Event (or any other provision in the Conditions) (to the extent applicable, a "**Relevant Event**"), the Issuer shall elect in its sole and absolute discretion to act in accordance with the provisions of the Conditions applicable in respect of any one such Relevant Event, notwithstanding anything to the contrary in the Conditions (including the foregoing provisions of this paragraph 47 (*Additional Provisions*)). In such circumstances, the provisions of the Conditions applicable in respect of any other Relevant Event shall not apply.

## 6. Index Adjustment Events

"**Index Adjustment Event**" means respect of the Underlying that is the Short Index:

(a) If the Underlying is permanently cancelled or is not calculated and announced by the Index Administrator but is (i) calculated and announced by a successor administrator (the "**Successor Administrator**") acceptable to the Calculation Agent, and/or (ii) replaced by a successor index (the "**Successor Index**") using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Short Index, then the Underlying will be deemed to be the index so calculated and announced by the Successor Administrator and/or the Successor Index, as the case may be.

(b) If in the determination of the Calculation Agent (i) on or prior to any Valuation Date, the Index Administrator makes or announces that it will make a material change in the formula for or the method of calculating the Underlying or in any other way materially modifies the Underlying (other than a modification prescribed in that formula or method to maintain the Underlying in the event of changes in constituent Underlying Contracts and weightings and other routine events) (an "**Index Modification**"); (ii) the Index Administrator permanently cancels the Underlying and no Successor Index exists (an "**Index Cancellation**"); (iii) on any Valuation Date, the Index Administrator fails to calculate and announce a relevant Underlying and the Calculation Agent determines that there is no Successor Administrator and/or Successor Index (an "**Index Disruption**" and, together with an Index Modification, an Index Cancellation and an Administrator/Benchmark Event, each an "**Index Adjustment Event**"); or (iv) an Administrator/Benchmark Event has occurred, then the Calculation Agent may at its option take the action described in (A) or (B) below:

(A) make such adjustments to the terms and conditions of the Notes as it deems appropriate to account for the Index Adjustment Event including, without limitation, calculating the relevant level or price of the

Underlying, using, in lieu of a published level or price for the Underlying, the level or price of the Underlying as at the applicable Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the Underlying last in effect prior to the occurrence of the relevant Index Adjustment Event, but using only those Underlying Contracts that comprised that Underlying immediately prior to the relevant Index Adjustment Event (other than those Underlying Contracts that have ceased to be listed on any relevant Exchange); or

- (B) on giving notice to the Noteholders in accordance with Additional South African Securities Condition 8, redeem all (but not some only) of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at an amount equal to the fair market value of such Notes, less a pro rata share of the costs of unwinding any related underlying related hedging arrangements, as determined by the Calculation Agent in its sole discretion on a day selected by the Calculation Agent, which such day must be at least 5 Commodity Business Days prior to the due date for early redemption.

Administrator/Benchmark Event means in relation to the Short Index, the occurrence of a Non-Approval Event, a Rejection Event or a Suspension/Withdrawal Event Non-Approval Event means in respect of the Underlying that is the Short Index:

- (a) any authorisation, registration, recognition, endorsement, equivalence or approval in respect of the Underlying or the administrator or sponsor of the Underlying is not obtained;
- (b) the Underlying or the administrator or sponsor of the Underlying is not included in an official register; or
- (c) the Underlying or the administrator or sponsor of the Underlying does not fulfil any legal or regulatory requirement applicable to the Issuer, the Calculation Agent or the Underlying,

in each case, as required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes. For the avoidance of doubt, a Non-Approval Event shall not occur if the Underlying or the administrator or sponsor of the Underlying is not included in an official register because its authorisation, registration, recognition, endorsement, equivalence or approval is suspended if, at the time of such suspension, the continued provision and use of the Underlying is permitted in respect of the Notes under the applicable law or regulation during the period of such suspension Rejection Event in respect of the Underlying that is the Short Index, the relevant competent authority or other relevant official body rejects or refuses any application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register which, in each case, is required in relation to the Underlying or the administrator or sponsor of the Underlying under any applicable law or regulation for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes.

**"Suspension/Withdrawal Event"** means, in respect of the Underlying that is the Short Index:

- (a) the relevant competent authority or other relevant official body suspends or withdraws any authorisation, registration, recognition, endorsement, equivalence decision or approval in relation to the Underlying or the administrator or sponsor of the Underlying which is required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes; or

- (b) the Underlying or the administrator or sponsor of the Underlying is removed from any official register where inclusion in such register is required under any applicable law in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes.

For the avoidance of doubt, a Suspension/Withdrawal Event shall not occur if such authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or where inclusion in any official register is withdrawn if, at the time of such suspension or withdrawal, the continued provision and use of the Underlying is permitted in respect of the Notes under the applicable law or regulation during the period of such suspension or withdrawal

## 7. Additional defined terms

**"Exchange"** means, in respect of the Short Index, each principal commodities or commodities, futures and options exchange on which an Underlying Contract is principally traded, as determined by the Calculation Agent.

**"Index Administrator"** means, in respect of the Short Index, Bloomberg LP.

**"Index Sponsor"** means, in respect of the Short Index, Bloomberg LP.

**"Notional Investor"** means a hypothetical person with obligations similar to those of the Issuer in respect of the Notes, who has elected to hedge those obligations.

**"Pricing Date"** means 18 October 2018, subject to Market Disruption Events.

**"Related Exchange"** means, in respect of the Long Reference Share, Johannesburg SAFEX, and in respect of the Short Index, ICE Futures Europe Commodities.

**"Risk Management Fee"** means 0.50% p.a. (calculated and deducted on a pro-rata daily basis).

**"Scheduled Trading Day"** means, (a) in respect of the Long Reference Share, any day on which (i) the Exchange and Related Exchange are scheduled to be open for trading, notwithstanding any day on which they close for business prior to their regular weekday closing time and (ii) the Calculation Agent is open for business, (b) in respect of the Short Index, any Scheduled Trading Day on which the Index Sponsor is scheduled to publish any closing value for the Short Index

**"Underlying Contract"** means, in respect of each physical commodity comprised in the Underlying, each exchange traded future or exchange traded option contracts for that physical commodity, as determined by the Calculation Agent.

**"Underlying"** means each of (i) Sasol Limited (Bloomberg ticker: SOL SJ Equity) (net total return) (the **"Long Reference Share"**) and (ii) the SPGCBRP Index (the **"Short Index"**).

**"Unwind Disruption Event"** means, in respect of any date, the Issuer or a Notional Investor would be unable to unwind investments, in the Underlying on or by such date.

**"Valuation Date"** means the Expiration Date or the Optional Redemption Date, as relevant.

48.	Additional Tax Disclosure:	Not Applicable
49.	Method of Distribution:	Non-Syndicated
50.	(i) If syndicated, names of Managers:	Not Applicable
	(ii) Firm Commitment:	Not Applicable
	(iii) No firm commitment/best efforts arrangement:	Not Applicable
51.	Commissions:	None
52.	If non-syndicated, name of Manager:	UBS South Africa (Pty) Ltd
53.	Applicable TEFRA rules:	TEFRA D
54.	Additional selling restrictions:	See Section titled “ <b>Subscription and sale</b> ” in the JSE Placement Document
55.	Certification of non-U.S. status:	Applicable (TEFRA D)

#### OPERATIONAL INFORMATION

56.	ISIN:	ZAE000263935
57.	Common Code:	Not Applicable
58.	Other Securities Code(s):	Not Applicable
59.	Swiss Security number:	Not Applicable
60.	(i) Clearing System(s):	The Notes will be cleared through the CSD (Strate Proprietary Limited).
	(ii) Clearing System for delivery of the Underlying Securities:	Not Applicable.
	(iii) Physical Delivery:	Not Applicable.
61.	Delivery:	Delivery against payment
62.	South African Transfer Agent:	UBS South Africa (Pty) Ltd
63.	South African Paying Agent:	First Rand Bank Limited, acting through its division, First National Bank
64.	Additional Paying Agent(s) (if any):	Not Applicable
65.	Calculation Agent:	UBS AG, Bahnhofstrasse 45 CH-8001 Zürich/ Aeschenvorstadt 1 CH-4051 Basle acting through UBS AG, London Branch, 5 Broadgate, London, EC2M 2QS, United Kingdom.

- |     |  |                |
|-----|--|----------------|
| 66. | Authorised Amount of South African Securities:                                     | ZAR 14 billion |
| 67. | Rating Agency:   | Not Applicable |
| 68. | Rating assigned to this Tranche (if any) and date of review of that credit rating: | Not Applicable |
| 69. | Additional Events of Default:  | Not Applicable |

#### APPLICABLE LAW AND JURISDICTION

- |     |                        |                   |
|-----|------------------------|-------------------|
| 70. | Applicable law:        | English law       |
| 71. | Place of jurisdiction: | Courts of England |

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Information Memorandum (as supplemented by the JSE Placement Document) (together, the "**Placement Document**"), which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Placement Document, as supplemented by these Final Terms, contains all information required by applicable laws of South Africa and, the JSE Listings Requirements. The Issuer accepts full responsibility for the information contained in the Placement Document, as supplemented by these Final Terms, and the annual financial statements and any amendments to the annual financial statements or any supplement from time to time, except as otherwise stated therein.

The JSE takes no responsibility for the contents of the Placement Document, these Final Terms or the annual financial statements of the Issuer (as amended or restated from time to time), it makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the Placement Document, these Final Terms, or the annual financial statements of the Issuer (as amended or restated from time to time).

Application is hereby made to list this Tranche of the South African Securities, as from the Issue Date, pursuant to the Placement Document. The JSE Placement Document was registered with the JSE on 8 February 2016.

## **DISCLOSURE IN TERMS OF THE COMMERCIAL PAPER REGULATIONS**

Disclosure Requirements in terms of paragraph 3(5) of the Commercial Paper Regulations, published in terms of the Banks Act, under Government Notice number 2172 in Government Gazette number 16167, dated 14 December 1994

### **Paragraph 3(5)(a)**

The ultimate borrower will be the Issuer.

### **Paragraph 3(5)(b)**

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the South African Securities.

### **Paragraph 3(5)(c)**

The auditor of the Issuer is Ernst & Young Ltd.

### **Paragraph 3(5)(d)**

As at the date of this issue:

- (a) the Issuer has ZAR 3,583,675,000 (excluding this issuance) in commercial paper outstanding under the JSE Placing Document; and
- (b) it is anticipated that the Issuer will issue additional commercial paper during the remainder of its current financial year up to an amount of ZAR 9,666,325,000.

### **Paragraph 3(5)(e)**

Prospective investors in the Notes are to consider these Final Terms, the Information Memorandum, the JSE Placement Document, any supplement thereto and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes.

### **Paragraph 3(5)(f)**

Unless otherwise disclosed in the JSE Placement document or in a supplement thereto, there has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

### **Paragraph 3(5)(g)**

The Notes will be listed.

### **Paragraph 3(5)(h)**

The funds to be raised through the issue of the Notes are to be used by the Issuer for its general corporate purposes.

### **Paragraph 3(5)(i)**

The Notes are unsecured.

### **Paragraph 3(5)(j)**

Ernst & Young Inc., the auditors appointed by the Issuer in South Africa for that purpose, have confirmed that nothing has come to their attention to cause them to believe that this issue of Securities does not comply in all material respects with the relevant provisions of the Commercial Paper Regulations.

The following documents or information shall also be deemed to be incorporated in, and form part of, these Final Terms: any Form 20-F filed by the Issuer with the United States Securities and Exchange Commission ("**SEC**"), as well as any Form 6-K that the Issuer submits to the SEC if the Form 6-K



specifically states that it is incorporated by reference into registration statements that UBS AG files with the SEC pursuant to the US Securities Act 1933, as amended.

Signed on behalf of the Issuer:

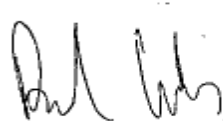
By:



Thomas Shaw  
Executive Director  
Sales & Trading Legal

Duly  
authorised

By:



Richard Lamb  
Managing Director  
Sales & Trading Legal

Duly  
authorised

## ANNEX I

### GENERAL RISK WARNING

**THE PURCHASE OF NOTES MAY INVOLVE SUBSTANTIAL RISKS AND IS SUITABLE ONLY FOR POTENTIAL INVESTORS WITH THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES.**

**BEFORE MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS SHOULD CONSIDER CAREFULLY, IN THE LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, ALL THE INFORMATION SET FORTH IN THIS ANNEX I AND IN THE INFORMATION MEMORANDUM DATED 10 DECEMBER 2013, AS SUPPLEMENTED, UPDATED OR REPLACED FROM TIME TO TIME AND AS ALSO SUPPLEMENTED BY THE JSE PLACEMENT DOCUMENT DATED 8 FEBRUARY 2016 IN RESPECT OF SOUTH AFRICAN SECURITIES, AS SUPPLEMENTED, UPDATED OR REPLACED FROM TIME TO TIME (TOGETHER, THE "INFORMATION MEMORANDUM")**

**POTENTIAL INVESTORS IN THE NOTES SHOULD RECOGNISE THAT THE NOTES MAY DECLINE IN VALUE AND SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF THEIR INVESTMENT IN THE NOTES.**

#### **Risk factors relating to the Terms and Conditions of the Notes**

##### **Early termination**

The Notes contain terms and conditions that allow the Issuer to terminate and redeem the Notes prior to the Maturity Date. In particular, but without limitation, the Notes may be subject to early redemption following exercise by the Issuer of the Issuer Call Option, a Stop Loss Event or an FX Disruption Event. In addition, the occurrence of a Change in Law, Hedging Disruption, an Increased Cost of Hedging and/or certain tax events could result in the Notes being subject to early redemption. For further information on the circumstances in which any such event or circumstances could occur, potential investors should refer to the Terms and Conditions of the Notes (in particular §4 thereof) and these Final Terms (in particular paragraphs 13 (*Put/Call Options*), and 47 (*Additional Provisions*) thereof).

Potential investors should note that the amount payable in the event of early redemption may vary depending on the circumstances in which the Notes are redeemed and such amount may be, in any event, considerably below the level at which the Underlying would otherwise have been on the scheduled redemption date of the Notes.

##### **Stop Loss Event**

As mentioned above, a "Stop Loss Event" applies to the Notes so that if on any day prior to the Expiration Date, the value of the Product is equal to or below the Stop Loss Level (as determined by the Calculation Agent), the Notes will be redeemed early. The Stop Loss Event trigger is intended to limit losses that investors may otherwise incur where the value of the Product declines to or below the Stop Loss Level. However, investors should note that the amount payable on redemption following a Stop Loss Event trigger is principally dependent on the amount received by the Issuer in unwinding its hedge positions relating to the Notes, which such amount will largely depend on the circumstances prevailing at the time and which such amount may be equal to zero. In circumstances where the amount received by the Issuer from unwinding its hedge positions is less than an amount equal to 50 per cent. of the aggregate principal amount outstanding of the Notes, investors would be entitled to receive a minimum redemption amount equal to 0 per cent. of the Specified Denomination per Note.

##### **Postponement of the Redemption Determination Date**

The Notes contain terms and conditions pursuant to which the Redemption Determination Date may be postponed. In particular, but without limitation, the Redemption Determination Date may be postponed in the event that it is a Disrupted Day or in the event that an Unwind Disruption or an FX Disruption Event exists on such date. For further information on the circumstances in which any such event or circumstances could occur, potential investors should refer to these Final Terms (in particular paragraph 47 (*Additional Provisions*) thereof).

Potential investors should note that no compensation, interest or other amount is due in the event of any such postponement or extension.

## **Disrupted Days and FX Disruption Events**

Investors are exposed to the occurrence of a Disrupted Day, which the Calculation Agent may determine has occurred if, in respect of any Constituent or Eligible Constituent, trading and/or transactions in the relevant Constituent or Eligible Constituent is or are adversely affected (including, without limitation, where trading and/or transactions are limited by reason of illiquidity, any circumstances of market or trading disruption or the unavailability for any reason of any quote, official price or valuation in relation to the relevant Constituent or Eligible Constituent). Investors are also exposed to the occurrence of an FX Disruption Event which may occur in the event that (i) it is generally illegal, impossible or inadvisable to convert one unit of any currency in which a Constituent is denominated (a “**Denomination Currency**”) into ZAR, or it is impossible to deliver ZAR to accounts outside South Africa. An FX Disruption Event may also occur if it is generally not possible to exchange ZAR for any Denomination Currency at a spot rate in a relevant exchange market.

The occurrence of a Disrupted Day or an FX Disruption Event may have an adverse impact on the amount payable to Noteholders, on redemption through delay in payment and/or a decline in value of the Product thereof. In addition, potential investors should note that, if an FX Disruption Event occurs and the Issuer elects to redeem the Notes early, the amount payable to Noteholders (if any) will be determined by reference to the proceeds received by the Issuer from terminating hedging positions entered into by the Issuer for the purposes of hedging its risks in respect of the Notes (subject to a minimum redemption amount equal to 0 per cent. of the Specified Denomination per Note). In these circumstances the Issuer may elect to pay any redemption proceeds in South African Rand or any other currency and Noteholders will bear any consequential exchange risk in relation to any such other currency.

For further information, potential investors should refer to paragraph 47 (*Additional Provisions*) of these Final Terms.

### **No secondary market**

None of the Issuer, the Calculation Agent, the Manager or any other person makes any commitment to provide liquidity by means of bid and/or offer prices for the Notes, and assumes no obligation to quote any such prices or with respect to the level or determination of such prices.

Potential investors therefore should not rely on the ability to sell Notes at a specific time or at a specific price. Potential investors should note that prices quoted typically include a spread and therefore may deviate from the market value of the Notes. By selling the Notes in the secondary market investors may receive less than the capital invested.

In case of a secondary market transaction, there is a possibility that costs, including taxes, related to or in connection with the Notes may arise for investors that are not paid by the Issuer or imposed by the Issuer.

## **Other risks relating to the Notes**

### **Conflicts of interest in relation to the Issuer and its affiliates**

The Issuer and its affiliates may participate in transactions related to the Notes in some way, for their own account or for the account of a client. Such transactions may not serve to benefit the Noteholders and may have a positive or negative effect on the value of the Product or, as the case may be, any Underlying, and consequently on the value of the Notes. Furthermore, any such person may become a counterparty to hedging transactions relating to obligations of the Issuer stemming from the Notes. As a result, conflicts of interest can arise between such persons, as well as between such persons and investors, in relation to obligations regarding the calculations and determinations in relation to the Notes and other associated determinations.

Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the Underlyings (or any constituents thereof) and the introduction of such products may affect the value of the Notes. The Issuer and its affiliated companies may receive non-public information relating to the Underlyings (or any constituents thereof) and neither the Issuer nor any of its affiliates undertakes to make this information available to Noteholders. In addition, the Issuer and/or its affiliated companies may publish research reports on the Underlyings (or any constituents thereof). Such activities could present conflicts of interest and may negatively affect the value of the Notes. Within the context of the offering and sale of the Notes, the Issuer or any of its affiliates may directly or indirectly pay fees in varying amounts to third parties, such as distributors or investment advisors, or receive payment of fees in varying amounts, including those levied in association with the distribution of the Notes, from third parties. Potential investors should be aware that the Issuer may retain fees in part or in full. The Issuer or, as the case may be, the Manager, upon request, will provide information on the amount of these fees.

## Withholding tax

Potential investors should note that any payment under the Notes may be subject to withholding tax (such as, *inter alia*, Swiss Withholding Tax, and/or withholding related to FATCA or 871(m) of the US Tax Code). **Any payments due under the Notes are net of such tax.** Please refer to the Terms and Conditions of the Notes and the Information Memorandum for detailed information. If the Issuer is required to withhold any amount pursuant to Section 871(m) or FATCA of the U.S. Tax Code, the Issuer will not be required to pay additional amounts with respect to the amount so withheld.

Specifically, a 30% withholding tax is imposed on certain "dividend equivalents" paid or deemed paid to a non-U.S. holder with respect to a "specified equity-linked instrument" that references one or more dividend-paying U.S. equity securities. The withholding tax can apply even if the instrument does not provide for payments that reference dividends. Treasury regulations provide that the withholding tax applies to all dividend equivalents paid or deemed paid on specified equity-linked instruments that have a delta of one ("delta one specified equity-linked instruments") issued after 2016 and to all dividend equivalents paid or deemed paid on all other specified equity-linked instruments issued after 2018.

The Issuer will treat the Products as specified equity-linked instruments that are subject to withholding on dividend equivalents. The Issuer will withhold 30% in respect of dividend equivalents paid or deemed paid on the Products and will not pay any additional amounts with respect to any such taxes withheld. In respect of any Constituents which are U.S. equity securities, for purposes of determining the amount of a dividend treated as notionally reinvested, such dividend shall be reduced by the 30% withholding tax as referenced under the Dividend Treatment section of this Certificate. The Issuer hereby notifies each holder that for purposes of Section 871(m), the Issuer will withhold in respect of dividend equivalents paid or deemed paid on the Products on the dividend payment date as described in Treasury regulations section 1.1441-2(e)(4) and Revenue Procedure 2017-15 §3.03(B), as applicable. Investors in the Products should consult their own tax advisors regarding the application of the withholding tax to their Products and the availability of any reduction in tax pursuant to an income tax treaty. No assurance can be given that investors in the Products will be able to successfully claim a reduction in tax pursuant to an income tax treaty.

## Index Disclaimer

### **S&P GSCI Brent Crude Official Close Index ER**

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