



**UBS AG**

(as Issuer)

*(a public company with limited liability established under the laws of Switzerland)*

which may also be acting through its London Branch:

**UBS AG, LONDON BRANCH**

*(the London branch of UBS AG)*

**JSE PLACEMENT DOCUMENT FOR THE ISSUANCE  
OF SOUTH AFRICAN SECURITIES**

**AUTHORISED AMOUNT OF SOUTH AFRICAN SECURITIES ZAR3 BILLION**

**DEBT SPONSOR:**



**ATTORNEYS TO THE ISSUER:**

**WEBBER WENTZEL**

in alliance with > Linklaters



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OF SOUTH AFRICAN SECURITIES**

UBS AG (the "**Issuer**"), which may also be acting through its London Branch ("**UBS AG, London Branch**") may from time to time issue notes ("**Notes**") under the Structured Note Programme (the "**Programme**") described in the information memorandum of the Issuer dated 10 December 2013 (as supplemented, updated or replaced, the "**Information Memorandum**") upon the terms and conditions of the Notes (which may also be referred to in the Information Memorandum as Bonds or Certificates) described therein, as completed or supplemented in the case of each of the Notes, by final terms and any relevant Supplemental Terms and Conditions specified therein (the "**Final Terms**") to the Information Memorandum. The Information Memorandum is set out in Schedule 1. Notes of any Tranche (a "**Tranche**") will, in the circumstances described in the relevant Final Terms, give the holder (a "**Holder**") thereof certain rights against the Issuer as described therein and in the relevant Final Terms, which rights may include the right to have the principal amount of such Notes repaid by such Issuer at maturity, the right to receive interest based on the principal amount of such Notes or otherwise or the right to receive a cash amount from the Issuer calculated in accordance with the relevant Final Terms, all as more fully described in the relevant Final Terms. The Information Memorandum should be read and construed together with any supplements thereto and with any other document incorporated by reference therein and, in relation to any Notes which are the subject of Final Terms, should be read and construed together with the relevant Final Terms. The Information Memorandum may only be used for the purposes for which it has been published.

The Issuer has prepared and issued this JSE Placement Document (as supplemented, updated or replaced, this "**JSE Placement Document**"), which supplements the Information Memorandum, for purposes of listing Notes, subject to the Additional South African Securities Conditions (as defined in, and set out in, Schedule 2 to this JSE Placement Document) in the form of registered Notes ("**Registered Notes**") as described herein (the "**South African Securities**") on the Main Board of the JSE Limited (the "**JSE**"). Bearer Notes may not be issued under this JSE Placement Document. South African Securities will be denominated in South African Rand only. South

African Securities will be cleared through Strate Limited (the "**CSD**"), a licensed central securities depository in terms of the South African Financial Markets Act, 2012. The Information Memorandum (as supplemented by this JSE Placement Document) will apply to all South African Securities issued by the Issuer under the Programme which are to be listed on the Main Board of the JSE on or after 13 January 2014 (the "**Programme Date**") and cleared through the CSD. This JSE Placement Document was approved by the JSE on the Programme Date.

The Issuer may, subject to the Exchange Control Regulations, 1961, promulgated under the Currency and Exchanges Act, 1933 (the "**Exchange Control Regulations**"), issue listed South African Securities with the terms described in the Information Memorandum as supplemented and/or amended by this JSE Placement Document and the relevant Final Terms. The Issuer will act through UBS AG, London Branch unless otherwise approved by the Financial Surveillance Department of the South African Reserve Bank (the "**SARB**"). The Supplemental Terms and Conditions, if any, specified in the Final Terms, may only be the Supplemental Terms and Conditions in respect of Equity-Linked Notes, unless otherwise approved by the SARB. Unlisted South African Securities may not be issued under the Programme unless otherwise approved by the SARB. South African Securities to be issued pursuant to this JSE Placement Document will be listed on the Main Board of the JSE. The relevant Final Terms relating to each Tranche of South African Securities listed on the Main Board of the JSE will be delivered to the JSE and the CSD before the Issue Date, in accordance with the JSE Debt Listings Requirements promulgated by the JSE from time to time and relevant provisions of section 19.1 to 19.21 of the JSE Listings Requirements promulgated by the JSE from time to time (collectively referred to as the "**JSE Listings Requirements**"), and the South African Securities of that Tranche may then be traded by or through members of the JSE from the date on which that Tranche of South African Securities is listed on the Main Board of the JSE. The Final Terms will specify any rating of the Issuer or the South African Securities, if any.

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**Arranger**

for the JSE Placement Document and the listing of South African Securities on the JSE

**Rand Merchant Bank, a division of FirstRand Bank Limited**

**Debt Sponsor**

**Rand Merchant Bank, a division of FirstRand Bank Limited**

**Dealer**

**UBS South Africa (Pty) Ltd**

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Date: 13 January 2014

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**IMPORTANT INFORMATION**

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*Capitalised terms used in this section shall bear the same meanings as used in the Information Memorandum, except to the extent that they are separately defined in this JSE Placement Document or this is clearly inappropriate from the context.*

**INVESTING IN SECURITIES INVOLVES CERTAIN RISKS, AND YOU SHOULD FULLY UNDERSTAND THESE BEFORE YOU INVEST. SEE THE SECTION OF THE BASE PROSPECTUS HEADED "RISK FACTORS".**

**Responsibility Statement:** 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 this JSE Placement Document) (together, this "**Placement Document**") which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Placement Document contains all information required by applicable laws of South Africa and, in relation to any Tranche of South African Securities listed on the JSE, the JSE Listings Requirements. The Issuer accepts full responsibility for the information contained in this Placement Document, the 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 this Placement Document, any 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 this Placement Document, any Final Terms, or the annual financial statements of the Issuer (as amended or restated from time to time).

This Placement Document is to be read and construed with any amendment or supplement hereto and in conjunction with any other documents which are deemed to be incorporated herein by reference (see the section headed "*Documents Incorporated by Reference*") and, in relation to any Tranche of South African Securities, should be read and construed together with the Final Terms. This Placement Document shall be read and construed on the basis that such documents are incorporated into and form part of this Placement Document.

The Arranger and the Dealers and any of their respective subsidiaries or holding companies or a subsidiary of their holding company (their "**Affiliates**"), the Debt Sponsor, other professional advisers and the JSE have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger and the Dealer or their Affiliates, the Debt Sponsor, other professional advisers or the JSE as to the accuracy or completeness of the information contained in this Placement Document or any other information that is provided by the Issuer. The Arranger, the Dealers or their Affiliates, the Debt Sponsor, other professional advisers and the JSE do not accept any liability in relation to the information contained in this Placement Document and any other information provided by the Issuer in connection with the Programme.

Notwithstanding the above paragraph or anything else in this Placement Document, the Issuer will not accept responsibility for the information given in this Placement Document or any relevant Final Terms in relation to offers of South African Securities made by an offeror not authorised by the Issuer to make such offers. Generally, each person named as Dealer or Manager and any party named as a distributor or other placer in the relevant Final Terms will be so authorised, but any other party generally will not. Investors should therefore

enquire whether the relevant offeror is so authorised by the Issuer and, if it is not, an investor should be aware that the Issuer will not be responsible for this Placement Document or relevant Final Terms for the purposes of the relevant securities laws in the context of the offer of the South African Securities to the public. Further, whether or not the relevant offeror has been so authorised, no person is authorised to give any information or to make any representation not contained in, or not consistent with, this Placement Document and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer. If an investor is in any doubt about whether it can rely on this Placement Document and relevant Final Terms and/or who is responsible for the contents thereof it should seek its own legal advice.

**Post-issuance Reporting:** Except as required by the JSE Listings Requirements, the Issuer does not intend to provide any post-issuance information and has not authorised the making or provision of any representation or information regarding the Issuer or the South African Securities other than as contained or incorporated by reference in this Placement Document, in any other document prepared in connection with the Programme or any Final Terms or as expressly approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer. Neither the delivery of this Placement Document nor the delivery of any Final Terms shall, in any circumstances, create any implication that there has been no adverse change in the financial condition of the Issuer since the date hereof or, as the case may be, the date upon which this Placement Document has been most recently supplemented.

**Restrictions and distribution and use of this Placement Document and Final Terms:** The distribution of this Placement Document and any Final Terms and the offering, sale and delivery of the South African Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Placement Document or any Final Terms comes are required by the Issuer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of South African Securities and the distribution of this Placement Document, any Final Terms and other offering material relating to the South African Securities see the section of this JSE Supplement headed "*Subscription and Sale*".

Neither this Placement Document nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action has been taken or will be taken to permit an offering of the South African Securities or the distribution of this Placement Document in any jurisdiction where any such action is required.

**Important U.S. Notice:** The South African Securities have not been and will not be registered under the United States Securities Act, 1933 (as amended) (the "**Securities Act**"). South African Securities may not be offered, sold or delivered within the United States or to U.S. persons except in accordance with Regulation S under the Securities Act.

**Certain defined terms:** In this Placement Document, references to "*Rand*", "*ZAR*", "*South African Rand*", "*R*" and "*cent*" are to the currency of the Republic of South Africa.

**Stabilisation:** Any stabilisation or over-allotment must be conducted in accordance with all applicable laws of South Africa and rules and approved by the JSE. These include the South Africa Financial Markets Act and the JSE Listings Requirements, each as amended from time to time.

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**DOCUMENTS INCORPORATED BY REFERENCE**

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*Capitalised terms used in this section headed "Documents Incorporated by Reference" shall bear the same meanings as used in the Information Memorandum, except to the extent that they are separately defined in this JSE Placement Document or this is clearly inappropriate from the context.*

In addition to the documents incorporated by reference into the Information Memorandum (see the section of the Information Memorandum headed "*Incorporation by Reference*" on page 271 of the Information Memorandum), the following documents are deemed to be incorporated by reference into, and to form part of, this JSE Placement Document:

- (a) in respect of each Tranche of South African Securities, the published annual report, including audited financial statements of the Issuer for its 3 (three) financial years ended on the last day of December of each year prior to the issue date of such Tranche of South African Securities, and, the published annual report for each financial year of the Issuer ended on the last day of December of each year after the date of such Tranche of Notes;
- (b) in respect of each Tranche of South African Securities, all of the published quarterly reports, including unaudited interim financial results of the Issuer, published by the Issuer after the publication of the most recent annual report prior or after to the issue date of such Tranche of South African Securities for each financial year of the Issuer;
- (c) all information pertaining to the Issuer which is relevant to the Programme which is electronically disseminated by the Issuer on the JSE stock exchange news service from time to time;

except that any statement contained in this JSE Placement Document and any of the documents incorporated by reference into this JSE Placement Document shall be deemed to be modified or superseded for the purpose of this JSE Placement Document to the extent that a statement contained in a document subsequently incorporated by reference into this JSE Placement Document modifies or supersedes that statement.

The Issuer and the South African Transfer Agent will make available for inspection at its Specified Office and provide without charge to any person, upon written request of such person:

- (a) the Information Memorandum, this JSE Placement Document and a copy of any or all of the documents referred to above which have been incorporated by reference into this JSE Placement Document;
- (b) the constitutional documents of the Issuer, as amended from time to time;
- (c) each supplement to this JSE Placement Document circulated by the Issuer from time to time;
- (d) the relevant Final Terms relating to each issue of South African Securities which is listed on the Main Board of the JSE;
- (e) the South African Agency Agreement (as defined in the Additional South African Securities Conditions); and

- (f) the most recently obtained monthly beneficial disclosure report made available by the relevant Participants to the Central Securities Depository.

In addition, this JSE Placement Document, the Information Memorandum, any supplements thereto and any Final Terms will be filed with the JSE which will publish such documents on its website at <http://www.jse.co.za>. The JSE Placement Document, the Information Memorandum, any supplements thereto, and any Final Terms are available on the Issuer's website <http://keyinvest-za.ubs.com/>, and the annual and quarterly reports of the Issuer are available on the Issuer's Investor Relations website: [www.ubs.com/investors](http://www.ubs.com/investors).

The Issuer will, for so long as any South African Securities remain outstanding and listed on the Main Board of the JSE, publish a new JSE Placement Document or a supplement to this JSE Placement Document, as the case may be, in accordance with the JSE Listings Requirements, where any of the information contained in this JSE Placement Document (as read with the Information Memorandum) becomes outdated in a material respect; provided that no new JSE Placement Document or supplement to this JSE Placement Document, as the case may be, is required in respect of the Issuer's annual report, including audited financial statements if such annual financial statements are incorporated by reference into this JSE Placement Document and such annual financial statements are submitted to the JSE within six months after the financial year end of the Issuer.



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## FORM OF SOUTH AFRICAN SECURITIES

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*Capitalised terms used in this section headed "Form of South African Securities" shall bear the same meanings as used in the Information Memorandum, except to the extent that they are separately defined in this JSE Placement Document or this is clearly inappropriate from the context.*

### **Registered South African Securities**

Each Tranche of South African Securities issued under the Programme pursuant to the Information Memorandum, read together with this JSE Placement Document, will be issued in the form of Registered Notes and may be issued in certificated or uncertificated form, as specified in the relevant Final Terms.

Each Tranche of South African Securities may be listed on the Main Board of the JSE. Unlisted South African Securities may not be issued save with the prior approval of the SARB.

South African Securities may only be transferred in accordance with the provisions of Condition 3, subparagraphs (h) (*Transfer of Beneficial Interests*) and (i) (*Transfer of South African Securities represented by Individual Note Certificates*) of the Additional South African Securities Conditions.

### **Uncertificated South African Securities**

A Tranche of South African Securities which is listed on the Main Board of the JSE will, subject to applicable laws and Applicable Procedures, be issued in uncertificated form in terms of section 33 of the South African Financial Markets Act.

Uncertificated South African Securities will not be represented by any certificate or written instrument.

A Tranche of South African Securities issued in uncertificated form will be held by the CSD (see section headed "*South African Securities held by the CSD*" below), and the CSD's Nominee will be named in the South African Register as the registered holder of those South African Securities. The CSD is required to disclose to the Issuer the identities of the holders of Beneficial Interests on a regular basis, in accordance with the Applicable Procedures.

### **Certificated South African Securities**

A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for Individual Note Certificates in accordance with Condition 5 of the Additional South African Securities Conditions pertaining to Registered Notes. South African Securities issued in certificated form will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

Each Individual Note Certificate will be registered in the South African Register in the name of the individual holder(s) of that Individual Note Certificate.

### **South African Securities held in the CSD**

The CSD's Nominee will be reflected in the South African Register as the registered Noteholder of each Tranche of South African Securities (other than those South African Securities in that Tranche which are represented by Individual Note Certificates) which is listed on the Main Board of the JSE and held in the CSD. While a Tranche of

South African Securities is held in the CSD, the CSD's Nominee will be named in the South African Register as the holder of the South African Securities in that Tranche and, accordingly, all amounts to be paid and all rights to be exercised in respect of the South African Securities in that Tranche will be paid to and may be exercised by the CSD's Nominee for the holders of Beneficial Interests in the South African Securities held by it in that Tranche.

### **Beneficial Interests**

Beneficial Interests which are held by CSD Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such CSD Participants, through the central securities accounts maintained by the CSD for such CSD Participants. Beneficial Interests which are held by clients of CSD Participants will be held indirectly through such CSD Participants, and such CSD Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such CSD Participants for such clients. The clients of CSD Participants may include the holders of Beneficial Interests or their custodians.

The clients of CSD Participants, as the holders of Beneficial Interests or as custodians for such Holders, may exercise their rights in respect of the South African Securities held by them in the CSD only through their CSD Participants. Euroclear Bank S.A./N.V. as operator of the Euroclear System and Clearstream Banking, *societe anonyme* may hold South African Securities through their CSD Participant.

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## USE OF PROCEEDS

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*Capitalised terms used in this section headed "Use of Proceeds" shall bear the same meanings as used in the Information Memorandum, except to the extent that they are separately defined in this JSE Placement Document or this is clearly inappropriate from the context.*

For the purposes of the commercial paper regulations of 14 December 1994 issued pursuant to paragraph (cc) of the definition of "the business of a bank" in the South African Banks Act, set out in Government Notice 2172 and published in Government Gazette 16167 of 14 December 1994 (the "**Commercial Paper Regulations**"), it is recorded that the "*Ultimate Borrower*", as defined in the Commercial Paper Regulations, of the net proceeds from the issue of each Tranche of South African Securities will be the Issuer.

The net proceeds of each issue of South African Securities will be used in the general business of the Issuer or as may otherwise be described in the Final Terms, and in compliance with the approval granted by the SARB.

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**SUBSCRIPTION AND SALE**

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*Capitalised terms used in this section headed "Subscription and Sale" shall bear the same meanings as used in the Information Memorandum, except to the extent that they are separately defined in this JSE Placement Document or this is clearly inappropriate from the context.*

**South African Selling Restrictions**

Prior to the issue of any South African Securities under the Programme, pursuant to the Information Memorandum (as read with this JSE Placement Document), the Issuer and each Manager who has (or will have) agreed to place that issue of South African Securities will be required to represent and agree that it will not solicit any offers for subscription for (or sale of) the South African Securities or offer for sale or subscription or sell any South African Securities, directly or indirectly, in South Africa or to any person or corporate or other entity resident in South Africa except in accordance with the South African Companies Act, the South African Banks Act, the Exchange Control Regulations and/or any other applicable laws and regulations of South Africa in force from time to time. In particular, without limitation, the Information Memorandum (as read with this JSE Placement Document), does not, nor is it intended to, constitute a registered prospectus (as that term is defined in the South African Companies Act) and each Manager who has (or will have) agreed to place a Tranche of South African Securities will be required to represent and agree that it will not make "*an offer to the public*" (as that term is defined in the South African Companies Act) of any Notes in that Tranche of South African Securities (whether for subscription or sale). South African Securities will not be offered for subscription on the relevant Issue Date to any single addressee acting as principal for an amount of less than ZAR1,000,000.

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## SETTLEMENT, CLEARING AND TRANSFER

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*Capitalised terms used in this section headed "Settlement, Clearing and Transfer" shall bear the same meanings as used in the Information Memorandum, except to the extent that they are separately defined in this JSE Placement Document or this is clearly inappropriate from the context.*

### **Form of South African Securities**

Each Tranche of South African Securities will be issued in registered form and will be listed on the Main Board of the JSE, will be issued in uncertificated form and held in the CSD subject to the immediately following paragraph. The CSD holds South African Securities subject to the South African Financial Markets Act and the Applicable Procedures.

A holder of Beneficial Interest may exchange such Beneficial Interest for South African Securities represented by an Individual Note Certificate.

### **Clearing Systems**

Each Tranche of South African Securities will be listed on the Main Board of the JSE, will be cleared through the CSD which, as the operator of an electronic clearing system, has been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the JSE. Each such Tranche of South African Securities will be issued, cleared and transferred in accordance with the Applicable Procedures and the Additional South African Securities Conditions. Each such Tranche of South African Securities will be cleared and settled through CSD Participants who will comply with the electronic settlement procedures prescribed by the JSE and the CSD. The South African Securities may be accepted for clearance through any additional clearing system.

### **CSD Participants**

The CSD maintains accounts only for CSD Participants. As at the Programme Date, the CSD Participants which are approved by the CSD, in terms of the rules of the CSD, to perform electronic settlement of funds and scrip are Absa Bank Limited, Citibank N.A., FirstRand Bank Limited, Nedbank Limited, The South African Reserve Bank and The Standard Bank of South Africa Limited. Euroclear Bank S.A.IN.V. as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, societe anonyme ("**Clearstream, Luxembourg**") will settle offshore transfers through their respective CSD Participants.

Beneficial Interests which are held by CSD Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such CSD Participants, through the central securities accounts maintained by the CSD for such CSD Participants. Beneficial Interests which are held by clients of CSD Participants will be held indirectly through such CSD Participants, and such CSD Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such CSD Participants for their clients. The clients of CSD Participants may include the holders of Beneficial Interests or their custodians.

The clients of CSD Participants, as the holders of Beneficial Interests or as custodians for such Noteholders, may exercise their rights in respect of the South African Securities held by them in the CSD only through their CSD Participants. Euroclear and Clearstream, Luxembourg may hold Notes through their respective CSD Participants.

### **Settlement and clearing**

CSD Participants will be responsible for the settlement of scrip and payment transfers through the CSD, the JSE and the South African Reserve Bank.

Title to Beneficial Interests held by clients of CSD Participants will pass on transfer thereof by electronic book entry in the securities accounts of the clients with the CSD Participants. Title to Beneficial Interests held by CSD Participants will pass on transfer thereof by electronic book entry in the CSD Participants' central securities accounts with the CSD. Beneficial Interests may be transferred only in accordance with the Applicable Procedures.

Beneficial Interests may be exchanged for South African Securities represented by Individual Note Certificates in accordance with Condition 5 (*Exchange of Beneficial Interest for an Individual Note Certificate*) of the Additional South African Securities Conditions.

While an issue of South African Securities is held in its entirety in the CSD, the CSD's Nominee will be named in the South African Register as the sole Noteholder of the South African Securities in that issue and, accordingly, all amounts to be paid and all rights to be exercised in respect of the South African Securities in that issue will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in the South African Securities in that issue.

None of the Issuer or the South African Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests or for maintaining, supervising or reviewing any records relating to Beneficial Interests. Noteholders of Beneficial Interests vote in accordance with the relevant Applicable Procedures.

### **JSE Guarantee Fund**

Holders of South African Securities listed on the Main Board of the JSE will have recourse against the JSE Guarantee Fund only if such South African Securities are traded by or through members of the JSE (in accordance with the Applicable Procedures) through the CSD electronic settlement system.

Claims against the JSE Guarantee Fund (as defined in the JSE listings requirements) may only be made in respect of South African Securities listed on the Main Board of the JSE and only in accordance with the rules of the JSE Guarantee Fund.

Unlisted South African Securities may not be issued under the Programme save with the prior approval of the SARB. Holders of South African Securities that are not listed on the Main Board of the JSE (if any) will have no recourse against the JSE Guarantee Fund. Unlisted South African Securities are not regulated by the JSE.

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## **TAXATION**

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*Capitalised terms used in this section headed "Taxation" shall bear the same meanings as used in the Information Memorandum, except to the extent that they are separately defined in this JSE Placement Document or this is clearly inappropriate from the context.*

*The Issuer makes no representation and gives no warranty, or undertaking, express or implied, and accepts no responsibility for the accuracy or completeness of the information contained in this section.*

### **South Africa Taxation**

*The information below is intended to be a general guide to the relevant laws of South Africa and is not intended as comprehensive advice and does not purport to describe all of the considerations that may be relevant to a prospective purchaser of, or subscriber for, South African Securities. Prospective purchasers of, or subscribers for, South African Securities should consult their own professional advisers with regard to the purchase of or subscription for, South African Securities and the tax implications thereof. The information contained below sets out guidelines on the current position regarding South African taxation for taxpayers who hold South African Securities as capital assets. Prospective purchasers of, or subscribers for, South African Securities should consult their own advisers.*

#### *Non-Residents: Withholding Tax*

Under current taxation law in South Africa, all payments made under the South African Securities to resident and non-resident Noteholders will be made free of withholding or deduction for or on account of any taxes, duties, assessments or governmental charges in South Africa. South Africa imposes income tax on non-residents in respect of South African sourced income, unless an exemption is available. In terms of section 9(2)(b) of the Income Tax Act, 1962 the interest on the South African Notes will be deemed from a South African source if that interest is (i) incurred by a resident unless the interest is attributable to a permanent establishment which is situated outside the Republic, or (ii) received or accrued in respect of any funds used or applied in the Republic. Non-residents will be exempt from income tax on the interest unless they (i) are natural persons who are physically present in South Africa for a period exceeding 183 days in the aggregate during the relevant year of assessment, or (ii) carried on business through a permanent establishment in South Africa at any time during the relevant year of assessment. Apart from the abovementioned exemptions, non-residents are exempt from South African income tax on interest earned from a South African source. A withholding tax will however apply on interest payments to non-residents (subject to certain exemptions) and will be levied as a rate of 15% with effect from 1 July 2013. The rate of this withholding tax may be reduced to the extent that any relevant double taxation treaty applies. There are exemptions which include interest paid in respect of any debt instrument listed on a recognised exchange. Should the South African Notes be listed on the JSE (which constitutes a recognised exchange), the exemption should be available, subject to any amendments to the

legislation, and interest paid by the Issuer will not be subject to withholding tax.

#### *Dividends Tax*

Dividends are subject to a South African withholding tax (which is currently levied at a rate of 15%). Currently the Income Tax Act contains various exemptions from the withholding tax, notably that a company which is a resident for South African tax purposes is not subject to that tax.

A Bondholder which is not a resident for South African tax purposes could qualify for relief from the withholding tax in terms of double tax agreement concluded between the country of that Bondholder's tax residence and South Africa.

#### *Non-residents: Income Tax*

The sale of the South African Notes by a non-resident will only be subject to capital gains tax in South Africa if the South African Notes are attributable to a permanent establishment of that person in South Africa. This treatment is subject to the provisions of any applicable tax treaty.

#### *Residents: Income Tax:*

Interest received by or accruing to South African tax residents holding the South African Notes will be subject to income tax in such holders' hands (subject to certain qualifying persons being exempt from income tax and further subject to certain nominal exemptions for natural persons). The interest accrual must be determined in accordance with the relevant provisions of the Income Tax Act. The Income Tax Act requires that any accrued interest (whether received or not) as well as any premium or discount on the issue and/or redemption of the South African Notes as interest. The tax accrual of such interest must be spread over the term of the South African Notes using the yield to maturity or an acceptable alternative methodology as set out in the Income Tax Act.

#### *Securities Transfer Tax*

The issue, transfer and redemption of the South African Securities will not attract securities transfer tax under the Securities Transfer Tax Act, 2007. Any future transfer duties and/or taxes that may be introduced in respect of (or applicable to) the transfer of South African Securities will be for the account of Noteholders.

#### *Value-Added Tax*

No value-added tax ("**VAT**") is payable on the issue, transfer and redemption of South African Securities.



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## **SOUTH AFRICAN EXCHANGE CONTROL**

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*Capitalised terms used in this section headed "South African Exchange Control" shall bear the same meanings as used in the Information Memorandum, except to the extent that they are separately defined in this JSE Placement Document or this is clearly inappropriate from the context.*

*The Issuer makes no representation and gives no warranty or undertaking, express or implied, and accepts no responsibility for the accuracy or completeness of the information contained in this section.*

*The information below is not intended as advice and it does not purport to describe all of the considerations that may be relevant to a prospective purchaser of or subscriber for, South African Securities. Prospective purchasers of, or subscribers for, South African Securities who are non-South African residents or who are emigrants from the Common Monetary Area (as defined below) should obtain further professional advice in regard to the purchase of or subscription for, South African Securities.*

### **Blocked Rand**

"Blocked Rand" means those funds which, in terms of the Exchange Control Regulations, may not be remitted out of South Africa or paid into a non-South African resident's bank account.

### **Emigrants from the Common Monetary Area**

In the event that a Beneficial Interest in South African Securities is held by an emigrant from the Common Monetary Area through the CSD and the emigrant's CSD Participant, the securities account of such emigrant will be designated as an "emigrant" account. Any Individual Note Certificates issued to Noteholders will be restrictively endorsed "non-resident". Such restrictively endorsed Individual Note Certificates shall be deposited with an authorised foreign exchange dealer controlling such emigrant's blocked assets. Emigrants will be entitled to use Blocked Rand for the purchase of, or subscription for, South African Securities.

Any payments of principal due to an emigrant Holder in respect of South African Securities will be deposited into such emigrant's Blocked Rand account with the authorised foreign exchange dealer controlling such blocked assets. These amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.

### **Non-residents of the Common Monetary Area**

Any Individual Note Certificate issued to Noteholders who are not resident in the Common Monetary Area will be endorsed "non-resident". In the event that a Beneficial Interest in South

African Securities is held by a non-resident of the Common Monetary Area through the CSD and the non-resident's CSD Participant, the securities account of such Holder will be designated as a "*non-resident*" account.

It will be incumbent on any such non-resident to instruct the non-resident's nominated authorised foreign exchange dealer as to how any funds due to such non-resident in respect of South African Securities are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the relevant South African Securities are acquired with foreign currency introduced into South Africa and provided that the relevant Individual Note Certificates or the relevant securities account, as the case may be, is designated "*non-resident*".

### **Inward Listing**

Notes will be issued in compliance with the exchange control approval (application number 3522) granted by the SARB received by the Issuer, acting through UBS AG, London Branch, on 17 October 2012, as updated from time to time.

Save as disclosed in the Final Terms, the issue and listing of the South African Securities will be an approved inward listing.

In terms of the SARB approval, Equity Linked Notes listed by the Issuer on the JSE will be regarded as domestic assets from an exchange control point of view. The underlying securities in respect of such Equity Linked Notes must be listed on the JSE, classified as domestic, be unencumbered and not used in security lending arrangements. The price of the South African Securities must be paid into a restricted Rand account and may be utilised to purchase the underlying securities.

**"Common Monetary Area"** means South Africa, Lesotho, Namibia and Swaziland.

### **Authorised Amount**

As at the Programme Date, South African Securities may be issued in an aggregate nominal amount of not more than ZAR3 billion. As at the Programme Date, there is no restriction on the period over which the South African Securities may be issued or the maturities of the South African Securities.

## **GENERAL INFORMATION**

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*Capitalised terms used in this section headed "General Information" shall bear the same meanings as used in the Information Memorandum, except to the extent that they are separately defined in this JSE Placement Document or this is clearly inappropriate from the context.*

### **Authorisation**

All consents, approvals, authorisations or other orders of any applicable regulatory authorities required by the Issuer, including under the laws of South Africa, where applicable, have been given in respect of the Programme, the execution of this JSE Placement Document and, subject to the Final Terms, the issue of South African Securities under the Programme pursuant to the Information Memorandum (as read with this JSE Placement Document). The issuance of South African Securities under the Programme from time to time has been authorised by applicable corporate authorisations.

### **Approval and Listing**

This JSE Placement Document, to which the Information Memorandum is attached, was approved by the JSE, with effect from the Programme Date. Subject to approval of the SARB and as provided herein, the Issuer may issue listed South African Securities under the Programme. South African Securities issued pursuant to this JSE Placement Document, will be listed on the Main Board of the JSE.

### **Corporate Governance**

The Company Secretary of the Issuer is Mr Luzius Cameron, with the following address UBS AG, Bahnhofstrasse 45, CH-8098, Zurich.

The King Report on Governance for South Africa and the King Report and Code of Governance Principles (the "**King III Code**") apply to entities incorporated and resident in South Africa. The Issuer is incorporated in Switzerland. Accordingly, the King III Code is not applicable to the Issuer and the Issuer does not comply with the King III Code. Please refer to the Issuer's Annual Report in relation to its corporate governance compliance, at the following address [www.ubs.com/investors](http://www.ubs.com/investors).

### **Commercial Paper Regulations**

The issue of each tranche of South African Securities under the Programme, pursuant to the Information Memorandum (as read with this JSE Placement Document), must comply with the Commercial Paper Regulations. Where, in relation to the issue of any such Tranche of South African Securities, this JSE Placement Document and/or the relevant Final Terms is distributed and/or made available for inspection in South Africa, a copy of the Issuer's most recently published audited financial statements will at all times separately accompany this JSE Placement Document and/or the relevant Final Terms, as required by the Commercial Paper Regulations.

See further the section of the Information Memorandum headed "*General Information*" on page 270

of the Information Memorandum.

### **Material Change**

As at the date of this JSE Placement Document, following due and careful enquiry, there has been no material change in the financial or trading position of the Issuer since the date of its last published audited financial statements. No auditors have been involved in making such statement. .

### **Governing Law**

The South African Securities and any non-contractual obligations arising out of or in connection with the South Africa Notes will be governed by, and shall be construed in accordance with English law, as specified in the applicable Final Terms.

### **Risk Factors**

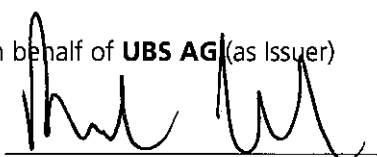
See the section of the Information Memorandum headed "Risk Factors".

Prospective purchasers of any South African Securities should ensure that they understand fully the nature of the South African Securities and the extent of their exposure to risks, and that they consider the suitability of the South African Securities as an investment in the light of their own circumstances and financial position. Warrants 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 South African Securities. The South African Securities represent general, unsecured, unsubordinated, contractual obligations of the Issuer and rank pari passu in all respects with each other. Purchasers are reminded that the South African Securities 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.

**SIGNED** at London, UK on 13 January 2014.

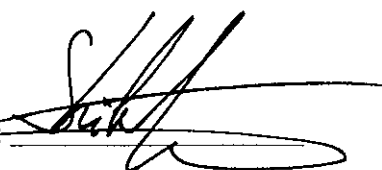
For and on behalf of **UBS AG** (as Issuer)

Signature:



**Richard Lamb**  
Executive Director  
Sales & Trading Legal

Signature:



**Sergey Likhosherstov**  
Director  
Sales & Trading Legal

**SCHEDULE 1**

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**INFORMATION MEMORANDUM**

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**SCHEDULE 2**

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**ADDITIONAL SOUTH AFRICAN SECURITIES CONDITIONS**

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**CORPORATE INFORMATION**
**ISSUER****UBS AG**

Address: Bahnhofstrasse 458001 Zurich,  
Switzerland and Aeschenvorstadt 1  
4051 Basle  
Switzerland  
Contact: Ms Stefanie Ganz

**LONDON OFFICE OF THE ISSUER****UBS AG, LONDON BRANCH**

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United Kingdom  
Contact: Mr Sergey Likhosherstov

**SOUTH AFRICAN TRANSFER AGENT****UBS SOUTH AFRICA (PTY) LTD**

Address: 64 Wierda Road East  
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South Africa, 2196  
Contact: Ms Amanda Adler

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Address: 1 Merchant Place  
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Contact: Mr Barry Martin

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Contact: Mr Vusi Ndwandwe

**CALCULATION AGENT****UBS AG, LONDON BRANCH**

Address: 1 Finsbury Avenue  
London  
EC2M 2PP  
United Kingdom  
Contact: Mr Louis Dorey

**DEALER AND LISTING AGENT****UBS SOUTH AFRICA (PTY) LTD**

Address: 64 Wierda Road East  
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South Africa, 2196  
Contact: Mr. Aveshen Pillay

**AUDITORS TO THE ISSUER****ERNST & YOUNG LTD.**

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Switzerland  
Contact: Mr. Jonathan Bourne

**SOUTH AFRICAN CUSTODIAN****FIRST NATIONAL BANK , A DIVISION OF FIRSTSTRAND BANK LIMITED**

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Johannesburg, 2001  
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