

UBS AG, ACTING THROUGH ITS LONDON BRANCH

(Incorporated with limited liability in Switzerland)

NOTICE TO WARRANTHOLDERS

- To : (1) ALL HOLDERS OF EUROPEAN STYLE INDEX CALL WARRANTS RELATING TO THE HANG SENG CHINA ENTERPRISES INDEX ISSUED BY UBS AG, ACTING THROUGH ITS LONDON BRANCH (HSCEI 10800 UB ECW160330);
- (2) ALL HOLDERS OF EUROPEAN STYLE INDEX CALL WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY UBS AG, ACTING THROUGH ITS LONDON BRANCH (HSI 20000 UB ECW160330); AND
- (3) ALL HOLDERS OF EUROPEAN STYLE INDEX PUT WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY UBS AG, ACTING THROUGH ITS LONDON BRANCH (HSI 20000 UB EPW160330).

Notice is hereby given by UBS AG ("**UBS AG**" or the "**Issuer**") acting through its London Branch in respect of:

- (a) the European Style Index Call Warrants relating to the Hang Seng China Enterprises Index (HSCEI 10800 UB ECW160330) (the "**HSCEI Call Warrants**");
- (b) the European Style Index Call Warrants relating to the Hang Seng Index (HSI 20000 UB ECW160330) (the "**HSI Call Warrants**"); and
- (c) the European Style Index Put Warrants relating to the Hang Seng Index (HSI 20000 UB EPW160330) (the "**HSI Put Warrants**"),

(together, the "**Warrants**") on the following:

Terms defined or construed in the Supplemental Listing Documents dated 22 September 2015 in relation to the Warrants issued by UBS AG bear the same meaning and construction in this Notice.

EXPIRY OF WARRANTS

In accordance with the terms and conditions of each of the Warrants, the Warrants have expired today:

Warrant	Expiry Date	Strike Level	Conversion Ratio
HSCEI Call Warrants	30 March 2016	10,800	0.00166
HSI Call Warrants	30 March 2016	20,000	0.001
HSI Put Warrants	30 March 2016	20,000	0.001

The Warrants are cash-settled warrants which entitle a Warrantholder to be paid a cash settlement amount (if positive) (the "**Cash Settlement Amount**") in accordance with the terms and conditions of each of the Warrants.

The Warrants may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by the Closing Level of the Hang Seng China Enterprises Index or the Hang Seng Index. In respect of the HSCEI Call Warrants, if the Closing Level of the Hang Seng China Enterprises Index is greater than the Strike Level and the Cash Settlement Amount (less any Exercise Expenses) is positive, all the HSCEI Call Warrants shall be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. In respect of the HSI Call Warrants, if the Closing Level of the Hang Seng Index is greater than the Strike Level and the Cash Settlement Amount (less any Exercise Expenses) is positive, all the HSI Call Warrants shall be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. In respect of the HSI Put Warrants, if the Strike Level is greater than the Closing Level of the Hang Seng Index and the Cash Settlement Amount (less any Exercise Expenses) is positive, all the HSI Put Warrants shall be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in the terms and conditions of the Warrants.

In respect of the HSCEI Call Warrants, in the event the Closing Level of the Hang Seng China Enterprises Index is less than or equal to the Strike Level and the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all the HSCEI Call Warrants shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. In respect of the HSI Call Warrants, in the event the Closing Level of the Hang Seng Index is less than or equal to the Strike Level and the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all the HSI Call Warrants shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. In respect of the HSI Put Warrants, in the event the Strike Level is less than or equal to the Closing Level of the Hang Seng Index and the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all the HSI Put Warrants shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.

As the Cash Settlement Amount (less any Exercise Expenses) for the HSI Call Warrants is positive, the HSI Call Warrants are deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on 30 March 2016.

As the Cash Settlement Amounts (less any Exercise Expenses) for the HSCEI Call Warrants and the HSI Put Warrants are zero, the HSCEI Call Warrants and the HSI Put Warrants are deemed to have expired at 5:00 p.m. (Singapore time) on 30 March 2016 and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.

Accordingly, a holder of a Warrant is entitled to receive (less any Exercise Expenses):

Warrant	Cash Settlement Amount per Warrant ¹
HSCEI Call Warrants	S\$0
HSI Call Warrants	S\$0.11898125

¹ Warrantholders will be paid the aggregate Cash Settlement Amount less any Exercise Expenses.

Warrant	Cash Settlement Amount per Warrant ¹
HSI Put Warrants	S\$0

which will be paid in the manner set out in the terms and conditions of each of the Warrants.

Issued by
UBS AG, ACTING THROUGH ITS LONDON BRANCH

30 March 2016