

Supplement No. 3

pursuant to § 16 (1) of the German Securities Prospectus Act

dated 9 November 2011

to the already published (single document) Base Prospectus of UBS AG,
[London] [Jersey] [Branch,]

dated 30 November 2010, as supplemented by a Supplement from time to time
(together, the "Base Prospectus")

in relation to the

UBS Structured Note Programme

at the same time**Supplement No. 5**

pursuant to § 16 (1) of the German Securities Prospectus Act

dated 9 November 2011

to the already published (single document) Base Prospectus of UBS AG,
[London] [Jersey] [Branch,]

dated 30 November 2009, as supplemented by a Supplement from time to time
(together, the "Base Prospectus")

in relation to the

UBS Structured Note Programme

at the same time**Supplement No. 5**

pursuant to § 16 (1) of the German Securities Prospectus Act

dated 9 November 2011

to the already published (single document) Base Prospectus of UBS AG,
[London] [Jersey] [Branch,]

dated 6 April 2009, as supplemented by a Supplement from time to time
(together, the "Base Prospectus")

in relation to the

UBS Structured Note Programme

at the same time

Supplement No. 5

pursuant to § 16 (1) of the German Securities Prospectus Act

dated 9 November 2011

to the already published (single document) Base Prospectus of UBS AG,
[London] [Jersey] [Branch,]

dated 10 April 2008, as supplemented by a Supplement from time to time
(together, the "Base Prospectus")

in relation to the

UBS Structured Note Programme

at the same time

Supplement No. 6

pursuant to § 16 (1) of the German Securities Prospectus Act

dated 9 November 2011

to the already published (single document) Base Prospectus of UBS AG,
[London] [Jersey] [Branch,]

dated 10 April 2007, as supplemented by a Supplement from time to time
(together, the "Base Prospectus")

in relation to the

UBS Structured Note Programme

The attention of the investors is in particular drawn to the following: Investors who have already agreed to purchase or subscribe for the [Notes][Certificates][Bonds][Securities] before this supplement is published have, pursuant to § 16 (3) of the German Securities Prospectus Act, the right, exercisable within a time limit of two working days after the publication of this supplement, to withdraw their acceptances, provided that the securities have not been settled yet. A withdrawal, if any, of an order must be communicated in writing to the Issuer at its registered office specified in the address list hereof.

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- 1) In the section entitled "Summary of the Base Prospectus of the Programme", the sub-section entitled "C. Summary of the Description of UBS AG" in relation to the relevant Base Prospectus as supplemented from time to time shall be replaced in its entirety by the following wording:

Overview

UBS AG with its subsidiaries (UBS AG also "Issuer" or "Company"; together with its subsidiaries "UBS Group", "Group" or "UBS") draws on its 150-year heritage to serve private, institutional and corporate clients worldwide, as well as retail clients in Switzerland. UBS combines its wealth management, investment banking and asset management businesses with its Swiss operations to deliver superior financial solutions. Headquartered in Zurich and Basel, Switzerland, UBS has offices in more than 50 countries, including all major financial centers.

On 30 September 2011 UBS's BIS Tier1¹ ratio was 18.4%, invested assets stood at CHF 2,025 billion, equity attributable to UBS shareholders was CHF 51,817 million and market capitalization was CHF 40,390 million. On the same date, UBS employed 65,921 people.²

Selected Consolidated Financial Data

UBS derived the following selected consolidated financial data from (i) its annual report 2010 containing the audited consolidated financial statements for the fiscal year ended 31 December 2010 (including comparative figures as of 31 December 2009 and 2008) and (ii) its unaudited consolidated financial statements for the third quarter ended 30 September 2011 (including comparative figures as of 30 September 2010). UBS' consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and stated in Swiss francs (CHF).

CHF million, except where indicated	For the quarter ended		For the year ended		
	30.09.11	30.09.10	31.12.10	31.12.09	31.12.08
	<i>unaudited</i>		<i>audited, except where indicated</i>		
Group results					
Operating income	6,412	6,658	31,994	22,601	796
Operating expenses	5,432	5,840	24,539	25,162	28,555
Operating profit from continuing operations before tax	980	818	7,455	(2,561)	(27,758)
Net profit attributable to UBS shareholders	1,018	1,664	7,534	(2,736)	(21,292)
Diluted earnings per share (CHF)	0.27	0.43	1.96	(0.75)	(7.63)

Key performance indicators, balance sheet and capital management

	For the period		For the year ended		
	01.01. – 30.09.11	01.01. – 30.09.10	31.12.10	31.12.09	31.12.08
Performance					
Return on equity (RoE) (%) ¹	10.7	17.6	16.7*	(7.8)*	(58.7)*
Return on risk-weighted assets, gross (%) ²	14.4	15.9	15.5*	9.9*	1.2*
Return on assets, gross (%) ³	2.3	2.3	2.3*	1.5*	0.2*

¹ BIS Tier 1 ratio is the ratio of eligible Tier 1 capital to BIS risk-weighted assets, calculated under Basel II standards. Eligible Tier 1 capital comprises paid-in share capital, share premium, retained earnings including current year profit, foreign currency translation, trust preferred securities (innovative and non-innovative capital instruments) and non-controlling interests, less deductions for treasury shares and own shares, goodwill and intangibles and other deduction items such as for certain securitization exposures. It excludes own credit effects on liabilities designated at fair value, which are reversed for capital purposes.

² Full-time equivalents.

	For the quarter ended		For the year ended		
	30.09.11	30.09.10	31.12.10	31.12.09	31.12.08
Growth					
Net profit growth (%) ⁴	0.3	(17.0)	N/A*	N/A*	N/A*
Net new money (CHF billion) ⁵	4.9	1.2	(14.3)	(147.3)	(226.0)
Efficiency					
Cost / income ratio (%) ⁶	83.6	88.1	76.5*	103.0*	753*

	As of				
	30.09.11	30.06.11	31.12.10	31.12.09	31.12.08
<i>CHF million, except where indicated</i>					

Capital strength					
BIS tier 1 ratio (%) ⁷	18.4	18.1	17.8*	15.4*	11.0*
FINMA leverage ratio (%) ⁸	5.4	4.8	4.4*	3.9*	2.5*
Balance sheet and capital management					
Total assets	1,446,845	1,236,770	1,317,247	1,340,538	2,014,815
Equity attributable to UBS shareholders	51,817	47,263	46,820	41,013	32,531
BIS total ratio (%)	20.0	19.5	20.4*	19.8*	15.0*
BIS risk-weighted assets	207,257	206,224	198,875*	206,525*	302,273*
BIS tier 1 capital	38,121	37,387	35,323	31,798	33,154

	As of				
	30.09.11	30.06.11	31.12.10	31.12.09	31.12.08
<i>CHF million, except where indicated</i>					
Additional information					
Invested assets (CHF billion)	2,025	2,069	2,152	2,233	2,174
Personnel (full-time equivalents)	65,921	65,707	64,617*	65,233*	77,783*
Market capitalization	40,390	58,745	58,803*	57,108*	43,519*

*unaudited

¹ Net profit attributable to UBS shareholders on a year-to-date basis (annualized as applicable) / average equity attributable to UBS shareholders (year-to-date basis). ² Operating income before credit loss (expense) or recovery on a year-to-date basis (annualized as applicable) / average risk-weighted assets (year-to-date basis). ³ Operating income before credit loss (expense) or recovery on a year-to-date basis (annualized as applicable) / average total assets (year-to-date basis). ⁴ Change in net profit attributable to UBS shareholders from continuing operations between current and comparison periods / net profit attributable to UBS shareholders from continuing operations of comparison period. Not meaningful if either the current period or the comparison period is a loss period. ⁵ Inflow of invested assets from new and existing clients less outflows from existing clients or due to client defection. Excludes interest and dividend income. ⁶ Operating expenses / operating income before credit loss (expense) or recovery. ⁷ BIS tier 1 capital / BIS risk-weighted assets. ⁸ FINMA tier 1 capital / average adjusted assets as per definition by the Swiss Financial Market Supervisory Authority (FINMA).

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 Basel-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 Basel-City. The registration number is CH-270.3.004.646-4.

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

According to Article 2 of the Articles of Association of UBS AG ("**Articles of Association**") the purpose of UBS AG 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.

UBS AG shares are listed on the SIX Swiss Exchange and the New York Stock Exchange.

The addresses and telephone numbers of UBS AG's two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41 44 234 1111; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41 61 288 5050.

Organizational Structure of the Issuer

UBS AG is the parent company of the UBS Group. The objective of UBS's group structure is to support the business activities of the Company within an efficient legal, tax, regulatory and funding framework. None of the individual business divisions of UBS or the Corporate Center are legally independent entities; instead, they primarily perform their activities through the domestic and foreign offices of the parent bank.

The parent bank structure allows UBS to fully exploit the advantages generated for all business divisions through the use of a single legal entity. In cases where it is impossible or inefficient to operate via the parent, due to local legal, tax or regulatory provisions, or where additional legal entities join the Group through acquisition, the business is operated on location by legally independent Group companies.

Trend Information

The following outlook statement was presented in UBS's third quarter 2011 report issued on 25 October 2011:

Prospects for global economic growth remain largely contingent on the satisfactory resolution of eurozone sovereign debt and banking industry concerns, as well as issues surrounding US economic growth, employment and the US Federal budget deficit. In the absence of such developments, current market conditions and trading activity are unlikely to improve materially, potentially creating headwinds for growth in revenues and net new money. Nevertheless, UBS will continue to leverage its unparalleled client franchise and competitive advantages in wealth management through closer alignment with a more focused Investment Bank. Implementation of the Investment Bank's client-centric strategy will make the business less complex and more capital efficient and ensure it provides more reliable returns to UBS' shareholders. UBS's financial, capital and funding positions remain solid and UBS believes the action it is taking now will strengthen the firm further, delivering improved value to its clients and shareholders. UBS has every reason to remain confident about its future.

Administrative, Management and Supervisory Bodies of the Issuer

UBS AG is subject to, and fully complies with, the applicable Swiss regulatory requirements regarding corporate governance. In addition, as a foreign company with shares listed on the New York Stock Exchange (NYSE), UBS AG complies with the NYSE corporate governance standards with regard to foreign listed companies.

UBS AG operates under a strict dual board structure, as mandated by Swiss banking law. This structure establishes checks and balances and preserves the institutional independence of the Board of Directors ("**BoD**") from the day-to-day management of the firm, for which responsibility is delegated to the Group Executive Board ("**GEB**"). The supervision and control of the executive management remains with the BoD. No member of one board may be a member of the other.

The Articles of Association and the Organization Regulations of UBS AG with their annexes govern to the authorities and responsibilities of the two bodies.

Auditors

On 28 April 2011, the Annual General Meeting of UBS AG re-elected Ernst & Young Ltd, Aeschengraben 9, 4002 Basel, Switzerland ("**Ernst & Young**") as auditors for the Financial Statements of UBS AG and the Consolidated Financial Statements of the UBS Group for a further one-year term. Ernst & Young Ltd., Basel, is a member of the Swiss Institute of Certified Accountants and Tax Consultants based in Zurich, Switzerland."

2) In the section entitled "Deutsche Fassung der Kurzbeschreibung des Basisprospekts des Programms" the sub-section entitled "C. Zusammenfassung der Beschreibung der UBS AG", in relation to the relevant Base Prospectus as supplemented from time to time shall be replaced in its entirety by the following wording:

C. Zusammenfassung der "Beschreibung der UBS AG"

Überblick

Seit 150 Jahren betreut UBS AG mit ihren Tochtergesellschaften (UBS AG ebenso die "Emittentin" oder die "Gesellschaft" und zusammen mit ihren Tochtergesellschaften "UBS Gruppe", "Gruppe" oder "UBS") weltweit private Kunden, Institutionelle und Firmenkunden sowie Privatkunden in der Schweiz. Die Verbindung von Wealth Management, Investment Banking und Asset Management mit ihrem Schweizer Geschäft ermöglicht es UBS, hervorragende Finanzlösungen anzubieten. UBS verfügt über Hauptsitze in Zürich und Basel und ist in mehr als 50 Ländern, einschliesslich aller wichtigen Finanzplätze, vertreten.

Am 30. September 2011 belief sich die BIZ-Kernkapitalquote (Tier 1)³ von UBS auf 18,4%, das verwaltete Vermögen belief sich auf CHF 2.025 Milliarden und das den UBS-Aktionären zurechenbare Eigenkapital betrug CHF 51.817 Millionen. Die Marktkapitalisierung betrug CHF 40.390 Millionen. Zum gleichen Datum beschäftigte UBS 65.921 Mitarbeiter.⁴

Ausgewählte konsolidierte Finanzdaten

UBS hat die nachstehenden ausgewählten konsolidierten Finanzdaten den folgenden Dokumenten entnommen: (i) dem Geschäftsbericht für das Geschäftsjahr 2010, der die geprüften konsolidierten Finanzangaben für das am 31. Dezember 2010 endende Geschäftsjahr enthält (einschließlich der Vergleichszahlen zum 31. Dezember 2009 und 2008) und (ii) den ungeprüften konsolidierten Finanzangaben für das dritte Quartal endend zum 30. September 2011 (einschließlich Vergleichszahlen zum 30. September 2010). Die konsolidierten Finanzangaben der UBS AG wurden nach den vom International Accounting Standards Board (IASB) herausgegebenen International Financial Reporting Standards (IFRS) erstellt und in Schweizer Franken (CHF) aufgestellt.

Mio. CHF (Ausnahmen sind angegeben)	Für das Quartal endend am		Für das Jahr endend am		
	30.09.11	30.09.10	31.12.10	31.12.09	31.12.08
	ungeprüft		geprüft (Ausnahmen sind angegeben)		
UBS-Konzern					
Geschäftsertrag	6.412	6.658	31.994	22.601	796
Geschäftsaufwand	5.432	5.840	24.539	25.162	28.555
Ergebnis aus fortzuführenden Geschäftsbereichen, vor Steuern	980	818	7.455	(2.561)	(27.758)
Den UBS-Aktionären zurechenbares Konzernergebnis	1.018	1.664	7.534	(2.736)	(21.292)
Verwässertes Ergebnis pro Aktie (CHF)	0,27	0,43	1,96	(0,75)	(7,63)

³ Die BIZ-Kernkapitalquote (Tier 1) entspricht dem Verhältnis zwischen dem anrechenbaren Tier-1-Kapital und den risikogewichteten Aktiven (BIZ) gemäss den Basel-II-Standards. Das anrechenbare Tier-1-Kapital beinhaltet das einbezahlte Aktienkapital, die Kapitalreserven, die Gewinnreserven einschliesslich des aktuellen Jahresgewinns, Währungsumrechnungen, Trust Preferred Securities (innovative und nicht innovative Kapitalinstrumente) sowie die nicht beherrschenden Anteile, unter Berücksichtigung von Abzügen für *Treasury Shares* und eigene Aktien, Goodwill und immaterieller Vermögenswerte sowie anderer Abzüge wie z.B. für bestimmte Risiken aus Verbriefungen. Ausgenommen sind Auswirkungen eigener Bonitätsveränderungen auf zum *fair value* angesetzte Verbindlichkeiten, die für die Zwecke der Kapitalermittlung unberücksichtigt bleiben.

⁴ Mitarbeiter auf Vollzeitbasis.

Kennzahlen zur Leistungsmessung, Bilanz- und Kapitalbewirtschaftung					
	Für den Zeitraum		Für das Jahr endend am		
	01.01. – 30.09.11	01.01. – 30.09.10	31.12.10	31.12.09	31.12.08
Performance					
Eigenkapitalrendite (RoE) (%) ¹	10,7	17,6	16,7*	(7,8)*	(58,7)*
Risikogewichtete Gesamtkapitalrentabilität, brutto (%) ²	14,4	15,9	15,5*	9,9*	1,2*
Gesamtkapitalrentabilität, brutto (%) ³	2,3	2,3	2,3*	1,5*	0,2*
	Für das Quartal endend am		Für das Jahr endend am		
	30.09.11	30.09.10	31.12.10	31.12.09	31.12.08
Wachstum					
Wachstum des Ergebnisses (%) ⁴	0,3	(17,0)	N/A*	N/A*	N/A*
Nettoneugelder (Mrd. CHF) ⁵	4,9	1,2	(14,3)	(147,3)	(226,0)
Effizienz					
Verhältnis des Geschäftsaufwandes / Geschäftsertrages (%) ⁶	83,6	88,1	76,5*	103,0*	75,3*
Zum					
<i>Mio. CHF (Ausnahmen sind angegeben)</i>	30.09.11	30.06.11	31.12.10	31.12.09	31.12.08
Kapitalkraft					
BIZ-Kernkapitalquote (Tier 1 (%) ⁷	18,4	18,1	17,8*	15,4*	11,0*
FINMA leverage ratio (%) ⁸	5,4	4,8	4,4*	3,9*	2,5*
Bilanz- und Kapitalbewirtschaftung					
Total Aktiven	1.446.845	1.236.770	1.317.247	1.340.538	2.014.815
Den UBS-Aktionären zurechenbares Eigenkapital	51.817	47.263	46.820	41.013	32.531
BIZ-Gesamtkapitalquote (Tier 1 und 2) (%)	20,0	19,5	20,4*	19,8*	15,0*
BIZ-Risikogewichtete Aktiven	207.257	206.224	198.875*	206.525*	302.273*
BIZ-Kernkapital (Tier 1)	38.121	37.387	35.323	31.798	33.154
Zum					
<i>Mio. CHF (Ausnahmen sind angegeben)</i>	30.09.11	30.06.11	31.12.10	31.12.09	31.12.08
Zusätzliche Informationen					
Verwaltete Vermögen (Mrd. CHF)	2.025	2.069	2.152	2.233	2.174
Personalbestand (auf Vollzeitbasis)	65.921	65.707	64.617*	65.233*	77.783*
Börsenkaptalisierung	40.390	58.745	58.803*	57.108*	43.519*

*ungeprüft

¹ Das den UBS-Aktionären zurechenbare Konzernergebnis seit Jahresbeginn (gegebenenfalls annualisiert) / Das den UBS-Aktionären zurechenbare durchschnittliche Eigenkapital (seit Jahresbeginn). ² Geschäftsertrag vor Wertberichtigungen für Kreditrisiken seit Jahresbeginn (gegebenenfalls annualisiert) / Durchschnittliches risikogewichtetes Gesamtkapital (seit Jahresbeginn). ³ Geschäftsertrag vor Wertberichtigungen für Kreditrisiken seit Jahresbeginn (gegebenenfalls annualisiert) / Durchschnittliches Gesamtkapital (seit Jahresbeginn). ⁴ Veränderung des aktuellen den UBS-Aktionären zurechenbaren Konzernergebnisses aus fortzuführenden Geschäftsbereichen gegenüber einer Vergleichsperiode / Das den UBS-Aktionären zurechenbare Konzernergebnis aus fortzuführenden Geschäftsbereichen in einer Vergleichsperiode. Besitzt keine Aussagekraft, falls für die laufende Periode oder die Vergleichsperiode ein Verlust ausgewiesen wird. ⁵ Zufluss verwalteter Vermögen von neuen und bestehenden Kunden, abzüglich der verwalteten Vermögen, die bestehende Kunden und Kunden, welche die Beziehung zu UBS auflösen, abziehen. Ohne Zins- und Dividenderträge. ⁶ Geschäftsaufwand / Geschäftsertrag vor Wertberichtigungen für Kreditrisiken. ⁷ BIZ-Kernkapitalquote / Risikogewichtete Aktiven gemäss BIZ. ⁸ FINMA-Kernkapitalquote / Durchschnitt der adjustierten Bilanzsumme gemäss der Eidgenössischen Finanzmarktaufsicht (FINMA).

Unternehmensinformationen

Der rechtliche und kommerzielle Name des Unternehmens lautet UBS AG. Die Bank wurde am 28. Februar 1978 unter dem Namen SBC AG für eine unbegrenzte Dauer gegründet und am gleichen Tag im Handelsregister des Kantons Basel-Stadt eingetragen. Am 8. Dezember 1997 änderte die Bank ihren Namen in UBS AG. In seiner heutigen Form entstand das Unternehmen am 29. Juni 1998 durch die Fusion der 1862 gegründeten Schweizerischen Bankgesellschaft und des 1872 gegründeten Schweizerischen Bankvereins. UBS AG ist in den Handelsregistern des Kantons Zürich und des Kantons Basel-Stadt eingetragen. Die Handelsregisternummer lautet CH-270.3.004.646-4.

UBS AG hat ihren Sitz in der Schweiz, wo sie als Aktiengesellschaft nach schweizerischem Aktienrecht und den schweizerischen bankengesetzlichen Bestimmungen eingetragen ist. Als AG hat UBS Namenaktien an Investoren ausgegeben.

Gemäß Artikel 2 der Statuten der UBS AG ("**Statuten**") ist der Zweck der UBS AG der Betrieb einer Bank. Ihr Geschäftskreis umfasst alle Arten von Bank-, Finanz-, Beratungs-, Dienstleistungs- und Handelsgeschäften im In- und Ausland.

Die Aktien der UBS AG sind an der SIX Swiss Exchange sowie an der Börse in New York kotiert.

Die Adressen und Telefonnummern der beiden Satzungs- und Verwaltungssitze der UBS AG lauten: Bahnhofstrasse 45, CH-8001 Zürich, Schweiz, Telefon +41 44 234 1111, und Aeschenvorstadt 1, CH-4051 Basel, Schweiz, Telefon +41 61 288 5050.

Organisationsstrukturen der Emittentin

Die UBS AG ist das Stammhaus des UBS-Konzerns. Die Konzernstruktur von UBS hat zum Ziel, die Geschäftstätigkeiten des Unternehmens innerhalb eines effizienten rechtlichen, steuerlichen, regulatorischen und finanziellen Rahmens zu unterstützen. Weder die einzelnen Unternehmensbereiche von UBS noch das Corporate Center sind rechtlich unabhängige Einheiten, stattdessen wickeln sie ihre Geschäfte primär über die in- und ausländischen Niederlassungen des Stammhauses ab.

Die Stammhaus-Struktur ermöglicht es UBS, die Vorteile, die sich aus der Bündelung aller Unternehmensbereiche unter einem Dach ergeben, voll auszuschöpfen. In Fällen, in denen das Agieren über das Stammhaus aufgrund lokaler Rechtsvorschriften, steuerrechtlicher oder regulatorischer Bestimmungen oder neu erworbener Gesellschaften unmöglich oder ineffizient ist, wird die Geschäftstätigkeit vor Ort von rechtlich eigenständigen Konzerngesellschaften übernommen.

Trendinformationen

Die folgenden Angaben zum Ausblick sind dem am 25. Oktober 2011 veröffentlichten UBS Quartalsbericht für das 3. Quartal 2011 entnommen:

Die Entwicklung der Weltwirtschaft hängt nach wie vor stark davon ab, ob die Staatsschuldenkrise in der Eurozone und Bedenken hinsichtlich des Bankensektors zufriedenstellend gelöst werden können. In den USA drehen sich die Fragen um Wirtschaftswachstum, Beschäftigung und Bundeshaushaltsdefizit. Solange keine Entwicklung stattfindet, werden sich das aktuelle Marktumfeld und die Handelsaktivitäten wohl kaum massgeblich erholen, was potenzielle Hindernisse für Ertrags- und Neugeldwachstum schaffen wird. Dennoch wird UBS ihre einzigartige Kundenbasis und ihre Wettbewerbsvorteile im Wealth Management weiterhin nutzen, indem sie eine engere Abstimmung mit ihrer fokussierteren Investment Bank fördert. Die Umsetzung der kundenorientierten Strategie der Investment Bank wird die Komplexität des Geschäfts verringern, die Kapitaleffizienz verbessern und sicherstellen, dass UBS für ihre Aktionäre nachhaltigere Erträge erzielt. Die Kapital- und Finanzierungsbasis von UBS ist nach wie vor solide, und UBS ist überzeugt, dass die jetzt von ihr ergriffenen Massnahmen das Unternehmen weiter stärken werden, damit für die Kunden und Aktionäre der UBS Mehrwert entsteht. UBS hat allen Grund, für ihre Zukunft weiterhin zuversichtlich zu sein.

Verwaltungs-, Management-, und Aufsichtsorgane der Emittentin

UBS AG unterliegt den anwendbaren regulatorischen Corporate-Governance-Anforderungen in der Schweiz und kommt diesen vollumfänglich nach. Ausserdem hat UBS AG aufgrund ihrer Kotierung an der New York Stock Exchange (NYSE) als ausländisches Unternehmen die Corporate-Governance-Kotierungsstandards der NYSE einzuhalten, die für ausländische kotierte Unternehmen gelten.

UBS AG verfügt über zwei streng getrennte Führungsgremien, wie dies von der schweizerischen Bankengesetzgebung vorgeschrieben ist. Diese Struktur schafft gegenseitige Kontrolle («Checks and Balances») und macht den Verwaltungsrat unabhängig vom Tagesgeschäft des Unternehmens, für das die Konzernleitung die Verantwortung trägt.

Die Aufsicht und Kontrolle der operativen Unternehmensführung liegt beim Verwaltungsrat. Niemand kann Mitglied beider Gremien sein.

Sämtliche Verantwortlichkeiten und Befugnisse der beiden Gremien sind in den Statuten sowie im Organisationsreglement der UBS AG mit seinen Anhängen geregelt.

Abschlussprüfer

Am 28. April 2011 wurde die Ernst & Young AG, Aeschengraben 9, 4002 Basel, Schweiz, auf der Generalversammlung der UBS AG als Abschlussprüferin der Emittentin und der UBS Gruppe in Übereinstimmung mit den gesellschaftsrechtlichen und bankengesetzlichen Vorgaben für den Zeitraum eines weiteren Jahres wiedergewählt. Ernst & Young AG, Basel, ist Mitglied der Treuhand-Kammer der Schweiz mit Sitz in Zürich, Schweiz.“

3) In the relevant Base Prospectus the section 'Description of UBS AG' is completely replaced as follows:

"Information about UBS AG"

The following description contains general information on UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland.

OVERVIEW

UBS AG with its subsidiaries (UBS AG also "**Issuer**" or "**Company**"; together with its subsidiaries "**UBS Group**", "**Group**" or "**UBS**") draws on its 150-year heritage to serve private, institutional and corporate clients worldwide, as well as retail clients in Switzerland. UBS combines its wealth management, investment banking and asset management businesses with its Swiss operations to deliver superior financial solutions. Headquartered in Zurich and Basel, Switzerland, UBS has offices in more than 50 countries, including all major financial centers.

On 30 September 2011 UBS's BIS Tier1⁵ ratio was 18.4%, invested assets stood at CHF 2,025 billion, equity attributable to UBS shareholders was CHF 51,817 million and market capitalization was CHF 40,390 million. On the same date, UBS employed 65,921 people⁶.

The rating agencies Standard & Poor's ("**Standard & Poor's**"), Fitch Ratings ("**Fitch**") and Moody's ("**Moody's**") have assessed the creditworthiness of UBS, i.e. the ability of UBS to fulfill payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing, in a timely manner. The ratings from Fitch and Standard & Poor's may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. UBS has long-term senior debt ratings of A+⁷ (negative credit watch) from Standard & Poor's, Aa3⁸ (under review for possible downgrade) from Moody's and A⁹ (outlook stable) from Fitch.

The rating from Standard & Poor's has been issued by Standard & Poor's Credit Market Services Europe Limited, United Kingdom, registered as credit rating agency under Regulation (EC) No 1060/2009.

The rating from Moody's has been issued by Moody's Investors Service Limited, United Kingdom, registered as credit rating agency under Regulation (EC) No 1060/2009.

The rating from Fitch has been issued by Fitch Ratings Limited, United Kingdom, registered as credit rating agency under Regulation (EC) No 1060/2009.

⁵ BIS Tier 1 ratio is the ratio of eligible Tier 1 capital to BIS risk-weighted assets, calculated under Basel II standards. Eligible Tier 1 capital comprises paid-in share capital, share premium, retained earnings including current year profit, foreign currency translation, trust preferred securities (innovative and non-innovative capital instruments) and non-controlling interests, less deductions for treasury shares and own shares, goodwill and intangibles and other deduction items such as for certain securitization exposures. It excludes own credit effects on liabilities designated at fair value, which are reversed for capital purposes.

⁶ Full-time equivalents.

⁷ Upper medium grade

⁸ High grade

⁹ Upper medium grade

I. 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 Basel-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 Basel-City. The registration number is CH-270.3.004.646-4.

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

According to Article 2 of the Articles of Association of UBS AG ("**Articles of Association**") the purpose of UBS AG 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.

UBS AG shares are listed on the SIX Swiss Exchange and the New York Stock Exchange.

The addresses and telephone numbers of UBS AG's two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41 44 234 1111; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41 61 288 5050.

II. Business Overview

Business Divisions and Corporate Center

UBS operates as a group with four business divisions (Wealth Management & Swiss Bank, Wealth Management Americas, Global Asset Management and the Investment Bank) and a Corporate Center. Each of the business divisions and the Corporate Center are described below. A full description of their businesses, strategies and clients, organizational structures, products and services can be found in the Annual Report 2010 of UBS AG published on 15 March 2011 (the "**Annual Report 2010**"), on pages 71-111 (inclusive) of the English version.

Wealth Management & Swiss Bank

Wealth Management & Swiss Bank focuses on delivering comprehensive financial services to high net worth and ultra high net worth individuals around the world - except to those served by Wealth Management Americas - as well as private and corporate clients in Switzerland. The Wealth Management business unit provides clients in over 40 countries, including Switzerland, with financial advice, products and tools to fit their individual needs. The Retail & Corporate business unit provides individual and business clients with an array of banking services, such as deposits and lending, and maintains, in its own opinion, a leading position across its clients segments in Switzerland.

Wealth Management Americas

Wealth Management Americas provides advice-based solutions through financial advisors who deliver a fully integrated set of products and services specifically designed to address the needs of ultra high net worth, high net worth and core affluent individuals and families. It includes the domestic United States business, the domestic Canadian business and international business booked in the United States.

Global Asset Management

Global Asset Management is, in its own opinion, a large-scale asset manager with businesses diversified across regions, capabilities and distribution channels. It offers investment capabilities and styles across all major traditional and alternative asset classes including equities, fixed income, currency, hedge fund, real estate and infrastructure that can also be combined in multi-asset strategies. The fund services unit provides professional services, including legal fund set-up, accounting and reporting for traditional investment funds and alternative funds.

Investment Bank

The Investment Bank provides securities and other financial products and research in equities, fixed income, rates, foreign exchange and commodities. It also provides advisory services and access to the world's capital markets for corporate and institutional clients, sovereign and governmental bodies, financial intermediaries, alternative asset managers and private investors.

Corporate Center

The Corporate Center provides treasury services, and manages support and control functions for the business divisions and the Group in such areas as risk control, finance, legal and compliance, funding, capital and balance sheet management, management of non-trading risk, communications and branding, human resources, information technology, real estate, procurement, corporate development and service centers. It allocates most of the treasury income, operating expenses and personnel associated with these activities to the businesses based on capital and service consumption levels.

Competition

The financial services industry is characterized by intense competition, continuous innovation, detailed (and sometimes fragmented) regulation and ongoing consolidation. UBS faces competition at the level of local markets and individual business lines, and from global financial institutions that are comparable to UBS in their size and breadth. Barriers to entry in individual markets are being eroded by new technology. UBS expects these trends to continue and competition to increase in the future.

Recent Developments:

1. Results for the Three Months Ended 30 September 2011

On 25 October 2011, UBS published its third quarter 2011 report and reported a net profit attributable to UBS shareholders for the third quarter of 2011 of CHF 1,018 million, compared with CHF 1,015 million in the second quarter of 2011. Lower client activity levels, as well as the CHF 1.8 billion trading income loss resulting from the unauthorized trading incident announced by UBS in September 2011 (and described in section 3.4.4 below), led to a decline in Group revenues to CHF 6.4 billion compared with CHF 7.2 billion in the second quarter. Despite this, UBS achieved a pre-tax profit of CHF 980 million. The result included an own credit gain of CHF 1.8 billion as UBS's credit spreads widened and a gain of CHF 722 million in UBS's Wealth Management and Retail & Corporate businesses from the sale of its strategic investment portfolio of long-term, fixed-rate US Treasury securities and UK Government bonds. Despite the booking of CHF 0.4 billion of restructuring charges in the quarter, UBS's overall expenses declined 2% to CHF 5.4 billion, primarily due to reduced personnel expenses.

Wealth Management delivered a profit of CHF 888 million in the quarter, an increase from the prior quarter driven by the gain on sale of the strategic investment portfolio. Retail & Corporate also recorded a considerable rise in profits, to CHF 683 million, also mainly attributable to the strategic investment portfolio sale, partly offset by a CHF 73 million credit loss provision predominantly related to the effect of the strong Swiss franc on Swiss corporate clients. Global Asset Management's profit declined to CHF 79 million as management fees fell on lower market valuations. Wealth Management Americas' profit was CHF 139 million, in line with the prior quarter. The Investment bank recorded a loss of CHF 650 million, including the impact of the unauthorized trading incident and own credit gains.

UBS's BIS Tier 1 capital increased by CHF 0.7 billion and UBS's risk-weighted assets remained approximately at the 30 June 2011 level, improving UBS's BIS Tier 1 ratio to 18.4% at 30 September 2011, up from 18.1% at the end of the previous quarter.

UBS's Wealth Management unit recorded CHF 3.8 billion on net new money inflows, compared with net inflows of CHF 5.5 billion in the second quarter. Wealth Management Americas reported net new money inflows of CHF 4.0 billion, an increase from CHF 2.6 billion in the prior quarter. Excluding money market flows, Global Asset Management had net new money inflows of CHF 1.5 billion from third parties in the quarter (down from CHF 5.7 billion) and net outflows from clients of UBS's wealth management businesses of CHF 2.8 billion (compared with net outflows of CHF 2.2 billion).

2. Change in Leadership

On 24 September 2011, the UBS Board of Directors appointed Sergio P. Ermotti as Group CEO on an interim basis following the resignation of Oswald J. Grübel. The Board of Directors will continue the ongoing internal and external evaluation process to appoint a permanent Group CEO.

On 1 July 2011, UBS announced that Axel Weber, former President of the German Bundesbank, will be nominated for election to the Board of Directors of UBS AG at the Annual General Meeting on 3 May 2012. Subject to his election, he will be appointed as non-independent Vice Chairman and is then expected to become Chairman of the Board in 2013.

3. Cost Reduction Program

In July 2011, UBS announced a cost reduction program intended to align its cost base with changes in the market environment. As part of this program, in August UBS announced that it would reduce its headcount by approximately 3,500 and rationalize its real estate requirements. As a result, UBS expect to recognize restructuring charges totaling approximately CHF 550 million, of which CHF 394 million was recognized in the third quarter of 2011.

4. Unauthorized Trading Incident

In the third quarter of 2011, the Investment Bank incurred a loss of CHF 1,951 million (USD 2,229 million) due to an unauthorized trading incident. Large stock index futures positions were offset in UBS's systems with fictitious, forward-settling exchange-traded funds (ETF) positions. These fictitious ETF positions masked the risk related to the futures positions, and ultimately the substantial losses incurred on them. UBS's risk and operational systems did detect unauthorized or unexplained activity, but this was not sufficiently investigated nor was appropriate action taken to ensure that existing controls were enforced. The resulting loss adversely impacted the Group's pre-tax profit for the quarter by CHF 1,849 million. The remainder of the loss, CHF 102 million, was a foreign currency translation loss recognized directly in equity (other comprehensive income) as a result of the fact that the activity took place in a foreign operation in a functional currency other than the Swiss franc. The unauthorized trading loss referred to above takes into account approximately CHF 25 million of gains arising in 2011 prior to the third quarter from the same unauthorized trading activity. No further financial adjustment is expected to be recognized as a result of this activity. A special committee of the Board of Directors has been established and is conducting an investigation of the unauthorized trading activity and its relation to the control environment. A second investigation is being carried out jointly by the Swiss Financial Market Supervisory Authority and the UK Financial Services Authority; they have retained KPMG for this purpose. UBS is cooperating fully with these investigations and is committed to addressing all findings to ensure that it has a risk management framework that better protects the firm and its shareholders.

5. Update on UBS's 2010 Financial Controls Assessment

On 25 October 2011, UBS announced that, following the discovery of the unauthorized trading incident, management has determined that certain internal controls were not effective on December 31, 2010, but at the same time has reconfirmed the reliability of the financial statements included in UBS's 2010 annual report. The financial effect of the unauthorized trading activity is fully reflected in UBS's third quarter 2011 financial results.

As a US-listed company, UBS is required under the Sarbanes-Oxley Act to evaluate the effectiveness of its "internal control over financial reporting" and "disclosure controls and procedures" on an annual basis. Following the discovery of the unauthorized trading activities, management has determined that these controls were not effective on December 31, 2010. In a document submitted to the US Securities and Exchange Commission (SEC), UBS has identified two control deficiencies: (i) the control requiring bilateral confirmation with counterparties of trades within our Investment Bank's equities business with settlement dates of greater than 15 days after trade date was not operating, and, when such trades were cancelled, re-booked or amended, the related monitoring control to ensure the validity of these changes had ceased to operate effectively, and (ii) the controls in the inter-desk reconciliation process within the Investment Bank's equities and fixed income, currencies and commodities businesses to ensure that internal transactions are valid and accurately recorded in our books and records, including controls over cancellations and amendments of internal trades that require supervisor review, intervention and resolution, did not operate effectively. UBS has taken and is taking measures to address these control deficiencies.

Investigations are ongoing, and management may become aware of facts relating to the Investment Bank that cause it to broaden the scope of the findings described above and to take additional remedial measures.

III. Organisational Structure of the Issuer

UBS AG is the parent company of the UBS Group. The objective of UBS's group structure is to support the business activities of the Company within an efficient legal, tax, regulatory and funding framework. None

of the individual business divisions of UBS or the Corporate Center are legally independent entities; instead, they primarily perform their activities through the domestic and foreign offices of the parent bank.

The parent bank structure allows UBS to fully exploit the advantages generated for all business divisions through the use of a single legal entity. In cases where it is impossible or inefficient to operate via the parent, due to local legal, tax or regulatory provisions, or where additional legal entities join the Group through acquisition, the business is operated on location by legally independent Group companies. UBS AG's significant subsidiaries are listed in the Annual Report 2010, on pages 362-365 (inclusive) of the English version.

IV. Trend Information

Unless disclosed in the section "Recent Developments" above, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements (*i.e.* since 31 December 2010).

Prospects for global economic growth remain largely contingent on the satisfactory resolution of eurozone sovereign debt and banking industry concerns, as well as issues surrounding US economic growth, employment and the US Federal budget deficit. In the absence of such developments, current market conditions and trading activity are unlikely to improve materially, potentially creating headwinds for growth in revenues and net new money. Nevertheless, UBS will continue to leverage its unparalleled client franchise and competitive advantages in wealth management through closer alignment with a more focused Investment Bank. Implementation of the Investment Bank's client-centric strategy will make the business less complex and more capital efficient and ensure it provides more reliable returns to UBS' shareholders. UBS's financial, capital and funding positions remain solid and UBS believes the action it is taking now will strengthen the firm further, delivering improved value to its clients and shareholders. UBS has every reason to remain confident about its future.

For an update on the Trend Information, see the Recent Developments section.

V. Administrative, Management and Supervisory Bodies of the Issuer

UBS AG is subject to, and fully complies with, the applicable Swiss regulatory requirements regarding corporate governance. In addition, as a foreign company with shares listed on the New York Stock Exchange (NYSE), UBS AG complies with the NYSE corporate governance standards with regard to foreign listed companies.

UBS AG operates under a strict dual board structure, as mandated by Swiss banking law. This structure establishes checks and balances and preserves the institutional independence of the Board of Directors ("**BoD**") from the day-to-day management of the firm, for which responsibility is delegated to the Group Executive Board ("**GEB**"). The supervision and control of the executive management remains with the BoD. No member of one board may be a member of the other.

The Articles of Association and the Organization Regulations of UBS AG with their annexes govern the authorities and responsibilities of the two bodies.

Board of Directors

The BoD is the most senior body of UBS AG. The BoD consists of at least six and a maximum of twelve members. All the members of the BoD are elected individually by the Annual General Meeting ("**AGM**") for a term of office of one year. The BoD's proposal for election must be such that three quarters of the BoD members will be independent. Independence is determined in accordance with the Swiss Financial Market Supervisory Authority ("**FINMA**") circular 08/24, the NYSE rules and the rules and regulations of other securities exchanges on which UBS shares are listed, if any. The Chairman is not required to be independent.

The BoD has ultimate responsibility for the success of the UBS Group and for delivering sustainable shareholder value within a framework of prudent and effective controls. It decides on UBS's strategic aims and the necessary financial and human resources upon recommendation of the Group Chief Executive Officer ("**Group CEO**") and sets the UBS Group's values and standards to ensure that its obligations to its shareholders and others are met.

The BoD meets as often as business requires, and at least six times a year.

Members of the Board of Directors

Member and business addresses	Title	Term of office	Current positions outside UBS AG
Kaspar Villiger UBS AG, Bahnhofstrasse 45, P.O. Box CH-8001 Zurich, Switzerland	Chairman	2012	None
Michel Demaré ABB Ltd., Affolternstrasse 44, P.O. Box 5009, CH-8050 Zurich, Switzerland	Independent Vice Chairman	2012	CFO and member of the Group Executive Committee of ABB; President Global Markets at ABB; member of the IMD Foundation Board, Lausanne.
David Sidwell UBS AG Bahnhofstrasse 45, P.O. Box, CH-8001 Zurich, Switzerland	Senior Independent Director	2012	Director and Chairperson of the Risk Policy and Capital Committee of Fannie Mae, Washington D.C.; Senior Advisor at Oliver Wyman, New York; trustee of the International Accounting Standards Committee Foundation, London; Chairman of the board of Village Care, New York; Director of the National Council on Aging, Washington D.C..
Rainer-Marc Frey Office of Rainer-Marc Frey, Seeweg 39, CH-8807 Freienbach, Switzerland	Member	2012	Founder and Chairman of Horizon21 and its related entities and subsidiaries; member of the board of DKSH Group, Zurich and of the Frey Charitable Foundation, Freienbach.
Bruno Gehrig Swiss International Air Lines AG, Obstgartenstrasse 25, CH-8302 Kloten, Switzerland	Member	2012	Chairman of the board of Swiss International Air Lines; Vice Chairman and Chairperson of the Remuneration Committee of Roche Holding Ltd., Basel.
Ann F. Godbehere UBS AG, Bahnhofstrasse 45, P.O. Box, CH-8001 Zurich Switzerland	Member	2012	Board member, and Chairperson of the Audit Committees, of Prudential plc, Rio Tinto plc and Rio Tinto Limited, London; board member of Atrium Underwriters Ltd., Atrium Underwriting Group Ltd., London; member of the board and Chairperson of the Audit Committee of Ariel Holdings Ltd., Bermuda.
Axel P. Lehmann Zurich Financial Services, Mythenquai 2, CH- 8002 Zurich Switzerland	Member	2012	Group Chief Risk Officer and Regional Chairman Europe of Zurich Financial Services; Chairman of the board of Farmers Group, Inc. and of the Institute of Insurance Economics at the University of St. Gallen and Chairman of the Chief Risk Officer Forum.
Wolfgang Mayrhuber Deutsche Lufthansa AG, Flughafen Frankfurt am Main 302, D-60549 Frankfurt am Main, Germany	Member	2012	Chairman of the supervisory board and Chairperson of the Mediation, the Nomination and the Executive Committees of Infineon Technologies AG as well as member of the supervisory boards of Munich Re Group, BMW Group, Lufthansa Technik AG and Austrian Airlines AG; member of the board of SN Airholding SA/NV, Brussels and HEICO Corporation, Hollywood, FL.
Helmut Panke BMW AG, Petuelring 130, D-80788 Munich, Germany	Member	2012	Member of the board of Microsoft Corporation and Chairperson of the Antitrust Compliance Committee; member of the board of Singapore Airlines Ltd.; member of the supervisory board of Bayer AG.

<p>William G. Parrett</p> <p>UBS AG Bahnhofstrasse 45, P.O. Box, CH-8001 Zurich Switzerland</p>	Member	2012	Independent Director, and Chairperson of the Audit Committee, of the Eastman Kodak Company, the Blackstone Group LP and Thermo Fisher Scientific Inc.; Immediate Past Chairman of the board of the United States Council for International Business and of United Way Worldwide; member of the Board of Trustees of Carnegie Hall.
<p>Joseph Yam</p> <p>18 B South Bay Towers 59 South Bay Rd. Hong Kong</p>	Member	2012	Executive Vice President of the China Society for Finance and Banking; Chairman of the board of Macroprudential Consultancy Limited and member of the International Advisory Councils of a number of government and academic institutions. Board member and chairperson of the Risk Committee of China Construction Bank. Member of the board of Johnson Electric Holdings Limited.

On 1 July 2011, UBS announced that Axel Weber, former President of the German Bundesbank, will be nominated for election to the BoD of UBS AG at the Annual General Meeting on 3 May 2012. Subject to his election, he will be appointed as non-independent Vice Chairman and is then expected to become Chairman of the Board in 2013.

Organizational principles and structure

Following each AGM, the BoD meets to appoint its Chairman, Vice Chairman, Senior Independent Director, the BoD Committees members and their respective Chairpersons. At the same meeting, the BoD appoints a Company Secretary, who acts as secretary to the BoD and its Committees. The BoD committees comprise the Audit Committee, the Corporate Responsibility Committee, the Governance and Nominating Committee, the Human Resources and Compensation Committee and the Risk Committee. The BoD has also established a Special Committee in connection with the unauthorized trading incident as described in section 4 of Recent Developments.

Audit Committee

The Audit Committee ("**AC**") comprises at least three independent BoD members, with all members having been determined by the BoD to be fully independent and financially literate.

The AC does not itself perform audits, but monitors the work of UBS auditors. Its function is to serve as an independent and objective body with oversight of: (i) the Group's accounting policies, financial reporting and disclosure controls and procedures, (ii) the quality, adequacy and scope of external audit, (iii) the Issuer's compliance with financial reporting requirements, (iv) management's approach to internal controls with respect to the production and integrity of the financial statements and disclosure of the financial performance, and (v) the performance of UBS's Group Internal Audit in conjunction with the Chairman of the BoD and the Risk Committee.

The AC, together with the external auditors and Group Internal Audit, reviews the annual and quarterly financial statements of UBS AG and the Group as proposed by management in order to recommend their approval, including any adjustments it considers appropriate, to the BoD. Moreover, periodically, and at least annually, the AC assesses the qualifications, expertise, effectiveness, independence and performance of the external auditors and their lead audit partner, in order to support the BoD in reaching a decision in relation to the appointment or removal of the external auditors and the rotation of the lead audit partner. The BoD then submits these proposals at the AGM.

The members of the AC are William G. Parrett (Chairperson), Ann F. Godbehere, Michel Demaré and Rainer-Marc Frey.

Group Executive Board

Under the leadership of the Group Chief Executive Officer ("**CEO**"), the GEB has executive management responsibility for the UBS Group and its business. It assumes overall responsibility for the development of the UBS Group and business division strategies and the implementation of approved strategies. All GEB members (with the exception of the Group CEO) are proposed by the Group CEO. The appointments are approved by the BoD.

The business address of the members of the GEB is UBS AG, Bahnhofstrasse 45, CH-8001 Zurich, Switzerland.

Members of the Group Executive Board

Sergio P. Ermotti	Group Chief Executive Officer ad interim, Chairman and Chief Executive Officer UBS Group EMEA
Tom Naratil	Group Chief Financial Officer
Markus U. Diethelm	Group General Counsel
John A. Fraser	Chairman and Chief Executive Officer Global Asset Management
Lukas Gähwiler	Chief Executive Officer UBS Switzerland, co-CEO Wealth Management & Swiss Bank
Carsten Kengeter	Chairman and Chief Executive Officer Investment Bank
Ulrich Körner	Group Chief Operating Officer and Chief Executive Officer Corporate Center
Philip J. Lofts	Chief Executive Officer UBS Group Americas
Robert J. McCann	Chief Executive Officer Wealth Management Americas
Maureen Miskovic	Group Chief Risk Officer
Alexander Wilmot-Sitwell	Co-Chairman and co-Chief Executive Officer UBS Group Asia Pacific
Chi-Won Yoon	Co-Chairman and Co-Chief Executive Officer UBS Group Asia Pacific
Jürg Zeltner	Chief Executive Officer UBS Wealth Management, co-CEO Wealth Management & Swiss Bank

No member of the GEB has any significant business interests outside of UBS.

Potential conflicts of interest

Members of the BoD and GEB may act as directors or executive officers of other companies (for current positions outside UBS (if any) of BoD members please see above under "Board of Directors of UBS AG") and may have economic or other private interests that differ from those of UBS. Potential conflicts of interest may arise from these positions or interests. UBS is confident that its internal corporate governance practices and its compliance with relevant legal and regulatory provisions reasonably ensure that any conflicts of interest of the type described above are appropriately managed, including through disclosure when appropriate.

VI. Auditors

On 28 April 2011, the AGM of UBS AG re-elected Ernst & Young Ltd, Aeschengraben 9, 4002 Basel, Switzerland ("**Ernst & Young**") as auditors for the Financial Statements of UBS AG and the Consolidated Financial Statements of the UBS Group for a further one-year term. Ernst & Young Ltd., Basel, is a member of the Swiss Institute of Certified Accountants and Tax Consultants based in Zurich, Switzerland.

VII. Major Shareholders of the Issuer

Under the Swiss Stock Exchange Act (the Federal Act on Stock Exchanges and Securities Trading of 24 March 1995, as amended), anyone holding shares in a company listed in Switzerland, or derivative rights related to shares of such a company, has to notify the company and the SIX Swiss Exchange if the holding attains, falls below or exceeds one of the following thresholds: 3, 5, 10, 15, 20, 25, 33 1/3, 50, or 66 2/3% of the voting rights, whether they are exercisable or not.

The following are the most recent notifications of holdings in UBS AG's share capital filed in accordance with the Swiss Stock Exchange Act, based on UBS AG's registered share capital at the time of the disclosure:

- 30 September 2011: Norges Bank (the Central Bank of Norway), 3.04%;
- 12 March 2010: Government of Singapore Investment Corp., 6.45%;
- 17 December 2009: BlackRock Inc., New York, USA, 3.45%.

Voting rights may be exercised without any restrictions by shareholders entered into UBS's share register, if they expressly render a declaration of beneficial ownership according to the provisions of the Articles of Association. Special provisions exist for the registration of fiduciaries and nominees. Fiduciaries and nominees are entered in the share register with voting rights up to a total of 5% of all shares issued if they agree to disclose upon UBS's request beneficial owners holding 0.3% or more of all UBS shares. An exception to the 5% voting limit rule exists for securities clearing organizations such as The Depository Trust Company in New York.

As of 30 September 2011, the following shareholders were registered in the share register with 3% or more of the total share capital of UBS AG: Chase Nominees Ltd., London (10.16%); the US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (7.35%); Government of Singapore Investment Corp., Singapore (6.41%) and Nortrust Nominees Ltd, London (4.07%).

UBS holds its own shares primarily to hedge employee share and option participation plans. A smaller number is held by the Investment Bank in its capacity as a market-maker in UBS shares and related derivatives. As of 30 September 2011, UBS held a stake of UBS AG's shares, which corresponded to less than 3.00% of its total share capital. As of 31 December 2010, UBS had disposal positions relating to 508,052,477 voting rights, corresponding to 13.26% of the total voting rights of UBS AG. They consisted mainly of 9.66% of voting rights on shares deliverable in respect of employee awards and included the number of shares that may be issued, upon certain conditions, out of conditional capital to the Swiss National Bank ("**SNB**") in connection with the transfer of certain illiquid and other positions to a fund owned and controlled by the SNB.

Further details on the distribution of UBS AG's shares, also by region and shareholders' type, and on the number of shares registered, non registered and carrying voting rights as of 31 December 2010 can be found in the Annual Report 2010, on pages 193-195 (inclusive) of the English version.

VIII. Financial Information concerning the Issuer's Assets and Liabilities; Financial Position and Profits and Losses

A description of the Issuer's assets and liabilities, financial position and profits and losses for financial year 2009 is available in the Annual Report 2009 of UBS AG (Financial Information section), and for financial year 2010 in the Annual Report 2010 (Financial Information section). The Issuer's financial year is the calendar year.

With respect to the financial year 2009, reference is made to the following parts of the Annual Report 2009 (Financial Information section), in English:

- (i) the Consolidated Financial Statements of UBS Group, in particular to the Income Statement on page 255, the Balance Sheet on page 257, the Statement of Cash Flows on pages 261-262 (inclusive) and the Notes to the Consolidated Financial Statements on pages 263-370 (inclusive), and
- (ii) the Financial Statements of UBS AG (Parent Bank), in particular to the Income Statement on page 372, the Balance Sheet on page 373, the Statement of Appropriation of Retained Earnings on page 373, the Notes to the Parent Bank Financial Statements on pages 374-392 (inclusive) and the Parent Bank Review on page 371, and
- (iii) the sections entitled "Introduction and accounting principles" on page 244 and "Critical accounting policies" on pages 245-248 (inclusive).

With respect to the financial year 2010, reference is made to the following parts of the Annual Report 2010 (Financial Information section), in English:

- (i) the Consolidated Financial Statements of UBS Group, in particular to the Income Statement on page 265, the Balance Sheet on page 267, the Statement of Cash Flows on pages 271-272 (inclusive) and the Notes to the Consolidated Financial Statements on pages 273-378 (inclusive), and
- (ii) the Financial Statements of UBS AG (Parent Bank), in particular to the Income Statement on page 380, the Balance Sheet on page 381, the Statement of Appropriation of Retained Earnings on page 382, the Notes to the Parent Bank Financial Statements on pages 383–399 (inclusive) and the Parent Bank Review on page 379, and
- (iii) the sections entitled "Introduction and accounting principles" on page 254 and "Critical accounting policies" on pages 255-258 (inclusive).

The annual financial reports form an essential part of UBS's reporting. They include the audited Consolidated Financial Statements of UBS Group, prepared in accordance with International Financial Reporting Standards and the audited Financial Statements of UBS AG (Parent Bank), prepared according to Swiss banking law provisions. The financial statements also include certain additional disclosures required under Swiss and US regulations. The annual reports also include discussions and analysis of the financial and business results of UBS, its business divisions and the Corporate Center.

The Consolidated Financial Statements of UBS Group and the Financial Statements of UBS AG (Parent Bank) for financial years 2009 and 2010 were audited by Ernst & Young. The reports of the auditors on the Consolidated Financial Statements can be found on pages 252-253 (inclusive) of the Annual Report 2009 in English (Financial Information section) and on pages 262-263 (inclusive) of the Annual Report 2010 in English (Financial Information section). The reports of the auditors on the Financial Statements of UBS AG (Parent Bank) can be found on pages 393-394 of the Annual Report 2009 in English (Financial Information section) and on pages 400-401 of the Annual Report 2010 in English (Financial Information section).

Reference is also made to UBS's first, second and third quarter 2011 report, which contain information on the financial condition and the results of operation of the UBS Group as of and for the three months ended on 31 March 2011 and for the three and six months ended 30 June 2011 and the three and nine months ended 30 September 2011, respectively. The interim financial statements are not audited.

Parts of the UBS's Annual Report 2009, the Annual Report 2010 and the first, second and third quarter 2011 reports form an integral part of this Base Prospectus, and are therefore incorporated in this Base Prospectus.

1. Litigation and regulatory matters

The UBS Group operates in a legal and regulatory environment that exposes it to significant litigation risks. As a result, UBS is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations. Such cases are subject to many uncertainties, and the outcome is often difficult to predict, including the impact on operations or on the financial statements, particularly in the earlier stages of a case. In certain circumstances, to avoid the expense and distraction of legal proceedings, UBS may, based on a cost-benefit analysis, enter into a settlement even though denying any wrongdoing. UBS makes provisions for cases brought against it when, in the opinion of management after seeking legal advice, it is probable that a liability exists, and the amount can be reliably estimated.

Certain potentially significant legal proceedings or threatened proceedings within the last twelve months until as of 30 September 2011 are described below. In some cases UBS provides the amount of damages claimed, the size of a transaction or other information in order to assist investors in considering the magnitude of any potential exposure. UBS is unable to provide an estimate of the possible financial effect of particular claims or proceedings (where the possibility of an outflow is more than remote) beyond the level of current reserves established. Doing so would require UBS to provide speculative legal assessments as to claims and proceedings which involve unique fact patterns or novel legal theories, which have not yet been initiated or are at early stages of adjudication, or as to which alleged damages have not been quantified by the claimants. In many cases a combination of these factors impedes UBS's ability to estimate the financial effect of contingent liabilities. UBS also believes that such estimates could seriously prejudice its position in these matters.

1. Municipal bonds

On 4 May 2011, UBS announced a USD 140.3 million settlement with the US Securities and Exchange Commission (“**SEC**”), the Antitrust Division of the US Department of Justice (“**DOJ**”), the Internal Revenue Service (“**IRS**”) and a group of state attorneys general relating to the investment of proceeds of municipal bond issuances and associated derivative transactions. The settlement resolves the investigations by those regulators which had commenced in November 2006. Several related putative class actions, which were filed in Federal District Courts against UBS and numerous other firms, remain pending. However, approximately USD 63 million of the regulatory settlement will be made available to potential claimants through a settlement fund, and payments made through the fund should reduce the total monetary amount at issue in the class actions for UBS. In December 2010, three former UBS employees were indicted in connection with the Federal criminal antitrust investigation; those individual matters also remain pending.

2. Auction rate securities

In late 2008, UBS entered into settlements with the SEC, the New York Attorney General (“**NYAG**”) and the Massachusetts Securities Division whereby UBS agreed to offer to buy back Auction Rate Securities (“**ARS**”) from eligible customers, and to pay penalties of USD 150 million (USD 75 million to the NYAG and USD 75 million to the other states). UBS has since settled with the majority of states and is finalizing settlements with the rest. The settlements resolved investigations following the industry-wide disruption in the markets for ARS and related auction failures beginning in mid-February 2008. The SEC continues to investigate individuals affiliated with UBS regarding the trading in ARS and disclosures. UBS was also named in several putative class actions and is the subject of other pending arbitration and litigation claims by investors and issuers relating to ARS, including a pending consequential damages claim by a former customer for damages of USD 76 million and a claim asserted by an issuer under state common law and a state racketeering statute seeking approximately USD 40 million in compensatory damages, plus exemplary and treble damages.

3. US cross-border

UBS has been the subject of a number of governmental inquiries and investigations relating to its cross-border private banking services to US private clients during the years 2000–2007. On 18 February 2009, UBS announced that it had entered into a Deferred Prosecution Agreement (“**DPA**”) with the US Department of Justice Tax Division (“**DOJ**”) and the United States Attorney’s Office for the Southern District of Florida, and a Consent Order with the SEC, relating to these investigations. Pursuant to the DPA, the DOJ agreed that any further prosecution of UBS would be deferred for a period of at least 18 months, subject to extension in certain circumstances. The DPA provided that, if UBS satisfied all of its obligations thereunder, the DOJ would refrain permanently from pursuing charges against UBS relating to the investigation of its US cross-border business. As part of the resolution of an SEC claim that UBS acted as an unregulated broker dealer and investment advisor in connection with its US cross-border business, UBS reached a consent agreement with the SEC on the same date. On 15 September 2010, the independent consultant appointed pursuant to the DPA and SEC Consent Order to review UBS’s compliance with its exit-related obligations submitted its final report to both the DOJ and the SEC, finding that UBS had substantially complied in all material respects with these obligations under these settlements. Because UBS fully complied with its commitments under the DPA, the US DOJ moved to dismiss all of the previously filed charges that had been deferred under the DPA. On 25 October 2010, the Court dismissed all the charges, marking the closure of the DPA.

On 19 August 2009, UBS executed a settlement agreement with the US Internal Revenue Service (“**IRS**”) and the DOJ, to resolve the previously reported enforcement action relating to the “John Doe” summons served on UBS in July 2008 (“**UBS-US Settlement Agreement**”). At the same time, the United States and Switzerland entered into a separate but related agreement (“**Swiss-US Government Agreement**”), providing that the Swiss Federal Tax Administration (“**SFTA**”) process a request for administrative assistance under the Swiss-US Double Taxation Treaty related to an estimated number of approximately 4,450 accounts held by US taxpayers. Because UBS complied with all of its obligations set forth in the UBS-US Settlement Agreement required to be completed by the end of 2009, the IRS withdrew the “John Doe” summons with prejudice as to all accounts not covered by the treaty request. In March 2010, the

Swiss and US governments signed a protocol amending the Swiss-US Government Agreement, and the agreement, as amended by the protocol, was approved by the Swiss Parliament on 17 June 2010. In August 2010, the IRS withdrew with prejudice the Notice of Default it had served on UBS in May 2008 with respect to the Qualified Intermediary Agreement between UBS and the IRS. On 15 November 2010, the IRS withdrew the "John Doe" summons in its entirety and with prejudice. This represented the final formal step in the comprehensive resolution of the US cross-border matter.

4. Inquiries regarding Non US cross-border wealth management businesses

Following the disclosure and the settlement of the US cross-border matter, tax and regulatory authorities in a number of countries have made inquiries and served requests for information located in their respective jurisdictions relating to the cross-border wealth management services provided by UBS and other financial institutions. UBS is cooperating with these requests within the limits of financial privacy obligations under Swiss and other applicable laws.

5. Matters related to the credit crisis

UBS is responding to a number of governmental inquiries and investigations and is involved in a number of litigations, arbitrations and disputes related to the credit crisis and in particular mortgage-related securities and other structured transactions and derivatives. In particular, the SEC is investigating UBS's valuation of super senior tranches of collateralized debt obligations ("**CDO**") during the third quarter of 2007 and UBS's reclassification of financial assets pursuant to amendments to IAS 39 during the fourth quarter of 2008. UBS has provided documents and testimony to the SEC and is continuing to cooperate with the SEC in its investigation. UBS has also communicated with and has responded to other inquiries by various governmental and regulatory authorities, including the Swiss Financial Market Supervisory Authority ("**FINMA**"), the UK Financial Services Authority ("**FSA**"), the SEC, the US Financial Industry Regulatory Authority ("**FINRA**"), the Financial Crisis Inquiry Commission ("**FCIC**"), the New York Attorney General, and the US Department of Justice, concerning various matters related to the credit crisis. These matters concern, among other things, UBS's (i) disclosures and writedowns, (ii) interactions with rating agencies, (iii) risk control, valuation, structuring and marketing of mortgage related instruments, and (iv) role as underwriter in securities offerings for other issuers.

6. Lehman principal protection notes

From March 2007 through September 2008, UBS sold approximately USD 1 billion face amount of structured notes issued by Lehman Brothers Holdings Inc. ("**Lehman**"), a majority of which were referred to as "principal protection notes," reflecting the fact that while the notes' return was in some manner linked to market indices or other measures, some or all of the investor's principal was an unconditional obligation of Lehman as issuer of the notes. UBS has been named along with other defendants in a putative class action alleging materially misleading statements and omissions in the prospectuses relating to these notes and asserting claims under US securities laws. UBS has also been named in numerous individual civil suits and customer arbitrations (some of which have resulted in settlements or adverse judgments), was named in a proceeding brought by the New Hampshire Bureau of Securities which was settled for USD 1 million, and is responding to investigations by other state regulators relating to the sale of these notes to UBS's customers. The customer litigations and regulatory investigations relate primarily to whether UBS adequately disclosed the risks of these notes to its customers. In April 2011, UBS entered into a settlement with FINRA related to the sale of these notes, pursuant to which UBS agreed to pay a USD 2.5 million fine and approximately USD 8.25 million in restitution and interest to a limited number of investors in the US.

7. Claims related to sales of residential mortgage-backed securities and mortgages

From 2002 through about 2007, UBS was a substantial underwriter and issuer of US residential mortgage-backed securities ("**RMBS**"). UBS has been named as a defendant relating to its role as underwriter and issuer of RMBS in a large number of lawsuits relating to approximately USD 45 billion in original face amount of RMBS underwritten or issued by UBS. Many of the lawsuits are in their early stages, and have not advanced beyond the motion to dismiss phase; others are in varying stages of discovery. Of the original face amount of RMBS at issue in these cases, approximately USD 9 billion was issued in offerings in which a UBS subsidiary transferred underlying loans (the majority of which were

purchased from third-party originators) into a securitization trust and made representations and warranties about those loans ("**UBS-Sponsored RMBS**"). On 29 September 2011 a federal court in New Jersey dismissed on statute of limitations grounds a putative class action lawsuit that asserted violations of the federal securities laws against various UBS entities, among others, in connection with USD 2.6 billion in original face amount of UBS-Sponsored RMBS. The plaintiff has the right to file an amended complaint. The remaining USD 36 billion of RMBS to which these cases relate was issued by third parties in securitizations in which UBS acted as underwriter ("**Third-Party RMBS**"). In connection with certain of the Third-Party RMBS lawsuits, UBS has indemnification rights against solvent third-party issuers or originators for losses or liabilities incurred by UBS. These lawsuits include an action brought by the Federal Housing Finance Authority ("**FHFA**"), as conservator for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (collectively, the "**GSEs**") in connection with the GSEs' investments in USD 4.5 billion in original face amount of UBS-Sponsored RMBS and USD 1.8 billion in original face amount of Third-Party RMBS. These suits, which were initially filed in July 2011 and then amended in August 2011, assert claims for damages and rescission under federal and state securities laws and state common law and allege losses of approximately USD 1.2 billion. The FHFA also filed suits in August 2011 against UBS and other financial institutions relating to their role as underwriter of Third-Party RMBS purchased by the GSEs asserting claims under various legal theories, including violations of the federal and state securities laws and state common law. Additionally, UBS is named as a defendant in three lawsuits brought by insurers of RMBS seeking recovery of insurance paid to RMBS investors. These insurers allege that UBS and other RMBS underwriters aided and abetted misrepresentations and fraud by RMBS issuers, and claim equitable and contractual subrogation rights. As described in the section "Other contingent liabilities - Demands related to sales of mortgages and RMBS" below, UBS has also received demands to repurchase US residential mortgage loans as to which UBS made certain representations at the time the loans were transferred to the securitization trust.

8. Claims related to UBS disclosure

A putative consolidated class action has been filed in the United States District Court for the Southern District of New York against UBS, a number of current and former directors and senior officers and certain banks that underwrote UBS's May 2008 Rights Offering (including UBS Securities LLC) alleging violation of the US securities laws in connection with UBS's disclosures relating to UBS's positions and losses in mortgage-related securities, UBS's positions and losses in auction rate securities, and UBS's US cross-border business. In September 2011, the court dismissed all claims based on purchases or sales of UBS ordinary shares made outside of the US. Defendants expect to move to dismiss the claims based on purchases or sales of UBS ordinary shares made in the US for failure to state a claim. UBS, a number of senior officers and employees and various UBS committees have also been sued in a putative consolidated class action for breach of fiduciary duties brought on behalf of current and former participants in two UBS Employee Retirement Income Security Act ("**ERISA**") retirement plans in which there were purchases of UBS stock. In March 2011, the court dismissed the ERISA complaint. The plaintiffs have sought leave to file an amended complaint.

9. Madoff

In relation to the Bernard L. Madoff Investment Securities LLC ("**BMIS**") investment fraud, UBS AG, UBS (Luxembourg) SA and certain other UBS subsidiaries have been subject to inquiries by a number of regulators, including FINMA and the Luxembourg Commission de Surveillance du Secteur Financier ("**CSSF**"). Those inquiries concerned two third-party funds established under Luxembourg law, substantially all assets of which were with BMIS, as well as certain funds established under offshore jurisdictions with either direct or indirect exposure to BMIS. These funds now face severe losses, and the Luxembourg funds are in liquidation. The last reported net asset value of the two Luxembourg funds before revelation of the Madoff scheme was approximately USD 1.7 billion in the aggregate, although that figure likely includes fictitious profit reported by BMIS. The documentation establishing both funds identifies UBS entities in various roles including custodian, administrator, manager, distributor and promoter, and indicates that UBS employees serve as board members. Between February and May 2009, UBS (Luxembourg) SA responded to criticisms made by the CSSF in relation to its responsibilities as custodian bank and demonstrated to the satisfaction of the CSSF that it has the infrastructure and internal organization in place in accordance with professional standards applicable to custodian banks in Luxembourg. UBS (Luxembourg) SA and certain other UBS subsidiaries are also responding to inquiries by Luxembourg investigating authorities, without however being named as parties in those investigations. In December 2009 and March 2010, the liquidators of the two Luxembourg funds filed claims on behalf of

the funds against UBS entities, non-UBS entities and certain individuals including current and former UBS employees. The amounts claimed are approximately EUR 890 million and EUR 305 million respectively. In addition, a large number of alleged beneficiaries have filed claims against UBS entities (and non-UBS entities) for purported losses relating to the Madoff scheme. The majority of these cases are pending in Luxembourg, where appeals have been filed against the March 2010 decisions of the court in which the claims in a number of test cases were held to be inadmissible. In the US, the BMIS Trustee has filed claims against UBS entities, amongst others, in relation to the two Luxembourg funds and one of the offshore funds. A claim was filed in November 2010 against 23 defendants including UBS entities, the Luxembourg and offshore funds concerned and various individuals, including current and former UBS employees. The total amount claimed against all defendants is no less than USD 2 billion. A second claim was filed in December 2010 against 16 defendants including UBS entities and the Luxembourg fund concerned. The total amount claimed against all defendants is not less than USD 555 million. Following a motion by UBS, the claims against UBS have been moved from the Bankruptcy Court to the Federal District Court, and UBS has applied for dismissal of all of the Trustee's claims other than claims for recovery of fraudulent conveyances and preference payments that were allegedly transferred to UBS.

In Germany, certain clients of UBS are exposed to Madoff-managed positions through third-party funds and funds administered by UBS entities in Germany. A small number of claims have been filed with respect to such funds.

10. Transactions with City of Milan and other Italian public sector entities

In January 2009, the City of Milan filed civil proceedings against UBS Limited, UBS Italia SIM Spa and three other international banks in relation to a 2005 bond issue and associated derivatives transactions entered into with the City between 2005 and 2007. The claim is to recover alleged damages in an amount which will compensate for terms of the related derivatives which the City claims to be objectionable. In the alternative, the City seeks to recover alleged hidden profits asserted to have been made by the banks in an amount of approximately EUR 88 million (of which UBS Limited is alleged to have received approximately EUR 16 million) together with further damages of not less than EUR 150 million. The claims are made against all of the banks on a joint and several basis. The case is currently stayed following a petition filed by the four banks to the Italian Court of Cassation challenging the jurisdiction of the Italian courts. In addition, two current UBS employees and one former employee, together with employees from other banks, a former City officer and a former adviser to the City, are facing a criminal trial for alleged "aggravated fraud" in relation to the City's 2005 bond issue and the execution, and subsequent restructuring, of certain related derivative transactions. The primary allegation is that UBS Limited and the other international banks obtained hidden and / or illegal profits by entering into the derivative contracts with the City. The banks also face an administrative charge of failing to have in place a business organizational model to avoid the alleged misconduct by employees, the sanctions for which could include a limitation on activities in Italy. The City has separately asserted claims for damages against UBS Limited and UBS individuals in those proceedings. A number of transactions with other public entity counterparties in Italy have also been called into question or become the subject of legal proceedings and claims for damages and other awards. These include derivative transactions with the Regions of Calabria, Tuscany, Lombardy and Lazio and the City of Florence. UBS has itself issued proceedings before English courts in connection with a number of derivative transactions with Italian public entities, including some of those mentioned above, aimed at obtaining declaratory judgments as to the validity of UBS's contractual arrangements with its counterparties and, to the extent relevant, the legitimacy of UBS's conduct in respect of those counterparties.

11. HSH Nordbank AG ("**HSH**")

HSH has filed an action against UBS in New York State court relating to USD 500 million of notes acquired by HSH in a synthetic CDO transaction known as North Street Referenced Linked Notes, 2002-4 Limited ("**NS4**"). The notes were linked through a credit default swap between the NS4 issuer and UBS to a reference pool of corporate bonds and asset-backed securities. HSH alleges that UBS knowingly misrepresented the risk in the transaction, sold HSH notes with "embedded losses", and improperly profited at HSH's expense by misusing its right to substitute assets in the reference pool within specified parameters. HSH is seeking USD 500 million in compensatory damages plus pre-judgment interest. The case was initially filed in 2008. Following orders issued in 2008 and 2009, in which the court dismissed most of HSH's claims and its punitive damages demand and later partially denied a motion to dismiss certain repleaded claims, the claims remaining in the case are for fraud, breach of contract and breach of

the implied covenant of good faith and fair dealing. Both sides have appealed the court's most recent partial dismissal order, and a decision on the appeal is pending.

12. Kommunale Wasserwerke Leipzig GmbH ("KWL")

In 2006 and 2007, KWL entered into a series of Credit Default Swap ("CDS") transactions with bank swap counterparties, including UBS. Under the CDS contracts between KWL and UBS, the last of which were terminated by UBS in October 2010, a net sum of approximately USD 138 million has fallen due from KWL but not been paid. In January 2010, UBS issued proceedings in the English High Court against KWL seeking various declarations from the English court, in order to establish that the swap transaction between KWL and UBS is valid, binding and enforceable as against KWL. In October 2010, the English court ruled that it has jurisdiction and will hear the proceedings, and UBS issued a further claim seeking declarations concerning the validity of its early termination of the remaining CDS transactions with KWL. KWL withdrew its appeal from that decision and the civil dispute is now proceeding before the English court. In March 2010, KWL issued proceedings in Leipzig, Germany, against UBS and other banks involved in these contracts, claiming that the swap transactions are void and not binding on the basis of KWL's allegation that KWL did not have the capacity or the necessary internal authorization to enter into the transactions and that the banks knew this. Upon and as a consequence of KWL withdrawing its appeal on jurisdiction in England, KWL has also withdrawn its civil claims against UBS and one of the other banks in the German courts and no civil claim will proceed against either of them in Germany. The proceedings brought by KWL against the third bank will now proceed before the German courts. The other two banks that entered into CDS transactions with KWL entered into back-to-back CDS transactions with UBS. In April 2010, UBS issued separate proceedings in the English High Court against those bank swap counterparties seeking declarations as to the parties' obligations under those transactions. The back-to-back CDS transactions were subsequently terminated in April and June 2010. The aggregate amount that UBS contends is outstanding under those transactions is approximately USD 189 million plus interest. The stay of the court proceedings against one of the bank swap counterparties has been terminated, and those proceedings will now progress. Court proceedings against the other swap counterparty remain stayed. In January 2011, the former managing director of KWL and two financial advisers were convicted on criminal charges related to certain KWL transactions, including swap transactions with UBS and other banks.

13. Puerto Rico

The SEC has been investigating UBS's secondary market trading and associated disclosures involving shares of closed-end funds managed by UBS Asset Managers of Puerto Rico, principally in 2008 and 2009. In November 2010, the SEC issued a "Wells notice" to two UBS subsidiaries, advising them that the SEC staff is considering whether to recommend that the SEC bring a civil action against them relating to these matters. UBS is engaged in settlement discussions with the SEC staff; however, there is no assurance that a settlement will be reached.

14. LIBOR

Several government agencies, including the SEC, the US Commodity Futures Trading Commission, the DOJ and the FSA, are conducting investigations regarding submissions with respect to British Bankers' Association LIBOR rates. UBS understands that the investigations focus on whether there were improper attempts by UBS (among others), either acting on its own or together with others, to manipulate LIBOR rates at certain times. In addition, UBS has received an order to provide information to the Japan Financial Services Agency concerning similar matters. UBS has been granted conditional leniency or conditional immunity from authorities in certain jurisdictions, including the Antitrust Division of the DOJ, in connection with potential antitrust or competition law violations related to submissions for Yen LIBOR and Euroyen TIBOR (Tokyo Interbank Offered Rate). As a result of these conditional grants, UBS will not be subject to prosecutions, fines or other sanctions for antitrust or competition law violations in connection with the matters it reported to those authorities, subject to UBS's continuing cooperation. However, the conditional leniency and conditional immunity grants UBS has received do not bar government agencies from asserting other claims against UBS. In addition, as a result of the conditional leniency agreement with the DOJ, UBS is eligible for a limit on liability to actual rather than treble damages were damages to be awarded in any civil antitrust action under US law based on conduct covered by the agreement and for relief from potential joint-and-several liability in connection with such civil antitrust action, subject to UBS satisfying the DOJ and the court presiding over the civil litigation of our cooperation. The conditional

leniency and conditional immunity grants do not otherwise affect the ability of private parties to assert civil claims against UBS. A number of putative class actions and other actions have been filed in federal courts in the US against UBS and numerous other banks on behalf of certain parties who transacted in LIBOR based derivatives. The complaints allege manipulation, through various means, of the US dollar LIBOR rate and prices of US dollar LIBOR-based derivatives in various markets. Claims for damages are asserted under various legal theories, including violations of the US Commodity Exchange Act and antitrust laws.

15. SinoTech Energy Limited

Since August 2011, multiple putative class action complaints have been filed in the United States District Court for the Southern District of New York against SinoTech Energy Limited ("**SinoTech**"), its officers and directors, its auditor at the time of the offering, and its underwriters, including UBS, alleging, among other claims, that the registration statement and prospectus issued in connection with SinoTech's 3 November 2010 USD 168 million initial public offering of American Depositary Shares contained materially misleading statements and omissions, in violation of the US federal securities laws. UBS underwrote seventy percent of the offering. Plaintiffs seek unspecified compensatory damages, among other relief.

Besides the proceedings specified above under (1) through (15) no governmental, legal or arbitration proceedings, which may significantly affect UBS's financial position, are or have been pending during the last twelve months until the date of this document, nor is the Issuer aware that any such governmental, legal or arbitration proceedings are threatened.

2. Other contingent liabilities

Demands related to sales of mortgages and RMBS

For several years prior to the crisis in the US residential mortgage loan market, UBS sponsored securitizations of US residential mortgage-backed securities ("**RMBS**") and was a purchaser and seller of US residential mortgages. A subsidiary of UBS, UBS Real Estate Securities Inc. ("**UBS RESI**"), acquired pools of residential mortgage loans from originators and (through an affiliate) deposited them into securitization trusts. In this manner, from 2004 through 2007 UBS RESI sponsored approximately USD 80 billion in RMBS, based on the original principal balances of the securities issued. The overall market for privately issued US RMBS during this period was approximately USD 3.9 trillion. UBS RESI also sold pools of loans acquired from originators to third-party purchasers. These whole loan sales during the period 2004 through 2007 totaled approximately USD 19 billion in original principal balance. UBS was not a significant originator of US residential loans. A subsidiary of UBS originated approximately USD 1.5 billion in US residential mortgage loans during the period in which it was active from 2006 to 2008, and securitized less than half of these loans. When UBS acted as an RMBS sponsor or mortgage seller, it generally made certain representations relating to the characteristics of the underlying loans. In the event of a material breach of these representations, UBS was in certain circumstances contractually obligated to repurchase the loans to which they related or to indemnify certain parties against losses. UBS has been notified by certain institutional purchasers and insurers of mortgage loans and RMBS that possible breaches of representations may entitle the purchasers to require that UBS repurchase the loans or to other relief. The table below summarizes repurchase demands received by UBS and UBS's repurchase activity from 2006 through 30 September 2011.

Loan repurchase demands by year received – original principal balance of loans

<i>USD million</i>	2006–2008	2009	2010	2011 through 30 September	Total
Actual or agreed loan repurchases / make whole payments by UBS	11.7	1.4	47.7		60.8
Demands resolved or to be resolved directly by third-party originators		78.6	22.2	39.4	140.1

Demands resolved in litigation	0.6	20.7			21.3
Demands rebutted by UBS but not yet rescinded by counterparty ¹		31.8	255.7	1.3	288.7
Demands rescinded by counterparty	110.2	97.2	11.8	6.0	225.2
Demands in review by UBS ²		3.1	35.2	553.0	591.3
Total	122.5	232.8	372.5	599.7	1,327.5

¹ Includes demands that were not pursued by the counterparty following rebuttal by UBS. ² Includes loans totaling USD 20.6 million in original principal balance for which a provision was made in 2010 and which remain in review.

As of the end of the third quarter of 2011, UBS's balance sheet reflects a provision of USD 93 million (USD 87.5 million at 30 June 2011) based on its best estimate of the loss arising from loan repurchase demands received from 2006 through 2011 to which UBS has agreed or which remain unresolved, and for certain anticipated loan repurchase demands of which UBS has been informed. A counterparty has advised UBS that it intends to make loan repurchase demands that are currently estimated to be at least USD 900 million in original principal balance, but it is not yet clear when or to what extent these demands will be made. UBS also cannot reliably estimate when or to what extent the provision will be utilized in connection with actual loan repurchases or payments for liquidated loans, because both the submission of loan repurchase demands and the timing of resolution of such demands are uncertain. Payments made by UBS to date to resolve repurchase demands have been for liquidated adjustable rate mortgages that provide the borrower with a choice of monthly payment options ("**Option ARM loans**"). These payments were equivalent to approximately 62% of the original principal balance of the Option ARM loans. The corresponding percentages for other loan types can be expected to vary. With respect to unliquidated Option ARM loans that UBS has agreed to repurchase, UBS expects severity rates will be similar to payments made for liquidated loans. Actual losses upon repurchase will reflect the estimated value of the loans in question at the time of repurchase as well as, in some cases, partial repayment by the borrowers or advances by servicers prior to repurchase. It is not possible to predict future indemnity rates or percentage losses upon repurchase for reasons including timing and market uncertainties as well as possible differences in the characteristics of loans that may be the subject of future demands compared with those that have been the subject of past demands. In most instances in which UBS would be required to repurchase loans or indemnify against losses due to misrepresentations, UBS would be able to assert demands against third-party loan originators who provided representations when selling the related loans to UBS. However, many of these third parties are insolvent or no longer exist. UBS estimates that, of the total original principal balance of loans sold or securitized by UBS from 2004 through 2007, less than 50% was purchased from third-party originators that remain solvent. UBS has asserted indemnity or repurchase demands against originators equivalent to approximately 60% of the original principal balance of the liquidated loans for which UBS has made payment in response to demands received in 2010 and 2011. Only a small number of UBS's demands have been resolved, and UBS has not recognized any asset in respect of the unresolved demands. UBS cannot reliably estimate the level of future repurchase demands, and does not know whether UBS's past success rate in rebutting such demands will be a good predictor of future success. UBS also cannot reliably estimate the timing of any such demands.

As described above under section "Litigation and regulatory matters", UBS is also subject to claims and threatened claims in connection with UBS's role as underwriter and issuer of RMBS.

3. Significant changes in the Financial Situation of the Issuer

There has been no material change in the financial position of UBS since 30 September 2011, being the date of the last financial period, for which a financial information has been published (i.e. UBS's third quarter 2011 report (including non-audited consolidated financial statements) for the period ending on 30 September 2011).

IX. Material Contracts

No material agreements have been concluded outside of the normal course of business which could lead to UBS being subjected to an obligation or obtaining a right, which would be of key significance to the Issuer's ability to meet its obligations to the investors in relation to the issued securities.

X. Documents on Display

- The Annual Report of UBS AG as of 31 December 2009, comprising the sections (i) Strategy, performance and responsibility, (ii) UBS business divisions and Corporate Center (iii) Risk and treasury management, (iv) Corporate governance and compensation, (v) Financial information (including the "Report of the Statutory Auditor and the Independent Registered Public Accounting Firm on the Consolidated Financial Statements" and the "Report of the Statutory Auditor on the Financial Statements");
- The Annual Report of UBS AG as of 31 December 2010, comprising the sections (i) Strategy, performance and responsibility, (ii) UBS business divisions and Corporate Center (iii) Risk and treasury management, (iv) Corporate governance and compensation, (v) Financial information (including the "Report of the Statutory Auditor and the Independent Registered Public Accounting Firm on the Consolidated Financial Statements" and the "Report of the Statutory Auditor on the Financial Statements");
- The quarterly reports of UBS AG as at 31 March 2011, 30 June 2011 and 30 September 2011; and
- The Articles of Association of UBS AG, as the Issuer,

shall be maintained in printed format, for free distribution, at the offices of the Issuer for a period of twelve months after the publication of this document. In addition, the annual and quarterly reports of UBS AG are published on UBS's website, at www.ubs.com/investors or a successor address. The Articles of Association of UBS AG are also available on UBS's Corporate Governance website, at www.ubs.com/governance.

4) In the relevant Base Prospectus, in the section “GENERAL INFORMATION” the paragraph headed “Incorporation by Reference” is completely replaced as follows:

“Incorporation by Reference

The following documents shall be incorporated in, and form part of, this Base Prospectus and may be obtained free of charge at the registered offices of the Issuer [as well as UBS Deutschland AG, Bockenheimer Landstrasse 2 - 4, 60306 Frankfurt am Main, Federal Republic of Germany,] for a period of twelve months after the publication of this Base Prospectus:

Incorporated document	Referred to in	Information
- UBS Annual Report 2010, in English; pages 71 -111 (inclusive)	- Business Overview	- Description of the Issuer’s business groups
- UBS Annual Report 2010, in English; pages 362 – 365 (inclusive)	- Organisational Structure of the Issuer	- Illustration of the key subsidiaries
- UBS Annual Report 2010, in English; pages 193 – 195 (inclusive)	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Annual Report 2010 Financial Information, in English:	- Financial Information concerning the Issuer’s Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year 2010:
(i) page 265,		(i) Income Statement,
(ii) page 267,		(ii) Balance Sheet,
(iii) pages 271 - 272 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 273 - 378 (inclusive),		(iv) Notes to the Financial Statements,
(v) pages 254 - 258 (inclusive),		(v) Accounting Standards and Policies,
(vi) pages 260 - 263 (inclusive).		(vi) Report of the Group Auditors
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2010:
(i) page 380,		(i) Income Statement,
(ii) page 381,		(ii) Balance Sheet,
(iii) page 382,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages 383 - 399 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 379,		(v) Parent Bank Review,
(vi) pages 254 - 258 (inclusive),		(vi) Accounting Standards and Policies,
(vii) pages 400 - 401 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS Annual Report 2009, in English:	- Financial Information concerning the Issuer’s Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year 2009:
(i) page 255,		(i) Income Statement,
(ii) page 257,		(ii) Balance Sheet,
(iii) pages 261 - 262 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 263 - 370 (inclusive),		(iv) Notes to the Financial Statements,
(v) pages 244 – 248 (inclusive),		(v) Accounting Standards and Policies,
(vi) pages 252 - 253 (inclusive).		(vi) Report of the Group Auditors.

		- Financial Statements of UBS AG (Parent Bank) for the financial year 2009:
(i) page 372,		(i) Income Statement,
(ii) page 373,		(ii) Balance Sheet,
(iii) page 373,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages 374 – 392 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 371,		(v) Parent Bank Review,
(vi) pages 244 - 248 (inclusive),		(vi) Accounting Standards and Policies,
(vii) pages 393 – 394 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS AG quarterly report as of 30 June 2011	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- UBS AG quarterly report as of 30 June 2011
- UBS AG quarterly report as of 31 March 2011	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- UBS AG quarterly report as of 31 March 2011

- (a) the Quarterly Report of UBS AG as at 30 June 2011 has been filed with the BaFin as appendix to the Supplement dated 31 August 2011 in relation to various base prospectuses;
- (b) the Quarterly Report of UBS AG as of 31 March 2011 has been filed with the BaFin as appendix to the Supplement dated 14 July 2011 in relation to various base prospectuses;
- (c) the Annual Report 2010 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 20 April 2011 in relation to the Structured Note Programme;
- (d) the Annual Report 2009 of UBS AG has been filed with the BaFin as appendix to Supplement No. 1 dated 7 April 2010 to the Structured Warrant Programme dated 21 October 2009.

Any information not listed above but contained in the documents incorporated by reference is either not relevant to investors or is covered elsewhere in the Base Prospectus.

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Appendix

Quarterly Report of UBS AG as at 30 September 2011

The Base Prospectus and all supplements thereto, shall be maintained in printed format, for free distribution, at the offices of the Issuer for a period of twelve months after the publication of this document and are published on the website www.ubs.com/keyinvest, or a successor website.

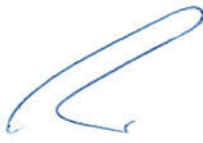
In addition, the annual and quarterly reports of UBS AG are published on UBS' website, at www.ubs.com/investors or a successor address.

Zurich, 9 November 2011

UBS AG



signed by René Scheidegger



signed by Stefanie Ganz