



Information Circular 10-040

Date: April 23, 2010

Re: UBS AG Exchange Traded Access Securities (“E-TRACS”)

Pursuant to Rule 14.1(c)(2) of the Rules of BATS Exchange, Inc. (the “Exchange”), this Information Circular is being issued to advise you that the following securities have been approved for trading on the Exchange as UTP Derivative Securities pursuant to Chapter XIV of the Exchange’s Rules.

<u>Security (“Notes”)</u>	<u>Symbol</u>
UBS E-TRACS Alerian MLP Infrastructure Exchange-Traded Notes linked to the Performance of the Alerian MLP Infrastructure Index	MLPI

Commencement of Trading on the Exchange: April 26, 2010

Issuer/Trust: UBS AG

Issuer Website: <http://www.ubs.com>

Primary Listing Exchange: NYSE Arca

Primary Exchange Circular: RB-10-45 (April 1, 2010)

Registration Statement: No. 333-156695

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in this new product on the Exchange, as well as to provide certain characteristics and features of the Notes.

Background Information on the Notes

UBS AG (the “Issuer”) has issued Exchange Traded Access Securities (“E-TRACS” or “Notes”) linked to the Alerian MLP Infrastructure Index (the “Index”). The Notes were priced at \$25 each and mature on April 2, 2040.

The E-TRACS are senior unsecured debt securities that provide exposure to potential price appreciation in the Index, subject to an Accrued Tracking Fee (as described in the prospectus) based on a Quarterly Tracking Fee of 0.2125% (equivalent to 0.85% per annum). Investing in the Notes involves significant risks. Investors may lose some or all of their principal at maturity, early redemption or upon exercise by the Issuer of its call right if the level of the Index as measured by the VWAP Level (calculated as described in the prospectus) declines or does not increase by an amount sufficient to offset the Accrued Tracking Fee and the Redemption Fee Amount, if applicable. The Notes may pay a quarterly coupon during their term. Investors will receive a cash payment at maturity or upon exercise by the Issuer of its call right, based on the performance of the Index less the Accrued Tracking Fee, as described in the prospectus. Investors will receive a cash payment upon early redemption based on the performance of the Index less the Accrued Tracking Fee and the Redemption Fee amount. Payment at maturity or upon early redemption is subject to the creditworthiness of the Issuer. In addition, the actual and perceived

creditworthiness of the Issuer will affect the market value, if any, of the Notes prior to maturity, call or early redemption.

The Coupon Amount will equal the sum of the cash distributions that a hypothetical holder of Index constituents would have been entitled to receive in respect of the Index constituents during the relevant period, reduced by the Accrued Tracking Fee.

For each Note, unless earlier redeemed or called, investors will receive at maturity a cash payment equal to (a) the product of (i) the Principal Amount and (ii) the Index Performance Ratio as of the last Index Business Day in the Final Measurement Period plus (b) the final Coupon Amount minus (c) the Accrued Tracking Fee as of the last Index Business Day in the Final Measurement Period, plus (d) the Stub Reference Distribution Amount as of the last Index Business Day in the Final Measurement Period, if any. This cash payment is referred to as the "Cash Settlement Amount." If the amount so calculated is less than zero, the payment at maturity will be zero.

Index Performance Ratio: Final VWAP Level / Initial VWAP Level

The Initial VWAP Level will be 487.420. The Final VWAP Level will be determined by the VWAP Calculation Agent, as the arithmetic mean of the VWAP Levels measured on each Index Business Day during the Final Measurement Period or the Call Measurement Period, or on any Redemption Measurement Date, as applicable.

Please see the prospectus for the Notes for more details regarding the calculations and details regarding the Index.

It is expected that the market value of the Notes will depend substantially on the value of the Index and may be affected by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of the Index, the time remaining to maturity, the dividend yield of the stocks comprising the Index, and the credit ratings of the Issuer.

Exchange Rules Applicable to Trading in the Notes

Trading in the Notes on BATS is subject to BATS equity trading rules.

Trading Hours

The Notes will trade on BATS between 8:00 a.m. and 4:00 p.m. ET.

Please note that trading in the Notes during the Exchange's pre-opening session may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the pre-opening session, (2) the indicative value may not be updated during the pre-opening session, (3) lower liquidity in the pre-opening session may impact pricing, (4) higher volatility in the pre-opening session may impact pricing, (5) wider spreads may occur in the pre-opening session, and (6) because the indicative value is not calculated or widely disseminated during the pre-opening session, an investor who is unable to calculate an implied value for the Notes in that session may be at a disadvantage to market professionals.

Suitability

Trading in the securities on BATS will be subject to the provisions of Exchange Rule 3.7. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer. Members should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

Trading Halts

BATS will halt trading in the shares of a security in accordance with BATS Rule 14.1(c)(4). The grounds for a halt under BATS Rule 14.1(c)(4) include a halt by the primary market because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, BATS will stop trading the shares of a security if the primary market de-lists the security.

This Information Circular is not a statutory prospectus. BATS Members should consult the prospectus for a security and the security's website for relevant information.

Please contact Eric Swanson at 913.815.7000 with any inquiries regarding this Information Circular.