BASE PROSPECTUS

UBS AG

(acting through its London Branch and its Jersey Branch)

Warrant Programme

This Base Prospectus supersedes the previous offering circular dated 7th March, 2005 issued by the Issuer (as defined below). Any Warrants (as defined below) issued on or after the date of this Base Prospectus are subject to the provisions described herein. This does not affect any Warrants issued before the date of this Base Prospectus.

Under the terms of its Warrant Programme (the "**Programme**"), UBS AG (the "**Issuer**" or the "**Bank**"), acting through either its London Branch or its Jersey Branch, may from time to time issue warrants ("**Warrants**") of any kind including, but not limited to, Warrants relating to a specified index or a basket of indices ("**Index Warrants**"), a specified share or a basket of shares ("**Share Warrants**"), a specified debt instrument or a basket of debt instruments ("**Debt Warrants**"), a specified currency or a basket of currencies ("**Currency Warrants**") or a specified commodity or a basket of commodities ("**Commodity Warrants**"). Each issue of Warrants will be issued on the terms set out herein which are relevant to such Warrants under "Terms and Conditions of the Warrants" (the "**Conditions**") and on such additional or other terms as will be set out in a document called final terms (the "**Final Terms**") or in a separate prospectus (the "**Drawdown Prospectus**") as described under "Final Terms and Drawdown Prospectuses" below. In the case of a series of Warrants which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer has a right of substitution and a right to change the branch through which it is acting, subject as provided in Condition 13.

Each Final Terms will specify with respect to the issue of Warrants to which it relates, the specific designation of the Warrants, the aggregate number and type of the Warrants, the date of issue of the Warrants, the issue price, the exercise price, the underlying asset, index or other item(s) to which the Warrants relate, the exercise period or date and certain other terms relating to the offering and sale of the Warrants. The Final Terms relating to an issue of Warrants (or, as the case may be, the relevant parts of the Drawdown Prospectus) will be attached to, or endorsed upon, the Global Warrant or each Definitive Warrant, as the case may be, (in each case as defined below) representing such Warrants. The Final Terms supplement the Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, supplement, replace or modify the Conditions.

Each issue of Warrants will entitle the holder thereof (the "**Warrantholder**") (on due exercise and subject, where appropriate, to certification as to non-U.S. beneficial ownership) either to receive a cash amount (if any) calculated in accordance with the relevant terms or to receive physical delivery of the underlying assets against payment of a specified sum, all as set forth herein and in the applicable Final Terms.

Prospective purchasers of Warrants should ensure that they understand the nature of the relevant Warrants and the extent of their exposure to risks and that they consider the suitability of the relevant Warrants as an investment in the light of their own circumstances and financial condition. 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 the purchase price of their Warrants. See "Risk Factors relating to Warrants" on page 15.

This Base Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with regard to the issue of Warrants issued under the Programme during the period of twelve months after the date hereof. Application has been made for Warrants issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Luxembourg Stock Exchange. The Programme also permits Warrants to be issued on the basis that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be determined by the Issuer, including the Euro MTF market of the Luxembourg Stock Exchange, or to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system. The applicable Final Terms will specify whether or not Warrants are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other or further competent authorities, stock exchanges and/or quotation systems.

The Warrants and, in certain cases, the Entitlement (as defined herein) to be delivered upon the exercise of the Warrants, have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Warrants may not be offered, sold or delivered within the United States or to U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In addition, certain issues of Warrants may not at any time be offered, sold or delivered in the United States or to U.S. persons, nor may any U.S. persons at any time trade or maintain a position in such Warrants. The Issuer may however arrange for the offer and sale of certain issues of Warrants within the United States to persons reasonably believed to be qualified institutional buyers (each a "**QIB**") within the meaning of Rule 144A ("**Rule 144A**") under the Securities Act in reliance on the exemption provided by Rule 144A. The Issuer may also arrange for the offer and sale of certain issues of Warrants within the United States to persons reasonably believed to be accredited investors (as defined in Rule 501(a) under the

Securities Act) in reliance upon the exemptions provided by Section 4(2) of the Securities Act ("**Section 4(2)**") or Regulation D under the Securities Act ("**Regulation D**") ("**Accredited Investors**"). Each purchaser of Warrants being offered within the United States is hereby notified that the offer and sale of such Warrants is being made in reliance upon an exemption from the registration requirements of the Securities Act. In certain circumstances, exercise of Warrants will be conditional upon certification as to non-U.S. beneficial ownership or that the Warrantholder (and any person on whose behalf the Warrantholder is acting) is a QIB or Accredited Investor. Each purchaser who is an Accredited Investor and is purchasing Warrants being offered pursuant to Rule 501(a) under the Securities Act will be required to make certain acknowledgments, representations and agreements. See "Terms and Conditions of Warrants."

Warrants sold in the United States will, unless otherwise specified in the relevant Final Terms, be sold through UBS Warburg LLC, a registered broker dealer.

Warrants sold exclusively outside the United States to non-U.S. persons may be represented by a global warrant (a "**Regulation S Global Warrant**") or a permanent global warrant (a "**Permanent Global Warrant**") both of which will be issued and deposited with a common depositary on behalf of Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") on the date of issue of the relevant Warrants.

In the event that an issue of Warrants is eligible for sale in the United States to QIBs pursuant to Rule 144A, any such Warrants sold to QIBs in the United States will be represented by one or more global warrants which will be issued and deposited with either: (1) U.S. Bank Trust National Association, as the New York Warrant Agent as custodian for, and in the name of a nominee of, The Depository Trust Company ("**DTC**") or (2) with a common depositary on behalf of Clearstream, Luxembourg and Euroclear (each a "**Rule 144A Global Warrant**").

In the event that an issue of Warrants is eligible for sale in the United States under the exemption provided by Section 4(2) or Regulation D, any such Warrants sold to Accredited Investors in the United States will be issued and registered in definitive form (each a "**Private Placement Definitive Warrant**").

Warrants eligible for sale in the United States to QIBs pursuant to Rule 144A and to non-U.S. persons in reliance on Regulation S may be represented by a global warrant which will be deposited with a common depositary on behalf of Clearstream, Luxembourg and Euroclear (each a "**Unified Global Warrant**").

Except as otherwise specified herein, definitive Warrants will not be issued.

Dated 3 July, 2006

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

The Issuer, having made all reasonable enquiries, confirms that this document contains all information with respect to itself and its subsidiaries (the "Group") taken as a whole and the Warrants that is material in the context of the issue and offering of the Warrants, the statements contained in it relating to the Issuer and the Group are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this Base Prospectus with regard to the Issuer and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to the Issuer, the Group or the Warrants the omission of which would, in the context of the issue and offering of the Warrants, make any statement in this Base Prospectus misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and verify the accuracy of all such information and statements.

The applicable Final Terms will (if applicable) specify the nature of the responsibility taken by the Issuer for the information relating to the underlying asset, index or other item(s) to which the Warrants relate which is contained in such Final Terms. However, unless otherwise expressly stated in the applicable Final Terms, any information contained therein relating to the underlying asset, index or other item(s) to which the Warrants relate will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such asset, index or other item(s). Unless otherwise expressly stated in the applicable Final Terms, the Issuer accepts responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable) but does not accept any further or other responsibility in respect of such information.

No person is authorised to give any information or to make any representation not contained in or not consistent with this document or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any manager of an issue of Warrants (as applicable to such issue of Warrants, each a "Manager"). This document does not constitute, and may not be used for the purposes 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, with the exception of the approval by the CSSF of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg, no action is being taken to permit an offering of the Warrants or the distribution of this document in any jurisdiction where any such action is required.

This document is to be read and construed in conjunction with any supplement hereto, with any Final Terms and with all information which is deemed to be incorporated herein by reference (see "Information Incorporated by Reference" on page 24).

The Warrants create options exercisable by the relevant Warrantholder. There is no obligation upon any Warrantholder to exercise such Warrants nor, in the absence of such exercise, any obligation on the Issuer to pay any amount or deliver any asset to any Warrantholder. The Warrants will be exercisable in the manner set forth herein and in the applicable Final Terms. Upon exercise, the Warrantholder may be required to certify (in accordance with the provisions outlined in "Offering and Sale" below) that it is not a U.S. person and that it is not exercising such Warrant on behalf of a U.S. person. Prior to or upon transfer or exchange of a Warrant, the Warrantholder may, in certain circumstances, be required to certify that the transfer or exchange, as the case may be, is being made to a person whom the transferor or exchangeor reasonably believes is a QIB or an Accredited Investor who acquired the right to such transfer or exchange in a transaction exempt from the registration requirements of the Securities Act. The proposed transferee may also be required to deliver an investor representation letter as a condition precedent to such proposed transfer or exchange. Warrants may be issued to one or more Managers on a syndicated basis.

The Warrants of each issue may be sold by the Issuer and/or any Manager at such time and at such prices as the Issuer and/or the Manager(s) may select. There is no obligation upon the Issuer or any Manager to sell all of the Warrants of any issue. The Warrants of any issue may be offered or sold from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer and/or the Manager(s), as the case may be.

The Issuer shall have complete discretion as to what type of Warrants it issues and when.

No Manager has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any Manager as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer. No Manager accepts any liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

Neither this Base Prospectus nor any other information supplied in connection with the Programme (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any Manager that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Warrants. Each investor contemplating purchasing any Warrants should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. No representation is made to any offeree or purchaser of any Warrants regarding the legality of an investment therein by such offeree or purchaser under any applicable legal, investment or similar laws or regulations. The contents of this Base Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her attorney or business and tax advisor as to legal, business and tax advice. Neither this Base Prospectus nor any other information supplied in connection with the Programme constitutes an offer or an invitation by or on behalf of the Issuer or any Manager or any other person to subscribe for or to purchase any Warrants.

The Issuer has not investigated, and does not have access to information that would permit it to ascertain, whether any company which has issued equity, debt or other instruments to which any Warrants relate is a passive foreign investment company for U.S. tax purposes. Prospective investors in any Warrants that are U.S. taxpayers should consult their own advisers concerning U.S. tax considerations relevant to an investment in such Warrants.

In connection with any issue of Warrants or otherwise, the Issuer and/or any of its subsidiaries may acquire and/or maintain positions in the underlying assets(s) relating to such Warrants but neither the Issuer nor any of its subsidiaries will have any obligation to acquire or maintain any such position.

This Base Prospectus does not constitute an offer, or invitation by or on behalf of the Issuer or any Manager to subscribe for or purchase any Warrants. The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. No Manager undertakes to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the most recently published audited annual financial statements of the Issuer and, if published later, the most recently published semi-annual unaudited interim financial statements of the Issuer, when deciding whether or not to purchase any Warrants.

The distribution of this Base Prospectus and the offering of Warrants in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer and each Manager to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Warrants and on the distribution of this Base Prospectus, see "Offering and Sale" below.

In this Base Prospectus, references to "Swiss Francs" and "CHF" are to the lawful currency of Switzerland and references to "USD", "U.S. Dollars" and "U.S.$" are to the lawful currency of the United States of America.

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SUMMARY

This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Warrants should be based on a consideration of the Base Prospectus as a whole, including the information incorporated by reference. No civil liability attaches to the Issuer solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Words and expressions defined in the "Terms and Conditions of the Warrants" below or elsewhere in this Base Prospectus have the same meanings in this summary.

Issuer: UBS AG acting through its London Branch or its Jersey Branch as specified in the applicable Final Terms

Financial Highlights: The following table sets out selected financial highlights of UBS:

Highlights UBS

		Quarter ended			% change from	
CHF million, except where indicated		**31.3.06**	31.12.05	31.3.05	4Q05	1Q05
Net profit attributable to UBS shareholders		**3 504**	6 487	2 625	(46)	33
Diluted earnings per share (CHF)	1	**3.39**	6.28	2.48	(46)	37
Basic earnings per share (CHF)	1	**3.55**	6.56	2.60	(46)	37
Return on equity attributable to UBS shareholders (%)	2	**33.6**	39.4	32.4		
Performance indicators from continuing operations						
Diluted earnings per share (CHF)	1	**3.08**	2.53	2.34	22	32
Return on equity attributable to UBS shareholders (%)	3	**30.6**	27.3	30.7		

Highlights Financial Businesses 4

		As at or for the quarter ended			% change from	
CHF million, except where indicated		**31.3.06**	31.12.05	31.3.05	4Q05	1Q05
Operating income		**12 380**	10 593	9 811	17	26
Operating expenses		**8 405**	7 417	6 720	13	25
Net profit attributable to UBS shareholders		**3 048**	6 337	2 427	(52)	26
Net profit attributable to UBS shareholders from continuing operations		**3 048**	2 597	2 307	17	32
Cost / income ratio (%)	5	**68.4**	70.9	69.5		
Net new money (CHF billion)	6	**48.0**	31.1	35.2		
Personnel (full-time equivalents)		**70 210**	69 569	68 197	1	3

	2005	2004
Key figures		
Operating income (USD million)	30,455	27,459
Net profit (USD million)	7,208	6,109
Basic earnings per share (USD)	7.47	6.12
Return on equity (%)	27.6	26.3
Net new money (USD billion)	72.6	46.1
Personnel (full time equivalents)	69,569	67,407
Invested assets (USD billion)		
UBS	2,024	1,692
Wealth Management businesses	1,324	1,056
Asset Management	584	459
Financial strength (USD million)		
Equity attributable to UBS shareholders	33,835	25,909
Market capitalization	100,724	79,113
BIS Tier 1 capital ratio (%)	12.9	11.9
Long-term ratings		
Fitch, London	AA+	AA+
Moody's, New York	Aa2	Aa2
Standard & Poor's, New York	AA+	AA+

Since the date of UBS AG's last audited accounts, there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole nor any significant change in the financial or trading position of the Issuer and its subsidiaries taken as a whole.

Principal Warrant Agent: UBS AG acting through its London Branch

Luxembourg Warrant Agent: Fortis Banque Luxembourg S.A.

New York Warrant Agent: U.S. Bank Trust National Association

Trustee for Jersey Law Warrants: The Law Debenture Trust Corporation p.l.c.

Manager: UBS AG

U.S. Manager: UBS Securities LLC

The Warrants: Warrants issued under the Programme may be of any kind including Index Warrants, Share Warrants, Debt Warrants, Currency Warrants or Commodity Warrants.

Admission to Listing, Trading and/or Quotation: Application has been made for Warrants issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Luxembourg Stock Exchange. The Programme also permits Warrants to be issued on the basis that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be determined by the Issuer or to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system.

Final Terms or Drawdown Prospectus:

Warrants issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus prepared in connection with a particular series of Warrants.

For a series of Warrants which is the subject of Final Terms, those Final Terms will, for the purposes of that series only, supplement this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular series of Warrants which is the subject of Final Terms are the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular series of Warrants which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a series of Warrants which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Forms of Warrants:

In the event that (A) the applicable Final Terms specifies that Warrants are eligible for sale in the United States under Rule 144A, the Warrants sold in the United States to QIBs will, subject as provided below, be represented by one or more Rule 144A Global Warrants, (B) the applicable Final Terms specifies that the Warrants are eligible for sale in the United States under the exemption provided by Section 4(2) or Regulation D, the Warrants sold in the United States to Accredited Investors will be constituted by Private Placement Definitive Warrants and (C) in either such case, Warrants are sold outside the United States to non-U.S. persons, such Warrants will, subject as provided below, be represented by a Regulation S Global Warrant. Warrants eligible for sale in the United States to QIBs pursuant to Rule 144A and sold

	outside the United States to non-U.S. persons in reliance on Regulation S may also be represented by a Unified Global Warrant. In the event that the applicable Final Terms does not specify that the Warrants are eligible for sale in the United States, any Warrants will be represented by a Permanent Global Warrant. Except as specified herein, Definitive Warrants will not be issued.
Clearing Systems:	Each Regulation S Global Warrant, Permanent Global Warrant (if any) or Unified Global Warrant will be deposited with a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear. Each Rule 144A Global Warrant (if any) will be deposited with either (i) the New York Warrant Agent as Custodian for, and is in the name of a nominee of, DTC or (ii) a Common Depositary as specified in the applicable Final Terms.
Status of the Warrants:	The Warrants are direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* with all present and future, unsecured and unsubordinated obligations without any preference among themselves and without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, except for obligations given priority by law.
Expenses and Taxation:	A Warrantholder must pay all Exercise Expenses relating to such Warrants. The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Warrant and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.
Substitution:	The Issuer has a right of substitution and a right to change the branch through which it is acting.
Governing Law:	The Warrants, the Global Warrant and the Warrant Agreement are governed by and shall be construed in accordance with English law or Jersey Law as specified in the applicable Final Terms.
Selling Restrictions:	No offers, sales, re-sales or deliveries of any Warrants, or

distribution of any offering material relating to any Warrants, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer and/or any Manager.

Risk Factors:

No person should deal in Warrants unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss. Holding Warrants involves a high degree of risk, which may include interest rate, corporate, market, foreign exchange, time value and/or political risks. Some Warrants may expire worthless or be redeemable without any payment. The Issuer may vary the settlement in respect of a particular series of Warrants and the Calculation Agent may be entitled to make adjustments to the Terms and Conditions of the Warrants and/or the Warrants may be cancelled following the occurrence of certain events, each as described in such Terms and Conditions and/or the applicable Final Terms. If further Warrants relating to a particular reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies) or commodity (or basket of commodities) or other basis of reference to which the value of the relevant Warrants may relate, as specified in the applicable Final Terms are subsequently issued, this may cause the price at which the Warrants trade in the secondary market to decline significantly. Prospective purchasers intending to purchase Warrants to hedge against the market risk associated with investing in the particular reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies) or commodity (or basket of commodities) or other basis of reference to which the value of the relevant Warrants may relate, as specified in the applicable Final Terms should recognise the complexities of utilising Warrants in this manner. There can be no assurance that an active secondary market for the Warrants will come into being. The Warrants are not standardised options of the type traded on various options exchanges. The market value of the Warrants may not have a direct relationship with the prevailing price of the particular reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies) or commodity (or basket of commodities) or other basis of reference to which the value of the relevant Warrants may relate, as specified in the applicable Final Terms. The Issuers may engage in transactions involving the particular reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies) or commodity (or basket of commodities) or other basis of reference to which the value of the relevant Warrants may relate, as specified in the applicable Final Terms for its proprietary accounts and/or for accounts under their management or for clients. Such transactions may have a positive or negative effect on the value of the particular reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies) or commodity (or basket of commodities) or other basis of reference to which the value of the relevant Warrants may relate, as specified in the applicable Final Terms Underlying and consequently on the value of the Warrants.

Additionally, the financial condition and results of operations of the Issuer may be affected by uncertain or unfavourable economic, market, legal and other conditions. These conditions include but are not limited to market and competitive risk, changes in investor sentiment, liquidity risk, changes to credit ratings, credit exposure and operational risk and legal regulatory risk. These risks are set out in more detail on pages 15 to 24 of this Base Prospectus.

Tax:

Transactions involving Warrants including the purchase, ownership, disposition, lapse, exercise and redemption of Warrants may have tax consequences for potential purchasers which may depend, amongst other things, upon the conditions applicable to the particular issue of Warrants to be purchased, the status and circumstances of the potential purchaser and the applicable law and practice of taxation authorities in relevant jurisdictions.

Potential purchasers who are in any doubt about the tax position in respect of any aspect of transactions involving warrants or the ownership of warrants should consult their own tax advisers

DESCRIPTION OF THE PROGRAMME

The applicable terms of any Warrants will be agreed between the Issuer and the relevant Manager(s) prior to the issue of the Warrants and will be set out in the Conditions of the Warrants endorsed on, or annexed to, the Warrants, as supplemented by the applicable Final Terms attached to, or endorsed on, such Warrants. The Conditions of the Warrants are set out in detail on pages 38 to 93 of this Base Prospectus.

Warrants issued under the Programme may be issued pursuant to this Base Prospectus and associated Final Terms ("**Final Terms**") or pursuant to a Drawdown Prospectus prepared in connection with a particular series of Warrants. Accordingly, references to terms and conditions and other items being as set out in this Base Prospectus and applicable Final Terms should, as the context requires, be construed as being as set out in the relevant Drawdown Prospectus as applicable.

Warrants issued under the Programme will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank pari passu among themselves and with all other direct, unsubordinated and unsecured obligations of the Issuer.

RISK FACTORS

Words and expressions defined in the "Terms and Conditions of the Warrants" below or elsewhere in this Base Prospectus have the same meanings in this section.

General Considerations

The Warrants involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Prospective purchasers of Warrants should recognise that their Warrants, other than any Warrants having a minimum expiration value, may expire worthless. Purchasers should be prepared to sustain a total loss of the purchase price of their Warrants, except, if so indicated in the Final Terms, to the extent of any minimum expiration value attributable to such Warrants. This risk reflects the nature of a Warrant as an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires (except to the extent of any minimum expiration value). See "Certain Factors Affecting the Value and Trading Price of Warrants" below. Prospective purchasers of Warrants should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Warrants and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Warrants in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Warrants and the particular reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies) or commodity (or basket of commodities) or other basis of reference to which the value of the relevant Warrants may relate, as specified in the applicable Final Terms.

The risk of the loss of some or all of the purchase price of a Warrant upon expiration means that, in order to recover and realise a return upon his or her investment, a purchaser of a Warrant must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis which may be specified in the applicable Final Terms. Assuming all other factors are held constant, the more a Warrant is "out-of-the-money" and the shorter its remaining term to expiration, the greater the risk that purchasers of such Warrants will lose all or part of their investment. With respect to European-style Warrants, the only means through which a Warrantholder can realise value from the Warrant prior to the Exercise Date in relation to such Warrant is to sell it at its then market price in an available secondary market. See "Possible Illiquidity of the Secondary Market" below.

Fluctuations in the value of the relevant index or basket of indices will affect the value of Index Warrants. Fluctuations in the price of the relevant equity security or value of the basket of equity securities will affect the value of Share Warrants. Fluctuations in the price or yield of the relevant debt instrument or value of the basket of debt instruments will affect the value of Debt Warrants. Also, due to the character of the particular market on which a debt instrument is traded, the absence of last sale information and the limited availability of quotations for such debt instrument may make it difficult for many investors to obtain timely, accurate data for the price or yield of such debt instrument. Fluctuations in the rates of exchange between the relevant currencies will affect the value of Currency Warrants. Fluctuations in the value of the relevant commodity or basket of commodities will affect the value of Commodity Warrants. Purchasers of Warrants risk losing their entire investment if the value of the relevant underlying basis of reference does not move in the anticipated direction.

The Issuer may issue several issues of Warrants relating to various reference securities, currencies, indices, commodities or other bases which may be specified in the applicable Final Terms. However, no assurance can be given that the Issuer will issue any Warrants other than the Warrants to which a particular Final Terms relates. At any given time, the number of Warrants outstanding may be substantial. Warrants provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the underlying investment. In general, certain of the risks associated with Warrants are similar to those generally applicable to other options or warrants of private corporate issuers. Share Warrants and Debt Warrants are priced primarily on the basis of the value of an underlying security (or basket of securities) while Currency Warrants, Commodity Warrants and Index Warrants are priced primarily on the basis of present and expected values of the reference currency (or basket of currencies), commodity (or basket of commodities) or index (or basket of indices) specified in the applicable Final Terms.

RISKS RELATING TO THE WARRANTS

Warrants are Unsecured Obligations

The Warrants are direct, unsubordinated, unconditional and unsecured obligations of the Issuer and will rank *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer, without any preference among themselves and without any preference, one above the other, by reason of priority of date of issue, any currency of payment or otherwise except for obligations given priority by law.

Certain Factors Affecting the Value and Trading Price of Warrants

The Cash Settlement Amount (in the case of Cash Settled Warrants) or the difference in the value of the Entitlement and the Exercise Price (the "**Physical Settlement Value**") (in the case of Physical Delivery Warrants) at any time prior to expiration is typically expected to be less than the trading price of such Warrants at that time. The difference between the trading price and the Cash Settlement Amount or the Physical Settlement Value, as the case may be, will reflect, among other things, the "time value" of the Warrants. The "time value" of the Warrants will depend partly upon the length of the period remaining to expiration and expectations concerning the value of the reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis of reference as specified in the applicable Final Terms. Warrants offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Warrants varies with the price level of the reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis of reference as specified in the applicable Final Terms, as well as by a number of other interrelated factors, including those specified herein.

Before exercising or selling Warrants, Warrantholders should carefully consider, among other things, (i) the trading price of the Warrants, (ii) the value and volatility of the reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis of reference as specified in the applicable Final Terms, (iii) the time remaining to expiration, (iv) in the case of Cash Settled Warrants, the probable range of Cash Settlement Amounts, (v) any change(s) in interim interest rates and dividend yields if applicable, (vi) any change(s) in currency exchange rates, (vii) the depth of the market or liquidity of the reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis of reference as specified in the applicable Final Terms and (viii) any related transaction costs.

Limitations on Exercise

If so indicated in the applicable Final Terms, the Issuer will have the option to limit the number of Warrants exercisable on any date (other than on the final exercise date) by any person or group of persons (whether or not acting in concert) to the maximum number specified in the Final Terms. In the event that the total number of Warrants being exercised on any date (other than the final exercise date) exceeds such maximum number and the Issuer elects to limit the number of Warrants exercisable on such date, a Warrantholder may not be able to exercise on such date all Warrants that such Warrantholder desires to exercise. In any such case, the number of Warrants to be exercised on such date will be reduced until the total number of Warrants exercised on such date no longer exceeds such maximum, such Warrants being selected at the discretion of the Issuer or in any other manner specified in the applicable Final Terms. Unless otherwise specified in the Final Terms, the Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Warrants may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

Minimum Exercise Amount

If so indicated in the Final Terms, a Warrantholder must tender a specified minimum number of Warrants at any one time in order to exercise. Thus, Warrantholders with fewer than such number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount (in the case of Cash Settled Warrants) or the Physical Settlement Value (in the case of Physical Delivery Warrants) of such Warrants.

Certain Considerations Regarding Hedging

Prospective purchasers intending to purchase Warrants to hedge against the market risk associated with investing in a reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis of reference which may be specified in the applicable Final Terms, should recognise the complexities of utilising Warrants in this manner. For example, the value of the Warrants may not exactly correlate with the value of the reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis which may be specified in the applicable Final Terms. Due to fluctuating supply and demand for the Warrants, there is no assurance that their value will correlate with movements of the reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis which may be specified in the applicable Final Terms. Furthermore, in certain circumstances, the Issuer reserves the right to substitute assets for the Relevant Asset or Relevant Assets which comprise the Entitlement, upon exercise of the Warrants and in such event the value of the Warrants is unlikely to correlate to the market risk that is hedged. For these reasons, among others, it may not be possible to purchase or liquidate securities in a portfolio at the prices used to calculate the value of any relevant index or basket.

Effect of Credit Rating Reduction

The value of the Warrants is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the Issuer. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of the Issuer by standard statistical rating services, such as Moody's Investors Service Limited and Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by one of these rating agencies could result in a reduction in the trading value of the Warrants.

Time Lag after Exercise; Market Disruption Event or Settlement Disruption Event

If an issue of Warrants includes provisions dealing with the occurrence of a Market Disruption Event on a Valuation Date and the Calculation Agent determines that a Market Disruption Event has occurred or exists on a Valuation Date, such determination may have an adverse effect on the value of such Warrants.

Unless otherwise specified in the applicable Final Terms, on exercise of Cash Settled Warrants, there will be a time lag between the time a Warrantholder gives instructions to exercise and the time the applicable Cash Settlement Amount relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount will be specified in the applicable Final Terms or the Terms and Conditions. However, such delay could be significantly longer, particularly in the case of a delay in exercise of Warrants arising from any daily maximum exercise limitation, upon due determination by the Calculation Agent of the occurrence of a Market Disruption Event or the failure to open of an Exchange or Related Exchange (where applicable) at any relevant time or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies). The applicable Cash Settlement Amount could decrease or increase during such period from what it would otherwise have been but for such delay and may in certain circumstances be zero.

On exercise of Physical Delivery Warrants, there will be a time lag between the time a Warrantholder gives instructions to exercise and the time the applicable Entitlement is delivered. Any such delay between the time of exercise and such delivery will be specified in the applicable Final Terms or the Terms and Conditions. However, such delay could be significantly longer, particularly in the case of a delay in exercise of Warrants arising from any daily maximum exercise limitation or upon due determination by the Calculation Agent of the occurrence at any relevant time of a Settlement Disruption Event (which occurs or exists where, in the opinion of the Calculation Agent, as a result of the occurrence of an event beyond the control of the Issuer, the Issuer cannot make delivery of the Entitlement using the method specified in the applicable Final Terms)or, if specified in the applicable Final Terms, a Failure to Deliver due to illiquidity in the market for the Relevant Asset or Relevant Assets. The applicable Physical Settlement Value could increase or decrease during such period from what it would otherwise have been but for such delay and may in certain circumstances be zero. In addition, in the event that a Settlement Disruption Event or, if specified in the applicable Final Terms, a Failure to Deliver, has occurred at any relevant time, the Issuer or the Calculation Agent, as the case may be, may elect to deliver a cash amount in lieu of physical delivery of the Entitlement in respect of the Relevant Asset or Relevant Assets affected by the Settlement Disruption Event or Failure to Deliver.

Certain Additional Risk Factors Associated with Currency Warrants

Investors who intend to convert gains or losses from the exercise or sale of Currency Warrants into their home currency may be affected by fluctuations in exchange rates between their home currency and the relevant currency (or basket of currencies). Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency (or basket of currencies), regardless of other market forces. Purchasers of Currency Warrants risk losing their entire investment if exchange rates of the relevant currency (or basket of currencies) do not move in the anticipated direction.

If additional warrants or options relating to particular currencies or particular currency indices are subsequently issued, the supply of warrants and options relating to such currencies or currency indices, as applicable, in the market will increase, which could cause the price at which the Warrants and such other warrants and options trade in the secondary market to decline significantly.

Option to Vary Settlement

If the applicable Final Terms in respect of the Warrants indicates that the Issuer has an option to vary settlement in respect of such Warrants, the Issuer may, at its sole and unfettered discretion, elect (1) not to pay the relevant Warrantholders the Cash Settlement Amount, but to deliver or procure delivery of the Entitlement or (2) not to deliver or procure delivery of the Entitlement, but to make payment of the Cash Settlement Amount on the Settlement Date to the relevant Warrantholders.

Option to Substitute Assets

If the Warrants are Share Warrants and are represented by a Rule 144A Global Warrant, a Private Placement Definitive Warrant or a Regulation S Global Warrant, the Issuer may, at its sole and unfettered discretion, elect to substitute a Substituted Asset or Substituted Assets, as the case may be, for the relevant Share(s) in accordance with the Terms and Conditions and the applicable Final Terms.

Possible Illiquidity of the Warrants in the Secondary Market

Although application has been made for Warrants issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, it is not possible to predict the price at which Warrants will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, apply for Warrants to be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system. Also, to the extent Warrants of a particular issue are exercised, the number of Warrants of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Warrants of such issue. A decrease in the liquidity of an issue of Warrants may cause, in turn, an increase in the volatility associated with the price of the Warrants.

The Issuer may, but is not obliged to, at any time purchase Warrants at any price in the open market or by tender or private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation. The Issuer may, but is not obliged to, be a market-maker for an issue of Warrants. Even if the Issuer is a market-maker for an issue of Warrants, the secondary market for such Warrants may be limited. To the extent that an issue of Warrants becomes illiquid, an investor may have to exercise such Warrants to realise their value and will only be able to do so subject to the terms of such Warrants. To the extent that any Warrants are European Style Warrants, an investor will only be able to exercise such Warrants on the Actual Exercise Date.

Potential Conflicts of Interest

The Issuer and its affiliates may also engage in trading activities (including hedging activities) related to the interest underlying any Warrants and other instruments or derivative products based on or related to the interest underlying any Warrants for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates may also issue other derivative instruments in respect of the interest underlying Warrants. The Issuer and its affiliates may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Warrants or may act as financial adviser, lender or provide other investment or commercial banking services to companies whose shares are a reference security for Warrants. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Warrants.

Illegality

Unless otherwise specified in the applicable Final Terms, if the Issuer determines that its performance under any Warrants has become unlawful in whole or in part for any reason, the

Issuer may cancel such Warrants and, if permitted by applicable law, pay each Warrantholder an amount determined by the Calculation Agent to be the fair market value of such Warrants notwithstanding such illegality, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if already paid, the Exercise Price.

United Kingdom Stamp Duty

Potential purchasers of Warrants should note that each Global Warrant may constitute an instrument which is subject to United Kingdom stamp duty on issue by reference to the amount of the consideration given for the warrants represented by such Global Warrant. However, each Global Warrant is being executed and delivered outside the United Kingdom and should not be brought into the United Kingdom save for the purposes of enforcement. So long as a Global Warrant is held outside the United Kingdom, no requirement to pay United Kingdom stamp duty will arise. However, if a Global Warrant were brought into the United Kingdom to be used as evidence (for example, for enforcement purposes) or for any other purposes, United Kingdom stamp duty may be required to be paid on such Global Warrant. If stamp duty is payable on the Global Warrant, interest will be payable (in addition to the stamp duty) in respect of the period from 30 days after the date of execution of the Global Warrant to the date of payment. Furthermore penalties may also be payable if the Global Warrant is not stamped within 30 days of being brought into the United Kingdom. If a Global Warrant is subject to United Kingdom stamp duty, it would be inadmissible in evidence in an English court unless duly stamped.

RISKS RELATING TO THE ISSUER

As a global financial services firm, the Issuer is affected by the factors driving the markets in which it operates. Different risk factors can impact its ability to effectively carry out its business strategies and can directly affect its earnings. The factors described below, as well as other influences beyond its control, mean that revenues and operating profit have and are likely to continue to vary from period to period. Revenues and operating profit for any particular period may not, therefore, be indicative of sustainable results.

Interest rates, equity prices, foreign exchange levels and other market fluctuations may affect earnings

A substantial part of the Issuer's business consists in taking trading positions in the interest rate, debt, currency, equity, precious metal and energy cash and derivative markets.

The value of these assets and liabilities can be adversely affected by market price fluctuations. Market risks are subject to a control framework and to portfolio and concentration limits. The Issuer avoids undue concentrations of risk and, where appropriate, hedges exposure to stress events. Nevertheless, in the event of sudden, severe or unexpected market movements, the Issuer might suffer significant losses.

Because the Issuer prepares its accounts in Swiss francs while assets, liabilities, revenues and expenses from certain businesses are denominated in other currencies, changes in foreign exchange rates, particularly between the Swiss franc and the US dollar (US dollar income representing the major part of its non-Swiss franc income), may have an effect on its reported earnings.

Regulatory or political changes impacting financial market structures can affect the Issuer's earnings. An example was the introduction of the euro in 1999, which affected European foreign exchange markets by reducing the volume of foreign exchange business, and prompted greater harmonization between financial products. Movements in interest rates can affect its net interest income and the value of its fixed income trading portfolio, while movements in equity markets can affect the value of its equity trading portfolio. Changes in both can affect the investment performance of its asset management businesses. The Issuer's fixed income and equity trading portfolios and its asset management businesses may also be impacted by credit events, including defaults, related to the issuers of bonds and equities. The Issuer's private equity and commercial real estate investments can be adversely affected by economic, business and general market conditions.

The Issuer considers its market risk control framework to be robust, but severe market dislocations or an extended period of market disruptions could have a material impact on its earnings.

Furthermore, income in businesses such as investment banking, and wealth and asset management is often directly related to client activity levels. As a result, the Issuer's income is susceptible to adverse effects from sustained market downturns as well as any significant deterioration of investor sentiment. Asset-based revenues generated in the Issuer's wealth and asset management businesses depend on the levels of invested assets which can, in themselves, be adversely affected by deteriorating market valuations.

Market levels and trading volumes may be affected by a broad range of geopolitical or regional issues or events beyond the Issuer's control, such as the possibility of war or terrorism, or by economic developments such as low growth, inflation, recession or depression. Counterparty failure may lead to credit loss. Credit is an integral part of many of its business activities. The results of its credit-related activities (including loans, commitments to lend, contingent liabilities such as letters of credit, and derivative products such as swaps and options) would be adversely affected by any deterioration in the creditworthiness of our counterparties and the ability of clients to meet their obligations. The credit quality of the Issuer's counterparties may be affected by various factors, such as an economic downturn, lack of liquidity, or an unexpected political event. Any of these events could lead the Issuer to incur losses. The Issuer believes that impairments in the portfolio at the balance sheet date are adequately covered by its allowances and provisions. In general, the Issuer aims to avoid risk concentrations in its credit portfolio and the Issuer makes active use of credit protection. If its risk management and control measures prove inadequate or ineffective, then any credit losses sustained might have a material adverse effect on both its income and the value of its assets.

Operational risk may increase costs and impact revenues

All of the issuer's businesses are dependent on its ability to process a large number of complex transactions across many and diverse markets in different currencies and subject to many different legal and regulatory regimes. The Issuer's systems and processes are designed to ensure that the risks associated with its activities, including those arising from process error, failed execution, fraud, systems failure, and failure of security and physical protection, are appropriately controlled. However, if the Issuer's system of internal controls is ineffective in identifying and remedying such risks, the Issuer will be exposed to operational failures that might result in losses.

Legal claims may arise in the conduct of the Issuer's business

Due to the nature of its business, the Issuer is involved in various claims, disputes and legal proceedings in Switzerland and in a number of jurisdictions outside Switzerland, including the United States, arising in the ordinary course of business. Such legal proceedings may expose the Issuer to substantial monetary damages and legal defence costs, injunctive relief and criminal and civil penalties.

Competitive forces may influence business direction

The Issuer faces intense competition in all aspects of its business. In the Issuer's various lines of business it competes, both domestically and internationally, with asset managers, retail and commercial banks, and private banking, investment banking, brokerage and other investment services firms. The Issuer faces intense competition not only from firms competing locally in particular lines of business, but also from global financial institutions that are comparable to the Issuer in size and breadth.

The trend towards consolidation in the global financial services industry is creating competitors with broad ranges of product and service offerings, increased access to capital, and greater efficiency and pricing power. The Issuer expects these trends to continue and competition to increase in the future. The Issuer's competitive strength will depend on the ability of its businesses to adapt quickly to significant market and industry trends.

The Issuer's global presence exposes it to other risks

The Issuer operates in 50 countries, earns income and hold assets and liabilities in many different currencies and are subject to many different legal and regulatory regimes. Changes in local tax or legal regulations may affect its clients' ability or willingness to do business with us. Country, regional and political risks may increase market and credit risk. Political, economic and social deterioration in a country or region, including local market disruptions, currency crises, the breakdown of monetary controls or terrorism, may adversely affect the ability of clients or counterparties located in that country or region to obtain foreign exchange or credit and, therefore, to satisfy their obligations towards us. As a global financial services company, the Issuer is also exposed to economic instability in emerging markets. The Issuer has a system of controls and procedures to mitigate this risk. However, if these controls fail to fully identify and respond to country risk, the Issuer might suffer a negative impact on its results and financial condition.

INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

(1) the audited annual financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the years ended 31st December, 2004 and 2005 (set out on pages 81 to 190 and 71 to 190, respectively, of the 2004 and 2005 Financial Reports of the Issuer on Form 20-F as filed with the United States Securities and Exchange Commission), including the information set out on the following pages in particular:

	2004	**2005**
Balance Sheet	85	75
Income Statements	84	74
Accounting Principles and Notes	90-190	80-190
Audit Report	83	73
Cash Flow	88	78

(2) the unaudited financial statements of the Issuer for the period ended 31 March 2006 (set out on pages 53 to 72 of the Financial Reporting - First Quarter 2006 document of the Issuer), including the information set out on the following pages in particular:

	31 March 2006
Balance Sheet	55
Income Statements	54
Accounting Principles and Notes	59-72
Cash Flow	58

Any information which appears in the documents described above but which is not expressed to be incorporated by reference into this Base Prospectus is either not relevant for the investor or covered elsewhere in this Base Prospectus.

Copies of any documents containing information incorporated by reference and copies of Final Terms will be made available, free of charge, by each of the Warrant Agents (save that the Final Terms relating to a series of Warrants which is not admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system will only be provided to a Warrantholder and such Warrantholder must first produce evidence satisfactory to the relevant Warrant Agent as to the identity of such Warrantholder). Written requests for such documents should be directed either, at the option of the Warrantholder, to (i) the specified office of the Principal Warrant Agent for the attention of Warrant Trade Support at 1 Finsbury Avenue, London EC2M 2PP, (ii) the specified office of the New York Warrant Agent, for the attention of Corporate Administration at 100 Wall Street, Suite 1600, New York, NY 10005, (iii) the specified office of the Luxembourg Warrant Agent for the attention of Agency Administration at Fortis Banque Luxembourg S.A. at 50 avenue J.F. Kennedy, L-2951 Luxembourg, or (iv) the specified office of the Listing Agent, for the attention of Agency Administration at Fortis Banque Luxembourg S.A. at the same address in

Luxembourg. The documents incorporated by reference are also available for viewing at www.bourse.lu.

The Issuer is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and, in accordance therewith, files reports and other information with the SEC. Such reports and other information concerning the Issuer can be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. Copies of such material can be obtained from the Public Reference Room of the SEC at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates. The SEC maintains a web site that contains reports, proxy and information statements and other materials that are filed through the SEC Electronic Data Gathering Analysis and Retrieval System. The web site can be accessed at http://www.sec.gov.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "necessary information" means, in relation to any series of Warrants, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Warrants. In relation to the different types of Warrants which may be issued under the Programme the Issuer has endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Warrants which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a series of Warrants.

Any information relating to the Warrants which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a series of Warrants will be contained either in the applicable Final Terms or in a Drawdown Prospectus. Such information will be contained in the applicable Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Warrants, will be contained in a Drawdown Prospectus.

For a series of Warrants which is the subject of Final Terms, those Final Terms will, for the purposes of that series only, supplement this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular series of Warrants which is the subject of Final Terms are the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular series of Warrants which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a series of Warrants which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Warrants or (2) by a registration document (the "**Registration Document**") containing the necessary information relating to the Issuer, a securities note (the "**Securities Note**") containing the necessary information relating to the relevant Warrants and, if necessary, a summary note. In addition, if the Drawdown Prospectus is constituted by a Registration Document and a Securities Note, any significant new factor, material mistake or inaccuracy relating to the information included in the Registration Document which arises or is noted between the date of the Registration Document and the date of the Securities Note which is capable of affecting the assessment of the relevant Warrants will be included in the Securities Note.

FORM OF FINAL TERMS

The Final Terms relating to each issue of Warrants may contain (without limitation) such of the following information as is applicable in respect of such Warrants.

UBS AG, [London / Jersey] Branch

Issue of [Aggregate Number of Warrants][Title of Warrants] under the Warrant Programme

Part A - Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus (the "**Base Prospectus**") relating to the Warrant Programme of UBS AG, acting through its London Branch and Jersey Branch (constituted by the Base Prospectus dated [•] [as supplemented by the supplemental Prospectus dated [•]]) which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectus. Copies of the Base Prospectus are available free of charge at the registered office of the Issuer and at the specified office of the Warrant Agents in London, Luxembourg and New York. The Base Prospectus will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The following alternative language applies if the first issue of a series which is being increased was made under a base prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the [*date*] Conditions (the "**[*date*] Conditions**") incorporated by reference in the Base Prospectus (the "**Base Prospectus**") relating to the Warrant Programme of UBS AG, acting through its London Branch and Jersey Branch (constituted by the Base Prospectus dated [•] [as supplemented by the supplemental Prospectus dated [•]]) which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus, save in respect of the [*date*] Conditions which are set forth in the [offering circular/information memorandum] dated [*original date*] and are incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectus. Copies of the Base Prospectus are available free of charge at the registered office of the Issuer and at the specified office of the Warrant Agents in London, Luxembourg and New York.

[Date]

1.	Issuer:	UBS AG acting through its [London/ Jersey Branch]
2.	[(a)] The series number of the Warrants:	[ ]
	[(b) Whether the Warrants are to be consolidated and form a single series with the Warrants of an existing series:	[Yes/No] [*If yes, give details of that series, including the date on which the Warrants become fungible*]] (*N.B. if first issue of a series, delete this section*)
3.	Type of Warrant:	[Index Warrants/Share Warrants/Debt Warrants/Currency Warrants/Commodity Warrants/other]
4.	Style of Warrants:	[American Style Warrants/European Style Warrants/ other]
5.	Put/Call Warrants:	[Call Warrants/Put Warrants]
6.	Averaging applicable to the Warrants:	[Yes/No]
	(a) the relevant Averaging Dates:	(*If no, delete the remaining sub-paragraphs of this paragraph*) [ ]
	(b) in the event of a Market Disruption Event (as defined in Condition 15) occurring on an Averaging Date, whether Omission, Postponement or Modified Postponement (each as defined in Condition 3) will apply:	[Omission/Postponement/Modified Postponement] (*In the case of Debt Warrants, Currency Warrants or Commodity Warrants, set out provisions for determining the Averaging Date in the event of Modified Postponement applying*)
7.	Number of Warrants being issued:	[ ]
	Total number of Warrants in issue:	[ ]
8.	Issue price per Warrant:	[ ]
9.	Exercise price per Warrant (which may be subject to adjustment in accordance with Condition 15(*B*) in the case of Share	[ ] (*N.B. this should take into account any relevant Multiplier and, in the case of an*

	Warrants):	*Index Warrant, must be expressed as a monetary value)*
10.	In the case of Cash Settled Warrants: the Settlement Date for the Warrants (if different from the definition in Condition 3): In the case of Physical Delivery Warrants:	[ ]
	(a) the Settlement Date: and	[ ]
	(b) the definition of "Settlement Business Day" for the purposes of Condition 4(*C*)(ii):	[ ]
11.	Issue date of the Warrants:	[ ]
12.	Exercise Date for the Warrants (in the case of European Style Warrants):	[ ] **provided that**, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately succeeding Exercise Business Day.
13.	Exercise Period in respect of the Warrants (in the case of American Style Warrants):	[ ] to and including [ ], or if [ ] is not an Exercise Business Day, the immediately succeeding Exercise Business Day.
14.	Applicable definition of Scheduled Trading Day (if different from that in Condition 3 or if the Warrants are neither Index Warrants nor Share Warrants):	[ ]
15.	Exchange Business Day (if different from the definition in Condition 3):	[ ]
16.	Applicable Business Day Centre(s) for the purposes of the definition of "Business Day" in Condition 3:	[ ]
17.	Settlement Method:	[Cash Settled Warrants/Physical Delivery Warrants] (*Insert details if combination of two*)

18.	Whether the Issuer has the option to vary settlement in respect of the Warrants:	[Yes/No] *(If yes, insert details of terms of variation if different from Condition 4(D))*
19.	Applicable Exchange Rate for conversion of any amount into the relevant settlement currency for the purposes of determining the Settlement Price (as defined in Condition 3) or the Cash Settlement Price (as defined in Condition 3) and details of how and when such rate is to be ascertained:	[ ]
20.	Settlement Currency for the payment of the Cash Settlement Amount (in the case of Cash Settled Warrants) or the Disruption Cash Settlement Amount (in the case of Physical Delivery Warrants):	[ ]
21.	In the case of Cash Settled Warrants relating to a Basket, the Multiplier for each item comprising the Basket:	[ ] *(Each Multiplier shall be subject to adjustment in accordance with Condition 15(B) in the case of Share Warrants (or as otherwise provided in these Final Terms) and shall be applied to the relevant item comprising the Basket in order to ascertain the Settlement Price)*
22.	In the case of Cash Settled Warrants relating to Debt Securities,	
	(a) the Nominal Amount:	[ ]
	(b) the Relevant Screen Page:	[ ]
23.	Details of the Relevant Asset or the Relevant Assets to which the Warrants relate and of the Entitlement (as defined in Condition 3) (in the case of Physical Delivery Warrants):	[ ]
24.	Method of delivery of the Entitlement (in the case of Physical Delivery Warrants):	[ ] *(Include if different from Condition 4(C))*
25.	Details of how the Entitlement will be evidenced (in the case of Physical	[ ]

	Delivery Warrants):	
26.	Calculation Agent (and address) (if any) if not the Issuer:	[ ]
27.	Minimum Exercise Number that must be exercised on any day by any Warrantholder:	[ ] [Warrants may only be exercised in integral multiples of [ ]]
28.	Maximum Exercise Number that must be exercised on any day by any Warrantholder or group of Warrantholders (whether or not acting in concert):	[ ] *(N.B. not applicable for European Style Warrants)*
29.	Warrants to be admitted to listing, trading and/or quotation by the Luxembourg Stock Exchange or any other competent authority, stock exchange and/or quotation system:	[Regulated market of the Luxembourg Stock Exchange/other (give details)/No]
30.	For the purposes of Condition 15(*A*) (terms for Index Warrants):	
	(a) the relevant Exchange(s):	[ ]
	(b) the relevant Sponsor:	[ ]
31.	For the purposes of Condition 3 and Condition 15(*B*) (terms for Share Warrants), details of the relevant Exchange(s):	[ ]
32.	Related Exchange(s)	[[ ] for the purposes of Condition 3 and Condition 15(*B*) *(N.B. Only applicable in relation to Share Warrants)*] / [[ ] for the purposes of Condition 3 and Condition 15(*A*) / All Exchanges (*N.B. Only applicable in relation to Index Warrants)*]
33.	In relation to Commodity Warrants, the provisions for the calculation of the Settlement Price:	[ ]
34.	Provisions for calculating the Settlement Price if the Valuation Date or an Averaging Date (each as defined in	[ ]

	Condition 3), as the case may be, is a Disrupted Day:	
35.	In relation to Debt Warrants, provisions dealing with the situation where one or more of the relevant Debt Securities is redeemed (or otherwise ceases to exist) before the expiration of the relevant Warrants:	[ ]
36.	Details of the Relevant Time being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price:	[ ] *(N.B. for Index Warrants and Share Warrants, if no Relevant Time is specified, the [ ]Valuation Time will be the Scheduled Closing Time as defined in Condition 3)*
37.	In relation to Currency Warrants:	
	(a) the Relevant Screen Page:	[ ]
	(b) the relevant Base Currency: and	[ ]
	(c) the relevant Subject Currency or Subject Currencies:	[ ]
38.	Whether Failure to Deliver applies:	[Yes/No] *(N.B. Only applicable in the case of Physical Delivery Warrants - Failure to Deliver is applicable to certain Share Warrants. Careful consideration should be given to whether Failure to Deliver would apply to other Physical Delivery Warrants)*
39.	Any other special conditions and any modification to the Terms and Conditions of the Warrants:	[ ]
40.	Whether Warrants are eligible for sale in the United States under Section 4(2) or Regulation D, and if they are:	[Yes/No] (*If no, delete the remaining sub-paragraphs of this paragraph*)
	(a) the applicable U.S. selling restrictions and details of any transfer restrictions and any	[Private Placement Definitive Warrants]

	necessary certifications, if different from those set out in the Conditions: and	
	(b) any amendments to the form of Exercise Notice (the form of which is set out in a schedule to the Warrant Agreement):	[ ]
41.	Whether the Warrants are eligible for sale in the United States under Rule 144A, and if they are:	[Yes/No] *(If no, delete the remaining sub-paragraphs of this paragraph)*
	(a) whether the Warrants eligible for sale under Rule 144A will be represented by a Unified Global Warrant or a Rule 144A Warrant (and, in the case of a Rule 144A Global Warrant, whether the Warrants may be issued concurrently outside the United States to non-U.S. persons (such Warrants to be represented by a Regulation S Global Warrant).	[Unified Global Warrant / Rule 144A Global Warrant [and Regulation S Global Warrant]] [ ]
	(b) the applicable U.S. selling restrictions and details of any transfer restrictions and any necessary certifications, if different from those set out in the Conditions: and	
	(c) any amendments to the form of Exercise Notice (the form of which is set out in a schedule to the Warrant Agreement):	
	"**Unified Global Warrant**" means warrants represented by a global warrant that are eligible for sale in the United States to qualified institutional buyers (as defined in Rule 144A of the Securities Act) and sold outside the United States to non-U.S. persons in reliance on Regulation S.	

42.	Additional U.S. federal income tax consequences	[*insert details*]
43.	Details of any additional selling restrictions:	[ ]
44.	Method of distribution of the Warrants (syndicated or non-syndicated) including, if syndicated, the names of the Managers:	[Syndicated/Non-Syndicated] [The Managers are [ ]] [and are underwriting the whole issue on a firm commitment basis] [Give details of registered broker dealer through which Warrants will be sold in the United States if not UBS Securities LLC]
45.	Governing Law:	[The Warrants, issued by UBS AG, London Branch, shall be governed by and shall be construed in accordance with English law/ The Warrants issued by UBS AG, Jersey Branch, shall be construed in accordance with Jersey Law.] (*N.B. if presumption not applicable, state as appropriate.*)

[The Issuer accepts responsibility for the information contained in these Final Terms subject as provided below. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in the Base Prospectus, as amended and/or supplemented by these Final Terms in relation to the Warrants, is (subject as provided below) true and accurate in all material respects and, in the context of the issue of the Warrants there are no other material facts the omission of which would make any statement in such information misleading.

The information included in Part B (the "**[ ] Information**") consists of extracts from or summaries of information that is publicly available in respect of [ ] and is not necessarily the latest information available. The Issuer accepts responsibility for accurately extracting and summarising the [ ] Information. No further or other responsibility (express or implied) in respect of the [ ] Information is accepted by the Issuer. The Issuer makes no representation that the [ ] Information, any other publicly available information or any other publicly available documents regarding the underlying asset, index or other item(s) to which the Warrants relate are accurate or complete. There can be no assurance that all events occurring prior to the date of these Final Terms that would affect the trading price of the underlying asset, index or other item(s) to which the Warrants relate (and therefore the trading price and value of the Warrants) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure or failure to disclose material future events concerning the underlying asset, index or other item(s) to which the Warrants relate could affect the trading price and value of the Warrants.]

Signed on behalf of the Issuer:

By:

Part B - [] Information

1. **LISTING**

Listing:	[Luxembourg/other (*specify*)/None]
Admission to trading:	[Application has been made for the Warrants to be admitted to the official list and to trading on the [regulated market]/[Euro MTF market] of the Luxembourg Stock Exchange] [*Other - please specify*] [Not Applicable.]] (*Where documenting a fungible issue need to indicate the market(s) on which the original warrants are already admitted to trading.*)

2. **NOTIFICATION**

The Commission de Surveillance du Secteur Financier ("**CSSF**") [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [*insert names of competent authorities of host Member States*] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the Manager[s], so far as the Issuer is aware, no person involved in the issue of the Warrants has an interest material to the offer. - *Amend as appropriate if there are other interests*]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i)	[Reasons for the offer:	[ ] (*See "Use of Proceeds" wording in Base Prospectus - if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.*)]
(ii)	[Estimated net proceeds:	(*If proceeds are intended for more than one use, will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other*

funding.)]

(iii)	[Estimated total expenses:	[ ]. *(Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".)*]

(Paragraph (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the issue price of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

5. PERFORMANCE OF [THE UNDERLYING], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

[Need to include details of the underlying (such as security identification number), details of where past and future performance and volatility of the underlying can be obtained, the relevant weightings (where the Warrants relate to a basket) and where pricing information is available.]

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

6. OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ][1]
(ii)	Common Code:	[ ][1]
(iii)	DTC CUSIP:	[ ]]
(iv)	Any Additional or Alternative Clearing System(s) other than Clearstream, Luxembourg, Euroclear or DTC and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]

[1] These codes must be marked as "restricted" for Securities Act purposes in the case of Combined Global Warrants or Physical Delivery Share Warrants represented by a Regulation S Global Warrant or a Permanent Global Warrant.

(v) Names and addresses of additional Warrant Agent(s) (if any): [ ]

TERMS AND CONDITIONS OF THE WARRANTS

The following is the text of the Terms and Conditions of the Warrants which will be incorporated by reference in each Global Warrant and/or Private Placement Definitive Warrant. The applicable Final Terms in relation to any issue of Warrants may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, supplement, replace or modify the Terms and Conditions, for the purposes of such Warrants.

If the Warrants of this series are specified in the applicable Final Terms to be issued through the Issuer's London Branch they shall be governed by, and construed in accordance with English law and they shall be referred to in these Terms and Conditions as "**English Law Warrants**". If the Warrants of this series are specified in the applicable Final Terms to be issued through the Issuer's Jersey Branch they shall be governed by, and construed in accordance with Jersey law and they shall be referred to in these Terms and Conditions as "**Jersey Law Warrants**". If the Warrants of this series are English Law Warrants they shall be constituted by one or more global warrants (each a "**Global English Law Warrant**") except in the case of Warrants to be issued in definitive form ("**Definitive English Law Warrants**"). If the Warrants of this series are Jersey Law Warrants they shall be constituted by a trust agreement dated The Law Debenture Trust Corporation p.l.c., 2006 (the "**Trust Agreement**") between UBS AG as issuer (the "Issuer") acting through its Jersey Branch and The Law Debenture Trust Corporation p.l.c. as trustee (the "**Trustee**", which expression shall include any successor trustee or trustees appointed under the Trust Agreement). In these Terms and Conditions: Jersey Law Warrants in global form shall be referred to as "**Global Jersey Law Warrants**"; Global English Law Warrants and Global Jersey Law Warrants shall together be referred to as "**Global Warrants**"; Jersey Law Warrants in definitive form shall be referred to as "**Definitive Jersey Law Warrants**"; Definitive English Law Warrants and Definitive Jersey Law Warrants shall together be referred to as "**Definitive Warrants**"; and English Law Warrants and Jersey Law Warrants shall together be referred to as "**Warrants**".

The Warrants are issued pursuant to a Fourth Amended and Restated Master Warrant Agreement dated 7 July 2006 (the "**Warrant Agreement**") between the Issuer acting through its London Branch and its Jersey Branch and as principal warrant agent (the "**Principal Warrant Agent**", which expression shall include any successor principal warrant agent), Fortis Banque Luxembourg S.A. as Luxembourg warrant agent (the "**Luxembourg Warrant Agent**"), U.S. Bank Trust National Association as the New York Warrant Agent (the "**New York Warrant Agent**", and, together with the Principal Warrant Agent and the Luxembourg Warrant Agent, the "**Warrant Agents**", which expression shall include any additional or successor warrant agents), UBS AG as Manager and UBS Securities LLC as U.S. Manager. The Issuer shall undertake the duties of calculation agent (the "**Calculation Agent**") in respect of the Warrants as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression Calculation Agent shall, in relation to the relevant Warrants, include such other specified calculation agent.

In the event that (A) the applicable Final Terms specifies that Warrants are eligible for sale in the United States under Rule 144A ("**Rule 144A**") under the Securities Act of 1933, as amended (the "**Securities Act**"), the Warrants sold in the United States to qualified institutional buyers ("**QIBs**") within the meaning of Rule 144A will, subject as provided below, be represented by one or more Rule 144A Global Warrants (the "**Rule 144A Global Warrants**"), (B) the applicable Final Terms specifies that the Warrants are eligible for sale in the United States under the exemption provided by Section 4(2) ("**Section 4(2)**") of the Securities Act or Regulation D ("**Regulation D**") under the Securities Act, the Warrants sold in the United States to accredited investors (as defined in Rule 501(a) under the Securities Act) ("**Accredited Investors**") will be constituted by Private Placement Definitive Warrants ("**Private Placement Definitive Warrants**") and (C) in either such case, Warrants are sold outside the United States to non-U.S. persons, such Warrants will, subject as provided below, be represented by a Regulation S Global Warrant (the "**Regulation S Global Warrant**"). Warrants eligible for sale in the United States to QIBs pursuant to Rule 144A and sold outside the United States to non-U.S. persons in reliance on Regulation S may also be represented by a single global warrant (the "**Unified Global Warrant**").

In the event that the applicable Final Terms does not specify that the Warrants are eligible for sale in the United States, any Warrants will be represented by a Permanent Global Warrant (the "**Permanent Global Warrant**").

References herein to a "**Global Warrant**" include, as the context so requires, a Permanent Global Warrant, a Rule 144A Global Warrant, a Regulation S Global Warrant and a Unified Global Warrant.

Except as specified herein, Definitive Warrants will not be issued. Each Regulation S Global Warrant, Permanent Global Warrant (if any) or Unified Global Warrant will be deposited with a depositary (a "**Common Depositary**") on behalf of Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. as operator of the Euroclear system ("**Euroclear**"). Each Rule 144A Global Warrant (if any) will be deposited with either (i) the New York Warrant Agent as custodian (the "**Custodian**") for, and is in the name of a nominee of, The Depository Trust Company ("**DTC**") or (ii) a Common Depositary as specified in the applicable Final Terms. Share Warrants issued in the United States or to U.S. persons will only be issued pursuant to Rule 144A or Section 4(2) of the Securities Act.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if DTC notifies the Issuer that it is unwilling or unable to continue as a depositary for that Rule 144A Global Warrant, or if at any time DTC ceases to be a "**clearing agency**" registered under the U.S. Securities Exchange Act of 1934, as amended, and a successor depositary is not appointed by the Issuer within 90 days of such notice, the Issuer will deliver Warrants in definitive registered form (bearing such legends as may be required by the Issuer) in exchange for that Rule 144A Global Warrant. Except in these circumstances, owners of beneficial interests in a Rule 144A Global Warrant held by a Custodian on behalf of DTC will not be entitled to have any portion of such Warrants registered in their name and will not receive or be entitled to receive physical delivery of registered Warrants in definitive form in exchange for their interests in that Rule 144A Global

Warrant. Transfer, exercise, settlement and other mechanics related to any Warrants issued in definitive form in exchange for Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC shall be as agreed between the Issuer and the New York Warrant Agent.

In the case of Warrants represented by a Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear, through an account at Clearstream, Luxembourg or Euroclear, if Clearstream, Luxembourg and Euroclear notify the Issuer that they are unwilling or unable to continue as depositary for that Rule 144A Global Warrant or Unified Global Warrant and a successor depositary is not appointed by the Issuer within 90 days of such notice, the Issuer will deliver Warrants in definitive registered form (bearing such legends as may be required by the Issuer) in exchange for that Rule 144A Global Warrant or Unified Global Warrant. Except in these circumstances, owners of beneficial interests in a Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear, through an account at Clearstream, Luxembourg or Euroclear, will not be entitled to have any portion of such Warrants registered in their name and will not receive or be entitled to receive physical delivery of registered Warrants in definitive form in exchange for their interests in that Rule 144A Global Warrant or Unified Global Warrant. Transfer, exercise, settlement and other mechanics related to any Warrants issued in definitive form in exchange for Warrants represented by a Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear, through an account at Clearstream, Luxembourg or Euroclear, shall be as agreed between the Issuer and the Principal Warrant Agent and, in the case of Jersey Law Warrants, the Trustee.

The applicable Final Terms for the Warrants are attached to the Global Warrant or to the Definitive Warrant, as the case may be, and supplement these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of the Warrants.

References herein to the "**applicable Final Terms**" are to the Final Terms attached to the Global Warrant or to the Definitive Warrant, as the case may be.

Copies of the Warrant Agreement (which contains the form of the Final Terms), the Trust Agreement and the applicable Final Terms may be obtained during normal office hours from the specified office of any Warrant Agent, save that the Final Terms relating to a series of Warrants which is not admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system will only be obtainable by a Warrantholder and such Warrantholder must first produce evidence satisfactory to the relevant Warrant Agent as to identity.

Words and expressions defined in the Warrant Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

The Warrantholders (as defined in Condition 1(*B*)) are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Warrant Agreement (insofar as they relate to the Warrants) and the applicable Final Terms. Holders of Jersey Law Warrants are, in addition, entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Trust Agreement (insofar as they relate to such Warrants).

1. Type, Title and Transfer

(A) *Type*

The Warrants are Index Warrants, Share Warrants, Debt Warrants, Currency Warrants, Commodity Warrants or any other or further type of warrants as is specified in the applicable Final Terms. Certain terms which will, unless otherwise varied in the applicable Final Terms, apply to Index Warrants, Share Warrants, Debt Warrants or Commodity Warrants are set out in Condition 15.

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**") or European style Warrants ("**European Style Warrants**") or such other type as may be specified in the applicable Final Terms, whether settlement shall be by way of cash payment ("**Cash Settled Warrants**") or physical delivery ("**Physical Delivery Warrants**"), whether the Warrants are call Warrants ("**Call Warrants**") or put Warrants ("**Put Warrants**"), or such other type as may be specified in the applicable Final Terms and whether Averaging ("**Averaging**") will apply to the Warrants. If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in Condition 3 below) applies.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Warrants shall be deemed to include references to Physical Delivery Warrants that include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Warrant and where settlement is to be by way of cash payment. References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Warrants shall be deemed to include references to Cash Settled Warrants that include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Warrant and where settlement is to be by way of physical delivery.

Warrants, if so specified and provided for in the applicable Final Terms, may allow Warrantholders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those Warrants where the Warrantholder has elected for cash payment will be Cash Settled Warrants and those Warrants where the Warrantholder has elected for physical delivery will be Physical Delivery Warrants. The rights of a Warrantholder as described in this paragraph may be subject to the Issuer's right to vary settlement as indicated in the applicable Final Terms and will be subject, in certain circumstances, to the Issuer's right to substitute assets in accordance with Condition 4(*E*).

(B) *Title to Warrants*

In the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, a Unified Global Warrant or a Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, each person who is for the time being shown in the records of Clearstream, Luxembourg or of Euroclear as the holder of a particular number of Warrants (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the number of Warrants standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Warrant Agents and, in the case of Jersey Law Warrants, the Trustee as the holder of such number of Warrants for all purposes (and the expressions "**Warrantholder**" and "**holder of Warrants**" and related expressions shall be construed accordingly).

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the Rule 144A Global Warrant will be registered in the name of Cede & Co., as nominee of DTC but this does not confer any rights or benefits on Cede & Co. or any other bearer and is only enforceable by the Warrantholders (as defined below) as provided therein. Such Rule 144A Global Warrant will be held by the New York Warrant Agent as custodian for DTC. Each person who is for the time being shown in the records of DTC as the holder of a particular number of such Warrants shall be treated by the Issuer, any Warrant Agent and, in the case of Jersey Law Warrants, the Trustee as the holder of such number of such Warrants for all purposes (and the expressions "**Warrantholder**" and "**holder of Warrants**" and related expressions shall be construed accordingly).

In the case of Private Placement Definitive Warrants, the Issuer shall cause to be kept at the principal office of the New York Warrant Agent, a register (the "**Register**") on which shall be entered the names and addresses of all holders of Private Placement Definitive Warrants, the number and type of Private Placement Definitive Warrants held by them and details of all transfers of Private Placement Definitive Warrants. The persons shown in the Register (each a "**Warrantholder**") shall (except as otherwise required by law) be treated as the absolute owners of the relevant Private Placement Definitive Warrants for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

(C) *Transfers of Warrants*

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 5(*E*).

Except for transfers of Private Placement Definitive Warrants, subject as set forth in this Condition, all transactions (including permitted transfers of Warrants) in the open market or otherwise must be effected in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear, through an account at Clearstream, Luxembourg or Euroclear, or, in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, through a direct or indirect participant of DTC, subject to and in accordance with the rules and procedures for the time being of Clearstream, Luxembourg, Euroclear, or DTC, as the case may be. Title will pass upon registration of the transfer in the books of Clearstream, Luxembourg or Euroclear or DTC, as the case may be. Transfers of a Rule 144A Global Warrant held by a nominee for DTC shall be limited to transfers of such Rule 144A Global Warrant, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee. Transfers of a Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear, through an account at Clearstream, Luxembourg, or Euroclear may only be transferred in whole and not in part by Euroclear and Clearstream, Luxembourg to the Common Depositary or by the Common Depositary to Euroclear and Clearstream, Luxembourg, respectively, or to another nominee or successor of the clearing systems or a nominee of that successor.

Subject as otherwise provided in this Condition, Private Placement Definitive Warrants, if any, may be transferred by the then current Warrantholder surrendering its Private Placement Definitive Warrant for registration of transfer at the specified office of the New York Warrant Agent, duly endorsed by, or accompanied by a written instrument of transfer in a form satisfactory to the Issuer and the New York Warrant Agent, duly executed by the Warrantholder or its duly authorised agent.

All transactions (including transfers) relating to a Warrant represented by a Rule 144A Global Warrant, Unified Global Warrant, a Private Placement Definitive Warrant may only be effected after the Issuer has been offered the right to purchase such Warrants by the Warrantholder for the same price and terms as such Warrantholder has been offered by a third party. If the Issuer declines to purchase such Warrants then the Warrantholder may sell such Warrants to the third-party. The Warrantholder must provide written notice to the Issuer of the price and the terms of such offer from the third-party and the Issuer has 30 Business Days to either reject or, in the case of accepting, execute a purchase in compliance with the Terms and Conditions herein. If the Issuer does not respond within 30 Business Days, the Warrantholder may deem this a rejection of the offer by the Issuer.

Any reference herein to Clearstream, Luxembourg and/or Euroclear and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved from time to time by the Issuer and the Principal Warrant Agent and, in the case of Jersey Law Warrants, the Trustee and notified to the Warrantholders in accordance with Condition 10.

(a) Transfers of Warrants represented by a Global Warrant may be made only in accordance with the following provisions:

(i)

(A) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant, from a holder of Warrants represented by a Regulation S Global Warrant, within the Distribution Compliance Period only, unless stated otherwise in the applicable Final Terms, upon certification (in the form from time to time available from any Warrant Agent) to the Principal Warrant Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S under the Securities Act;

(B) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant, from a holder of Warrants represented by a Regulation S Global Warrant, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) within the Distribution Compliance Period only, unless stated otherwise in the applicable Final Terms, upon certification (in the form from time to time available from any Warrant Agent) to the relevant Warrant Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is a QIB who is acquiring such Warrants in a transaction meeting the requirements of Rule 144A;

(C) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant, from a holder of Private Placement Definitive Warrants, upon certification (in the form from time to time available from any Warrant Agent) to the Principal Warrant Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S under the Securities Act;

(D) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant, from a holder of Private Placement Definitive Warrants, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) certification (in the form from time to time available from any Warrant Agent) to the relevant Warrant Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is a QIB who is acquiring such Warrants in a transaction meeting the requirements of Rule 144A;

(E) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant, from a holder of Warrants represented by a Rule 144A Global Warrant, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) certification (in the form from time to time available from any Warrant Agent) to the New York Warrant Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is a QIB who is acquiring such Warrants in a transaction meeting the requirements of Rule 144A;

(F) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant, from a holder of Warrants represented by a Rule 144A Global Warrant, upon certification (in the form from time to time available from the any Warrant Agent) to the Principal Warrant Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S under the Securities Act;

(G) In the case of transfers to a person who takes delivery in the form of Warrants represented by a Unified Global Warrant, from a holder of Warrants represented by that Unified Global Warrant upon (x) with respect only to transfers pursuant to Rule 144A, delivery of a duly executed investor representation letter from the relevant transferee substantially in the form of Schedule 8 to the warrant agreement and (y) certification (in the form available from any Warrant Agent) to the Principal Warrant Agent by the transferor thereof that such transfer is being made either (x) to a person who is a QIB who is acquiring such Warrants in a transaction meeting the requirements of Rule 144A or (y) to a non-U.S. person in an offshore transaction pursuant to Regulation S;

(H) in the case of transfers to a person who takes delivery in the form of a Warrant represented by a Unified Global Warrant, from a holder of a Private Placement Definitive Warrants, upon (x) with respect only to transfers pursuant to Rule 144A, delivery of a duly executed investor representation letter from the relevant transferee substantially in the form of Schedule 8 to the warrant agreement and (y) certification (in the form available from any Warrant agent) to the Principal Warrant Agent by the transferor thereof that such transfer is being made either (x) to a person who is a QIB who is acquiring such Warrants in a transaction meeting the requirements of Rule 144A or (y) to a non-U.S. person in an offshore transaction pursuant to Regulation S but, in either case, without such certification;

(I) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Permanent Global Warrant, from a holder of

Warrants represented by that Permanent Global Warrant only, to a non-U.S. person in an offshore transaction pursuant to Regulation S under the Securities Act; and

(J) in each case, in accordance with any applicable rules and regulations of the Principal Warrant Agent, New York Warrant Agent, DTC, Euroclear and Clearstream, Luxembourg, as the case may be, and/or as specified in the applicable Final Terms.

(ii) The Warrantholder must send:

(A) in the case of transfers of Private Placement Definitive Warrants, to the New York Warrant Agent a free of payment instruction at least two New York Business Days prior to the date on which the transfer is to take effect;

(B) in the case of transfers of Warrants represented by a Regulation S Global Warrant, a Permanent Global Warrant, Unified Global Warrant or a Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, to Euroclear or Clearstream, Luxembourg, as the case may be, a free of payment instruction not later than 10.00 a.m. (Brussels or Luxembourg time, as the case may be) one Business Day in Brussels or Luxembourg, as the case may be, prior to the date on which the transfer is to take effect; and

(C) in the case of transfers of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, to DTC a free of payment instruction at least two New York Business Days prior to the date on which the transfer is to take effect.

Separate payment arrangements are required to be made between the transferor and the transferee.

(iii) On the transfer date:

(A) (x) in the case of transfers of Warrants represented by a Global Warrant, DTC, Euroclear or Clearstream, Luxembourg, as the case may be, will debit the account of its participant and (y) in the case of transfers of Private Placement Definitive Warrants, the Warrantholder will deliver the transferred Private Placement Definitive Warrants to the New York Warrant Agent and instruct the New York Warrant Agent to cancel the transferred Private Placement Definitive Warrants; and

(B) DTC, Euroclear, Clearstream, Luxembourg or the Warrantholder, as the case may be, will instruct (x) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, the relevant Warrant Agent to instruct Euroclear or Clearstream, Luxembourg, as the case may be, to credit the relevant account of the Euroclear or Clearstream, Luxembourg participant, as the case may be, (y) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Permanent Global Warrant, the Principal Warrant Agent to instruct Euroclear or Clearstream, Luxembourg, as the case may be, to credit the relevant account of the Euroclear or Clearstream, Luxembourg participant, as the case may be, and (z) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Warrant Agent (in the case of transfers of Private Placement Definitive Warrants or Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC) to credit the relevant account of the DTC participant or the Principal Warrant Agent (in the case of transfers of Warrants represented by a Regulation S Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg) to instruct DTC to credit the relevant account of Euroclear or Clearstream, Luxembourg at DTC and thereafter DTC will debit such account of Euroclear or Clearstream, Luxembourg, as the case may be, and will credit the relevant account of the DTC participant.

(iv) Upon any such transfer, on the transfer date the Warrantholder will instruct:

(A) the Principal Warrant Agent, in the case of transfers to and/or from a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, to increase or decrease, as appropriate, the amount of Warrants represented by the Regulation S Global Warrant, Rule 144A Global Warrant or Unified Global Warrant, as the case may be, whereupon the number of Warrants represented by the Regulation S Global Warrant, Rule 144A Global Warrant or Unified Global Warrant, as the case may be, shall be increased or decreased, as appropriate, for all purposes by the number so transferred and endorsed;

(B) the New York Warrant Agent, in the case of transfers to and/or from a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, to increase or decrease, as appropriate the number of Warrants represented by the Rule 144A Global Warrant, whereupon the number of Warrants represented by the Rule 144A Global Warrant shall be increased or decreased, as appropriate, for all purposes by the number so transferred and endorsed; or

(C) the Principal Warrant Agent, in the case of transfers to and/or from a person who takes delivery in the form of Warrants represented by a Permanent Global Warrant to increase or decrease, as appropriate, the amount of Warrants represented by the Permanent Global Warrant, whereupon the number of Warrants represented by the Permanent Global Warrant shall be increased or decreased, as appropriate, for all purposes by the number so transferred and endorsed.

(b) Transfers of Warrants to or for Private Placement Definitive Warrants may be made only in accordance with the following provisions:

(i)

(A) in the case of transfers, from a holder of Private Placement Definitive Warrants, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) certification (in the form from time to time available from any Warrant Agent) to the New York Warrant Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an Accredited Investor who is acquiring such Warrants in a transaction exempt from the registration requirements of the Securities Act;

(B) in the case of transfers from the holder of Warrants represented by a Rule 144A Global Warrant or a Unified Global Warrant (pursuant to Rule 144A), upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) certification (in the form from time to time available from any Warrant Agent) to the New York Warrant Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an Accredited Investor who is acquiring such Warrants in a transaction exempt from the registration requirements of the Securities Act;

(C) in the case of transfers from a holder of Warrants represented by a Regulation S Global Warrant, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) within the Distribution Compliance Period only, unless stated otherwise in the applicable Final Terms, certification (in the form from time to time available from any Warrant Agent) to the New York Warrant Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an Accredited Investor who is acquiring such Warrants in a transaction exempt from the registration requirements of the Securities Act; and

(D) in each case, in accordance with any applicable securities laws of any state of the United States and any applicable rules and regulations of the

New York Warrant Agent, DTC, Euroclear and Clearstream, Luxembourg, as the case may be, and/or as specified in the applicable Final Terms.

(ii) The Warrantholder must send:

(A) in the case of transfers of Private Placement Definitive Warrants, to the New York Warrant Agent a free of payment instruction at least two New York Business Days prior to the date on which the transfer is to take effect;

(B) in the case of transfers of Warrants represented by a Regulation S Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, to Euroclear or Clearstream, Luxembourg, as the case may be, a free of payment instruction not later than 10.00 a.m. (Brussels or Luxembourg time, as the case may be) one Business Day prior to the date on which the transfer is to take effect; and

(C) in the case of transfers of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, to DTC a free of payment instruction at least two New York Business Days prior to the date on which the transfer is to take effect.

Separate payment arrangements are required to be made between the transferor and the transferee.

(iii) On the transfer date:

(A) in the case of transfers of Warrants represented by a Global Warrant, DTC, Euroclear or Clearstream, Luxembourg, as the case may be, will debit the account of its participant and, in the case of transfers of Private Placement Definitive Warrants, the Warrantholder will deliver the transferred Private Placement Definitive Warrants to the New York Warrant Agent and instruct the New York Warrant Agent to cancel the transferred Private Placement Definitive Warrants; and

(B) DTC, Euroclear, Clearstream, Luxembourg or the Warrantholder, as the case may be, will instruct the New York Warrant Agent to deliver or procure the delivery of, at its specified office to the transferee or send by uninsured mail, at the risk of the transferee to such address as the transferee may request, new Private Placement Definitive Warrants of a like number to the number of Warrants transferred.

(iv) Upon any such transfer, on the transfer date, Euroclear or Clearstream, Luxembourg, as the case may be, will, in the case of transfers of Warrants represented by a Regulation S Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, instruct the Principal Warrant Agent to decrease the number of Warrants represented by the Regulation S Global Warrant, Rule 144A Global Warrant or Unified Global Warrant, if appropriate, whereupon the number of Warrants represented by the Regulation S Global Warrant, Rule 144A Global Warrant or Unified Global Warrant shall, if appropriate, be reduced for all purposes by the number so transferred or exchanged and endorsed and, in the case of transfers of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, instruct the New York Warrant Agent to decrease the number of Warrants represented by the Rule 144A Global Warrant, if appropriate, whereupon the number of Warrants represented by the Rule 144A Global Warrant shall, if appropriate, be decreased for all purposes by the number so transferred and endorsed.

(c) In the case of transfers of Warrants to a person who takes delivery in the form of Private Placement Definitive Warrants or Warrants represented by a Rule 144A Global Warrant or Unified Global Warrant, the delivery of a duly executed investor representation letter in the form set out in the Warrant Agreement (an "**Investor Representation Letter**") from the relevant transferee is a condition precedent to the transfer of such Warrants or any beneficial interests therein. The Investor Representation Letter must be duly executed by such proposed transferee or such proposed transferee's attorney duly authorised in writing, at least three Business Days prior to the date the transfer of such Warrants is desired. Any attempted transfer in which the Investor Representation Letter and the proposed transfer were not effected in accordance with the foregoing procedures shall not be valid or binding on the Issuer. In addition, if any Warrant Agent subsequently determines or is subsequently notified by the Issuer that (i) a transfer or attempted or purported transfer of any interest in a Warrant was consummated in compliance with the provisions of this paragraph on the basis of an incorrect form or certification from the transferee or purported transferee as set forth in the relevant Investor Representation Letter, or (ii) the holder of any interest in a Warrant was in breach, at the time given, of any representation or agreement set forth in any Investor Representation Letter or any deemed representation or agreement of such Warrantholder or (iii) a transfer or attempted transfer of any interest in a Warrant was consummated that did not comply with the transfer restrictions set forth in Condition 1(*C*), the purported transfer shall be absolutely null and void *ab initio* and shall vest no rights in the purported transferee (such purported transferee, a "**Disqualified Transferee**") and the last preceding holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a holder thereof retroactively to the date of transfer of such interest by such holder.

2. **Status of the Warrants**

The Warrants are direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* with all present and future, unsecured and unsubordinated obligations without any preference among themselves and without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, except for obligations given priority by law.

3. **Definitions**

For the purposes of these Terms and Conditions, the following general definitions will apply:

"**Actual Exercise Date**" means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 6(*A*)(ii), the date during the Exercise Period on which the Warrant is actually or is deemed exercised (in the case of American Style Warrants (as more fully set out in Condition 4(*A*)(i)));

"**Affiliate**" means in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "control" means ownership of a majority of the voting power of an entity;

"**Averaging Date**" means, in respect of an Actual Exercise Date, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(a) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for purposes of determining the relevant Settlement Price **provided that**, if through the operation of this provision no Averaging Date would occur in respect of such Actual Exercise Date, then the provisions of the definition of "**Valuation Date**" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Actual Exercise Date as if such Averaging Date were a Valuation Date that was a Disrupted Day;

(b) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "**Valuation Date**" will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day, irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(c) if "**Modified Postponement**" is specified as applying in the applicable Final Terms, then:

(v) where the Warrants are Index Warrants relating to a single Index or Share Warrants relating to a single Share, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in relation to such Actual Exercise Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "**Valuation Date**" below;

(vi) where the Warrants are Index Warrants relating to a Basket of Indices or Share Warrants relating to a Basket of Shares, the Averaging Date for each Index or Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for an Index or Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index or Share. If the first succeeding Valid Date in relation to such Index or Share has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in relation to such Actual Exercise Date, then (A) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Index or Share, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "**Valuation Date**" below; and

(vii) where the Warrants are Debt Warrants, Currency Warrants or Commodity Warrants, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms;

for the purposes of these Terms and Conditions "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in relation to the Actual Exercise Date does not or is not deemed to occur;

"**Business Day**" means (i) a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and DTC, Clearstream, Luxembourg and Euroclear are open for business and (ii) for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

"**Cash Settlement Amount**" means, in relation to Cash Settled Warrants, the amount to which the Warrantholder is entitled in the Settlement Currency in relation to each such Warrant, as determined by the Calculation Agent pursuant to Condition 4;

"**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session, on which futures or options relating to the relevant Shares, Indices, Debt Securities or Commodities on any relevant Related Exchange cannot be exercised under the rules, regulations or policies of such Related Exchange or on which a Market Disruption Event has occurred;

"**Distribution Compliance Period**" means the period expiring 40 days or 1 year, as applicable, after either (i) in the case of Cash Settled Warrants, the later of the commencement of the offering and the closing date of the relevant Warrants and (ii) in the case of Physical Delivery Warrants, completion of the distribution of the relevant Warrants;

"**Entitlement**" means, in relation to a Physical Delivery Warrant, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, (or, if the Issuer has elected to exercise its option pursuant to Condition 4(*E*) to substitute assets, the quantity of the Substituted Asset or the Substituted Assets, as the case may be) which a Warrantholder is entitled to receive on the Settlement Date in respect of each such Warrant, following payment of the Exercise Price (and any other sums payable) rounded down as provided in Condition 4(*C*)(i), as determined by the Calculation Agent including any documents evidencing such Entitlement;

"**Exchange**" means:

(a) in respect of Index Warrants and in relation to an Index each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); and

(b) in respect of Share Warrants and in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

"**Exchange Business Day**" means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time;

"**Exercise Business Day**" means:

(a) in the case of Cash Settled Warrants, a day that is a Business Day; and

(b) in the case of Physical Delivery Warrants, a day that is a Business Day and a Scheduled Trading Day;

"**London Business Day**" means a day (other than Saturday or Sunday) on which commercial banks are open for general business in London;

"**New York Business Day**" means a day (other than Saturday or Sunday) on which commercial banks are open for general business in New York City;

"**Price Correction Protocol**" means:

(a) in relation to an Index and in respect of Index Warrants:

if the official closing level of such Index or the level of such Index at the Relevant time, as the case may be, on the Valuation Date or an Averaging Date, as the case may be, is corrected subsequently by the Index Sponsor of such Index, the Calculation Agent shall use the corrected level if the official correction is published at least two Business Days prior to the Settlement Date for such Index Warrant; and

(b) in relation to a Share and in respect of Share Warrants:

if the official closing price of such Share or the price of such Share at the Relevant time, as the case may be, on the Valuation Date or an Averaging Date, as the case may be, is corrected subsequently by the relevant Exchange, the Calculation Agent shall use the corrected price if the official correction is published at least two Business Days prior to the Settlement Date for such Share Warrant;

"**Related Exchange**" means, in respect of Index Warrants and in relation to an Index or in respect of Share Warrants and in relation to a Share, each exchange or quotation system specified as such for such Index or Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index or Share has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index or such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), **provided that** where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index or such Share;

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

"**Scheduled Trading Day**" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions;

"**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

"**Settlement Date**" means:

(a) in relation to Cash Settled Warrants:

in relation to each Actual Exercise Date, (i) where Averaging is not specified in the applicable Final Terms, the fifth Business Day following the Valuation Date **provided that** if the Warrants are Index Warrants relating to a Basket of Indices, Share Warrants relating to a Basket of Shares, Debt Warrants relating to a Basket of Debt Securities or Commodity Warrants relating to a Basket of Commodities and the occurrence of a Disrupted Day (as set out in Condition 15) has resulted in a Valuation Date for one or more Indices, Shares, Debt Securities or Commodities, as the case may be, being adjusted as set out in the definition of "**Valuation Date**" below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Share, Debt Security or Commodity, as the case may be, or (ii) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date **provided that** where the Warrants are Index Warrants relating to a Basket of Indices, Share Warrants relating to a Basket of Shares, Debt Warrants relating to a basket of Debt Securities or Commodity Warrants relating to a Basket of Commodities and the occurrence of a Disrupted Day (as set out in Condition 15) has resulted in an Averaging Date for one or more Indices, Shares, Debt Securities or Commodities, as the case may be, being adjusted as set out in the definition of "**Averaging Date**" above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Share, Debt Security or Commodity, as the case may be, or such other date as is specified in the applicable Final Terms; and

(b) in relation to Physical Delivery Warrants: the date specified as such in the applicable Final Terms;

"**Settlement Price**" means, in relation to each Cash Settled Warrant:

(a) in respect of Index Warrants, subject to Condition 15(*A*) and as referred to in "**Valuation Date**" below or "**Averaging Date**" above, as the case may be:

(i) in the case of Index Warrants relating to a Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the sum of the values calculated for each Index as the official closing level for each Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, as modified pursuant to the Price Correction Protocol, multiplied by the relevant Multiplier; and

(ii) in the case of Index Warrants relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, as modified pursuant to the Price Correction Protocol;

(b) in respect of Share Warrants, subject to Condition 15(*B*) and as referred to in "**Valuation Date**" below or "**Averaging Date**" above, as the case may be:

(i) in the case of Share Warrants relating to a Basket of Shares, an amount equal to the sum of the values calculated for each Share at the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share (as defined in Condition 15(*B*)) on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, as modified pursuant to the Price Correction Protocol (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the relevant Share whose official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the relevant Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Multiplier, each such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts to be the Settlement Price, all as determined by or on behalf of the Calculation Agent; and

(ii) in the case of Share Warrants relating to a single Share, an amount equal to the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share (as defined in Condition 15(*B*)) on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, as modified pursuant to the Price Correction Protocol (or if, in the opinion of the Calculation Agent, no such closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) can be determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day), an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

(c) in respect of Debt Warrants, subject to Condition 15(*C*) and as referred to in "**Valuation Date**" below or "**Averaging Date**" above:

(i) in the case of Debt Warrants relating to a Basket of Debt Securities, an amount equal to the sum of the values calculated for each Debt Security at the bid price for such Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of such Debt Security, multiplied by the relevant Multiplier;

(ii) in the case of Debt Warrants relating to a single Debt Security, an amount equal to the bid price for the Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of the Debt Security;

(d) in respect of Currency Warrants:

(i) in the case of Currency Warrants relating to a Basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency at the spot rate of exchange appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Multiplier; and

(ii) in the case of Currency Warrants relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent);

(e) in respect of Commodity Warrants, the provisions relating to the calculation of the Settlement Price will be set out in the applicable Final Terms;

"**Substituted Asset**" and "**Substituted Assets**" each have the meaning given in Condition 4(*E*);

"**U.S. person**" has the meaning given in Regulation S;

"**Valuation Date**" means the Actual Exercise Date if that day is not a Disrupted Day and the Issuer receives the Exercise Notice in reasonably sufficient time prior to the Valuation Time for the Issuer to unwind any hedge for the Warrant. If the Actual Exercise Date is a Disrupted Day or the Exercise Notice is not received in reasonably sufficient time prior to the Valuation Time to unwind any hedge for the Warrant, then:

(a) where the Warrants are Index Warrants relating to a single Index, Share Warrants relating to a single Share, Debt Warrants relating to a single Debt Security or Commodity Warrants relating to a single Commodity, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the

Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:

(x) in the case of Index Warrants, by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to Condition 15(*A*)(2)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day); or

(y) in the case of Share Warrants, Debt Warrants or Commodity Warrants, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on that eighth Scheduled Trading Day; or

(b) where the Warrants are Index Warrants relating to a Basket of Indices, Share Warrants relating to a Basket of Shares, Debt Warrants relating to a Basket of Debt Securities or Commodity Warrants relating to a Basket of Commodities, the Valuation Date for each Index, Share, Debt Security or Commodity, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Index, Share, Debt Security or Commodity, as the case may be, affected (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value, as applicable, of that Index determined in the manner set out in the applicable Final Terms, and, in the case of a Share, Debt Security or Commodity a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

(x) in the case of an Index, the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day); or

(y) in the case of a Share, Debt Security or Commodity, its good faith estimate of the value for the Affected Item as of the Valuation Time on that eighth Scheduled Trading Day

and otherwise in accordance with the above provisions; and

"**Valuation Time**" means the Relevant Time specified in the applicable Final Terms or, in the case of Index Warrants or Share Warrants, if no Relevant Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to each Index or Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the Specified Valuation Time is after the actual closing time for the regular trading session of such Exchange, then the Valuation Time shall be such actual Closing Time.

4. **Exercise Rights**

(A) *Exercise Period*

(i) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

Unless otherwise specified in the applicable Final Terms, any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 5, at or prior to 3:00 p.m. London time on the last Exercise Business Day of the Exercise Period (the "**Expiration Date**"), shall become void.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is received prior to 3:00 p.m., London time, in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, by Clearstream, Luxembourg or Euroclear, as the case may be, or, in the case of Warrants represented by a Rule 144A Global Warrant held by a custodian on behalf of DTC or a Private Placement Definitive Warrant, by the New York Warrant Agent, and, in each case, the copy thereof so received by the Principal Warrant Agent, is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by the New York Warrant Agent, Clearstream, Luxembourg or Euroclear, as the case may be, or if the copy thereof is received by the Principal Warrant Agent, in each case, after 3.00 p.m., London time, on any

Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date.

(ii) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date.

Unless otherwise specified in the applicable Final Terms, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 3.00 p.m., London time on the Actual Exercise Date, shall become void.

(B) *Cash Settlement*

If the Warrants are Cash Settled Warrants, each such Warrant entitles its holder, upon due exercise and subject, in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant or Unified Global Warrant (in respect of interests held by non-U.S. persons), to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to:

(i) where Averaging is not specified in the applicable Final Terms:

(a) if such Warrants are Call Warrants,

(Settlement Price less Exercise Price) multiplied by, in the case of Debt Warrants only, the Nominal Amount;

(b) if such Warrants are Put Warrants,

(Exercise Price less Settlement Price) multiplied by, in the case of Debt Warrants only, the Nominal Amount; and

(c) if such Warrants are not Call Warrants nor Put Warrants, as specified in the applicable Final Terms;

(ii) where Averaging is specified in the applicable Final Terms:

(a) if such Warrants are Call Warrants,

(the arithmetic mean of the Settlement Prices for all the Averaging Dates less Exercise Price) multiplied by, in the case of Debt Warrants only, the Nominal Amount;

(b) if such Warrants are Put Warrants,

(Exercise Price less the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by, in the case of Debt Warrants only, the Nominal Amount; and

(c) if such Warrants are not Call Warrants nor Put Warrants, as specified in the applicable Final Terms.

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Settlement Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with Warrants exercised at the same time by the same Warrantholder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants.

(C) *Physical Settlement*

(i) Exercise Rights in relation to Physical Delivery Warrants

If the Warrants are Physical Delivery Warrants, each such Warrant entitles its holder, upon due exercise and, where appropriate, subject, in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant or Unified Global Warrant (in respect of interests held by persons who are not QIBs) to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. Unless the method of delivery of the Entitlement is otherwise set out in the applicable Final Terms, in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, the Entitlement shall be delivered to the relevant Warrantholder's designated account with Euroclear or Clearstream, Luxembourg and, in all other cases, the Entitlement or the documents evidencing the Entitlement shall be delivered to the designated account and/or name and address, in each case as specified in the relevant Exercise Notice (as defined in Condition 5(*A*)).

Warrants exercised at the same time by the same Warrantholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Warrants **provided that** the aggregate Entitlements in respect of the same Warrantholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, (or, if applicable, to the nearest whole unit of the Substituted Asset or each of the Substituted Assets, as the case may be) in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, (or, if applicable, of the Substituted Asset or of each of the Substituted Assets, as the case may be) will not be delivered and no cash adjustment will be made in respect thereof.

Following exercise of a Share Warrant which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Warrantholder will be paid to the account specified by the Warrantholder in the relevant Exercise Notice as referred to in Condition 5(*A*)(2)(vi).

(ii) Settlement Disruption

If, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in Condition 4(C)(i) above or as otherwise specified in the applicable Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date, then such Settlement Date for such Warrants shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, **PROVIDED THAT** the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets (or, if applicable, Substituted Assets) comprising the Entitlement, the Settlement Date for the Relevant Assets (or, if applicable, Substituted Assets) not affected by the Settlement Disruption Event will be the originally designated Settlement Date. In the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets (or, if applicable, Substituted Assets) comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Warrantholder in respect of that partial settlement. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant by payment to the relevant Warrantholder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Warrantholders in accordance with Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 that a Settlement Disruption Event has occurred. No

Warrantholder shall be entitled to any payment in respect of the relevant Warrant in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

"**Disruption Cash Settlement Price**" in respect of any relevant Warrant shall be the fair market value of such Warrant (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets (or, if applicable, Substituted Assets) comprising the Entitlement and such non-affected Relevant Assets (or, if applicable, Substituted Assets) have been duly delivered as provided above, the value of such Relevant Assets (or, if applicable, Substituted Assets)), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion, plus, if already paid, the Exercise Price (or where, as provided above some Relevant Assets (or, if applicable, Substituted Assets) have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion); and

"**Settlement Disruption Event**" means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Relevant Asset(s) (or, if applicable, Substituted Asset(s)) using the method specified in the applicable Final Terms.

(iii) Failure to Deliver due to Illiquidity

If "Failure to Deliver" is specified as an Additional Disruption Event in the applicable Final Terms and, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the "**Affected Relevant Assets**") comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a "**Failure to Deliver**"), then

(a) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date in accordance with Condition 4(C)(i) and the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Warrantholder in respect of that partial settlement; and

(b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by payment to the relevant Warrantholder of the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Warrantholders in accordance with Condition 11. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 11. The Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 11 that the provisions of this Condition 5(C)(iii) apply.

For the purposes hereof:

"**Failure to Deliver Settlement Price**" in respect of any relevant Warrant or Unit, as the case may be, shall be the fair market value of such Warrant or Unit, as the case may be (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion, plus, if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

(D) *Issuer's Option to Vary Settlement*

If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Warrants, upon a valid exercise of Warrants in accordance with these Terms and Conditions, the Issuer may at its sole and unfettered discretion in respect of each such Warrant, elect not to pay the relevant Warrantholders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Warrantholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Warrantholders, as the case may be. Notification of such election will be given to Warrantholders no later than 10.00 a.m. (London time) on the second Business Day following the Actual Exercise Date.

(E) *Issuer's Option to Substitute Assets*

If the Warrants are represented by Private Placement Definitive Warrants, a Rule 144A Global Warrant, Regulation S Global Warrant or Unified Global Warrant, upon a valid exercise of such Warrants in accordance with these Terms and Conditions, the Issuer may, at its sole and unfettered discretion in respect of each such Warrant, elect, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises shares which are not freely tradable, to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares and which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the "**Substituted Asset**" or the "**Substituted Assets**", as the case may be). Notification of such election will be given to holders of such Warrants no later than 10:00 a.m. (New York time) on the tenth Business Day following the Actual Exercise Date.

For purposes hereof, a "**freely tradable**" share shall mean a share which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such share and not purchased from an affiliate of the issuer of such share or which otherwise meets the requirements of a freely tradable share for purposes of the Securities Act, in each case as determined by the Calculation Agent in its sole and absolute discretion.

(F) *General*

None of the Issuer, the Calculation Agent, the Warrant Agent and the Trustee shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

The purchase of Warrants does not confer on any Warrantholder any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

All references in this Condition to "**Luxembourg or Brussels time**" shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

5. **Exercise Procedure**

(A) *Exercise Notice*

Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, Rule 144A Global Warrant or Unified Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg may only be exercised by the delivery, or the sending by tested telex (confirmed in writing), of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Warrant Agreement (copies of which form may be obtained from Clearstream, Luxembourg, Euroclear and the Warrant Agents during normal office hours) to Clearstream, Luxembourg or Euroclear, as the case may be, with a copy to the relevant Warrant Agent, in accordance with the provisions set out in Condition 4 and this Condition.

Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC may only be exercised by delivery through computerised exercise instruction through DTC (via its "**Deposit and Withdrawal at Custodian**", or "**DWAC**", function) of a duly completed Exercise Notice in the form set out in the Warrant Agreement (copies of which form may be obtained from the Warrant Agents) to the New York Warrant Agent with a copy to the Principal Warrant Agent, in accordance with the provisions set out in Condition 4 and this Condition.

Private Placement Definitive Warrants may only be exercised by delivery of a completed Exercise Notice in the form set out in the Warrant Agreement (copies of which form may be obtained from the Warrant Agents) to the New York Warrant Agent with a copy to the Principal Warrant Agent, in accordance with the provisions set out in Condition 4 and this Condition.

(1) In the case of Cash Settled Warrants, the Exercise Notice shall:

(i) specify the series number of the Warrants and the number of Warrants being exercised;

(ii) (A) in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with the Warrants being exercised or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at the New York Warrant Agent (or such other account or bank as may be specified by the New York Warrant Agent) to be debited with the Warrants being exercised;

(iii) (A) in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on or before the Settlement Date the Warrantholder's account with the Warrants being exercised or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Warrant Agent to exercise the Warrants debited to the account of the Warrantholder and credited to the account of the New York Warrant Agent by means of DTC's DWAC function;

(iv) (A) in the case of the Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be credited with the Cash Settlement Amount (if any) for each Warrant being exercised, or (B) in the case of Private Placement Definitive Warrants or Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at the New York Warrant Agent (or at such other account or bank as may be specified by the New York Warrant Agent) to be credited with the Cash Settlement Amount (if any) for each Warrant being exercised;

(v) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants ("**Exercise Expenses**") and (A) in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, an authority to Clearstream, Luxembourg or Euroclear to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder and/or to debit a specified account of the Warrantholder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Exercise Expenses, or (B) in the case of Private Placement Definitive Warrants or Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Warrant Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder and/or to debit a specified account of the Warrantholder at the New York Warrant Agent (or at such other account or bank as may be specified by the New York Warrant Agent) in respect thereof and to pay such Exercise Expenses;

(vi) unless stated otherwise in the applicable Final Terms, certify, in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant or Unified Global Warrant (in respect of interests held by persons other than QIBs), that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice) and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as indicated and set out in the applicable Final Terms; and

(vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Warrant Agreement.

(2) In the case of Physical Delivery Warrants, the Exercise Notice shall:

(i) specify the series number of the Warrants and the number of Warrants being exercised;

(ii) (A) in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with the Warrants being exercised or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at the New York Warrant Agent (or at such other account or bank as may be specified by the New York Warrant Agent) to be debited with the Warrants being exercised;

(iii) (A) in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on or before the Settlement Date the Warrantholder's account with the Warrants being exercised or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Warrant Agent to exercise the Warrants debited to the account of the Warrantholder and credited to the account of the New York Warrant Agent by means of DTC's DWAC function;

(iv) (A) in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on the Actual Exercise Date a specified account of the Warrantholder with Clearstream, Luxembourg or Euroclear, as the case may be, with the aggregate Exercise Prices in respect of such Warrants (together with any other amounts payable), or (B) in the case of Private Placement Definitive Warrants or Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, contain an undertaking to pay the Issuer the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be, (together with any other amounts payable) to the account of the New York Warrant Agent on the Actual Exercise Date;

(v) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise of such Warrants and/or the delivery or transfer of the Entitlement pursuant to the terms of such Warrants ("**Exercise Expenses**") and (A) in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, an authority to Clearstream, Luxembourg or Euroclear to debit a specified account of the Warrantholder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Exercise Expenses, or (B) in the case of Private Placement Definitive Warrants or Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Warrant Agent to debit a specified account of the Warrantholder at the New York Warrant Agent (or at such other account or bank as may be specified by the New York Warrant Agent) in respect thereof and to pay such Exercise Expenses;

(vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and (A) in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, specify the name and the number of the Warrantholder's account with Clearstream, Luxembourg or Euroclear, or (B) in the case of Private Placement Definitive Warrants or Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at the New York Warrant Agent (or at such other account or bank as may be specified by the New York Warrant Agent), as the case may be, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver and the Issuer electing to pay the Disruption Cash Settlement Price or a Failure to Deliver Cash Settlement Price, as applicable;

(vii) in the case of Currency Warrants represented by a Permanent Global Warrant only, specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear to be credited with the amount due upon exercise of the Warrants;

(viii) unless stated otherwise in the applicable Final Terms, certify, in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant or Unified Global Warrant (in respect of interests held by persons other than QIBs), that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice) and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as indicated and set out in the applicable Final Terms; and

(ix) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Warrant Agreement.

(3) If Condition 4(*D*) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from Clearstream, Luxembourg, Euroclear and the Warrant Agents during normal office hours.

(B) *Verification of the Warrantholder*

In the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, upon receipt of an Exercise Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person exercising the Warrants is the Warrantholder thereof according to the books of Clearstream, Luxembourg or Euroclear, as the case may be. Subject thereto, Clearstream, Luxembourg or Euroclear, as the case may be, will confirm to the Principal Warrant Agent the series number and number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant being exercised. Upon receipt of such confirmation, the Principal Warrant Agent will inform the Issuer thereof. Clearstream, Luxembourg or Euroclear, as the case may be, will on or before the Settlement Date debit the account of the relevant Warrantholder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Regulation S Global Warrant, the Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, as the case may be, the Common Depositary will, on the instructions of, and on behalf of, the Principal Warrant Agent, note such exercise on the Schedule to such Regulation S Global Warrant, such Permanent Global Warrant, such Unified Global Warrant or such Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, upon receipt of an Exercise Notice, the New York Warrant Agent shall verify that the person exercising the Warrants is the Warrantholder according to the records of DTC. Subject thereto, the New York Warrant Agent shall notify the Issuer of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement of each Warrant being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Warrant Agent will note such exercise on the Schedule to such Rule 144A Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Private Placement Definitive Warrants, upon receipt of an Exercise Notice, the New York Warrant Agent shall verify that the person exercising the Warrants is the Warrantholder. Subject thereto, the New York Warrant Agent shall notify the Issuer of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount, or as the case may be, the details for delivery of the Entitlement of each Warrant being exercised.

(C) *Settlement*

(i) Cash Settled Warrants

In the case of Warrants represented by a Regulation S Warrant, Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant to the Warrantholder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Exercise Expenses.

In the case of Private Placement Definitive Warrants or Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant to the designated account at the New York Warrant Agent (or at such other account or bank as may be specified by the New York Warrant Agent) for the account of the New York Warrant Agent. In such case, as promptly as practicable thereafter, and **provided that** the New York Warrant Agent is satisfied that delivery to it of funds sufficient to pay the Cash Settlement Amount will be made, the New York Warrant Agent will cause the Cash Settlement Amount to be credited to the Warrantholder's account with the New York Warrant Agent less any Exercise Expenses.

(ii) Physical Delivery Warrants

In the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, subject to payment of the aggregate Exercise Prices and payment of any Exercise Expenses with regard to the relevant Warrants, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant pursuant to the details specified in the Exercise Notice. Subject as provided in Condition 4(*C*), the Entitlement shall be delivered in such manner as set out in the applicable Final Terms.

In the case of Private Placement Definitive Warrants or Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, subject to payment of the aggregate Exercise Prices and payment of any Exercise Expenses with regard to the relevant Warrants, the Issuer shall on the Settlement Date deliver, or procure the delivery of the documents evidencing the Entitlement for each duly exercised Warrant, pursuant to the details specified in the applicable Exercise Notice. Subject as provided in Condition 4(*C*), the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

(D) *Determinations*

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by, in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of and Clearstream, Luxembourg and Euroclear, Clearstream, Luxembourg or Euroclear, as the case may be, or, in the case of Private Placement Definitive Warrants or Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Warrant Agent, in each case in consultation with the Principal Warrant Agent, and shall be conclusive and binding on the Issuer, the Warrant Agents and the relevant Warrantholder and, in the case of Jersey Law Warrants, the Trustee. **Subject as set out below, any Exercise Notice determined to be incomplete or not in proper form, or which is not copied (if applicable) to the Principal Warrant Agent immediately after being delivered or sent to Clearstream, Luxembourg or Euroclear, the New York Warrant Agent or the Principal Warrant Agent, as the case may be, as provided in paragraph *(A)* above, shall be null and void.**

If such Exercise Notice is subsequently corrected to the satisfaction of Clearstream, Luxembourg, Euroclear, the New York Warrant Agent or the Principal Warrant Agent, as the case may be, in consultation with the Principal Warrant Agent (if applicable), it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to Clearstream, Luxembourg, Euroclear, the New York Warrant Agent or the Principal Warrant Agent, as the case may be, and the Principal Warrant Agent (if applicable).

Any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 4(*A*)(i), in the case of American Style Warrants, or Condition 4(*A*)(ii), in the case of European Style Warrants, shall become void.

Clearstream, Luxembourg, Euroclear, the New York Warrant Agent or the Principal Warrant Agent, as the case may be, shall use its best efforts promptly to notify the Warrantholder submitting an Exercise Notice if, in consultation with the Principal Warrant Agent (if applicable), it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Warrant Agents, Euroclear, Clearstream, Luxembourg or DTC shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Warrantholder.

(E) *Delivery of an Exercise Notice*

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Warrantholder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Warrantholder may not transfer such Warrants.

(F) *Exercise Risk*

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer or the Warrant Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Warrant Agents or the Trustee shall under any circumstances be liable for any acts or defaults of Clearstream, Luxembourg, Euroclear, or DTC in relation to the performance of its duties in relation to the Warrants.

6. **Minimum and Maximum Number of Warrants Exercisable**

(A) *American Style Warrants*

This paragraph *(A)* applies only to American Style Warrants.

(i) The number of Warrants exercisable by any Warrantholder on any Actual Exercise Date, as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this Condition shall be null and void.

(ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "**Quota**"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same Actual Exercise Date by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

(B) *European Style Warrants*

This paragraph *(B)* applies only to European Style Warrants.

The number of Warrants exercisable by any Warrantholder on the Exercise Date as determined by the Issuer must be no less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be null and void.

7. **Illegality**

If the Issuer determines that the performance of its obligations under the Warrants has become illegal in whole or in part for any reason, the Issuer may cancel the Warrants by giving notice to Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee.

Should any one or more of the provisions contained in these Terms and Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

If the Issuer cancels the Warrants then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant held by such holder, which amount shall be the fair market value of a Warrant less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if already paid by or on behalf of the Warrantholder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee.

8. **Purchases**

The Issuer may, but is not obliged to, at any time purchase Warrants at any price in the open market or by tender or private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation; however, Private Placement Definitive Warrants or Warrants represented by a Rule 144A Global Warrant or a Unified Global Warrant so purchased may only be resold pursuant to an exemption from the registration requirements of the Securities Act provided by Rule 144A, Regulation S or otherwise thereunder.

9. **Trustee, Agents, Determinations and Modifications**

(A) *Warrant Agent*

The specified offices of the Warrant Agents are as set out at the end of these Terms and Conditions.

The Issuer reserves the right at any time to vary or terminate the appointment of any Warrant Agent and to appoint further or additional Warrant Agents, **provided that** no termination of appointment of the Principal Warrant Agent shall become effective until a replacement Principal Warrant Agent shall have been appointed and **provided that**, so long as any of the Warrants are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Warrant Agent in any particular place, there shall be a Warrant Agent having a specified office in each location required by such listing authority, stock exchange and/or quotation system and, **provided that**, so long as any of the Warrants are Private Placement Definitive Warrants or are represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, there shall be a New York Warrant Agent. Notice of any termination of appointment and of any changes in the specified office of any Warrant Agent will be given to Warrantholders in accordance with Condition 10. In acting under the Warrant Agreement, each Warrant Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warrantholders and any determinations and calculations made in respect of the Warrants by any Warrant Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Warrantholders and, in the case of Jersey Law Warrants, the Trustee.

(B) *Calculation Agent*

In relation to each issue of Warrants, the Calculation Agent (whether it be the Issuer or another entity) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warrantholders. All calculations and determinations made in respect of the Warrants by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Warrantholders and, in the case of Jersey Law Warrants, the Trustee.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

(C) *Determinations by the Issuer*

Any determination made by the Issuer pursuant to these Terms and Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Warrantholders and, in the case of Jersey Law Warrants, the Trustee.

(D) *Modifications*

The Issuer may modify these Terms and Conditions and/or the Warrant Agreement without the consent of the Warrantholders in any manner which the Issuer may deem necessary or desirable **PROVIDED THAT** such modification is not materially prejudicial to the interests of the Warrantholders (without considering the individual circumstances of any Warrantholders or the tax or other consequences of such adjustment in any particular jurisdiction) and such modification is of a formal, minor or technical nature or to correct a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

(E) *Trustee*

This Condition 9(E) is only applicable in the case of Jersey Law Warrants.

Under the Trust Agreement, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Warrantholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit. In the exercise of its powers and discretions under these Conditions and the Trust Agreement, the Trustee will have regard to the interests of the Warrantholders as a class and will not be responsible for any consequence for individual holders of Warrants as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

10. **Notices**

All notices to Warrantholders shall be valid if delivered (i) in the case of Warrants represented by a Regulation S Global Warrant, Permanent Global Warrant, Unified Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, to Euroclear and Clearstream, Luxembourg, in the case of Private Placement Definitive Warrants, to the New York Warrant Agent and in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, to DTC, in each case for communication by Euroclear, Clearstream, Luxembourg, the New York Warrant Agent or DTC, as the case may be, to the Warrantholders and any such notices shall be conclusively presumed to have been received by the Warrantholders and (ii) if and so long as the Warrants are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system, in accordance with the rules and regulations of the relevant competent authority, stock exchange and/or quotation system. If the Warrants are admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Luxembourg Stock Exchange, and so long as the rules of the Luxembourg Stock Exchange so require, notices shall be published either in a daily newspaper with general circulation in Luxembourg which is expected to be the d'Wort or on the Luxembourg Stock Exchange website (www.bourse.lu). Any such notice shall be deemed to have been given on the second Business Day following such delivery or, if earlier, the date of such publication or, if published more than once, on the date of the first such publication.

11. **Expenses and Taxation**

(A) A Warrantholder must pay all Exercise Expenses relating to such Warrants as provided above.

(B) The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Warrant and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

12. Further Issues

The Issuer shall be at liberty from time to time without the consent of Warrantholders to create and issue further Warrants to be consolidated with and form a single series with outstanding Warrants.

13. Substitution of the Issuer or Branch

(A) *Substitution of the Issuer*

The Issuer, or any previous substituted company may, at any time, without the consent of the Warrantholders, substitute for itself as principal obligor under the Warrants any company (the "**Substitute**"), being the Issuer or any other company, subject to:

(a) the Issuer (unless the Substitute is the Issuer) unconditionally and irrevocably guaranteeing in favour of each Warrantholder the performance of all obligations by the Substitute under the Warrants;

(b) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Warrants represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and are in full force and effect;

(c) the Substitute becoming party to the Warrant Agreement, with any appropriate consequential amendments, as if it had been an original party to it;

(d) each stock exchange on which the Warrants are listed confirming that, following the proposed substitution of the Substitute, the Warrants will continue to be listed on such stock exchange;

(e) if appropriate, the Substitute appointing a process agent as its agent in England (in the case of English Law Warrants) or Jersey (in the case of Jersey Law Warrants) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Warrants; and

(f) the Issuer giving at least 30 days' prior notice of the date of such substitution to the Warrantholders in accordance with Condition 10; and

(g) in the case of Jersey Law Warrants: (i) a trust agreement being executed or some other written form of undertaking is given by the Substitute to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the terms of the Trust Agreement and these Conditions with any consequential amendments which the Trustee may deem appropriate, as fully as if the Substitute had been named in the Trust Agreement and in these Conditions as the principal obligor in place of the Issuer (or of any previous substitute); and (ii) the Issuer and the Substitute executing such other deeds, documents and instruments (if any) as the Trustee may require in order that the substitution is fully effective and complying with such other requirements as the Trustee may direct in the interests of the Warrantholders.

(B) *Substitution of Branch*

The Issuer shall have the right upon notice to the Warrantholders in accordance with Condition 10 to change the branch through which it is acting for the purpose of the Warrants, the date of such change to be specified in such notice **provided that** no change can take place prior to the giving of such notice.

14. Governing Law and Jurisdiction

(A) *English Law*

This Condition 14(A) shall be applicable to the Warrants if the Warrants are specified in the applicable Final Terms to be issued through the Issuer's London Branch.

The Warrants, the Global Warrant and the Warrant Agreement are governed by and shall be construed in accordance with English law.

(B) *Jersey Law*

This Condition 14(B) shall be applicable to the Warrants if the Warrants are specified in the applicable Final Terms to be issued through the Issuer's Jersey Branch.

The Warrants, the Global Warrant, the Trust Agreement and the Warrant Agreement are governed by and shall be construed in accordance with Jersey law.

15. Terms for Index Warrants, Share Warrants, Debt Warrants and Commodity Warrants

(A) *Index Warrants*

For the purposes of this Condition 15(*A*),

"**Indices**" and "**Index**" mean, subject to adjustment in accordance with this Condition 15(*A*), the indices or index specified in the applicable Final Terms, and related expressions shall be construed accordingly; and

"**Index Sponsor**" means, in relation to an Index, the corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any related to such Index and (ii) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms.

(1) **Market Disruption**

"**Market Disruption Event**" means, in relation to Warrants relating to a single Index or Basket of Indices, in respect of an Index:

(a) the occurrence or existence at any time during the one- hour period that ends at the relevant Valuation Time:

(i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:

(A) on any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index; or

(B) in futures or options contracts relating to the relevant Index on any relevant Related Exchange;

(ii) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, on any relevant Exchange(s) securities/commodities that comprise 20 per cent. or more of the level of the relevant Index, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

(b) The closure on any Exchange Business Day of any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its or their Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

For the purposes of determining whether a Market Disruption Event exists in relation to an Index at any time, if a Market Disruption Event occurs at any time in respect of a security/commodity included in that Index, then the relevant percentage contribution of that security/commodity to the level of that Index shall be based on a comparison of (i) the portion of the level of that Index attributable to that security/commodity and (ii) the overall level of that Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date, and give details thereof.

(2) **Adjustments to an Index**

(a) Successor Sponsor Calculates and Reports an Index

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent (the "**Successor Index Sponsor**") or (ii) replaced by a 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 Index, then that index (the "**Successor Index**") will be deemed to be the Index.

(b) Modification and Cessation of Calculation of an Index

If (i) on or prior to a Valuation Date or an Averaging Date the Index Sponsor or (if applicable) the Successor Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (ii) on a Valuation Date or an Averaging Date the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Calculation, each an "**Index Adjustment Event**"), then the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Warrants and, if so, shall,

(i) if the Calculation Agent reasonably determines that a Related Exchange is calculating the level of such Index for futures or options contracts relating to such Index substantially similar to the calculation of such Index by the Index Sponsor or Successor Index Sponsor prior to such Index Adjustment Event, calculate the Settlement Price using the level for that Index as calculated by the relevant Related Exchange; or

(ii) if the Calculation Agent reasonably determines that no Related Exchange satisfies the criteria set forth in (i) above, in the Calculation Agent's sole and absolute discretion either

(A) calculate the relevant Settlement Price using the level for that Index as at the Valuation Time taking into account the Index Adjustment Event; or

(B) cancel the Warrants by giving notice to Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee. If the Warrants are so cancelled, the Issuer will pay an amount to each Warrantholder in respect of each Warrant held by him which amount shall be the fair market value of the Warrant on the last Exchange Business Day prior to that Index Adjustment Event, as determined by the Calculation Agent and using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee.

(a) Notice

The Calculation Agent shall, as soon as practicable, notify the Warrant Agent of any determination made by it pursuant to paragraph (b) above and the action proposed to be taken in relation thereto and the Warrant Agent shall make available for inspection during normal office hours by Warrantholders copies of any such determinations.

(B) *Share Warrants*

For the purposes of this Condition 15(*B*):

"**Basket Company**" means a company whose shares are included in the Basket of Shares and "**Basket Companies**" means all such companies (and, in the event that the Issuer has elected to exercise its option pursuant to Condition 4(*E*) to substitute assets, the definitions of "**Basket Company**" and "**Basket Companies**" shall be amended to include the issuing company of any Substituted Asset);

"**Shares**" and "**Share**" mean, subject to adjustment in accordance with this Condition 15(*B*), in the case of an issue of Warrants relating to a Basket of Shares, each share and, in the case of an issue of Warrants relating to a single Share, such share (and, in the event that the Issuer has elected to exercise its option pursuant to Condition 4(*E*) to substitute assets, the definition of "**Shares**" and "**Share**" shall be amended to include any Substituted Asset) and related expressions shall be construed accordingly; and

"**Share Company**" means, in the case of an issue of Warrants relating to a single share, the company that has issued such share (and, in the event that the Issuer has elected to exercise its option pursuant to Condition 4(*E*) to substitute assets, the definition of "**Share Company**" shall be amended to include the issuing company of any Substituted Asset).

(1) **Market Disruption**

"**Market Disruption Event**" means, in relation to Warrants relating to a single Share or a Basket of Shares, in respect of a Share;

(a) the occurrence or existence at any time during the one-hour period that ends at the relevant Valuation Time for such Share:

(i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or any Related Exchange or otherwise:

(A) relating to the Share on the Exchange; or

(B) in futures or options contracts relating to the Share on any relevant Related Exchange; or

(ii) of any event (other than as described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in or obtain market values for, the Share on the Exchange or (B) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share on any relevant Related Exchange ,

which in either case the Calculation Agent determines is material; or

(b) the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its or their Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

The Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee of the occurrence of a Disrupted Day on any date that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date, and give details thereof.

(2) **Potential Adjustment Events, Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency**

(a) "**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of the relevant Shares of (a) such Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Issuer as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;

(iii) an extraordinary dividend;

(iv) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;

(v) a repurchase by the Basket Company or Share Company, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, **provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; and

(vii) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the

Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Shares and, if so, will

(i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting, concentrative or other effect (**provided that** no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange. Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee, stating the adjustment to any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event; or

(ii) if the Calculation Agent determines in its sole and absolute discretion that no corresponding adjustment can be made in accordance with (i) above without the Issuer and/or its Affiliates incurring a material increase in the costs of any underlying related hedging arrangements, cancel the Warrants by giving notice to Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee. If the Warrants are so cancelled the Issuer will pay an amount to each Warrantholder in respect of each Warrant held by him which amount shall be the fair market value of a Warrant taking into account the Potential Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee.

(b) "**De-Listing**" means, in respect of any relevant Shares, the Exchange announces that, pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on another recognised exchange or quotation system in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (i) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

"**Merger Date**" means, the closing date of a Merger Event, or, where a closing date cannot be determined under the local law applicable to such a Merger Event, such other date as determined by the Calculation Agent.

"**Merger Event**" means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in any such reclassification or change of all such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent, of the outstanding Shares of the Basket Company or Share Company, as the case may be that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before (a), in the case of Cash Settled Warrants, the last occurring Valuation Date or, where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Warrant, or (b) in the case of Physical Delivery Warrants, the relevant Settlement Date.

"**Nationalisation**" means that all the Shares or all the assets or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Basket Company or Share Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

If a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:

(i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may, in the case of adjustments following a Merger Event, include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Warrants. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency made by any options exchange to options on the Shares traded on that options exchange; or

(ii) in the case of Share Warrants relating to a Basket of Shares, cancel part of the Warrants by giving notice to Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee. If the Warrants are so cancelled in part, the portion (the "**Cancelled Amount**") of each Warrant representing the affected Share(s) shall be cancelled and the Issuer will (a) pay to each Warrantholder in respect of each Warrant held by him an amount equal to the fair market value of the Cancelled Amount, taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and (b) require the Calculation Agent to determine, in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such cancellation in part. For the avoidance of doubt, the remaining part of each Warrant after such cancellation and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee; or

(iii) cancel the Warrants by giving notice to Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee. If the Warrants are so cancelled the Issuer will pay an amount to each Warrantholder in respect of each Warrant held by him which amount shall be the fair market value of a Warrant taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee; or

(iv) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(b) Upon the occurrence of a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee stating the occurrence of the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

(C) *Debt Warrants*

"**Market Disruption Event**" means the suspension of or limitation imposed on trading either on any exchange on which the Debt Securities or any of them (in the case of a Basket of Debt Securities) are traded or on any exchange on which options contracts or futures contracts with respect to the Debt Securities or any of them (in the case of a Basket of Debt Securities) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

Upon the occurrence of a Market Disruption Event, the Issuer shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee stating that a Market Disruption Event has occurred and giving details thereof.

(D) *Commodity Warrants*

"**Market Disruption Event**" means the suspension of or limitation imposed on trading on either any exchange on which the Commodity or any of the Commodities (in the case of a Basket of Commodities) are traded or on any exchange on which options contracts or futures contracts with respect to the Commodity or any of the

Commodities (in the case of a Basket of Commodities) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

Upon the occurrence of a Market Disruption Event, the Issuer shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee stating that a Market Disruption Event has occurred and giving details thereof.

16. **Adjustments for European Monetary Union**

The Issuer may, without the consent of the Warrantholders, on giving notice to the Warrantholders in accordance with Condition 10 and, in the case of Jersey Law Warrants, the Trustee:

(i) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Warrants shall be redenominated in euro;

The election will have effect as follows:

(A) where the Settlement Currency of the Warrants is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide, after consultation with the Calculation Agent, and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Warrants will be made solely in euro as though references in the Warrants to the Settlement Currency were to euro;

(B) where the Exchange Rate and/or any other terms of these Terms and Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the "**Original Currency**") of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Terms and Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted from or, as the case may be into, euro at the Established Rate; and

(C) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Calculation Agent to conform them to conventions then applicable to instruments expressed in euro; and/or

(ii) require that the Calculation Agent make such adjustments to the Multiplier and/or the Settlement Price and/or the Exercise Price and/or any other terms of these Terms and Conditions and/or the Final Terms as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Multiplier and/or the Settlement Price and/or the Exercise Price and/or such other terms of these Terms and Conditions.

Notwithstanding the foregoing, none of the Issuer, the Calculation Agent and the Warrant Agent shall be liable to any Warrantholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith;

In this Condition, the following expressions have the following meanings:

"**Adjustment Date**" means a date specified by the Issuer in the notice given to the Warrantholders pursuant to this Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

"**Established Rate**" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to the first sentence of Article 109*l*(4) of the Treaty;

"**euro**" means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

"**National Currency Unit**" means the unit of the currency of a country, as such unit is defined on the day before the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union; and

"**Treaty**" means the treaty establishing the European Community, as amended by the Treaty on European Union.

17. **Contracts (Rights of Third Parties) Act 1999**

This Condition 17 shall be applicable to the Warrants only if the governing law of the Warrants is specified in the applicable Final Terms as English law.

The Warrants do not confer on any person any right under the Contracts (Rights of Third Parties) Act 1999 (the "**Act**") to enforce any term of the Warrants. This provision does not affect any right or remedy of any person which exists or is available apart from the Act.

USE OF PROCEEDS

The Issuer intends to use the net proceeds from each issue of Warrants for general corporate purposes outside of Switzerland.

UBS AG

OVERVIEW

UBS is one of the world's leading financial firms, serving a discerning global client base. As an organization, it combines financial strength with a global culture that embraces change. As an integrated firm, UBS creates added value for clients by drawing on the combined resources and expertise of all its businesses.

UBS is the world's leading wealth management business, a global investment banking and securities firm with a strong institutional and corporate client franchise, a key asset manager and, with roughly a quarter of the Swiss lending market, the market leader in Swiss corporate and individual client banking.

On 31 December 2005, UBS employed more than 69,500 people. With headquarters in Zurich and Basel, Switzerland, UBS operates in over 50 countries and from all major international centers.

UBS is managed through three Business Groups and its Corporate Center, each of which is described below:

Global Wealth Management & Business Banking

With more than 140 years of experience, our global wealth management business provides a comprehensive range of products and services individually tailored for wealthy clients around the world. With roughly 11,500 client advisors and more than CHF 1.6 trillion in invested assets, the business consistently delivers high-quality, individually tailored solutions through a global network of 110 offices in Switzerland and 67 offices worldwide. In the US, it is one of the top wealth managers.

Business Banking Switzerland is the market leader in Switzerland, providing a complete set of banking and securities services for individual and corporate clients. It also has relationships institutional investors, public entities and foundations based in Switzerland, as well as 3,000 financial institutions worldwide.

Global Asset Management

The Global Asset Management business is one of the world's leading asset managers, providing traditional and alternative investment solutions to financial intermediaries and institutional investors. The breadth, depth and scope of its varied investment capabilities enable it to offer innovative solutions in nearly every asset class. Invested assets totalled CHF 765 billion on 31 December 2005, making it one of the largest global institutional asset managers, the second largest mutual fund manager in Europe, and the largest mutual fund manager in Switzerland.

Investment Bank

UBS's Investment Bank is one of the world's leading firms in the investment banking and securities business, providing a full spectrum of services to institutional and corporate clients, governments and financial intermediaries. Its salespeople, research analysts and investment bankers provide products and services to the world's key institutional investors, intermediaries, banks, insurance companies, corporations, sovereign governments, supranational organizations and private investors. For both its own corporate and institutional clients and the individual clients of other parts of UBS, the Investment Bank provides product innovation, research and advice, and comprehensive access to the world's capital markets.

Corporate Center

Corporate Center creates sustainable value for shareholders and stakeholders by partnering with the Business Groups to ensure that the firm operates as an effective and integrated whole with a common vision and set of values.

Industrial Holdings

Industrial Holdings comprises UBS's private equity investments and the firm's majority stake in Motor-Columbus, a Swiss holding company whose only significant asset is a majority ownership interest in Swiss-based electricity provider Atel. In late September 2005, UBS announced that it would sell its Motor-Columbus stake to a Swiss-led consortium. The transaction still needs the approval of various national and international authorities.

Corporate Information

The legal and commercial name of the company is UBS AG. The company was incorporated under the name SBC AG on 28 February 1978 for an unlimited duration and entered in the Commercial Register of Canton Basle-City on that day. On 8 December 1997, the Company changed its name to UBS AG. The company in its present form was created on 29 June 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basle-City. The registration number is CH-270.3.004.646-4.

The business object of UBS AG is set out in Article 2 of its articles of association and states that:

(i) the purpose of the Corporation is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad;

(ii) the Corporation may establish branches and representative office as well as banks, finance companies and other enterprises of any kind in Switzerland and abroad, hold equity interests in these companies, and conduct their management; and

(iii) the Corporation is authorized to acquire, mortgage and sell real estate and building rights in Switzerland and abroad.

UBS AG is incorporated and domiciled in Switzerland and operates under Swiss Company Law and Swiss Federal Banking Law as an Aktiengesellschaft, a corporation that has issued shares of common stock to investors.

The address and telephone number of UBS's two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41-44-234 11 11; and Aeschenvorstadt 1, CH-4052 Basel, Switzerland, telephone +41-61-288 20 20.

UBS shares are listed on the SWX Swiss Exchange and traded through virt-x, which is majority owned by the SWX Swiss Exchange. They are also listed on the New York Stock Exchange and on the Tokyo Stock Exchange.

UBS AG is incorporated and domiciled in Switzerland and operates under Swiss Company Law and Swiss Federal Banking Law as an Aktiengesellschaft, a corporation that has issued shares of common stock to investors. UBS AG complies with the Swiss corporate governance regime.

The address and telephone number of UBS's two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8098 Zurich, Switzerland, telephone +41-1-234 11 11; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41-61-288 20 20.

The Board appoints an Audit Committee with three members from among the non-executive, independent directors. Lawrence A. Weinbach is the chairman and Sir Peter Davis and Rolf A. Meyer the additional members of the Committee. The Audit Committee assists the Board in monitoring the integrity of the financial statements of the firm, compliance with legal and regulatory requirements, the qualification, independence and performance of UBS's external auditors and their lead partners, and the integrity of the systems of internal controls for financial reporting.

The issued share capital of UBS AG is CHF 870,906,017.60. There are 1,088,632,522 registered shares with a par value of CHF 0.80 each. The share capital is fully paid up. The share capital will be increased, subject to shareholders' pre-emption rights, by a maximum of CHF 1,458,800.80, corresponding to a maximum of 1,823,501 registered shares of CHF 0.80 par value each (which must be fully paid up) through the exercise of option rights granted to the employees of PaineWebber, which were rolled over according to the merger agreement with UBS AG of 12 July 2000. The purchase of shares through the exercise of option rights as well as any subsequent transfer of the shares are subject to the registration restrictions set out in the Articles of Association.

UBS shares are listed on the SWX Swiss Exchange and traded through virt-x, which is majority-owned by the SWX Swiss Exchange. They are also listed on the New York Stock Exchange and on the Tokyo Stock Exchange.

Competition

UBS faces intense competition in all aspects of its business. We compete with asset managers, retail and commercial banks, private banking firms, investment banking firms, brokerage firms and other investment services firms. In addition, the trend toward consolidation in the global financial services industry is creating competitors with broader ranges of product and service offerings, increased access to capital and greater efficiency and pricing power.

Legal Proceedings

The bank and other companies within UBS are subject to various claims, disputes and legal proceedings as part of the normal course of business. UBS makes provisions for such matters when, in the opinion of management and its professional advisors, it is probable that a payment will be made by UBS and the amount can be reasonably estimated.

BOARD OF DIRECTORS

As stipulated in Swiss banking legislation, UBS has two distinct Boards at the highest level. The functions of the Chairman of the Board of Directors, on the one hand, and the President of he Group Executive Board and Chief Executive Officer, on the other, are allocated to two different persons to guarantee the separation of powers. This structure facilitates mutual controlling, and separates the Board of Directors from the Bank's daily business, for which the Group Executive Board is responsible. No one may be a member of both Boards.

Board of Directors as of 31 December 2005

The Board comprises a minimum of six or a maximum of twelve members. Their term of office lasts three years.

Name	Role	Expiry of Term in Office	Position outside of UBS AG	Business Address
Marcel Ospel	Chairman	2008		Bahnhofstrasse 45, 8001 Zürich, Switzerland
Stephan Haeringer	Executive Vice Chairman	2007		Bahnhofstrasse 45, 8001 Zürich, Switzerland
Marco Suter	Executive Vice Chairman	2008		Bahnhofstrasse 45, 8001 Zürich, Switzerland
Prof. Dr. Peter Böckli	Non-executive Vice President	2006	Partner in the law firm Böckli, Bodmer & Partner, Basle	Bahnhofstrasse 45, 8001 Zürich, Switzerland
Ernesto Bertarelli	Member	2006	Chief Executive Officer of Serono International SA, Genf	Bahnhofstrasse 45, 8001 Zürich, Switzerland
Sir Peter Davis	Member	2007	Company Director	Bahnhofstrasse 45, 8001 Zürich, Switzerland
Dr. Rolf A. Meyer	Member	2006	Company Director	Bahnhofstrasse 45, 8001 Zürich, Switzerland
Dr. Helmut	Member	2007	Chairman of the Board of Management of BMW	Bahnhofstrasse 45, 8001 Zürich,

Panke			AG, Munich	Switzerland
Peter Spuhler	Member	2007	Owner of Stadler Rail AG, Bussnang	Bahnhofstrasse 45, 8001 Zürich, Switzerland
Peter R. Voser	Member	2008	Chief Financial Officer of The Royal Dutch/Shell Group of Companies und Managing Director of Shell Transport and Trading Company, London	Royal Dutch Shell plc., 2501 AN, NL - The Hague
Lawrence A. Weinbach	Member	2008	Executive Chairman of Unisys Corporation, Blue Bells PA, USA	Unisys Corporation, Unisys Way, USA - Blue Bell, PA 19424

The Board of Directors is the highest management body of UBS. Every member of the board of Directors is elected by the shareholders for a period of three years. The Board of Directors itself appoints the Chairman, Vice-Chairman and the other Board Committees (Audit Committee, Compensation Committee, Nominating Committee).

The Board of Directors is responsible for the direction and strategic guidance of the Company and for monitoring the Group Executive Board. It defines UBS' risk principles and risk capacity. Most members of the Board of Directors are external, and independent of UBS. The Board of Directors meets as required by the course of business, and at least six times per year.

The Chairman and at least one of the Vice-Chairman also exercise executive functions (in accordance with Swiss banking law) and bear supervisory and executive responsibility.

Group Executive Board as of 31 December 2005

The Group Executive Board comprises the following members:

Name	**Role**	**Business Address**
Peter Wuffli	Group Chief Executive Officer	Bahnhofstrasse 45, 8001 Zürich, Switzerland
John P. Costas	Chairman UBS Investment Bank	Bahnhofstrasse 45, 8001 Zürich, Switzerland
John A. Fraser	Chairman and CEO UBS Global	21 Lombard Street, London, EC3V

	Asset Management	9AH
Huw Jenkins	CEO UBS Investment Bank	1 Finsbury Avenue, London, EC2 M2PP
Peter Kurer	Group General Counsel	Bahnhofstrasse 45, 8001 Zürich, Switzerland
Marcel Rohner	Chairman and CEO UBS Global Wealth Management & Business Banking	Bahnhofstrasse 45, 8001 Zürich, Switzerland
Clive Standish	Group CFO	Bahnhofstrasse 45, 8001 Zürich, Switzerland
Walter Stürzinger	Group Chief Risk Officer	Pelikanstrasse 6/8, 8001 Zürich, Switzerland
Mark B. Sutton	Chairman and CEO Wealth Management USA	1285 Ave Of Americas New York, New York 10019, United States of America
Raoul Weil	Head of Wealth Management International	Bahnhofstrasse 45, 8001 Zürich, Switzerland

None of the aforementioned members of the Group Executive Board hold qualified interests outside of UBS AG and no conflicts of interests exists between any duties owed to UBS by any member of the Board of Directors or the Group Executive Board and their private interests.

The Group Executive Board has executive responsibility for the Company. All Group Executive Board members are appointed by the Board of Directors. The Group Executive Board and, in particular, its President are responsible for implementing the Group's strategies and for its results. Accordingly, it guarantees the Group-wide cooperation between the business groups, in line with the integrated business model, as well as the exploitation of synergies within UBS. The Group Executive Board is answerable to the Board of Directors for the Group's results. It also bears joint responsibility with the Executive Committee (*Präsidium*) for developing the UBS strategies.

SELECTED FINANCIAL DATA

(The 'Notes' referred to in the tables below can be found in the UBS AG annual report and quarterly report, respectively, available for viewing at the following respective website locations:

http://www.ubs.com/1/e/investors/annual_reporting2005.html and

http://www.ubs.com/1/e/investors/quarterly_reporting.html)

Income Statement for the year ended 31 December 2006

CHF million, except per share data	Note	For the year ended 31.12.05	31.12.04	31.12.03	% change from 31.12.04
Continuing operations					
Interest income	3	59,286	39,228	40,045	51
Interest expense	3	(49,758)	(27,484)	(27,784)	81
Net interest income	3	9,528	11,744	12,261	(19)
Credit loss (expense)/recovery		375	241	(102)	56
Net interest income after credit loss expense		9,903	11,985	12,159	(17)
Net fee and commission income	4	21,463	18,506	16,673	16
Net trading income	3	7,996	4,902	3,670	63
Other income	5	1,125	932	225	21
Revenues from industrial holdings		10,515	6,086	2,900	73
Total operating income		50,975	42,411	35,627	20
Personnel expenses	6	21,049	18,612	18,218	13
General and administrative expenses	7	7,047	7,160	6,630	(2)
Depreciation of property and equipment	14	1,493	1,477	1,498	1
Amortization of goodwill	15	0	653	703	(100)
Amortization of other intangible assets	15	334	337	193	(1)
Goods and materials purchased		8,003	3,885	1,113	106
Total operating expenses		37,926	32,124	28,355	18
Operating profit from continuing operations before tax		13,049	10,287	7,272	27
Tax expense	21	2,549	2,224	1,419	15
Net profit from continuing operations		10,500	8,063	5,853	30
Discontinued operations					
Profit from discontinued operations before tax	38	4,688	536	479	775
Tax expense	21	498	129	79	286
Net profit from discontinued operations		4,190	407	400	929
Net Profit		14,690	8,470	6,253	73
Net profit attributable to minority interests		661	454	349	46
from continuing operations		656	454	343	44
from discontinued operations		5	0	6	
Net profit attributable to UBS shareholders		14,029	8,016	5,904	75
from continuing operations		9,844	7,609	5,510	29
from discontinued operations		4,185	407	394	928
Earnings per share					
Basic earnings per share (CHF)	8	13.93	7.78	5.44	79
from continuing operations		9.78	7.39	5.07	32
from discontinued operations		4.15	0.39	0.37	964
Diluted earnings per share (CHF)	8	13.36	7.40	5.19	81
from continuing operations		9.39	7.04	4.84	33
from discontinued operations		3.97	0.36	0.35	

Balance Sheet for the year ended 31 December 2006

CHF million	Note	31.12.05	31.12.04	% change from 31.12.04
Assets				
Cash and balances with central banks		5,359	6,036	(11)
Due from banks	9	33,644	35,419	(5)
Cash collateral on securities borrowed	10	300,331	220,242	36
Reverse repurchase agreements	10	404,432	357,164	13
Trading portfolio assets	11	499,297	389,487	28
Trading portfolio assets pledged as collateral	11	154,759	159,115	(3)
Positive replacement values	22	333,782	284,577	17
Financial assets designated at fair value		1,153	653	77
Loans	9	269,969	232,167	16
Financial investments	12	6,551	4,188	56
Accrued income and prepaid expenses		8,918	6,309	41
Investments in associates	13	2,956	2,675	11
Property and equipment	14	9,423	9,510	(1)
Goodwill and intangible assets	15	13,486	12,201	11
Other assets	16.21	16,190	17,375	(7)
Total assets		2,060,250	1,737,118	19
Liabilities				
Due to banks	17	124,328	120,026	4
Cash collateral on securities lent	10	77,267	61,545	26
Repurchase agreements	10	478,508	422,587	13
Trading portfolio liabilities	11	188,631	171,033	10
Negative replacement values	22	337,663	303,712	11
Financial liabilities designated at fair value	18	117,401	65,756	79
Due to customers	17	451,533	376,076	20
Accrued expenses and deferred income		18,392	15,040	22
Debt issuance	18	160,710	117,856	36
Other liabilities	19,20,21	53,874	44,120	22
Total liabilities		2,008,307	1,697,751	18
Equity				
Share capital		871	901	(3)
Share premium		9,992	9,231	8
Net gains/(losses) not recognized in the income statement, net of tax		(182)	(2,081)	91
Revaluation reserve from step acquisitions, net of tax		101	90	12
Retained earnings		44,414	37,001	20
Equity classified as obligation to purchase own assets		(133)	(96)	(39)
Treasury shares		(10,739)	(11,105)	3
Equity attributable to UBS shareholders		44,324	33,941	31
Equity attributable to minority interests		7,619	5,426	40
Total equity		51,943	39,367	32
Total liabilities and equity		2,060,250	1,737,118	19

Income statement (unaudited) for the quarter ended 31 March 2006

		Quarter ended			% change from	
CHF million, except per share data	Note	31.03.06	31.12.05	31.03.05	4Q05	1Q05
Continuing operations						
Interest income	3	19,046	15,686	12,537	21	52
Interest expense	3	(17,196)	(13,476)	(9,865)	28	74
Net interest income	3	1,850	2,210	2,672	(16)	(31)
Credit loss (expense)/recovery		83	132	137	(37)	(39)
Net interest income after credit loss expense		1,933	2,342	2,809	(17)	(31)
Net fee and commission income	4	6,229	5,947	4,899	5	27
Net trading income	3	3,701	2,251	1,917	64	93
Other income	5	723	181	438	299	65
Revenues from industrial holdings		344	444	506	(23)	(32)
Total operating income		12,930	11,165	10,569	16	22
Personnel expenses	6	6,300	5,239	5,112	20	23
General and administrative expenses	7	1,985	2,060	1,534	(4)	29
Depreciation of property and equipment		290	341	332	(15)	(13)
Amortization of intangible assets		36	63	31	(43)	16
Goods and materials purchased		145	210	232	(31)	(38)
Total operating expenses		8,756	7,913	7,241	11	21
Operating profit from continuing operations before tax		4,174	3,252	3,328	28	25
Tax expense		843	535	702	58	20
Net profit from continuing operations		3,331	2,717	2,626	23	27
Discontinued operations						
Profit from discontinued operations before tax		448	4,338	247	(90)	81
Tax expense		86	406	40	(79)	115
Net profit from discontinued operations		362	3,932	207	(91)	75
Net profit		3,693	6,649	2,833	(44)	30
Net profit attributable to minority interests		189	162	208	17	(9)
from continuing operations		141	110	145	28	(3)
from discontinued operations		48	52	63	(8)	(24)
Net profit attributable to UBS shareholders		3,504	6,487	2,625	(46)	33
from continuing operations		3,190	2,607	2,841	22	29
from discontinued operations		314	3,880	144	(92)	118
Earnings per share						
Basic earnings per share (CHF)	8	3.55	6.56	2.60	(46)	37
from continuing operations		3.23	2.64	2.45	22	32
from discontinued operations		0.32	3.92	0.15	(92)	113
Diluted earnings per share (CHF)	8	3.39	6.28	2.48	(46)	37
from continuing operations		3.08	2.53	2.34	22	32
from discontinued operations		0.31	3.75	0.14	(92)	121

Balance sheet (unaudited) for the quarter ended 31 March 2006

CHF million	31.03.06	31.12.05	% change from 31.12.05
Assets			
Cash and balances with central banks	5,661	5,359	6
Due from banks	38,695	33,644	15
Cash collateral on securities borrowed	356,578	300,331	19
Reverse repurchase agreements	460,657	404,432	14
Trading portfolio assets	522,575	499,297	5
Trading portfolio assets pledged as collateral	169,110	154,759	9
Positive replacement values	297,740	333,782	(11)
Financial assets designated at fair value	895	1,153	(22)
Loans	268,026	269,969	(1)
Financial investments	6,681	6,551	2
Accrued income and prepaid expenses	10,671	8,918	20
Investments in associates	1,569	2,956	(47)
Property and equipment	6,916	9,423	(27)
Goodwill and intangible assets	12,420	13,486	(8)
Other assets	15,024	16,190	(7)
Total assets	2,173,218	2,060,250	5
Liabilities			
Due to banks	137,134	124,328	10
Cash collateral on securities lent	83,545	77,267	8
Repurchase agreements	555,995	478,508	16
Trading portfolio liabilities	205,223	188,631	9
Negative replacement values	295,917	337,663	(12)
Financial liabilities designated at fair value	129,581	117,401	10
Due to customers	468,607	451,533	4
Accrued expenses and deferred income	15,129	18,392	(18)
Debt issuance	173,557	160,710	8
Other liabilities	55,109	53,875	2
Total liabilities	2,119,797	2,008,307	6
Equity			
Share capital	871	871	0
Share premium	9,158	9,992	(8)
Net gains/(losses) not recognised in the income statement, net of tax	279	(182)	
Revaluation reserve from step acquisitions, net of tax	38	101	(62)
Retained earnings	47,918	44,414	8
Equity classified as obligation to purchase own assets	(119)	(133)	11
Treasury shares	(10,295)	(10,739)	4
Equity attributable to UBS shareholders	47,850	44,324	8
Equity attributable to minority interests	5,571	7,619	(27)
Total equity	53,421	51,943	3
Total liabilities and equity	2,173,218	2,060,250	5

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect and subject as provided in the applicable Final Terms. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any agent party to the Master Warrant Agreement will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Warrants held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a "**banking organisation**" within the meaning of the New York Banking Law, a "**clearing corporation**" within the meaning of the New York Uniform Commercial Code and a "**clearing agency**" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of Rule 144A Global Warrants held by a Custodian on behalf of DTC among Direct Participants on whose behalf it acts with respect to Warrants accepted into DTC's book-entry settlement system ("**DTC Warrants**") as described below and receives and transmits payments on DTC Warrants. The Rules are on file with the SEC. Direct Participants and Indirect Participants with which beneficial owners of DTC Warrants ("**Owners**") have accounts with respect to the DTC Warrants similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Warrants through Direct Participants or Indirect Participants will not possess definitive Warrants, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect to the DTC Warrants.

Purchases of DTC Warrants under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Warrants on DTC's records. The ownership interest of each actual purchaser of each DTC Warrant ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Warrants are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Warrants, except in the event that use of the book-entry system for the DTC Warrants is discontinued.

To facilitate subsequent transfers, all DTC Warrants deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Warrants with DTC and their registration in the name of Cede & Co. or such other nominee does not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Warrants; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Warrants are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payments on the DTC Warrants will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "**street name**", and will be the responsibility of such Direct and Indirect Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of amounts due in respect of the Warrants to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances DTC will exchange the DTC Warrants for Definitive Warrants, which it will distribute to its Direct Participants in accordance with their proportionate entitlements.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Warrants to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Warrants, will be required to withdraw its Rule 144A Global Warrant from DTC as described below.

DTC may discontinue providing its services as securities depository with respect to the DTC Warrants at any time by giving reasonable notice to the Issuer. Under such circumstances in the event that a successor securities depository is not obtained, Definitive Warrants are required to be printed and delivered.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-entry Ownership of and Payments in respect of DTC Warrants

If a Rule 144A Global Warrant is to be registered in the name of a nominee of DTC, the Issuer will apply to DTC in order to have the Warrants represented by such Rule 144A Global Warrant accepted in its book-entry settlement system. Upon the issue of any Rule 144A Global Warrant held by a Custodian on behalf of DTC, DTC or the Custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Rule 144A Global Warrant to the accounts of persons who have accounts with DTC. Ownership of beneficial interests in any such Rule 144A Global Warrant will be limited to Direct Participants or Indirect Participants, including the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in any such Rule 144A Global Warrant held by a Custodian on behalf of DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars in respect of a Rule 144A Global Warrant registered in the name of DTC's nominee will be made to the order of such nominee as the registered Warrantholder. In the case of any payment in a currency other than U.S. dollars, payment will be made to the New York Warrant Agent on behalf of DTC's nominee and the New York Warrant Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Rule 144A Global Warrant in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC that payments by Participants to beneficial owners of Warrants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Warrant Agent, the New York Warrant Agent or the Issuer. Payments on Warrants to DTC is the responsibility of the Issuer.

Transfers of Warrants Represented by Global Warrants

Transfers of any interests in Warrants represented by a Global Warrant within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Warrants represented by a Global Warrant to such persons may depend upon the ability to exchange such Warrants for Warrants in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC to pledge such Warrants to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Warrants may depend upon the ability to exchange such Warrants for Warrants in definitive form. The ability of any person having a beneficial interest in Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC to resell, pledge or otherwise transfer such Warrants may be impaired if the proposed transferee of such Warrants is not eligible to hold such Warrants through a Direct or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Rule 144A Global Warrants described under "Notice to Purchasers and Holders of Warrants and Transfer Restrictions", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Principal Warrant Agent, the New York Warrant Agent and any Custodian with whom the relevant Global Warrants have been deposited.

On or after the Issue Date for any Warrants, transfers of such Warrants between accountholders in Clearstream, Luxembourg and Euroclear and transfers of such Warrants between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Global Warrants will be effected through the Principal Warrant Agent, the New York Warrant Agent and the Custodian receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Warrants among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer the Custodian, the Principal Warrant Agent and the New York Warrant Agent and any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Warrants represented by Global Warrants or for maintaining, supervising or reviewing any records relating to such beneficial interests.

NOTICE TO PURCHASERS AND HOLDERS OF WARRANTS AND TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of Warrants in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Warrants.

Each purchaser of Warrants will, by its purchase of such Warrants, be deemed to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(i) that either: (a) in the case of issue or transfer of a Warrant to or for a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant, it is a QIB, purchasing (or holding) the Warrants for its own account or for the account of one or more QIBs and it is aware, and each beneficial owner of such Warrants has been advised, that any sale to it is being made in reliance on Rule 144A and it has delivered an Investment Representation Letter or (b) in the case of issue or transfer of Warrants to or for a person who takes delivery in the form of Private Placement Definitive Warrant, it is an Accredited Investor, purchasing (or holding) the Warrants for its own account or for the account of one or more Accredited Investors and it is aware, and each beneficial owner of such Warrant has been advised, that any sale to it is being made in reliance on an exemption from the registration required under the Securities Act and it has delivered an Investor Representation Letter or (c) in the case of the issue or transfer of a Warrant to or for a person who takes delivery in the form of Warrants represented by a Unified Global Warrant, either (x) it is a QIB purchasing (or holding) the Warrants for its own account or the account of one or more QIBs and it is aware and each beneficial owner of such Warrants has been advised that any sale is being made in reliance on Rule 144A or (y) it is outside the United States and is not a U.S. person or (e) it is outside the United States and is not a U.S. person;

(ii) that in issuing Warrants linked to any Relevant Asset, the Issuer is not making, and has not made any representations whatsoever as to any such Relevant Asset or any information contained in any document filed by any such issuer of such Relevant Asset with any exchange or with any governmental entity regulating the purchase and sale of securities or the Warrants linked to any Relevant Asset;

(iii) that the Issuer and any affiliate of the Issuer may, whether by virtue of the types of relationships described about or otherwise, at the date hereof or at any time hereafter be in possession of information in relation to any issuer of a Relevant Asset which is or may be material in the context of Warrants linked to any Relevant Asset and which is or may not be known to the general public or the Warrantholder. Warrants linked to any Relevant Asset do not create any obligation on the part of the Issuer or any affiliate of the Issuer to disclose to the Warrantholder any such relationship or information (whether or not confidential) and neither the Issuer nor any other affiliate of the Issuer shall be liable to the Warrantholder by reason of such non-disclosure. No such information had been used in the selection of any issuer of a Relevant Asset for Warrants linked to any Relevant Asset;

(iv) that the Issuer and any affiliate of the Issuer may have existing or future business relationships with any issuer of a Relevant Asset (including, but not limited to, lending, depository, risk management, advisory or banking relationships), and will pursue actions and take steps that it deems or they deem necessary or appropriate to protect its or their interests arising therefrom without regard to the consequences for a holder of Warrants linked to any issuer of any Relevant Asset;

(v) that the market value of Warrants linked to any issuer of any Relevant Asset may be adversely affected by movements in the value of the issuer of the Relevant Asset or in currency exchange rates;

(vi) that the Settlement Amount in respect of any Warrant may be less than its Issue Price;

(vii) that the Warrants are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Warrants and, in certain cases, the Entitlement to be delivered upon the exercise of the Warrants, have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(viii) that, if it holds an interest in a Regulation S Global Warrant, Permanent Global Warrant or a Unified Global Warrant held by a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, and in the future it decides to resell, pledge or otherwise transfer the Warrants or any beneficial interests in the Warrants, it will do so, only (a) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (b) outside the United States in compliance with Regulation S under the Securities Act, (c) pursuant to another exemption from registration under the Securities Act (if available) or (d) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;

(ix) it will, and will require each subsequent Warrantholder to, notify any purchaser of Warrants from it of the resale restrictions referred to in paragraph (viii) above, if then applicable;

(x) that Warrants initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Warrants, that Warrants initially offered in the United States to Accredited Investors will be in the form of Private Placement Definitive Warrants and that Warrants offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Warrants or Permanent Global Warrants, although Warrants concurrently offered in the United States to QIBs and outside the United States to non-U.S. persons may be represented by a Unified Global Warrant;

(xi) that Rule 144A Global Warrants will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THE WARRANTS REPRESENTED BY THIS RULE 144A GLOBAL WARRANT HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE PURCHASER OF ANY WARRANT REPRESENTED BY THIS RULE 144A GLOBAL WARRANT, BY ITS ACCEPTANCE THEREOF, ACKNOWLEDGES THE RESTRICTIONS ON THE TRANSFER OF THE WARRANTS AND AGREES THAT IT SHALL TRANSFER ANY WARRANT ONLY AS PROVIDED IN THE MASTER WARRANT AGREEMENT REFERRED TO HEREIN OR IN THE FINAL TERMS OR SECURITIES NOTE ATTACHED HERETO.

THE WARRANTS REPRESENTED BY THIS RULE 144A GLOBAL WARRANT MAY NOT BE RESOLD OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE MASTER WARRANT AGREEMENT AND THE FINAL TERMS OR SECURITIES NOTE REFERRED TO HEREIN AND OTHER THAN PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A, REGULATION S OR OTHERWISE THEREUNDER AND A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND SHALL BE DELIVERED TO EACH PERSON TO WHOM WARRANTS REPRESENTED BY THIS RULE 144A GLOBAL WARRANT ARE TRANSFERRED.

EACH HOLDER OF A BENEFICIAL INTEREST IN THE WARRANTS REPRESENTED BY THIS RULE 144A GLOBAL WARRANT SHALL BE DEEMED TO HAVE REPRESENTED WITH RESPECT TO ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND EACH HOLDER OF SUCH ACCOUNT IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A AND ACQUIRED SUCH INTEREST IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A. ANY RESALE OR OTHER TRANSFER OF INTEREST IN THE WARRANTS REPRESENTED BY THIS RULE 144A GLOBAL WARRANT MAY, IF APPLICABLE, REQUIRE THE TRANSFEROR TO SUBMIT TO THE NEW YORK WARRANT AGENT A CERTIFICATE OF TRANSFER, IN THE APPROPRIATE FORM SET FORTH IN SCHEDULE 9, 10 OR 12 TO THE MASTER WARRANT AGREEMENT REFERRED TO HEREIN, TOGETHER, IN THE CASE OF TRANSFERS IN THE UNITED STATES OR TO A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), WITH A DULY EXECUTED INVESTOR REPRESENTATION LETTER FROM THE RELEVANT TRANSFEREE, IN THE FORM SET FORTH IN SCHEDULE 8 TO THE MASTER WARRANT AGREEMENT REFERRED TO HEREIN. IF AT ANY TIME THE NEW YORK WARRANT AGENT SUBSEQUENTLY DETERMINES OR IS

SUBSEQUENTLY NOTIFIED BY THE ISSUER THAT THE HOLDER OF ANY INTEREST IN THE WARRANTS REPRESENTED BY THIS RULE 144A GLOBAL WARRANT WAS IN BREACH, AT THE TIME GIVEN, OF ANY REPRESENTATION OR AGREEMENT SET FORTH IN ANY INVESTOR REPRESENTATION LETTER OR ANY DEEMED REPRESENTATION OR AGREEMENT OF SUCH HOLDER, THE PURPORTED TRANSFER SHALL BE ABSOLUTELY NULL AND VOID *AB INITIO* AND SHALL VEST NO RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A "**DISQUALIFIED TRANSFEREE**") AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF SUCH TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

IF REQUESTED BY THE ISSUER OR BY A WARRANT AGENT, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF WARRANTS REPRESENTED BY THIS RULE 144A GLOBAL WARRANT IS PERMISSIBLE UNDER THE SECURITIES ACT.

THE WARRANTS AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THE WARRANTS TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE PURCHASER OF A WARRANT REPRESENTED BY THIS RULE 144A GLOBAL WARRANT, BY ITS ACCEPTANCE THEREOF, SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.";

(xii) that Unified Global Warrants will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THE WARRANTS REPRESENTED BY THIS UNIFIED GLOBAL WARRANT [add if applicable: AND SECURITIES TO BE DELIVERED UPON THE EXERCISE OF THE WARRANTS] HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE PURCHASER OF ANY WARRANT REPRESENTED BY THIS UNIFIED GLOBAL WARRANT, BY ITS ACCEPTANCE THEREOF, ACKNOWLEDGES THE RESTRICTIONS ON THE TRANSFER OF THE WARRANTS AND AGREES THAT IT SHALL TRANSFER ANY WARRANT ONLY AS PROVIDED IN THE MASTER WARRANT AGREEMENT REFERRED

TO HEREIN OR IN THE FINAL TERMS OR SECURITIES NOTE ATTACHED HERETO.

THE WARRANTS REPRESENTED BY THIS UNIFIED GLOBAL WARRANT MAY NOT BE RESOLD OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE MASTER WARRANT AGREEMENT AND THE FINAL TERMS OR SECURITIES NOTE REFERRED TO HEREIN AND OTHER THAN PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A, REGULATION S OR OTHERWISE THEREUNDER AND A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND SHALL BE DELIVERED TO EACH PERSON TO WHOM THE WARRANTS REPRESENTED BY THIS UNIFIED GLOBAL WARRANT ARE TRANSFERRED.

EACH HOLDER OF A BENEFICIAL INTEREST IN THE WARRANTS REPRESENTED BY THIS UNIFIED GLOBAL WARRANT SHALL BE DEEMED TO HAVE REPRESENTED WITH RESPECT TO ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND EACH HOLDER OF SUCH ACCOUNT IS EITHER (i) A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A AND ACQUIRED SUCH INTEREST IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (ii) NOT A U.S. PERSON AND HAS ACQUIRED SUCH INTEREST IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S. ANY RESALE OR OTHER TRANSFER OF INTEREST IN THE WARRANTS REPRESENTED BY THIS UNIFIED GLOBAL WARRANT MAY, IF APPLICABLE, REQUIRE THE TRANSFEROR TO SUBMIT TO THE RELEVANT WARRANT AGENT A CERTIFICATE OF TRANSFER, IN THE APPROPRIATE FORM SET FORTH IN SCHEDULE 11 OR 12 TO THE MASTER WARRANT AGREEMENT REFERRED TO HEREIN, TOGETHER, WITH RESPECT ONLY TO TRANSFERS PURSUANT TO RULE 144A, WITH A DULY EXECUTED INVESTOR REPRESENTATION LETTER FROM THE RELEVANT TRANSFEREE, IN THE FORM SET FORTH IN SCHEDULE 8 TO THE MASTER WARRANT AGREEMENT REFERRED TO HEREIN. IF AT ANY TIME THE PRINCIPAL WARRANT AGENT SUBSEQUENTLY DETERMINES OR IS SUBSEQUENTLY NOTIFIED BY THE ISSUER THAT THE HOLDER OF ANY INTEREST IN THE WARRANTS REPRESENTED BY THIS UNIFIED GLOBAL WARRANT WAS IN BREACH, AT THE TIME GIVEN, OF ANY REPRESENTATION OR AGREEMENT SET FORTH IN ANY INVESTOR REPRESENTATION LETTER OR ANY DEEMED REPRESENTATION OR AGREEMENT OF SUCH HOLDER, THE PURPORTED TRANSFER SHALL BE ABSOLUTELY NULL AND VOID *AB INITIO* AND SHALL VEST NO RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A "**DISQUALIFIED TRANSFEREE**") AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A

HOLDER THEREOF RETROACTIVELY TO THE DATE OF SUCH TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

IF REQUESTED BY THE ISSUER OR BY A WARRANT AGENT, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF WARRANTS REPRESENTED BY THIS UNIFIED GLOBAL WARRANT IS PERMISSIBLE UNDER THE SECURITIES ACT.

THE WARRANTS AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THE WARRANTS TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE PURCHASER OF A WARRANT REPRESENTED BY THIS UNIFIED GLOBAL WARRANT, BY ITS ACCEPTANCE THEREOF, SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.";

(xiii) that Private Placement Definitive Warrants will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS WARRANT HAS NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"). THIS WARRANT MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE PURCHASER OF THE WARRANT, BY ITS ACCEPTANCE HEREOF, ACKNOWLEDGES THE RESTRICTIONS ON THE TRANSFER OF THE WARRANTS AND AGREES THAT IT SHALL TRANSFER ANY WARRANT ONLY AS PROVIDED IN THE MASTER WARRANT AGREEMENT REFERRED TO HEREIN OR IN THE FINAL TERMS OR SECURITIES NOTE ATTACHED HERETO.

THIS WARRANT MAY NOT BE RESOLD OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE MASTER WARRANT AGREEMENT AND THE FINAL TERMS OR SECURITIES NOTE REFERRED TO HEREIN AND OTHER THAN PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A, REGULATION S OR OTHERWISE THEREUNDER AND A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND SHALL BE DELIVERED TO EACH PERSON TO WHOM THIS WARRANT IS TRANSFERRED.

EACH HOLDER OF THIS WARRANT SHALL BE DEEMED TO HAVE REPRESENTED WITH RESPECT TO ITSELF AND ANY ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND ANY HOLDER OF SUCH

ACCOUNT IS AN ACCREDITED INVESTOR AS DEFINED IN RULE 501(a) OF REGULATION D UNDER THE SECURITIES ACT AND ACQUIRED SUCH INTEREST IN A TRANSACTION MEETING THE REQUIREMENTS OF SECTION 4(2) OR REGULATION D OF THE SECURITIES ACT. ANY RESALE OR OTHER TRANSFER OF INTEREST IN THE WARRANTS REPRESENTED BY THIS WARRANT MAY, IF APPLICABLE, REQUIRE THE TRANSFEROR TO SUBMIT TO THE NEW YORK WARRANT AGENT A CERTIFICATE OF TRANSFER, IN THE APPROPRIATE FORM SET FORTH IN SCHEDULE 9, 10, 11 OR 12 OF THE MASTER WARRANT AGREEMENT REFERRED TO HEREIN, TOGETHER, IN THE CASE OF TRANSFERS IN THE UNITED STATES OR TO A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), WITH A DULY EXECUTED INVESTOR REPRESENTATION LETTER FROM THE RELEVANT TRANSFEREE, IN THE FORM SET FORTH IN SCHEDULE 8 TO THE MASTER WARRANT AGREEMENT REFERRED TO HEREIN. IF AT ANY TIME THE PRINCIPAL WARRANT AGENT SUBSEQUENTLY DETERMINES OR IS SUBSEQUENTLY NOTIFIED BY THE ISSUER THAT THE HOLDER OF ANY INTEREST IN THIS WARRANT WAS IN BREACH, AT THE TIME GIVEN, OF ANY REPRESENTATION OR AGREEMENT SET FORTH IN ANY INVESTOR REPRESENTATION LETTER OR ANY DEEMED REPRESENTATION OR AGREEMENT OF SUCH HOLDER, THE PURPORTED TRANSFER SHALL BE ABSOLUTELY NULL AND VOID *AB INITIO* AND SHALL VEST NO RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A "**DISQUALIFIED TRANSFEREE**") AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF SUCH TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

IF REQUESTED BY THE ISSUER OR BY A WARRANT AGENT, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THIS WARRANT IS PERMISSIBLE UNDER THE SECURITIES ACT.

THE WARRANTS AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THE WARRANTS TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS WARRANT, THE PURCHASER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.";

(xiv) that Regulation S Global Warrants will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THE WARRANTS REPRESENTED BY THIS REGULATION S GLOBAL WARRANT [add if applicable: AND SECURITIES TO BE DELIVERED UPON THE EXERCISE OF THE WARRANTS] HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE PURCHASER OF ANY WARRANT REPRESENTED BY THIS REGULATION S GLOBAL WARRANT, BY ITS ACCEPTANCE THEREOF, ACKNOWLEDGES THE RESTRICTIONS ON THE TRANSFER OF THE WARRANTS AND AGREES THAT IT SHALL TRANSFER ANY WARRANT ONLY AS PROVIDED IN THE MASTER WARRANT AGREEMENT REFERRED TO HEREIN OR IN THE FINAL TERMS OR SECURITIES NOTE ATTACHED HERETO.

THE WARRANTS REPRESENTED BY THIS REGULATION S GLOBAL WARRANT MAY NOT BE RESOLD OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE MASTER WARRANT AGREEMENT AND THE FINAL TERMS OR SECURITIES NOTE REFERRED TO HEREIN AND OTHER THAN PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A, REGULATION S OR OTHERWISE THEREUNDER AND A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND SHALL BE DELIVERED TO EACH PERSON TO WHOM WARRANTS REPRESENTED BY THIS REGULATION S GLOBAL WARRANT ARE TRANSFERRED.

EACH HOLDER OF A BENEFICIAL INTEREST IN THE WARRANTS REPRESENTED BY THIS REGULATION S GLOBAL WARRANT SHALL BE DEEMED TO HAVE REPRESENTED WITH RESPECT TO ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND EACH HOLDER OF SUCH ACCOUNT IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) AND ACQUIRED SUCH INTEREST IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S. ANY RESALE OR OTHER TRANSFER OF INTEREST IN THE WARRANTS REPRESENTED BY THIS REGULATION S GLOBAL WARRANT MAY, IF APPLICABLE, REQUIRE THE TRANSFEROR TO SUBMIT TO THE PRINCIPAL WARRANT AGENT A CERTIFICATE OF TRANSFER, IN THE APPROPRIATE FORM SET FORTH IN SCHEDULE 9, 10 OR 12 TO THE MASTER WARRANT AGREEMENT REFERRED TO HEREIN, TOGETHER, IN THE CASE OF TRANSFERS IN THE UNITED STATES OR TO A U.S. PERSON, WITH A DULY EXECUTED INVESTOR REPRESENTATION LETTER FROM THE RELEVANT TRANSFEREE, IN THE FORM SET FORTH IN SCHEDULE 8 TO THE MASTER WARRANT AGREEMENT REFERRED TO HEREIN. IF AT ANY TIME THE PRINCIPAL WARRANT AGENT SUBSEQUENTLY DETERMINES OR IS SUBSEQUENTLY NOTIFIED BY THE ISSUER THAT THE

HOLDER OF ANY INTEREST IN THE WARRANTS REPRESENTED BY THIS REGULATION S GLOBAL WARRANT WAS IN BREACH, AT THE TIME GIVEN, OF ANY REPRESENTATION OR AGREEMENT SET FORTH IN ANY INVESTOR REPRESENTATION LETTER OR ANY DEEMED REPRESENTATION OR AGREEMENT OF SUCH HOLDER, THE PURPORTED TRANSFER SHALL BE ABSOLUTELY NULL AND VOID *AB INITIO* AND SHALL VEST NO RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A "**DISQUALIFIED TRANSFEREE**") AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF SUCH TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

IF REQUESTED BY THE ISSUER OR BY A WARRANT AGENT, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF WARRANTS REPRESENTED BY THIS REGULATION S GLOBAL WARRANT IS PERMISSIBLE UNDER THE SECURITIES ACT.

THE WARRANTS AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THE WARRANTS TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE PURCHASER OF A WARRANT REPRESENTED BY THIS REGULATION S GLOBAL WARRANT, BY ITS ACCEPTANCE THEREOF, SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.";

(xv) that Permanent Global Warrants will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THE WARRANTS REPRESENTED BY THIS PERMANENT GLOBAL WARRANT [add if applicable: AND SECURITIES TO BE DELIVERED UPON THE EXERCISE OF THE WARRANTS] HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE PURCHASER OF ANY WARRANT REPRESENTED BY THIS PERMANENT GLOBAL WARRANT, BY ITS ACCEPTANCE THEREOF, ACKNOWLEDGES THE RESTRICTIONS ON THE TRANSFER OF THE WARRANTS REPRESENTED BY THIS PERMANENT GLOBAL WARRANT AND AGREES THAT IT SHALL TRANSFER ANY WARRANT REPRESENTED BY THIS PERMANENT GLOBAL WARRANT

ONLY AS PROVIDED IN THE MASTER WARRANT AGREEMENT REFERRED TO HEREIN OR IN THE FINAL TERMS OR SECURITIES NOTE ATTACHED HERETO. UNLESS STATED OTHERWISE IN THE ATTACHED FINAL TERMS OR SECURITIES NOTE, THE WARRANTS REPRESENTED BY THIS PERMANENT GLOBAL WARRANT, MAY NOT AT ANY TIME BE OFFERED, SOLD, RESOLD, TRADED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION ("**UNITED STATES**") OR DIRECTLY OR INDIRECTLY OFFERED, SOLD, RESOLD, TRADED OR DELIVERED TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT.

THE WARRANTS AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THE WARRANTS TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE PURCHASER OF A WARRANT REPRESENTED BY THIS PERMANENT GLOBAL WARRANT, BY ITS ACCEPTANCE THEREOF, SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT."; and

(xvi) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Warrants as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Accredited Investors who purchase Warrants in definitive form offered and sold in the United States in reliance upon an exemption from registration provided by the Securities Act and QIBs who purchase Warrants represented by a Rule 144A Global Warrant offered and sold in the United States or to U.S. persons in reliance on Rule 144A are required to execute and deliver to the New York Warrant Agent an Investor Representation Letter. Upon execution and delivery of an Investor Representation Letter by an Accredited Investor, Private Placement Definitive Warrants will be issued. Upon execution and delivery of an Investor Representation Letter by a QIB, Warrants will be issued in the form of a Rule 144A Global Warrant.

The Investor Representation Letter delivered by an Accredited Investor or QIB will state, among other things, the following:

(i) that the Accredited Investor or the QIB, as the case may be, has received a copy of this Base Prospectus and the Final Terms relating to the Warrants (or, as the case may be, the Drawdown Prospectus relating to the Warrants) and such other information as it deems necessary in order to make its investment decision;

(ii) that the Accredited Investor or the QIB, as the case may be, understands that any subsequent transfer of the Warrants is subject to certain restrictions and conditions set forth in this Base Prospectus (or, as the case may be, the Drawdown Prospectus relating to the Warrants) and the Warrants (including those set out above) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Warrants except in compliance with, such restrictions and conditions and the Securities Act;

(iii) that, in the normal course of its business, the investor invests in or purchases securities similar to the Warrants;

(iv) that the purchaser is an Accredited Investor as defined in Rule 501(a) of Regulation D or a QIB within the meaning of Rule 144A and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Warrants, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;

(v) that the institutional Accredited Investor within the meaning of Rule 501(a)(1), (2), (3), (7) or (8) of Regulation D ("**IAI**") or the QIB, as the case may be, is acquiring the Warrants purchased by it for its own account or for one or more accounts (each of which is an IAI or a QIB, as the case may be) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Warrants, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control;

(vi) that, if the investor is an Accredited Investor that is not an IAI, it is purchasing the Warrants for its own account without a view to any resale, distribution or other disposition of the Warrants in whole or in part in any transaction that would be in violation of the securities laws of the United States or any state thereof;

(vii) that, if the investor is an Accredited Investor, it is: (check the appropriate box)

- A bank as defined in Section 3(a)(2) of the Securities Act or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act; a broker dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934 (the "**Exchange Act**"); an insurance company as defined in Section 2(13) of the Securities Act; an investment company registered under the Investment Company Act of 1940 (the "**Investment Company Act**") or a business development company as defined in section 2(a)(48) of the Investment Company Act; a Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958; a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, in which the total assets of such plan are in excess of $5,000,000; an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, in which the investment decision is made by a plan fiduciary, as defined in section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or in which the total assets of such plan are in excess of $5,000,000, or in which such plan is self-directed, with investment decisions made solely by persons that are Accredited Investors;

- A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;
- An organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the Shares, with total assets in excess of $5,000,000;
- A director, executive officer, or general partner of the Issuer, or a director, executive officer, or general partner of a general partner of the Issuer;
- A natural person whose individual net worth, or whose joint net worth with his or her spouse, at the time of purchase exceeds $1,000,000;
- A natural person who had an individual income in excess of $200,000 in each of the two most recent years or a joint income with his or her spouse in excess of $300,000 in each of those years, and who has a reasonable expectation of reaching the same income level in the current year;
- A trust with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the Shares, and whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of the Securities Act; or
- An entity in which all of the equity owners are Accredited Investors;

(viii) that the Accredited Investor or QIB, as the case may be, acknowledges that (a) it did not rely on any investigation that the Issuer, any of its affiliates or any person acting on their behalf may have conducted with respect to any Relevant Asset or the issuer of any such Relevant Asset, and none of such persons has made any representation to it, express or implied, with respect to any such Relevant Asset and the issuer of any such Relevant Asset; (b) it conducted and relied on its own investigation with respect to the Relevant Asset; (c) it had an opportunity to ask executive officers of any such issuer of such Relevant Asset such questions as it considers necessary or appropriate with respect to such Relevant Asset and the issuer of any such Relevant Asset; and (d) it received all information that it believes is necessary or appropriate in connection with any such Relevant Asset;

(ix) that the Accredited Investor or QIB, as the case may be, as of the date of its acquisition of the Warrants or an interest therein through the date that it ceases to hold any interest in the Warrants, that: (a) it is not a Plan, or an entity whose underlying assets include plan assets by reason of any Plan's investment in the entity, and is not purchasing or holding the Warrants on behalf of or with the assets of any Plan or any benefit plan subject to prohibitions similar to those of Section 406 of ERISA or Section 4975 of the Code or (b) its purchase, holding and transfer of the Warrants will not give rise to a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or any similar applicable laws or rules; and

(x) that the Accredited Investor or QIB, as the case may be, is an "eligible contract participant" as defined in the Commodity Exchange Act 7 U.S.C. § 1a(12).

TAXATION

General

Transactions involving Warrants including the purchase, ownership, disposition, lapse, exercise and redemption of Warrants may have tax consequences for potential purchasers which may depend, amongst other things, upon the conditions applicable to the particular issue of Warrants to be purchased, the status and circumstances of the potential purchaser and the applicable law and practice of taxation authorities in relevant jurisdictions.

POTENTIAL PURCHASERS WHO ARE IN ANY DOUBT ABOUT THE TAX POSITION IN RESPECT OF ANY ASPECT OF TRANSACTIONS INVOLVING WARRANTS OR THE OWNERSHIP OF WARRANTS SHOULD CONSULT THEIR OWN TAX ADVISERS

Potential purchasers of Warrants should note that they may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase or other relevant jurisdictions, depending upon the circumstances, in addition to the issue price of each Warrant.

Condition 11 ("Expenses and Taxation") on page 78 above should be considered carefully by all potential purchasers of Warrants.

United Kingdom Taxation

United Kingdom Taxation consequences of the purchase, ownership, disposal, lapse, exercise and redemption of Warrants may depend, amongst other things, upon the conditions applicable to the particular issue of Warrants to be purchased, the status and circumstances of the potential purchaser and the applicable taxation laws of the United Kingdom and practice of Her Majesty's Revenue and Customs.

Potential purchasers who are in any doubt about the United Kingdom taxation position in respect of any aspect of transactions involving Warrants or the ownership of Warrants should consult their own United Kingdom taxation advisers.

Potential purchasers should note in particular that, depending on the conditions applicable to any particular issue under the Programme, there may be a charge to United Kingdom stamp duty or stamp duty reserve tax on the issue of, transfer of, or exercise of, a Warrant/in respect of transactions involving Warrants.

The Risk Factor relating to Warrants entitled "United Kingdom Stamp Duty" should be considered carefully by all potential purchasers of Warrants.

United States Taxation

The discussion in this Base Prospectus is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding U.S. federal tax penalties, and was written to support the promotion or marketing of Warrants issued under the Programme. Prospective purchasers of the Warrants should consult their own tax

advisors regarding the application of U.S. federal income tax law, as well as any state, local, non-U.S. or other tax laws, to the purchase, ownership and disposition of Warrants in light of their particular circumstances.

The Final Terms for an issue of Warrants may specify with respect to the issue of Warrants to which it relates (and where relevant) the potential U.S. federal income tax consequences to Warrantholders of the purchase, ownership, disposition, lapse, exercise or redemption of the Warrant, as the case may be.

Unless otherwise expressly stated in the applicable Final Terms, the Issuer generally will not investigate and will not have access to information that would permit it to ascertain, whether the underlying asset, index or other item(s) to which the Warrants relate is a passive foreign investment company, United States real property holding company or controlled foreign corporation for U.S. tax purposes.

Warrantholders and potential purchasers of Warrants that are U.S. taxpayers are urged to consult their own tax advisors with respect to the U.S. tax consequences to them of the purchase, ownership, disposition, lapse, exercise or redemption of a Warrant, as the case may be, in light of their own particular circumstances.

Swiss Taxation

There is no Swiss tax on income from Warrants withheld at source in Switzerland.

Luxembourg Taxation

The following is a general description of certain Luxembourg tax considerations relating to Warrants issued under the Programme. It specifically contains information on taxes on income from Warrants withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at source. It does not purport to be a complete analysis of all tax considerations relating to Warrants issued under the Programme, whether in Luxembourg or elsewhere. Prospective purchasers of Warrants issued under the Programme should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Warrants, payments of interest, principal and/or other amounts under any Warrants and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect on the date of this Base Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving Warrants issued under the Programme.

1. Withholding Tax

All payments upon cash settlement, physical settlement, redemption (final redemption or early redemption) or purchase of any Warrants can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

(i) the application of the Luxembourg law of 21 June 2005 implementing the European Union Savings Directive (see, paragraph "EU Savings Directive" below, which may be applicable in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned directive).

(ii) the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005 which has introduced a 10% final withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg law of 21 June 2005 implementing the European Union Savings Directive). This law should apply to savings income accrued as from 1 July 2005 and paid as from 1 January 2006.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

2. EU Savings Directive

On 3 June 2003, the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income. The directive is, in principle, applied by Member States as from 1 July 2005 and has been implemented in Luxembourg by the Law of 21 June 2005. Under the directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a paying agent within the meaning of the EU Savings Directive to an individual resident or certain types of entities called "residual entities" established in that other Member State (or certain dependent and associated territories). For a transitional period, however, Austria, Belgium and Luxembourg are permitted to apply an optional information reporting system whereby if a beneficial owner does not comply with one of two procedures for information reporting, the Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax system will apply for a transitional period during which the rate of withholding will be of 15% from 1 July 2005 to 30 June 2008, 20% from 1 July 2008 to 30 June 2011 and 35% as from 1 July 2011. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. See "European Union Directive on the Taxation of Savings Income in the Form of Interest Payments (Council Directive 2003/48/EC)".

Also with effect from 1 July 2005, a number of non-EU countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino), have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent within its jurisdiction to, or collected by such a paying agent for, an individual resident or a residual entity established in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories (Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, Netherlands Antilles and Aruba) in relation to payments made by a paying agent in a Member State to, or collected by such a paying agent for, an individual resident or a residual entity established in one of those territories.

ERISA MATTERS

UBS AG, London Branch and its Jersey Branch and certain affiliates of UBS AG, London Branch and its Jersey Branch may each be considered a "party in interest" within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or a "disqualified person" within the meaning of the Code with respect to many employee benefit plans and individual retirement accounts, tax qualified plans for the self-employed and other plans subject to Section 4975 of the Code (each, a "Plan"). Certain transactions between a Plan and a party in interest or disqualified person may result in "prohibited transactions" within the meaning of ERISA and the Code, unless such transactions are affected pursuant to an applicable exemption. In this regard, the acquisition, holding and exercise of the Warrants may be eligible for (among other possible exceptions) one of the exemptions noted below if such acquisition:

(a)(i) is made solely with the assets of a bank collective investment fund and (ii) satisfies the requirements and conditions of Prohibited Transaction Class Exemption ("**PTCE**") 91-38 issued by the United States Department of Labor ("**DOL**");

(b)(i) is made solely with assets of an insurance company pooled separate account and (ii) satisfies the requirements and conditions of PTCE 90-1 issued by the DOL;

(c)(i) is made solely with assets managed by a qualified professional asset manager and (ii) satisfies the requirements and conditions of PTCE 84-14 issued by the DOL;

(d) is made solely with assets of a government plan (as defined in Section 3(32) of ERISA) which is not subject to the provisions of Section 406 of ERISA or Section 4975 of the Code (or any similar prohibitions);

(e)(i) is made solely with assets of an insurance company general account and (ii) satisfies the requirements and conditions of PTCE 95-60 issued by the DOL; or

(f)(i) is made solely with assets managed by an in-house asset manager and (ii) satisfies the requirements and conditions of PTCE 96-23 issued by the DOL.

Certain benefit plans, such as government sponsored plans and certain non-U.S. plans are not subject to the prohibited transaction rules of ERISA and the Code, but may be subject to other prohibitions under applicable laws and rules.

Each purchaser and holder of the Warrants or any interest therein will represent in the Investor Representation Letter and will be deemed to represent in all cases, as of the date of its acquisition of the Warrants or an interest therein through the date that it ceases to hold any interest in the Warrants, that: (a) it is not a Plan, or an entity whose underlying assets include plan assets by reason of any Plan's investment in the entity, and is not purchasing or holding the Warrants on behalf of or with the assets of any Plan or any benefit plan subject to prohibitions similar to those of Section 406 of ERISA or Section 4975 of the Code or (b) its purchase, holding and transfer of the Warrants will not give rise to a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or any similar applicable laws or rules.

Under ERISA, the assets of a Plan may include assets held in the general account of an insurance company that has issued an insurance policy to such Plan or assets of an entity in which the Plan has invested. If you are a Plan or are considering investing Plan assets in the Warrants, you should consult your legal advisor regarding the application of ERISA and the Code.

OFFERING AND SALE

With the exception of the approval by the CSSF of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg, no action has been or will be taken by the Issuer or any Manager that would permit a public offering of any Warrants or possession or distribution of any offering material in relation to any Warrants in any jurisdiction where action for that purpose is required. No offers, sales, re-sales or deliveries of any Warrants, or distribution of any offering material relating to any Warrants, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer and/or any Manager. References in this Section to a "Manager" include the Issuer acting in such capacity.

United States

The Warrants and, in certain cases, the Entitlement to be delivered upon the exercise of the Warrants, have not been, and will not be, registered under the Securities Act. Unless a series of Warrants is eligible for sale in the United States under Section 4(2), Regulation D or Rule 144A (as indicated in the applicable Final Terms), no Warrants of any series, or interests therein, may be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offer or sale, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. In the event that a series of Warrants is so eligible for sale in the United States under Section 4(2), Regulation D or Rule 144A, any sale or transfer restrictions or certification requirements applicable to such Warrants in addition to those set out in the Conditions of the Warrants will be set out in the applicable Final Terms. Offers, sales, re-sales or deliveries of Warrants of any series, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons would constitute a violation of United States securities laws unless made in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom. As used herein, "**United States**" and "**U.S. person**" have the meanings given to such terms in Regulation S.

Each Manager of an issue of Warrants will be required to agree that, unless such Warrants are eligible for sale in the United States in accordance with Section 4(2), Regulation D or Rule 144A (as indicated in the applicable Final Terms), it will not at any time offer, sell, resell or deliver, directly or indirectly, Warrants of such series in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Unless stated otherwise in the applicable Final Terms, any person purchasing Warrants of any series must agree with a Manager of such series or the seller of such Warrants that, unless such Warrants are eligible for sale in the United States in accordance with Section 4(2), Regulation D or Rule 144A (as indicated in the applicable Final Terms), (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, any Warrants of such series so purchased in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, (ii) it is not purchasing any Warrants of such series for the account or benefit of any U.S. person and (iii) it will not make offers, sales, re-sales or deliveries of any Warrants of such series (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. Unless stated otherwise in the applicable Final Terms, each Manager of an issue of Warrants will also be required to agree, and any person purchasing Warrants of such series must agree, to send each person who purchases any Warrants of such series from it a written confirmation (which shall include the definitions of "**United States**" and "**U.S. persons**" set forth herein) stating that the Warrants and, if applicable, the Entitlement to be delivered upon the exercise of the Warrants have not been registered under the Securities Act and that, unless otherwise provided in the applicable Final Terms, such purchaser agrees that it will not at any time offer, sell, resell or deliver Warrants, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. Unless stated otherwise in the applicable Final Terms, or unless a Warrant is eligible for sale in the United States, any person exercising such Warrant will be required to represent that it is not a U.S. person. See "Terms and Conditions of the Warrants, Condition 5 - Exercise Procedure".

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager of an issue of Warrants will be required to represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Warrants to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer Warrants to the public in that Relevant Member State:

(a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Warrants which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, and ending on the date which is 12 months after the date of such publication;

(b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR43,000,000 and (3) an annual turnover of more than EUR50,000,000, all as shown in its last annual or consolidated accounts; or

(d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression "**offer of Warrants to the public**" in relation to any Warrants in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe the Warrants, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

All applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") must be complied with in respect to anything done in relation to the Warrants in, from or otherwise involving the United Kingdom. Each Manager of an issue of Warrants will be required to represent and agree that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any Warrants in circumstances in which Section 21(1) of the FSMA does not or would not, if it was not an authorised person, apply to the Issuer.

General

With the exception of the approval by the CSSF of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg, no action has been or will be taken by the Issuer of any Manager that would permit a public offering of any Warrants or possession or distribution of any offering material in relation to any Warrants in any jurisdiction where action for that purpose is required. No offers, sales, re-sales or deliveries of any Warrants, or distribution of any offering material relating to any Warrants, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer and/or any Manager.

With regard to each issue of Warrants, any Manager will be required to comply with such other additional restrictions as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

(1) **Authorisation**

The establishment of the Programme and issues of Warrants thereunder have been duly authorised by the Issuer on 29 March 2001. The current updating of the Programme was duly authorised by the Issuer on 22 June 2006.

(2) **Listing and Admission to Trading**

Application has been made for Warrants to be issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Luxembourg Stock Exchange. The Luxembourg Stock Exchange has allocated the Programme the number 12266.

(3) **Documents Available**

From the date hereof and so long as Warrants are capable of being issued under the Programme, copies of the following documents will, when published, be available for viewing on the Luxembourg Stock Exchange website (www.bourse.lu) and from the specified office of the Warrant Agents for the time being in London, Luxembourg and New York:

(i) the constitutional documents of the Issuer;

(ii) the 2004 and 2005 annual reports of the Issuer on Form 20-F as filed with the United States Securities and Exchange Commission;

(iii) the Warrant Agreement (which contains the form of the Global Warrants);

(iv) the Trust Agreement;

(v) this Base Prospectus;

(vi) any supplements to this Base Prospectus, any Final Terms (save that the Final Terms relating to a series of Warrants which is not admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system will only be provided to a Warrantholder and such Warrantholder must first produce evidence satisfactory to the relevant Warrant Agent as to the identity of such Warrantholder) and any other documents containing any information incorporated herein or therein by reference; and

(vii) in the case of a syndicated issue of listed Warrants, the syndication agreement (or equivalent document).

(4) **Clearing Systems**

Warrants to be represented by a Regulation S Global Warrant, a Permanent Global Warrant, a Rule 144A Global Warrant or Unified Global Warrant to be held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear have been accepted for clearance through Clearstream, Luxembourg and Euroclear. Application shall be made for clearance through DTC in relation to Warrants to be represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC. The appropriate common code and ISIN for each issue of Warrants allocated by Clearstream, Luxembourg and Euroclear and the CUSIP number allocated by DTC, if any, will be specified in the applicable Final Terms. If the Warrants of any series are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

(5) **Material Change**

Since 31st December, 2005 there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole nor any significant change in the financial or trading position of the Issuer and its subsidiaries taken as a whole.

(6) **Litigation**

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and its subsidiaries taken as a whole.

(7) **Post-issuance information**

The Issuer does not intend to provide any post-issuance information in relation to any issue of Warrants, except if required by any applicable laws and regulations.

(8) **Auditors**

The annual financial statements of the Issuer have been audited without qualification for the years ended 31st December 2004 and 2005 by Ernst & Young Ltd., Aeschengraben 9, CH-4002, Basel, Switzerland, who have given, and have not withdrawn, their consent to the inclusion of their report in this Base Prospectus in the form and context in which it is included. Ernst & Young Ltd. are members of the Swiss Chamber of Auditors.

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to the Issuer

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