Research Independence

OR Taxonomy: Market Conduct

Owner/Issuer: IB Head of Compliance & Operational Risk Control

Why do we have this policy?
The purpose of this policy is to protect the independence and impartiality of the Research Department, and prevent analysts from being involved in activities that could conflict with their ability to produce objective research.

Summary of Key Requirements
The Research Department must produce investment research in an independent and objective manner. Research analysts (“analysts”) must not be biased or inappropriately influenced by the interests of any issuer, by other business areas or business divisions, by any client, or by the personal interests of the analyst.

Infringements of this policy may result in disciplinary action including dismissal
Table of Contents

Policy .................................................................................................................................................. 3
1. Purpose .......................................................................................................................................... 3
2. Scope ............................................................................................................................................. 3
3. Objectivity ....................................................................................................................................... 4
4. Independence .................................................................................................................................. 4
5. Conflicts of Interest ....................................................................................................................... 5
6. Prohibition on Promises Regarding Research or Coverage ......................................................... 6
7. Prohibition on Retaliation against Research Analysts .................................................................. 6
8. Communication Regarding Pending Research .......................................................................... 6
10. Disclosures .................................................................................................................................... 7
11. Research Department Involvement in Capital Markets Transactions ....................................... 8
12. Administrative matters .................................................................................................................. 8

Standard Information .......................................................................................................................... 9
1. Definitions and Glossary .............................................................................................................. 9
2. Waivers/Exceptions ....................................................................................................................... 9
3. Related Documents ....................................................................................................................... 10

Annex for the Implementation of the "Swiss Bankers Association Directives on the Independence of Financial Research... ......................................................... 11
Policy

1. Purpose

The purpose of this policy is to protect the independence and impartiality of the Research Department, and prevent analysts from being involved in activities that could conflict with their ability to produce objective research.

2. Scope

This policy applies to all investment research (“research”) prepared by the Global Research Department of UBS-IB (the “Research Department”). All Corporate Client Solutions¹ (“CCS”), Investor Client Services¹ (“ICS”) and Research Department¹ staff are required to abide by this policy, as well as any additional or more stringent requirements imposed by local law or regulation including the Global Procedures for Global Research (excluding US Equity Research) Interaction with CCS and Companies and the US Procedures for Equity Research Interaction with CCS and Companies.

The production of research in individual jurisdictions may be subject to additional local requirements, policies and procedures. In particular the requirements in the US, Japan, Korea and Switzerland impose additional restrictions on the activities of analysts.

Research is produced for the benefit of UBS-IB’s investing clients. The primary objectives of each analyst in the Research Department are:
- to analyse the companies, securities, commodities, financial instruments, industries, markets and countries they cover and forecast their financial and economic performance;
- as a result, to form opinions on the value and future behaviour of the securities, commodities, financial instruments and markets discussed in their analysis; and
- to convey that information to UBS-IB’s investing clients.

No other employee may produce, independently of the Research Department, anything that could reasonably be regarded by clients as research.

The Annex of this policy regarding the Implementation of the "Swiss Bankers Association Directives on the Independence of Financial Research applies only to UBS IB in Switzerland.

¹ As defined in this Policy
3. Objectivity

Research must have a reasonable basis and be balanced and objective. Analysts should not become involved in activities other than the preparation of research where such involvement is inconsistent with the maintenance of the analyst’s objectivity.

4. Independence

The Research Department produces research independently of other business areas and business divisions. No analyst may permit him/herself to be biased or inappropriately influenced by the interests of any issuer, by any client, or by the personal interests of the analyst. Research must not be used by UBS-IB to advance its own interests over those of its clients, or to advance analysts’ own interests.

Accordingly:

- CCS may not supervise or influence the compensation of any member of the Research Department. Additionally no member of the Research Department may have a direct reporting line to CCS or sales and trading staff.
- No member of CCS may participate in the review process, objective setting, promotion decisions, the annual global ranking survey or any other evaluations relating to any analysts’ compensation.
- No Research Department staff can be remunerated based on their involvement in a specific investment banking or trading transaction or contributions to investment banking services, nor should they have any specific objectives which would encourage behaviour related to prohibited activities under this policy. Incentive compensation awards will be granted at the discretion of Research Management in consultation with ICS Management as appropriate. Examples of some of the factors that may be taken into account include an analyst’s individual performance and quality of research, the correlation between an analyst’s recommendations and actual performance, overall ratings received from distribution, trading and peers, overall ratings received from clients and from independent rating services, and the market for hiring and retention of analysts. Final compensation determinations must be made by Research Management.
- The budget for the Research Department may not be influenced by CCS or by specific revenue or results derived from CCS, though revenues and results from UBS-IB as a whole may be considered in determining the Research Department budget and allocation of Research Department expenses.
- The Research Department must be physically separated from CCS personnel and others, including sales and trading personnel, who might be biased in their judgment or supervision; and each department is subject to its own Enhanced Information Barrier as per the Group Information Barriers Policy and IB Information Barrier Procedures, unless agreed by Research Management and Compliance & Operational Risk control (C&ORC) otherwise. Additionally the Research Department must be physically located to support the principle that pending research is confidential to the Research Department until publication.
- UBS-IB makes use of Information Barriers to protect the independence of its Research Department and to ensure confidentiality of information provided to UBS-IB by corporate and investing clients. For details to the extent that UBS-IB relies on Information Barriers, see the Group Information Barriers Policy (1-P-004686).
- Analysts’ attendance at CCS pitches is prohibited.
Derivatives Research

In addition to the above, analysts who publish research on Derivatives (as defined in this Policy) on behalf of UBS-IB entities that are registered with the Commodity Futures Trading Commission as futures commission merchants, introducing brokers, swap dealers or major swap participants (“UBS-IB Registered Entities”) or their affiliates are subject to the following requirements:

- A Derivative analyst may not be subject to the supervision or control of any employee of the Derivatives Sales and Trading Unit or Derivatives Clearing Unit of the UBS-IB Registered Entity, and no employee of the Derivatives Sales and Trading Unit or Derivatives Clearing Unit may have any influence or control over the evaluation or compensation of a Derivative analyst.

- Except for communicating client or customer feedback, ratings and other indicators of analysts’ performance to Research Department management, no employee of the Derivatives Sales and Trading Unit or Derivatives Clearing Unit may influence the review or approval of a Derivative analyst’s compensation. The analysts’ contribution to the UBS-IB Registered Entity’s Derivatives Sales and Trading Unit or Derivatives Clearing Unit may not be considered in reviewing or approving compensation. For further details see the CFTC Derivatives Research Conflicts of Interest Procedures (5-P-004361)

- Non-research personnel must not direct an analyst’s decision to publish a Derivatives Research Report, and non-research personnel must not direct the views and opinions expressed in a Derivatives Research Report. Subject to the policies and procedures listed in the Standard Information section, analysts may be permitted to interact with CCS and other business areas of UBS-IB and, at the discretion of Research Management, UBS-IB may use an analyst’s knowledge and information to provide ideas to trading or sales staff and to provide information and advice to UBS-IB’s investment clients.

5. Conflicts of Interest

UBS is committed to identifying and managing conflicts of interest appropriately to ensure fair treatment of its clients, whilst recognizing that conflicts of interest are inherent to our business and cannot always be avoided at all costs. UBS recognizes that a variety of means may be used to manage actual or potential conflicts of interest. These include, but are not limited to, disclosure of actual or potential conflicts of interest to clients, measures to achieve separation and independence of potentially conflicting business or, in some circumstances, UBS declining to act or restricting its own activities (see Group Policy on Conflicts of Interest).

UBS has a Group Policy on Personal Investment, the purpose of which is to:
- Enable UBS and its employees to avoid the appearance of impropriety;
- Identify and avoid employee-related conflicts of interest
- Protect UBS’s reputation;

2 A list of UBS-IB Registered Entities can be obtained from Compliance & Operational Risk Control
6. Prohibition on Promises Regarding Research or Coverage

The Research Department provides research independent of the other business areas and groups of UBS-IB. Accordingly, no one in UBS-IB, including but not limited to CCS, may directly or indirectly promise or otherwise offer favourable research by the Research Department, a specific rating or price target or threaten to withdraw coverage, change research, a rating or a price target as a means of obtaining business or compensation from an issuer or a client.

Analysts and other staff involved in the production of research must not accept any inducement offered to them to provide biased research coverage or to offer a specific rating or price target on any security. If any such inducement is offered, Research Management and C&ORC must be informed immediately.

Decisions regarding companies on which the Research Department will provide research coverage, including decisions regarding termination of coverage, reside solely with Research Management.

7. Prohibition on Retaliation against Research Analysts

UBS-IB, including CCS, may not, directly or indirectly, retaliate against or threaten to retaliate against a Research analyst as a result of an adverse, negative or otherwise unfavourable Research report or public appearance made by the analyst that may adversely affect the Firm’s present or prospective business interests with the subject company. UBS-IB personnel, including CCS, cannot influence or seek to influence the content of a Research report or the activities of analysts for the purpose of obtaining or retaining investment banking business. Any such attempts must be reported immediately to Legal or C&ORC.

8. Communication Regarding Pending Research

CCS and Research Department staff are prohibited from all communications regarding pending research reports (other than investor education related reports governed by the Global Procedures for Investor Education Research outside of the US, or agreed coverage initiation plans) except in exceptional circumstances and then only at the discretion of Research Management and subject to information barrier crossings as required under the Information Barrier Procedures. If permitted by Research Management and local regulations, an analyst may provide a draft
9. Means and Timing of Distribution of Research

Research is deemed widely distributed once released on NEO, UBS’s Client Portal.

New opinions, forecasts or ratings produced by the Research Department are confidential, and will remain confidential to that department until published. Proposed material changes to opinions, forecasts or ratings must not be discussed outside the Research Department in advance of general distribution.

In certain circumstances regulatory requirements, market practice and/or the involvement of another part of UBS-IB in a corporate transaction may mean that publication of research on a certain security may be restricted or limited, for example by the use of blackout periods.

For further information in regard to the distribution of research, see the policies and procedures listed in the Standard Information section.

10. Disclosures

UBS-IB research contains certain disclosures as required by various regulatory requirements. These disclosures include, but are not limited to, a definition of the UBS-IB rating system, significant holdings (if any) of UBS-IB, holdings of the analyst or connected persons in the securities, commodities or other financial instruments which are the subject of the research, whether UBS-IB is acting or has acted in investment banking and capital markets activities for the issuer of the securities which are the subject of the research and any other material conflicts.

UBS-IB research disclosures also include, where applicable, any other material conflict of interest of the analyst, supervisory analyst or research management known at the time of publication or distribution of a research report.

Additionally, UBS has record retention procedures designed to meet global regulatory requirements as well as procedures for submission of copies of research reports to various regulatory entities as required.
11. Research Department Involvement in Capital Markets Transactions

Provided always that such communications are consistent with conversations analysts might have with UBS-IB’s investor clients and subject to the policies and procedures listed in the Standard Information section, analysts may (i) communicate to CCS their views regarding market/industry trends, conditions or developments, or the impact of a particular company event (such as an earnings release), and (ii) discuss with CCS their current published views about a specific company.

Analysts must not attend CCS pitches or be used to solicit CCS business. Analysts are generally prohibited from the preparation of or participation in pitches and deal-related roadshows except on an exceptional basis and only as permitted by local regulations and practice, in which case Research Management must take steps to ensure that analyst independence is maintained. Analysts may however attend or listen to widely attended company roadshows on a “listen only” basis provided that they are not actively participating in and/or involved in the planning of the roadshow.

CCS personnel are prohibited from directly or indirectly directing analysts to engage in sales or marketing efforts related to investment banking transactions. CCS personnel are also prohibited from directing analysts to engage in any communication with a current or prospective client about an investment banking transaction.

If authorised by Research Management, analysts may conduct vetting visits and due diligence on a company independently of CCS. When on a vetting visit, the analyst may discuss his/her credentials, his/her views on the company’s industry or sector, his/her published views on other companies in that sector and how the analyst would position the subject company in that sector. In “cross border” situations where a U.S. Research Analyst is involved; where a non-U.S. issuer is considering a U.S. listing; and/or where a U.S. company is considering an offshore listing, more stringent procedures apply in the pre-mandate vetting of a proposed investment banking transaction, as outlined in the Supplementary Vetting Procedures for Equity Research Interaction with CCS and Companies (Global). Neither the analyst nor any CCS staff may discuss or promise specific ratings, price targets or estimates. An analyst may provide feedback to CCS on his/her views on the company following such visits. Analysts may also produce new issue research and undertake investor education (subject to local regulations).

12. Administrative matters

This global policy is supported by detailed policies and procedures and, as noted, these may be more restrictive in some jurisdictions. This policy will be updated as appropriate for changes in organisational structure and regulatory requirements. Amendments to supplemental documents associated with this policy on POLO should be approved by the relevant Global Head of Research (or delegate) or appropriate management committee.
1. Definitions and Glossary

“Derivative” means any commodity or securities future, any swap including certain broad-based security index swaps, and any retail commodity or FX agreement. It does not include options on a security or security index subject to U.S. securities regulation and swaps on a single stock or narrow based security index (i.e. less then 10 referenced securities).

“Derivatives Clearing Unit” This term has the meaning set out in the Global Policy on Clearing Unit Independence 5-P- 004426.

“Derivatives Research Report” means any written or electronic communication that (i) includes an analysis of the price or market for any Derivative; and (ii) provides information reasonably sufficient upon which to base a decision to enter into a Derivatives transaction; and (iii) is distributed to 15 or more persons.

“Derivatives Sales and Trading Unit” This term has the meaning set out in the Global Policy on Clearing Unit Independence 5-P-004426.

Corporate Client Solutions (“CCS”). For the purposes of this Policy CCS includes client coverage and advisory (“CCS”), Equity Capital Markets (“ECM”), Debt Capital Markets (“DCM”), Leveraged Capital Markets (“LCM”), Special Situations Group (“SSG”), Corporate Lending and any other private-side CCS business that primarily engages in investment banking activities.

“Research Department” includes the Equity and Fixed Income Research Department, Macro Research Department, including credit analysts with both issuer specific and sector coverage, equity strategists, fixed income strategists, currency strategists, economists, technical/quantitative equity analysts and Research Management.

Investor Client Services (“ICS”). For purposes of this Policy “ICS” includes all Equity and FX (including Precious Metals) / Rates and Credit departments, excluding Global Research.

“UBS-IB” refers to UBS Investment Bank.

“UBS-IB Registered Entities” has the meaning given to it in section 4 of this Policy.

2. Waivers/Exceptions

Research Management, in consultation with Legal and/or C&ORC, may grant exceptions to this policy on a case-by-case basis for local legal and/or regulatory requirements and/or local market practices.
3. Related Documents

This Policy must be read in conjunction with the following where appropriate:

**Research**

<table>
<thead>
<tr>
<th>POLO ID</th>
<th>Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-S-002186</td>
<td>US Procedures for Equity Research Interaction with CCS and Companies</td>
</tr>
<tr>
<td>5-S-002169</td>
<td>Global Procedures for Global Research (excluding US Equity Research)</td>
</tr>
<tr>
<td></td>
<td>Interaction with CCS and Companies</td>
</tr>
<tr>
<td>5-S-004361</td>
<td>CFTC Derivatives Research Conflicts of Interest Procedures</td>
</tr>
<tr>
<td>5-S-002923</td>
<td>Global Procedures for Investor Education Research outside of the US</td>
</tr>
</tbody>
</table>

**Communications**

<table>
<thead>
<tr>
<th>POLO ID</th>
<th>Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-S-002897</td>
<td>Equities and FX, Rates &amp; Credit (FRC) Global Communication Guidelines</td>
</tr>
</tbody>
</table>

**General Policies for Management of Conflicts of Interest**

<table>
<thead>
<tr>
<th>POLO ID</th>
<th>Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-P-001296</td>
<td>Group Policy on Conflicts of Interest</td>
</tr>
<tr>
<td>1-S-002308</td>
<td>MiFD Policy on Conflicts of Interest (EEA)</td>
</tr>
<tr>
<td>1-P-001056</td>
<td>Gifts and Business Entertainment Policy</td>
</tr>
<tr>
<td>1-P-000359</td>
<td>Global Policy on Personal Investment</td>
</tr>
<tr>
<td>5-P-004426</td>
<td>UBS-IB Global Policy on Derivatives Clearing Unit Independence</td>
</tr>
<tr>
<td>1-P-004686</td>
<td>Group Information Barriers Policy</td>
</tr>
<tr>
<td>5-S-002184</td>
<td>UBS-IB Global Grey and Restricted List Procedures</td>
</tr>
</tbody>
</table>

Note that for purposes of MiFID, this policy shall constitute part of the MiFD Policy on Conflicts of Interest (EEA) (1-S-002308).

Scope

This Annex for the Implementation of the "Swiss Bankers Association Directives on the Independence of Financial Research applies to UBS IB in Switzerland. UBS must not abuse their branches and group companies outside of Switzerland to avoid the Directives. Hence the Directives do not apply to branches and group companies outside of Switzerland. UBS may not move its financial analysis outside of Switzerland to a jurisdiction with no or less strict regulations than in force in Switzerland.

The Directives apply to all research destined for external distribution, e.g. buy-side and sell-side research. In addition the Directives apply to analysts who conduct primary and secondary research. Furthermore they apply to both equity and fixed income analysts and include chart analysis only if organizationally the chart analysis forms part of the research department (see SBA Circular 7258).

Investment and financial recommendations for bank-internal purposes only, that are not provided to clients or made accessible to a broader public (e.g. publication on intranet or internet sites) do not fall within the scope of application of the Directives.

Background

On 1 January 2008 the Swiss Bankers Association (SBA) issued revised Directives on the Independence of Financial Research (“the Directives”) which became effective on 1 July 2008. The Directives have been approved by the Swiss Financial Market Supervisory Authority FINMA (previously Federal Banking Commission (EBK)), i.e. the Swiss regulator.

The Directives have been issued with a view to ensuring the independence of financial research. One of the key aims is to avoid or limit any actual or potential conflicts of interest associated with the preparation of financial research reports. They also aim to create transparency and to ensure that the recipients of financial research are treated equally. Those who make investment decisions based in part on the recommendations made by financial analysts should be able to rely on the principle that those analysts have conducted their research objectively, in good faith and with due diligence. If despite adherence to the Directives, conflicts of interest for UBS Investment Bank’s (the “IB”) financial research activities cannot be avoided or appropriately managed, IB respectively must forgo the publication of financial research reports on the company in question.

The ultimate objective of the Directives is to maintain and enhance the reputation of the financial research produced by the Swiss financial services industry and the reputation of Switzerland as a financial center, by sustaining and strengthening investor confidence in the efficient operation of the Swiss Capital Market. The below procedures outline the implementation of the Directives within UBS. These procedures supplement existing policies and procedures and are intended to preserve the integrity of research. Any additional or more stringent requirements imposed by global policies or procedures must be also complied with at all times.
Procedures

As used herein, the term "CCS" refers to all IB personnel engaged principally in the Investment Banking activities including CCS and the new issues departments ECMG and DCMG. For the purposes of this document, "CCS" shall encompass all of the aforementioned groups.

General Provisions

Please note: "No." refers to the corresponding Marginal Note of the "Swiss Bankers Association Directives on the Independence of Financial Research"

<table>
<thead>
<tr>
<th>No.</th>
<th>Directives Text</th>
<th>Implementation in UBS Policies and Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Financial analyst within the meaning of these guidelines means employees who are engaged in compiling and producing the bank's research reports destined for external publication.</td>
<td>According to the Policy, no other employee apart from analysts may produce, independently of the Research Department, anything that could reasonably be regarded by clients as research. &quot;Empfehlungslisten&quot; or lists of recommendations which are issued by persons or departments which do not form part of a research department are not subject to the Directives. Such publications need to bear a text along the lines as recommended by the Swiss Bankers Association in their Circular 7258.</td>
</tr>
</tbody>
</table>

Principles for internal organization

Relationship with new issues department and investment banking

<table>
<thead>
<tr>
<th>No.</th>
<th>Directives Text</th>
<th>Implementation in UBS Policies and Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>In all published research reports, the bank must disclose whether during the preceding 12 months it participated in any issue of securities on behalf of the company being researched. Consulting/advisory mandates are also deemed to be a participation in an issue of securities.</td>
<td>C&amp;ORC must update DMART accordingly.</td>
</tr>
</tbody>
</table>
## Relationship with securities trading (including proprietary trading) and sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Directives Text</th>
<th>Implementation in UBS Policies and Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Remuneration paid to financial analysts must not be dependent upon the performance (revenues or performance target) of one or more specific transactions of securities trading/sales.</td>
<td>The remuneration of UBS IB analysts may not be linked to a specific securities trading/sales transaction.</td>
</tr>
<tr>
<td>13</td>
<td>If the remuneration is based generally upon the performance of securities trading/sales, this must be disclosed in research reports. Research is prohibited from making unfounded buy and sell recommendations in the interests of securities trading/sales. Proprietary trading may also not optimize their positions with the improper assistance of analysts.</td>
<td>The remuneration of UBS IB analysts may not be based directly on the Equities or FICC business performance. However, the remuneration may relate to the revenues or results of UBS as a whole. The remuneration of research analysts is based on quantifiable measures of the quality and accuracy of the analyst's research and analysis, including his or her ratings and price targets respectively, credit ratings and recommendations. Final compensation determinations must be made by Research Management (see also Global Policy on Research Independence (5-P-000341). The independence and integrity of financial analysts as well as the clearance and distribution of research reports is covered for IB by the Global Policy on Research Independence (5-P-000341).</td>
</tr>
</tbody>
</table>

---

## Equity participations held by the bank

<table>
<thead>
<tr>
<th>No.</th>
<th>Directives Text</th>
<th>Implementation in UBS Policies and Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>If a bank holds more than 50% of the voting rights of a listed company, the bank may not include any such companies in any of its own research.</td>
<td>Prior to initiating coverage of a stock, research analysts must check whether UBS holds more than 50% of the voting rights of the respective company. If UBS holds more than 50% of the voting rights, Research must refrain from publishing any research reports or recommendations on this company.</td>
</tr>
<tr>
<td>19</td>
<td>If a bank holds a percentage of the voting rights of a listed company equal to or greater than the threshold values set out in Article 20 of the Stock Exchange Act, any report or recommendation relating to such company must disclose the percentage of voting rights held by the bank prior to publication of the report or recommendation.</td>
<td>C&amp;ORC must add a respective disclosure statement in DMART if UBS holds a percentage of the voting rights of a listed company equal to or greater than the threshold values set out in Article 20 of the Stock Exchange Act as of the end of the preceding month.</td>
</tr>
</tbody>
</table>
## Principles for external relationships

### Relationship with bank clients

<table>
<thead>
<tr>
<th>No.</th>
<th>Directives Text</th>
<th>Implementation in UBS Policies and Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Any other potential conflicts of interest must be disclosed in any publication of research reports, unless the bank chooses not to prepare such reports.</td>
<td>Any material potential conflict of interest known to UBS prior to the publication of a research report must be disclosed in the report. C&amp;ORC must add a respective disclosure statement in DMART See Global Policy on Research Independence (5-P-000341). If a conflict of interest for UBS research activities cannot be avoided or satisfactorily resolved UBS must forgo publication of research and recommendations on the company in question. See also Group Policy on Conflicts of Interest (1-P-001296), Group Policy on Client related Conflicts of Interest (1-P-001296) and CFTC Derivatives Research Conflicts of Interest Procedures (5-S-004361).</td>
</tr>
<tr>
<td>21</td>
<td>Proprietary securities (including derivatives), and those of companies that belong to the same group, are not to be included by banks in published recommendations or reports.</td>
<td>UBS is prohibited from publishing research reports or recommendations on UBS, its affiliates or subsidiaries.</td>
</tr>
</tbody>
</table>
Relationship with companies being researched

<table>
<thead>
<tr>
<th>No.</th>
<th>Directives Text</th>
<th>Implementation in UBS Policies and Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>As a rule, a company shall not disclose to individual analysts any kind of material non-public information. If an analyst nevertheless receives such information in the course of his/her activity, he/she shall decide in consultation with C&amp;ORC how to proceed, in particular on whether to disclose the information or not.</td>
<td>The analyst must notify C&amp;ORC and together they will decide on a case-by-case basis on how to proceed, in particular, on whether to refrain from publishing research.</td>
</tr>
<tr>
<td>24</td>
<td>Any bank involved in an initial public offering (IPO) or a secondary public offering (SPO) as a manager or co-manager may not publish any new reports on the company in question or provide any new recommendation for a period of 40 and 10 calendar days respectively following the first day of trading. By way of exception, the period of 40 and 10 calendar days respectively may be shortened with the consent of the C&amp;ORC unit.</td>
<td>Through the GLS C&amp;ORC must ensure that the quiet periods of 40 days for IPOs respectively 10 days for SPOs are adhered to. By way of exception, C&amp;ORC may consider approving to shorten the 40 or 10 days deadline, if there is some significant news or a significant event relating to the company in question to be passed on in the interests of investors.</td>
</tr>
<tr>
<td>Page</td>
<td>Content</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Any perusal of information by the company to be evaluated prior to publication of the results may only be for the purpose of checking facts. The company may not be notified of the investment summary, rating or price target in advance. A complete draft of the research report must be provided to the C&amp;ORC unit before the company may be provided with facts from the research report. In the event that a financial analyst wishes to subsequently change the rating or price target, he must provide written reasons for this, document the change, and obtain approval from the C&amp;ORC unit. The analyst will determine whether excerpts (&quot;Redacted Draft Report&quot; - without research summary, rating and price target) of unpublished research reports should be sent to the issuer for factual verification. When an analyst intends to provide a Redacted Draft Report to the subject company for factual verification, the analyst must receive prior approval from Research Management (see ‘Global Procedures for Global Securities Research (excluding US Equity Research) Interaction with CCS and Companies (5-S-002169)) and provide a copy of the Redacted Draft Report and the complete draft report to C&amp;ORC prior to sending the Redacted Draft Report to the company. Such reports must be emailed to OL-compliance-competencecentre-CH. When the analyst desires to change a rating or price target after providing the company with the Redacted Draft Report and after obtaining Equity respectively Credit Research Management and C&amp;ORC approval, the analyst must submit a copy of the written justification for the change and a complete copy of the revised report to C&amp;ORC. Such approvals shall be in writing. It is the responsibility of the analysts to maintain records of emails requests and attachments, the Redacted and complete draft reports, written justifications, revised reports, all relevant approvals and a note of any comments received from the company.</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>A financial analyst may notify the company to be evaluated about any rating change one day prior to publication of the research report, but only after the close of trading on the stock exchange where the company in question is listed. Research analysts are prohibited from communicating with persons outside the Securities Research Barrier regarding pending research reports. Therefore research analysts are prohibited to inform companies to be evaluated about a forthcoming rating or price target change.</td>
<td></td>
</tr>
</tbody>
</table>
28 Analysts may not accept any privileges, gifts or any other favours from the company being analysed where the value of such privileges, gifts or favours exceeds that of normal occasional gifts. If the analyst is unclear whether privileges, gifts or favours may be accepted, he or she should consult with C&ORC.

In addition, any costs that are directly or indirectly related to a research report are to be paid in all cases by the employer of the analyst, i.e. the bank.

Giving or accepting gifts is covered by the group-wide Gifts and Business Entertainment Policy (1-P-001056) which is directly binding all UBS employees in all Business Groups. According to the policy, no gifts should be given or accepted above the monetary threshold of CHF 200 without line management and C&ORC approval.

All costs that are directly or indirectly related to a research report, such as costs of travel and accommodation for financial analysts, must be paid by UBS IB and not by the company.

Proprietary trading by financial analysts

<table>
<thead>
<tr>
<th>No.</th>
<th>Directives Text</th>
<th>Implementation in UBS Policies and Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>A financial analyst may not acquire for his/her own account any securities which he/she researches. Should the analyst wish to continue to hold securities already in his/her possession, the analyst must declare in the research report about the relevant company that he/she owns securities in this company. Any sale of securities in companies which the financial analyst has researched is only possible with the consent of the C&amp;ORC unit.</td>
<td>All Equity and Credit Research personnel are subject to the Global Policy on Personal Investment (1-P-000359). Among other requirements/prohibitions set forth therein, analysts and related support staff are prohibited from executing transactions in researched/covered securities and derivatives of those securities.</td>
</tr>
<tr>
<td>30</td>
<td>If an analyst holds an executive function, or has any other significant influence in the company to be researched, he/she may not prepare any research reports on the company.</td>
<td>UBS must not publish research when an analyst has significant influence in the company to be researched (e.g. executive function).</td>
</tr>
</tbody>
</table>

4. Concluding provisions

UBS must publish the basic methodology used for its research (the aim, scope and methodology of our research) in a generally accessible and regularly updated form and must use clear and understandable language when formulating financial recommendations and ratings. Such disclosures are added at the end of UBS IB’s research reports.
5. Review

Internal audit must review compliance with this Annex on a periodic basis.