



## **SUMMARY TERMS AND CONDITIONS FOR Total Return Index Equity Swap on < > Index**

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### **General Terms**

Trade Date:

Effective Date:

Termination Date: The Cash Settlement Payment Date, subject to Early Termination

Index: (Bloomberg Code: )

Exchange(s): The Exchange in respect of each Component Security is the stock exchange on which that Component Security is principally traded.

Component Security: Each component security of the Index.

Related Exchange(s): All Exchanges

### **Equity Amounts**

Equity Amount Payer: **UBS AG London**

Equity Notional Amount:

Index Units:

Equity Notional Reset: Applicable

Type of Return: Total Return

Multiplier:

Initial Price:

Initial Margin

Final Price: The product of i) the amount determined by the Calculation Agent based on what the reasonable cost or benefit would be for Party A, acting in a commercially reasonable manner, to unwind any position hedging this Transaction on a per **Index Unit** basis, and ii) (1 – Commission)

Valuation Time: The time at which Party A unwinds its hedge.

Valuation Date(s): provided that if it is not a Scheduled Trading Day, the next following Scheduled Trading Day. The Valuation Date is subject to the provisions under “Effects of Disruption Events” instead of Section 6.6 of the Equity Definitions.

Commission

### **Dividends**

Dividend Payment Date(s): In respect of each Dividend Period, three Currency Business Days following the relevant Dividend Valuation Date.

Dividend Period: Second Period; provided that for the purposes of determining the Second Period in respect of the final Dividend Period, the final Valuation Date in respect of a particular portion of the Hedge Positions shall be deemed to be such date or dates on which such portion would be terminated or liquidated by the Hedging Party as determined under the provisions of “Final Price” above.

Dividend Valuation Date(s): In respect of each Dividend Period, each Valuation Date

Dividend Amount: An amount in the Settlement Currency to be paid by the Equity Amount Payer, determined by the Calculation Agent for each Dividend Period on the Dividend Valuation Date in accordance with the following formula, on each Dividend Payment Date:

$$\text{Number of Index Units} \times \sum_t \sum_i \frac{n_i \times d_{i,t}}{D_t}$$

where:

“**t**” means each weekday (each a "**Relevant Day<sub>t</sub>**") in the relevant Dividend Period;

“**i**” means, in respect of each Relevant Day<sub>t</sub>, each share (each a "**Share<sub>i</sub>**") that is comprised in the Index on such Relevant Day<sub>t</sub>;

“***n<sub>i</sub>***” means, in respect of each Share<sub>i</sub> and a Relevant Day<sub>t</sub>, the number of shares relating to such Share<sub>i</sub> comprised in the Index, as calculated and published by the Index Sponsor for such Relevant Day<sub>t</sub>, subject to "Failure to Publish" below;

“***d<sub>i</sub>***” means, in respect of each Share<sub>i</sub> and a Relevant Day<sub>t</sub>:

- (a) if an Ex-Dividend Date in respect of such Share<sub>i</sub> falls on such Relevant Day<sub>t</sub>, an amount equal to the Relevant Dividend in respect of such Share<sub>i</sub> and such Relevant Day<sub>t</sub>; or
- (b) otherwise, zero (0);

“**D<sub>t</sub>**” means, in respect of each Relevant Day<sub>t</sub>, the Official Index Divisor, as calculated and published by the Index Sponsor for such Relevant Day<sub>t</sub>, subject to "Failure to Publish" below; and

“**Official Index Divisor**” means the value published by the Index Sponsor.

Relevant Dividend:

In respect of a Share<sub>i</sub> and a Relevant Day<sub>t</sub> on which an Ex-Dividend Date falls, an amount equal to the Paid Dividend, provided that if there is no Paid Dividend by the issuer of such Share<sub>i</sub> on or before the Dividend Valuation Date for the Dividend Period in which such Relevant Day<sub>t</sub> falls, an amount equal to the Declared Dividend as determined by the Calculation Agent, subject to the Dividend Recovery provision herein.

Paid Dividend:

In respect of a Share<sub>i</sub> and a Relevant Day<sub>t</sub> on which an Ex-Dividend Date falls, an amount equal to the gross cash dividend actually paid per Share<sub>i</sub> by the issuer of such Share<sub>i</sub> to holders of record of such Share<sub>i</sub> following the relevant Dividend Declaration to which such Ex-Dividend Date relates and the cash value of any Unadjusted Stock Dividend as determined by the Calculation Agent as actually received per Share<sub>i</sub> from the issuer of such Share<sub>i</sub> by holders of record of such Share<sub>i</sub>.

For the avoidance of doubt, if the Paid Dividend is not equal to the Declared Dividend, such Paid Dividend shall not be adjusted by such difference in the amounts in the calculation

of the Relevant Dividend, subject to the Dividend Recovery provision herein.

Declared Dividend:

In respect of a Share<sub>i</sub> and a Relevant Day<sub>i</sub> on which an Ex-Dividend Date falls, an amount of gross cash dividend and the cash value of any Unadjusted Stock Dividend as determined by the Calculation Agent, as declared per Share<sub>i</sub> by the issuer of such Share<sub>i</sub> on the date of the most recent relevant Dividend Declaration to which such Ex-Dividend Date relates.

Unadjusted Stock Dividend:

In respect of a Share<sub>i</sub>, any stock dividends in relation to which the Index Sponsor does not make any adjustments to the Index (if the Index Sponsor has adjusted the Index for part of a dividend, the Unadjusted Stock Dividend shall include the unadjusted part).

The value of such Unadjusted Stock Dividend shall be determined by the Calculation Agent by reference to the Morning Print on the Ex-Dividend Date in relation to the relevant Share<sub>i</sub>.

**"Morning Print"** means, in respect of a Share<sub>i</sub>, the price on the Ex-Dividend Date at the opening of the trading session and before any actual trade of such Share<sub>i</sub> on such date, as determined by the Calculation Agent taking into consideration, when appropriate, the base value of such Share<sub>i</sub> on such Ex-Dividend Date as published by the Exchange.

Gross cash dividend:

The "gross cash dividend" referred to above shall exclude any dividends in relation to which the Index Sponsor makes an adjustment to the Index (if the Index Sponsor has adjusted the Index for part of a dividend, the Paid Dividend shall include the unadjusted part). The "gross cash dividend" shall represent the amount before, and shall not take into account:

(a) any withholding or deduction of taxes at the source by or on behalf of any applicable authority having power to tax (an **"Applicable Authority"**);

(b) any imputation or other credits, refunds or deductions granted by an Applicable Authority (together, the **"Credits"**); and

(c) any taxes, credits, refunds or benefits imposed, withheld, assessed or levied on the Credits referred to in (b) above.

Where any Relevant Dividend is declared and paid in a currency other than the Settlement Currency, then the Calculation Agent shall convert such Relevant Dividend into the Settlement Currency at the rate declared by the issuer where any such rate is available or, if no such rate is available, at a rate determined by the Calculation Agent.

Ex-Dividend Date:

In respect of a Share<sub>i</sub>, the date such Share<sub>i</sub> commences trading ex-dividend on the Exchange for such Share<sub>i</sub>.

Dividend Declaration:

In respect of a Share<sub>i</sub>, and a Relevant Day<sub>t</sub> on which an Ex-Dividend Date falls, an announcement or declaration by the relevant issuer of expected amount of the relevant dividend to which such Ex-Dividend Date relates, as determined by the Calculation Agent.

Failure to Publish:

If, for the purposes of determining  $n_{i_t}$  or  $D_t$  for any Relevant Day<sub>t</sub>, the Index Sponsor fails (for whatever reason including without limitation, an Index Disruption) to calculate and publish the number of shares in respect of any Share<sub>i</sub> or the Official Index Divisor for such Relevant Day<sub>t</sub>, then the Calculation Agent shall determine the number of shares in respect of such Share<sub>i</sub> or the Official Index Divisor (as the case may be) in respect of such Relevant Day<sub>t</sub>.

In making any such determination, the Calculation Agent may (but shall not be obliged to) make reference to the formula for and method of calculating the number of shares or the Official Index Divisor (as the case may be) last in effect prior to the failure by the Index Sponsor to make the relevant calculation or publication.

Corrections:

In the event that an Official Index Divisor or number of shares calculated and published by the Index Sponsor (or determined by the Calculation Agent pursuant to the provisions above relating to “Failure to Publish”) and utilised for any calculation or determination made under a Transaction is subsequently corrected (or, where there has been a Failure to Publish, published by the Index Sponsor) and the correction is published (or, where there has been a Failure to Publish, publication is made) by the Index Sponsor within five Scheduled Trading Days after the original publication, either party may notify the other party of that correction and the Calculation Agent will adjust the Dividend Amount, as required, to take into account such correction provided that if such correction or subsequent publication occurs after the relevant Dividend Payment Date, the Calculation Agent may (but need not) determine any appropriate repayment to be made by a party to account for such correction or subsequent publication, as the case may be, and determine the date any such repayment should be made, together with interest on such repayment amount as determined by the Calculation Agent. The parties expressly acknowledge and agree that the provisions of this section (*Corrections*) shall apply and remain in full force and effect notwithstanding that the Termination Date has occurred.

Dividend Recovery:

If the amount of Paid Dividend which is paid following the Dividend Valuation Date is not equal to the Declared Dividend which was included in the calculation of the Relevant Dividend (a “**Dividend Mismatch Event**”), then the Calculation Agent may (but shall not be obliged to) determine:

- (a) any appropriate adjustment or repayment to be made by a party to account for such Dividend Mismatch

- Event or non-payment or non-delivery, as the case may be;
- (b) the date any such repayment should be made, and
  - (c) any interest on such repayment amount, if any.

The parties expressly acknowledge and agree that the provisions of this section (*Dividend Recovery*) shall apply and remain in full force and effect notwithstanding that the Termination Date may have occurred.

### **Floating Amounts**

Floating Amount Payer:

Notional Amount: The Equity Notional Amount

Valuation Dates: quarterly starting from 7 March 2013

Floating Rate Option:

Designated Maturity: x Month

Spread:

Floating Rate Day Count Fraction: As specified in Section 6.2(f) of the 2006 Definitions

Reset Dates: The first day of each Calculation Period

Business Days: Each Cash Settlement Payment Dates shall be deemed to be a Business Day

Business Day Convention: Following

### **Settlement Terms**

Cash Settlement: Applicable

Cash Settlement Payment Date: x Currency Business Days after the Valuation Date provided that the Cash Settlement Payment Date may not occur until one Settlement Cycle after final settlement on the Exchange of the underlying equity position of the Hedging Party used to hedge this Transaction. For the avoidance of doubt, the settlement of such underlying equity position may not occur for an extended period of time.

Settlement Currency:

### **FX Terms**

Local Currency: The currency in which the Index is denominated

Trading Currency: The currency of the Equity Notional Amount

FX Rate: The exchange rate between the Local Currency and the Trading Currency that is reasonably available to Party A, as determined by the Calculation Agent as and when required

“FX Disruption Event” means if, as determined by the Calculation Agent in its sole discretion, an event occurs and is continuing on a Scheduled Trading Day with respect to the Local Currency that has the effect of preventing or delaying Party A or any of its affiliates directly or indirectly from or makes it impossible through lawful channels for Party A or its affiliates to:

- (A) (i) converting Local Currency into Trading Currency through customary legal channels,
- (ii) converting Local Currency into Trading Currency at a rate at least as favourable as the rate for domestic institutions located in jurisdiction of the Local Currency,
- (iii) delivering the Trading Currency from accounts inside jurisdiction of the Local Currency to accounts outside jurisdiction of the Local Currency,
- (iv) delivering Local Currency between accounts inside jurisdiction of the Local Currency or to a party that is non-resident of jurisdiction of the Local Currency, or
- (v) effectively realising the value of its underlying hedge in the Trading Currency at any time.

OR

(B) the government of jurisdiction of the Local Currency gives public notice of its intention to impose any capital controls which the Calculation Agent determines in good faith are likely to materially affect Party A’s ability to hedge its position under the Transaction or to unwind such hedge.

“Settlement Disruption Event” means any event, as determined by the Calculation Agent in its sole discretion, that occurs at any time and from time to time which has the effect of preventing the Hedging Party or any of its affiliates or nominees including the Hedge Counterparty from the entering into or the unwind of Hedge Transactions, including any material (as determined by the Calculation Agent) disruption in trading of a share comprising the Index or any options or futures contracts relating to the Index.

“Effects of Disruption Event” means upon the occurrence of a Settlement Disruption Event or a FX Disruption Event (a “Disruption Event”), as determined in the sole discretion of the Calculation Agent, the Calculation Agent in its sole discretion shall either (i) unilaterally accelerate the Valuation Date so that the date of such event shall be the newly accelerated Valuation Date; or (ii) unilaterally extend the Valuation Date or the Early Termination Date (as the case may be) to a date when such event no longer exists or is continuing; or (iii) unilaterally extend the Valuation Date or the Early Termination Date (as the case may be) to a date when such event is still continuing and make a determination of a Trading Currency amount that will be used as the Cash Settlement Payment Amount or Dividend Amount. If a FX Disruption Event occurs on any day between the Valuation Date or the Early Termination Date (as the case may be) and the Cash Settlement Payment Date or Dividend Payment Date, the Cash Settlement Payment Date or Dividend Payment Date shall be delayed to the first Currency Business Day on which there is no Disruption Event.

### **Index Adjustments**

Index Modification: Calculation Agent Adjustment

Index Cancellation: Calculation Agent Adjustment

Index Disruption: Calculation Agent Adjustment

### **Additional Disruption Events**

Change in Law: Applicable; provided that Section 12.9(a)(ii)(B) of the Equity Definitions is replaced in its entirety as follows: "(B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any

applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal to hold, acquire or dispose of Hedge Positions relating to such Transaction".

Hedge Positions: The definition of "Hedge Positions" in Section 13.2(b) of the Equity Definitions shall be amended by inserting the words "or an Affiliate thereof" after the words "a party" in the third line.

Hedging Disruption: Applicable. Section 12.9(a)(v) of the Equity Definitions is replaced in its entirety by the words: "Hedging Disruption" means that the Hedging Party is unable, after using commercially reasonable efforts, to either (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to this Transaction, or (ii) freely realize, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or this Transaction between accounts within the jurisdiction of the Hedge Positions (the "Affected Jurisdiction") or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction

Increased Cost of Hedging: Applicable. Section 12.9(a)(vi) of the Equity Definitions is replaced as follows: "(vi) "Increased Cost of Hedging" means that the Hedging Party would incur a materially increased (as compared with the circumstances that existed on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to this Transaction or (B) freely realise, recover or remit the proceeds of the Hedge Positions or this Transaction between accounts within the Affected Jurisdiction or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

Loss of Stock Borrow: Not Applicable

Increased Cost of Stock Borrow: Not Applicable

Hedging Party: Party A

Determining Party: Party A

#### **Additional Provisions**

Calculation Agent: Party A

Limited Recourse Provisions: The parties acknowledge and agree that to the extent Party A (or its affiliates) enter into securities or futures or derivatives transaction(s) ("Hedge Transaction") with any party in the local jurisdiction, including, without limitation, an entity affiliated, related to or controlled by Party A or any entity through which Party A (or its affiliates) purchase and/or hold interests in the relevant securities or contracts



("Hedge Counterparty") to hedge the Transaction and (i) the Hedge Counterparty for such transactions fails or delays for any reason (including a default by the local exchange or clearinghouse, a change in laws, rules or regulations applicable to the holding of the hedge position) to make any payment (including without limitation, the return of the margin amount by the relevant Exchange or Related Exchange which has been posted to such Exchange or Related Exchange in connection with the Hedge Transaction, as requested by the Hedge Counterparty), delivery or distribution with respect to a Hedge Transaction or (ii) Party A (or its affiliates) fails to receive or does not receive on time for any reason (including a default by the local exchange or clearinghouse, a change in laws, rules or regulations applicable to the holding of the hedge position) any payment (including without limitation, the return of the margin amount by the relevant Exchange or Related Exchange or the Hedge Counterparty which has been posted to such Exchange or Related Exchange in connection with the Hedge Transaction, as requested by Party A or its affiliates), delivery or distribution with respect to a Hedge Transaction, then such aforementioned margin amount shall be deemed as Unpaid Amount owing to Party A by Party B for the purpose of calculating the Exposure under the Credit Support Annex. Party A's obligation to pay any amounts due hereunder shall be reduced and/or delayed accordingly to pay only what it receives in respect of the Hedge Transaction from the Hedge Counterparty and in the event that such amount is a negative number, Party B is obliged to pay such amount to Party A.

Early Termination:

(A) If Counterparty gives notice to an Office of UBS on a Notice Business Day to terminate this Transaction in whole or in part by reducing the number of Index Units (the reduction being "Terminated Index Units"):-

(i) the Optional Termination Date is deemed to be the final Valuation Date for a number of Index Units equal to the Terminated Index Units; and

(ii) with effect from the Optional Termination Date, the Number of Index Units is reduced by the Terminated Index Units.

B) UBS may, on giving not less than 5 Exchange Business Days' notice to Counterparty, terminate any Transaction by declaring a final Valuation Date. If UBS gives notice under this provision, at the request of Counterparty UBS must use reasonable efforts to transfer the Transaction to any third party, subject only to normal due diligence and credit lines on the nominated third party. If the Transaction is not transferred by the Valuation Date declared by UBS, it is terminated.

Optional Termination Date:

The Notice Business Day on which the notice of termination is received if it is received in reasonably sufficient time for Party A to execute a transaction on the shares comprising in the Index on the Exchange prior to the Scheduled Closing Time of the Exchange, and otherwise the next following Exchange Business Day; provided further that no Optional Termination Date may occur until after final settlement on the Exchange of the underlying equity position of the Hedging Party used to hedge this Transaction. For the avoidance of doubt, the settlement of such underlying equity position may not occur for an extended period of time.

Notice Business Day: A day which is both an Exchange Business Day and a Banking Day in the city of the Office of Party A to which the notice is given.

Non-Reliance: Applicable

Agreements and Acknowledgements  
Regarding Hedging Activities: Applicable

Additional Acknowledgements: Applicable

Index Disclaimer: Applicable

Disclosure Requirement: Details of the Transaction (including the identity of Party B) may, (1) upon request or order by any competent authority, regulatory or enforcement organisation, governmental or otherwise, including the stock exchange on which the underlying shares are listed, (2) as required by applicable law, rules, regulations, codes or guidelines (whether having the force of law or otherwise), be disclosed in accordance with such request, order, law, rules, regulations, codes or guidelines (whether such disclosure is to be made to third parties or otherwise). By entering into the Transaction, Party B agrees to such disclosure and releases Party A and its subsidiaries and affiliates from any duty of confidentiality owed to it in relation to such information.

The counterparty confirms that the entering into of the Transaction and any related action in connection with the exercise of any rights under the Transaction by any of them will not cause or result in violation of any provision of applicable law and regulation.

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Equity Risk Management Products