

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 INDEX ISSUED BY UBS AG, ACTING THROUGH ITS LONDON BRANCH (HSI 25000 UB ECW141127); AND
- (2) ALL HOLDERS OF EUROPEAN STYLE INDEX PUT WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY UBS AG, ACTING THROUGH ITS LONDON BRANCH (HSI 24400 UB EPW141127).

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 Index (HSI 25000 UB ECW141127) (the "**HSI Call Warrants**"); and
- (b) the European Style Index Put Warrants relating to the Hang Seng Index (HSI 24400 UB EPW141127) (the "**HSI Put Warrants**"),

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

Terms defined or construed in (i) the Supplemental Listing Document dated 17 June 2014 in relation to the HSI Call Warrants and (ii) the Supplemental Listing Document dated 15 August 2014 in relation to the HSI Put 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
HSI Call Warrants	27 November 2014	25,000	0.001
HSI Put Warrants	27 November 2014	24,400	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 Index. In respect of the HSI Call Warrants, if the Closing Level of the 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 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 HSI Call Warrants, in the event the Closing Level of the 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 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 Put Warrants is positive, the HSI Put Warrants are deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on 27 November 2014.

As the Cash Settlement Amount (less any Exercise Expenses) for the HSI Call Warrants is zero, the HSI Call Warrants are deemed to have expired at 5:00 p.m. (Singapore time) on 27 November 2014 and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the HSI Call Warrants.

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

Warrant	Cash Settlement Amount per Warrant ¹
HSI Call Warrants	S\$0
HSI Put Warrants	S\$0.06210140

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

27 November 2014

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