

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW.

PRICING SUPPLEMENT

The Pricing Supplement dated 05 May 2017.

**UBS AG,
acting through its London branch**

Issue of GBP 1,000,000 Notes linked to Quadrans Capital Ltd Class 106 Preference Shares due 2023 (the "Notes") under the Euro Note Programme

PART A – CONTRACTUAL TERMS

The Base Listing Particulars referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (as defined below) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Listing Particulars dated 22 June 2016 which constitutes a base listing particulars for the purposes of admission to trading on the Luxembourg Stock Exchange's Euro MTF Market. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with such Base Listing Particulars.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of this Pricing Supplement and the Base Listing Particulars. The Base Listing Particulars is available for viewing at www.ise.ie and copies may be obtained from the offices of the Paying Agents, The Bank of New York Mellon, acting through its London Branch, One Canada Square, London E14 5AL, The Bank of New York Mellon (Luxembourg) S.A., Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg and The Bank of New York Mellon SA/NV Dublin Branch, 4th Floor, Hanover Building, Windmill Lane, Dublin 2, Ireland

An investment in the Notes involves certain risks. Noteholders should read and understand the risk factors in the Base Listing Particulars. Noteholders should understand that such risk factors are not exhaustive.

The Notes have not and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States and are being offered and sold outside the United States to non-US persons (as such terms are defined

in Regulation S under the Securities Act (“**Regulation S**”)) in reliance on the exemption from registration provided pursuant to Regulation S. The Notes (a) may not be offered, sold or otherwise transferred within the United States or to the account of any US Person (as defined in Regulation S under the Securities Act) and (b) may be offered, sold or otherwise transferred only to transferees that are Non-United States Persons (as defined by the Commodity Futures Trading Commission). Notes sold in reliance on Regulation S will initially be represented by one or more permanent global notes in registered form without interest coupons (each, a “**Regulation S Global Note**”), deposited with or on behalf of a common depository for Euroclear or Clearstream. Beneficial interests in a Regulation S Global Note may be held only through Euroclear or Clearstream, except in the limited circumstances described in the Base Listing Particulars. Investors may hold their interests in a Regulation S Global Note directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations which are participants in such systems.

Issue Price and Commissions

The Issue Price in respect of the Notes may not be an accurate reflection of the market value of the Notes as at the Issue Date. The price at which the Notes may be sold in secondary market transactions may be lower or higher than the Issue Price. In particular, the Issue Price in respect of the Notes may take into account, amongst other things, any commissions, fees or other compensation payable in connection with the Notes. More generally, fees and commissions may be paid to third parties in respect of the Notes – further details can be requested from the Issuer.

No Secondary Market

No secondary market for the Notes currently exists, nor is one likely to develop. Noteholders should have the ability and intent to hold the Notes until their Maturity Date. It is the current practice (but not the legal obligation) of UBS AG and/or its affiliates (“**UBS**”), in respect of notes for which UBS is the Arranger, to quote on request a live price, which it might pay/charge for early termination of any note of this type that it issues. A live unwind price may be affected by, amongst other things, then-current market conditions, including but not limited to, liquidity and market standard denomination. UBS is under no obligation to hold a price quoted for any length of time unless this is agreed at the time of giving the quote.

1. Issuer: UBS AG, acting through its London branch
2.
 - (i) Series Number: 15278/17
 - (ii) Tranche Number: 1
 - (iii) Date on which the Notes become fungible: Not Applicable
3. Currency or Currencies/Specified Currency: Pounds Sterling ("**GBP**")
4. Aggregate Nominal Amount:
 - (i) Series: GBP 1,000,000
 - (ii) Tranche: GBP 1,000,000
5.
 - (i) Issue Price: 100 per cent. of the Aggregate Nominal Amount
 - (ii) Issue Price per Note: GBP 1,000
6.
 - (i) Specified Denominations: Registered Notes
GBP 150,000 and integral multiples of GBP 1,000 in excess thereof.

No Notes in definitive form will be issued with a denomination below the minimum Specified Denomination.

A Noteholder who holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a nominal amount of Notes such that its holding amounts to the minimum Specified Denomination.
 - (ii) Calculation Amount: GBP 1,000
 - (iii) Calculation Agent: UBS AG, London Branch
7.
 - (i) Issue Date: 05 May 2017
 - (ii) Interest Commencement Date: Not Applicable
8. Maturity Date: 2 (two) Business Days following the Final Valuation Date. The Maturity Date is scheduled to be 08 May 2023.
9. Interest Basis: The Notes do not bear interest.
10. Redemption/Payment Basis: Other: Preference Share Linked Redemption (see

		Schedule 1)
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	Status of the Notes:	Senior
14.	Date Board approval for issuance of Notes obtained:	Not Applicable
15.	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions:	Not Applicable
17.	Floating Rate Note Provisions:	Not Applicable
18.	Zero Coupon Note Provisions:	Not Applicable
19.	Index/Credit-Linked Note Provisions:	Not Applicable
20.	Dual Currency Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	Redemption Amount:	See Schedule 1
22.	Redemption at the option of the Issuer:	Not Applicable
23.	Redemption at the option of the Noteholder(s):	Not Applicable
24.	Tax Redemption Amount:	If the Notes are redeemed as a result of the Issuer being required to pay Additional Amounts then the Tax Redemption Amount will be an amount equal to the Early Redemption Amount.
25.	Optional Redemption Amount:	Not Applicable
26.	Optional Redemption Date:	Not Applicable
27.	Notice period for notice to the Noteholders in the case of redemption at the option of the Issuer:	Not Applicable
28.	Notice period for redemption at the option of the Noteholders:	Not Applicable
29.	Minimum/Higher Redemption Amount:	Not Applicable
30.	Other Redemption details:	See Schedule 1.
31.	Final Redemption Amount of each Note:	The Redemption Amount

- | | | |
|-----|--|-----------------|
| 32. | Early Redemption Amount: | See Schedule 1. |
| | Early Redemption Amount(s) of each Note payable on event of default or other early redemption and/or the method of calculating the same: | See Schedule 1. |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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|-----|---|---|
| 33. | Form of Notes: | Registered Notes

Unrestricted Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg. |
| 34. | New Global Note: | No |
| 35. | New Safekeeping Structure: | Not Applicable |
| 36. | Business Days: | London

Pounds Sterling |
| 37. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | Not Applicable |
| 38. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 39. | Redenomination applicable: | No |
| 40. | Exchangeability applicable: | No |
| 41. | Other final terms or special conditions: | See Schedule 1. |

LISTING AND ADMISSION TO TRADING APPLICATION

This Pricing Supplement comprises the final terms required for the Notes described herein to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange pursuant to the Euro Note Programme of UBS AG.

GOVERNING LAW

English law

PLACE OF JURISDICTION

England

Signed on behalf of the Issuer:

By:

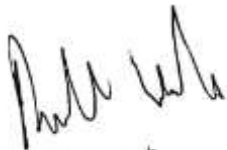
Duly authorised

By:

Duly authorised



Thomas Shaw
Executive Director
Sales & Trading Legal



Richard Lamb
Executive Director
Sales & Trading Legal

PART B – OTHER INFORMATION

1. LISTING

- | | |
|----------------------------|--|
| (i) Listing | Euro MTF Market of the Luxembourg Stock Exchange |
| (ii) Admission to trading: | Application has been made for the Notes to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange with effect from the Issue Date. |
| | No guarantee is given that the Notes will be listed and admitted to trading on the Issue Date. |

2. RATINGS

Ratings: The Notes to be issued have not been rated.

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

“Save as discussed in “Subscription and Sale” in the Base Listing Particulars, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”

4. DISTRIBUTION

If syndicated, names and address of Managers and underwriting commitments	Not Applicable
If non-syndicated, name and address of Purchaser:	UBS Limited, 5 Broadgate, London EC2M 2QS, United Kingdom
Total commission and concession:	Not Applicable
U.S. Selling Restrictions:	Reg. S Compliance Category 2. TEFRA Not Applicable
Additional Selling Restrictions:	Not Applicable

5. RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

6. OPERATIONAL INFORMATION

ISIN Code:	XS1589510889
Common Code:	158951088
Intended to be held in a manner which would allow	No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the

Eurosystem eligibility:	Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper). Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.
Any clearing system(s) and the relevant identification number(s) (if applicable):	Euroclear Bank S.A/N.V., Clearstream Banking Société Anonyme, Luxembourg.
Delivery:	Delivery against payment
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable

SCHEDULE 1

Terms used in this Schedule 1 and not otherwise defined have the meaning given in Paragraph 4 (Definitions) below.

Investors should review the terms and conditions of the relevant series of Preference Shares (the "**Terms of the Preference Shares**") and consult with their own professional advisors if they consider it necessary. The Terms of the Preference Shares are available from the Issuer, upon written request against such proof of Noteholder or prospective Noteholder status as the Issuer may require.

1. Redemption Amount

Provided that the Notes have not previously been redeemed or purchased and cancelled, a Redemption Amount in respect of each Note of a nominal amount equal to the Calculation Amount will be payable on the Maturity Date and will be equal to the amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Issue Price per Note} \times (\text{Final Share Price})/(\text{Initial Share Price})$$

2. Mandatory Early Redemption following a Mandatory Early Redemption Event

Provided that the Notes have not previously been redeemed or purchased and cancelled, if a Mandatory Early Redemption Event occurs, the Issuer will redeem the Notes early on the Mandatory Early Redemption Date at the Early Redemption Amount calculated in accordance with Paragraph 3 (*Early Redemption Amount*) below.

3. Early Redemption Amount

Condition 7(i)(ii) will apply and the Early Redemption Amount will, in respect of each Note of a nominal amount equal to the Calculation Amount, be calculated as an amount in GBP determined by reference to the percentage change in the value of the Preference Shares in accordance with the following formula:

$$\text{Issue Price per Note} \times (\text{Final Share Price})/(\text{Initial Share Price})$$

4. Definitions

"**Final Share Price**" means in respect of each Preference Share:

- (a) for the purposes of determining the Redemption Amount, the value of each Preference Share on the Final Valuation Date; and
- (b) for the purposes of determining the Early Redemption Amount, the value of each Preference Share on the Preference Share Early Redemption Date,

in each case, as determined by the Calculation Agent.

"**Final Valuation Date**" means the maturity date specified in the Terms of the Preference Shares for payment of the Preference Share final redemption amount (as such date may be adjusted in accordance with the Terms of the Preference Shares).

"Initial Share Price" means the value of each Preference Share on the Issue Date, as determined by the Calculation Agent.

"Mandatory Early Redemption Date" means the day that is 2 (two) Business Days following the Preference Share Early Redemption Date.

"Mandatory Early Redemption Event" means an event that will be deemed to occur if the Calculation Agent determines that all of the Preference Shares are due to be redeemed prior to their scheduled maturity in accordance with the Terms of the Preference Shares (whether as a result of a mandatory redemption event, an early redemption event, an extraordinary event redemption or otherwise as set out therein).

"Preference Share Early Redemption Date" means the actual date on which all of the Preference Shares are redeemed prior to their scheduled maturity date in accordance with the Terms of the Preference Shares (whether as a result of a mandatory early redemption event, an early redemption event, an extraordinary event redemption or otherwise as set out therein).

"Preference Shares" means the Quadrans Capital Ltd Class 106 Preference Shares.

SCHEDULE 2

RISK FACTORS

Notes linked to Index-linked Preference Shares are debt securities which do not provide for predetermined redemption amounts but amounts due in respect of principal will be dependent upon the performance of the relevant Preference Shares and as a consequence the performance of the index to which the Preference Shares are linked (as described in the terms and conditions of the Preference Shares), which may itself contain substantial credit, interest rate or other risks. The redemption amount, if any, payable by the Issuer may be substantially less than the Issue Price, or as the case may be, the purchase price invested by the Noteholder and may even be zero in which case the Noteholder may lose his entire investment.

Notes linked to Index Linked Preference Shares are not in any way sponsored, endorsed, sold or promoted by either the issuer of the Preference Shares or the sponsor of the relevant index or the respective licensor of the index and such issuer, sponsor or licensor makes no representation or warranty whatsoever, express or implied, either as to the future performance of the Preference Shares, the results to be obtained from the use of the index and/or the figure or level at which the index stands at any particular time. Each index is determined, composed and calculated by its respective index sponsor or licensor, without regard to the Issuer or the Notes. None of the relevant index sponsor or sponsors or licensors or the issuer of the Preference Shares is responsible for or has participated in the determination of the timing of, prices for or quantities of the Notes to be issued or in determination or calculation of the equation by which the Notes settle into cash.

None of the relevant index sponsor or sponsors or licensors has any obligation or liability in connection with the administration, marketing or trading of the Notes, or has any responsibility for any calculation agency adjustment made in accordance with the Conditions.

The issuer of the Preference Shares does not assume any obligation to take the interests of the Issuer or those of the Noteholders into consideration for any reason and such issuer will not receive any of the proceeds of the offering of the Notes made hereby. The investment in the Notes does not result in any right to receive information from the issuer of the Preference Shares, to exercise voting or equivalent rights or to receive distributions of any kind with respect to the Preference Shares.

The relevant index sponsor or sponsors may have discretion to make adjustments to the composition of the indices or to how the official closing level is calculated. Investors should consult the rules or guidance to the indices published by the index sponsors

Early Redemption as a consequence of the UK Hybrid Tax Rules

At a meeting in Paris on 29 May 2013, the Organisation for Economic Co-operation and Development (“**OECD**”) Council at Ministerial Level adopted a declaration on base erosion and profit shifting urging the OECD’s Committee on Fiscal Affairs to develop an action plan to address base erosion and profit shifting in a comprehensive manner. In July 2013, the OECD launched an Action Plan on Base Erosion and Profit Shifting (“**BEPS**”), identifying fifteen specific actions to achieve this. Subsequently, the OECD published discussion papers and held public consultations in relation to those actions, also publishing interim reports, analyses and sets of recommendations in September 2014 for seven of the actions. On 5 October 2015, the OECD published final reports, analyses and sets of recommendations for all of the fifteen actions it identified as part of its Action Plan, which G20 finance ministers then endorsed during a meeting on 8 October 2015 in Lima, Peru (the “**Final Report**”). The Final Report was endorsed by G20 Leaders during their annual

summit on 15-16 November 2015 in Antalya, Turkey.

The focus of one of the actions (Action 2) is to neutralise the effect of hybrid mismatch arrangements. The Final Report recommends rules to address mismatches in tax outcomes where they arise in respect of payments made under a hybrid financial instrument. The recommendations take the form of linking rules that apply automatically and align the tax treatment of an instrument for its holder with the treatment for its issuer. The Final Report in particular recommends that countries do not grant a dividend exemption or equivalent tax relief to holders of hybrid financial instruments for payments that are treated as deductible by the issuer.

Finance Act 2016 has incorporated the OECD's recommendations into United Kingdom domestic law. The new rules can now be found at Part 6A of the Taxation (International and Other Provisions) Act 2010, and take effect from 1 January 2017. HM Revenue & Customs have published draft guidance that states that the United Kingdom hybrid rules should not apply to excluded indexed securities because any mismatch arises from the unilateral relief afforded by the specific tax rules governing the tax treatment of excluded indexed securities, and not by reason of the terms or any other feature of the Notes. However, this guidance is not in final form, and it is therefore possible that HM Revenue & Customs could come to a different view when the guidance is finalised, and in any event even once finalised, HM Revenue & Customs can generally change its approach, sometimes with retrospective effect. If the provisions were to apply to the Notes, the Preference Shares would, pursuant to their respective terms and conditions, be redeemed prior to their scheduled maturity date. This in turn will trigger a Mandatory Redemption Event, which would result in the Issuer early redeeming all of the Notes. If the Notes are redeemed early, the Early Redemption Amount payable to Noteholders may be substantially less than the Redemption Amount that would have been payable had such Notes redeemed on the scheduled Maturity Date.

SCHEDULE 3

UK TAXATION

The Issuer does not give tax advice and investors should consult their own tax advisers for advice based on their particular circumstances.

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Notes or receiving a return paid on the Notes.

The following statements are based on current UK legislation and judicial interpretation thereof, and some of the following statements are also based on what is understood to be the current practice of HM Revenue & Customs (“**HMRC**”) as at the date of the Pricing Supplement, any of which may change, possibly with retroactive effect. They apply only to individual Noteholders who are resident for tax purposes in (and only in) the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold their Notes as an investment (other than in an individual savings account), and who are the absolute beneficial owners of both their Notes and the return paid on them. The tax position of certain categories of Noteholders who are subject to special rules (such as persons acquiring the Notes for the purposes of a trade, partners acquiring the Notes through a partnership, persons acquiring their Notes in connection with employment, dealers in securities, pension funds, insurance companies and collective investment schemes) is not considered.

Prospective acquirers of Notes are strongly recommended to consult their own professional advisers about the application of UK tax laws to the acquisition, ownership and disposition of Notes or receiving a return paid on the Notes as the tax treatment will in all cases depend on the terms of the particular issue and the individual circumstances of the Noteholder concerned. It is also strongly recommended that advice be sought about any tax consequences arising under the laws of any other jurisdiction where prospective acquirers may be subject to tax.

Notes are intended to provide investors with a return linked to the value of a preference share which in turn give an exposure to a structured exposure to changes in the value of certain assets or indices (the ‘underlying reference assets’) between the date of issue and the date of redemption of the Notes. This is achieved by linking the return on the Notes to the value of a class of redeemable preference shares in a UK resident company (“**Redeemable Preference Shares**”) on a stipulated future date. The value of the Redeemable Preference Shares on that date will depend upon the performance of the underlying reference assets. It is intended that Notes will be treated for tax purposes as ‘excluded indexed securities’ (“**EISs**”) - see further below.

Notes may be linked to Redeemable Preference Shares issued with a range of payment profiles of which this issue is one example. The comments in this tax disclosure section are of a general nature and do not relate specifically to this issue. The precise analysis for any particular issue of Notes, including the risk of a payment under the Notes being classified as interest, will depend on the payment profile of the Notes in question.

Capital treatment

The Issuer has been advised that, in general, and subject to the more detailed points raised below, the proceeds of any disposal of Notes received by Noteholders who do not hold the Notes for trading purposes (whether on sale or redemption) should generally be treated as a

capital receipt.

If this treatment is adopted, Noteholders should generally recognise a capital gain (or allowable loss) on sale or redemption of Notes. The gain (or loss) is calculated by deducting the Noteholder's base cost (which will generally be equal to the Noteholder's acquisition cost) from the disposal proceeds. Any such gain will, save to the extent it falls within an individual's annual exemption amount be subject to capital gains tax. Any such loss may, subject to the application of relevant anti-avoidance rules, be available for set-off against current or (to the extent not fully set-off in the current year) future capital gains.

Investors should take their own advice as to whether or not they would acquire the Notes for trading purposes.

Excluded indexed securities

Notes will be treated as EISs if they constitute a security under the terms of which the amount payable on redemption is determined by applying to the amount for which the security was issued the percentage change (if any) over the security's redemption period in: (a) the value of chargeable assets of a particular description, or (b) an index of the value of such assets. For the purposes of calculating the amount payable on redemption, any interest payable on redemption is ignored.

In general, the Notes are expected to qualify as EISs by reference to the Redeemable Preference Shares to which they are linked. As a consequence of qualifying as EISs, the deeply discounted securities (**DDSs**) regime would not apply to Notes. However, if Notes do not qualify as EISs, the DDS regime would generally be expected to apply, with the result that the profits of any disposal of Notes (whether by sale or redemption) would be taxed as income and not capital.

See further the DDS paragraph in the 'Risks' section below, in particular in relation to Notes that feature capital protection.

Auto-calls

An issue of Notes may incorporate an "auto-call" mechanism under which the Notes may automatically be redeemed early where a specified trigger is reached. Provided that the trigger level is set so that there is a practical likelihood that the trigger will be reached, the inclusion of an auto-call should not, of itself, generally preclude capital treatment for a return on a disposal of Notes.

Risks

Due to the lack of specific authority or guidance regarding the appropriate tax characterization of the Notes, it is possible that HMRC could seek to characterize the Notes in a manner that results in tax consequences to you that are different from the capital treatment described above.

For example, if the Notes do not qualify as EISs (see above), they would generally be expected to be treated as deeply discounted securities ("**DDSs**"). If treated as DDSs, the profits of any disposal of Notes (whether by sale or redemption) would be taxed as income and not capital.

As noted above, Notes are generally expected to qualify for EIS treatment by reference to the Redeemable Preference Shares to which they are linked. However, the position is more complex where capital protection (i.e. any form of guaranteed return of the initial capital subscribed) is provided.

'Soft' capital protection (where return of initial capital is only guaranteed if certain conditions are satisfied) may be featured in the terms of issued Notes. For example, soft capital protection

is featured in Example One, where the initial capital subscribed for the Notes is only at risk, by reference to the value of the Redeemable Preference Shares, if the value of the underlying reference assets has, at any time prior to redemption, fallen below 80 per cent. of the value of those assets at the time of issue. Soft capital protection is also present in Example Two, where the initial capital is only at risk if the value of the underlying reference assets at redemption is less than 70 per cent. of their value at the time of issue. In such circumstances, provided that there is a “realistic prospect” that the trigger for disapplication of capital protection would be met and that the invested capital would all be at risk, soft capital protection is not generally expected to deny EIS status.

‘Hard’ (i.e. unconditional) capital protection will not be a feature of any Notes issued.

Stamp duty/stamp duty reserve tax (“**SDRT**”)

The Notes are anticipated to be debt instruments issued by a non-UK incorporated company solely in registered form and held in one of the principal European clearing systems for the duration of their existence. The Notes will not be registered in a register kept in the UK by or on behalf of the Issuer. Accordingly, no liability to stamp duty or SDRT should arise in relation to the issue or transfer of the Notes by book entry (including on issue into one of the principal European clearing systems).