



Code of Business Conduct and Ethics of UBS



Preface

This “Code of Business Conduct and Ethics of UBS” (the Code) sets out the principles and practices that UBS expects all of its employees and directors to follow unreservedly both in letter and in spirit. Issued by the Board of Directors and the Group Executive Board, the Code is a tangible demonstration of the importance the new UBS attaches to responsible corporate behaviour and of the Boards’ commitment to it.

The principles and standards set out in the Code should characterise all our business activities and all our dealings with our stakeholders including clients, colleagues, shareholders, regulators and business partners. It is the basis for all UBS policies, guidelines and statements relating to each of our employees’ personal commitment to appropriate and responsible corporate behaviour.

In the new UBS we will uncompromisingly treat our reputation as our most valuable asset and we will protect it fiercely. Our culture and reputation are ultimately defined by the actions and decisions that each of us makes every day. In adhering to the Code and living up to the UBS Values of Truth, Clarity and Performance, we demonstrate our desire to be responsible corporate citizens. We contribute directly to ensuring that UBS’s reputation for integrity and responsible corporate conduct is sustained and that we act with integrity in all our daily interactions with all our stakeholders.

Compliance with the principles set out in the Code is mandatory. We require every UBS employee to read, understand and comply with the Code. The Code is included in key training activities at all levels to ensure that it is properly understood and correctly applied. There are no exceptions. Ignorance of the Code, applicable laws and regulations, UBS policies or good business practices is not an acceptable justification for violation of the principles set out in the Code.

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Of course the Code itself cannot address every situation that may arise and we expect all employees to exercise good judgement and seek guidance when appropriate. Above all, we require that all employees, regardless of rank, put the interests of UBS, its clients and its shareholders above any personal interest.

Each of us ensuring that all our actions and decisions follow the principles set out in the Code is vital to UBS maintaining a strong ethical culture and a first-class reputation and to creating long-term value for our shareholders. Thank you for your unqualified support in this regard.

The Board of Directors and the Group Executive Board fully endorse the Code and its enforcement throughout UBS and are personally committed to making this Code an integral part of changing the way UBS conducts business going forward.



Kaspar Villiger
Chairman of the Board



Oswald J. Grübel
Group Chief Executive Officer

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Laws and regulations

Compliance with Laws, Rules and Regulations

UBS adheres to the standards and restrictions imposed by applicable laws, rules and regulations.

All UBS employees and Directors are expected to comply with the laws, rules and regulations of the countries in which we operate as well as our own internal policies, guidelines and procedures.

We are committed to managing our relationships with UBS's regulators transparently and co-operatively.

Fair Dealing and Fair Competition

UBS obtains competitive advantage through superior performance rather than by using any unfair business practice.

We deal fairly, honestly and in good faith with clients, business partners, the public, our competitors, third party service providers and each other.

We are committed to the principle of the market economy and to complying with relevant laws, rules and regulations, including applicable anti-trust and competition laws.

We do not take unfair advantage of anyone through misrepresentation or omission of facts, manipulation or concealment, or abuse of privileged information.

We avoid unethical or unfair competitive practices and use legal and ethical methods when collecting competitive information.

Combating Financial Crime

UBS takes its responsibility to preserve the integrity of the financial system, and its own operations, seriously. We are committed to assisting in the fight against money laundering, corruption and terrorist financing.

We employ a rigorous risk-based approach to our internal anti-money laundering process in an effort to prevent, or detect and report any suspicion of money laundering.

We adhere to strict know-your-customer regulations but, at the same time, do not undermine customers' legitimate right to privacy.

We undertake ongoing due diligence and monitoring to assist in the identification of suspicious activities, which, if discovered, are promptly escalated to management or control functions.

We do not tolerate corruption or any form of bribery, including so-called facilitation payments. We do not provide or accept improper inducements in the course of our business dealings with others.

We ensure that our global sanctions policy is applied appropriately.

Cross Border Business

UBS adheres to the applicable laws and regulations both in countries where our clients are located and in countries from which we operate.

We require that employees understand the policies applicable to their activities when offering products or services, visiting, or otherwise soliciting business from clients outside our home jurisdictions and strictly enforce compliance with such policies.

Tax Matters

UBS complies with all applicable laws and regulations regarding tax records and tax reporting and does not provide assistance to clients in acts aimed at breaching their fiscal obligations.

Our tax reporting complies with the spirit as well as the letter of any applicable laws, regulations or treaties and to accuracy in tax-related records.

We do not provide assistance to clients or colleagues in acts aimed at deceiving tax authorities nor do we support transactions where the tax efficacy relies on assumptions that are inconsistent with the commercial facts or on non-disclosure of material facts.

Ethical and responsible behaviour

Ethical Behaviour

UBS is committed to responsible corporate conduct.

We apply high ethical standards to all our activities and decisions.

When deciding on the appropriate course of action we take into account not only compliance with laws, rules and regulations, but also whether a decision or activity is consistent with UBS's Values of Truth, Clarity and Performance.

Conflicts of Interest

UBS is committed to identifying and managing or avoiding potential conflicts of interest in its business.

We are mindful of conflicts of interest, take all reasonable steps to assist in their identification and management, and escalate concerns promptly to management or control functions as appropriate.

We owe a duty to UBS to advance its legitimate interests. We must consult line managers or Legal & Compliance if our own interests either, actually or potentially, interfere or might appear to interfere with UBS's interests.

We are committed to maintaining and operating effective organisational and administrative arrangements to identify and manage conflicts of interest.

Client Relationships

UBS is committed to building and sustaining relationships with clients built on trust.

We are focused on identifying and meeting client needs in the most effective way.

We are committed to treating our clients fairly and with integrity.

We identify and act in line with our legal and ethical responsibilities to our clients. As a fiduciary, we are committed to avoiding conflicts of interest with our customers, acting in the best interest of our customers and not inappropriately favouring one customer over another.

Information management

Disclosure and Public Communications

UBS is committed to providing public information that is timely, accurate and comprehensible.

We make fair, accurate, timely and clear disclosure in reports, documents or communications to regulatory authorities or the public in accordance with applicable legal and regulatory requirements.

Our financial disclosure is prepared in line with best practices and applicable legal and regulatory requirements.

We engage independent external auditors, safeguard the competence and independence of the Internal Audit function and comply with applicable Generally Accepted Accounting Principles and International Financial Reporting Standards.

Insider Dealing and Use of Information

UBS is committed to the proper handling of inside information.

We make every effort to understand whether or not the information we receive is material non-public information (inside information).

We share inside information with internal or external parties on a need to know basis, in strict accordance with our internal procedures and applicable laws, rules and regulations.

We do not use inside information for any purpose other than that for which it was originally given to us.

Client Confidentiality

UBS adheres to the highest standards of information security. It is committed to upholding client confidentiality and protecting client information.

We maintain the confidentiality of any information entrusted to us by our clients, except when disclosure is authorised by them or required by applicable laws, rules or regulations.

We share such information internally with appropriate discretion.

We apply due care when receiving, handling and storing this data, and adhere to pre-defined data security standards and procedures designed to prevent unauthorised access, use, modification or destruction.

The work environment

Diversity and Equal Opportunity

UBS provides equal employment and advancement opportunities for all individuals regardless of race / ethnicity, gender, national origin, age, disability, sexual orientation or religion. UBS is committed to developing and sustaining a diverse workplace.

We treat our colleagues fairly and respectfully and collaborate with them based on trust and mutual support.

We support the promotion of an inclusive culture and do not tolerate discrimination, bullying or harassment. We are encouraged to report any questions or concerns about workplace behaviour.

We respect other opinions and differences in background, perspectives and expertise.

We co-operate and collaborate with colleagues inside and outside our own area to achieve shared goals.

Protection and Proper Use of Assets

UBS is committed to protecting its assets and to ensuring their effective use.

We do not take improper advantage of the assets and proprietary information available to us in our professional roles.

We maintain the highest professional standards to ensure that intellectual property or commercially-sensitive or secret information is properly handled to protect the Firm's interests and to ensure compliance with regulatory and legal requirements.

We treat assets owned by or entrusted to UBS with care and take all reasonable steps to ensure their protection against loss, theft, damage or misuse.

We do not use UBS equipment, systems or infrastructure inappropriately for non-UBS business.

Health and Safety

UBS is committed to protecting the health and safety of employees in the workplace.

We are responsible for maintaining a safe workplace by following applicable health and safety rules and practices.

We take reasonable care of the health and safety of others. We do not interfere with or misuse things provided for the health, safety or welfare of persons at work.

Society

Protecting the Environment

UBS is committed to acting in an environmentally-responsible manner in all its business dealings.

We consider environmental risks in our businesses.

We pursue opportunities in the financial markets for environmentally-friendly products and services.

We are dedicated to improving our environmental performance and resource efficiency continuously.

We consider the environmental impact of our suppliers' business practices, products and services.

Respecting Human Rights

UBS promotes and respects human rights standards within its sphere of influence.

We respect and support human rights standards through our human resources policies and practices.

We aim to promote the responsible use of our products and services by taking human rights standards into account when vetting prospective clients and executing transactions.

We consider the business practices of significant suppliers in light of human rights standards and integrate relevant aspects into our contractual relationships with them.

Community Investment

UBS is dedicated to exerting a positive influence on the social and environmental well-being of the local communities in which it operates.

We are committed to contributing to the well-being of the local communities in which we operate.

We are encouraged to participate in a variety of charitable activities benefiting local communities.

Disciplinary measures

Violations

UBS does not tolerate violations of the Code or other internal and external policies and rules.

Violations of external as well as internal rules will not be tolerated by UBS.

Where known issues are not made transparent to management, or where employees materially fail in their duties, disciplinary action will be pursued with vigor.

Management is expected to be diligent in the exercise of their supervisory responsibilities, and any material failure in this regard will be pursued with similar vigor.

Appropriate Action

UBS will take appropriate action to address violations.

Disciplinary measures may include reprimands, warnings, demotion and dismissal.

Where a violation amounts to criminal behavior, UBS will bring such behaviour to the attention of the competent authorities.

Adherence to the Code

UBS requires its employees and Board of Directors to adhere to the spirit and letter of this Code. The Code will apply in all circumstances. Neither expedience, the wishes of clients or those of any other party are reasons for deviation from the Code. Counteracting a real or perceived competitive disadvantage is not an acceptable reason for violation of the Code nor is the opportunity to generate incremental revenues or profits.

The Code defines the way UBS does business. The Firm monitors conformity of UBS's policy framework with the principles and standards of the Code. The Code is subject to regular reviews. Employees will be notified of any modifications and additions to the Code. UBS and its Business Divisions have issued, and will issue from time to time, more specific policies, principles and procedures (including regional or local codes of conduct) to implement our fundamental values and to facilitate the application and enforcement of the Code while reflecting the specific

requirements of a particular business division, business area or jurisdiction. UBS requires its employees to certify that their actions and decisions are in compliance with the Code on an annual basis, and demonstration of behaviour consistent with the Code will constitute part of each employee's annual performance evaluation. Violations of the standards in this Code may result in disciplinary proceedings, up to and including dismissal.

All employees are encouraged to promptly report any concerns, possible ethical breaches or misconduct by other employees, consultants, clients or third party service providers. Line managers are expected to be diligent in the exercise of their supervisory responsibilities, and to appropriately escalate and report violations of laws, rules, regulations, policies, professional standards and the principles of the Code.

Legal & Compliance or other appropriate functional experts should be notified directly, or confidentially through applicable Whistleblowing procedures, in the event of any conduct that an employee reasonably believes constitutes a violation.

UBS does not allow retaliation for reports of misconduct by others that are made in good faith.



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