

Notification to investors

STRATEGY CERTIFICATE AMENDMENT

Strategy Certificates linked to the IM Emerging Markets Basket (the "Certificates") issued by UBS AG (the "Issuer"), ISIN CH0283173158

In order to avoid the potential for two levels of withholding tax relating to dividend payments on US equity securities pursuant to US Internal Revenue Code Section 871(m), the Issuer is amending the terms of the Certificates outstanding on January 1, 2017 to provide that, notwithstanding anything to the contrary contained therein, for purposes of determining the Redemption Amount, in the event a dividend is paid in respect of a U.S. equity security by the issuer of a Reference Portfolio Constituent on or after January 1, 2017, then (1) any prior terms of the Certificates requiring a reduction in the amount of any such dividend that is treated as notionally reinvested pursuant to the terms of the Certificates shall no longer be applicable to such dividend, and instead (2) for purposes of determining the amount of such dividend treated as notionally reinvested, such dividend shall be reduced by the 30% withholding tax imposed by Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended, in respect of such dividend (the "Amendment"),

This Amendment, dated, and effective to the Certificates, as of January 1, 2017, is made and entered into between all the holders of the Certificates and UBS. Pursuant to the terms of this Amendment, all holders of the Certificates are deemed to have consented and agreed to this Amendment unless they tender their Certificates to UBS for redemption on or prior to January 31, 2017. UBS is hereby obligated to redeem any such tendered Certificates.

Please find the amended Product Documentation for the Certificates on <https://www.ubs.com/keyinvest> by entering the relevant ISIN or Valoren-Number.

IN WITNESS WHEREOF the parties have executed this Amendment on the date specified above.