



Comptroller of the Currency
Administrator of National Banks

Northeastern District Office
Licensing Division
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New York, New York 10017

Telephone No.: (212) 790-4055
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December 13, 2007

Conditional Approval #834
February 2008

Richard Mumford, Esq.
Managing Director
UBS Wealth Management US
1200 Harbor Boulevard
Weehawken, New Jersey 07086

Re: Applications by UBS Americas, Inc. to establish a new national trust bank, UBS Trust Company, National Association (DE), Wilmington, Delaware, to merge UBS Trust Company, National Association, Weehawken, New Jersey with and into UBS Trust Company, National Association (DE), with the resulting bank located in Wilmington, Delaware and surviving under the title and charter of the former and to waive the director residency requirements for UBS Trust Company, National Association (DE).

Control Numbers: 2007 NE 01 0012
2007 NE 02 0024
2007 NE 12 0254

Charter Number: 24286

Dear Mr. Mumford:

This is to inform you that I have reviewed the application by UBS Americas, Inc. (hereinafter "the Parent") to establish a new limited purpose national trust bank, UBS Trust Company, National Association (DE), Wilmington, Delaware (hereinafter "UBS DE"), which will engage solely in fiduciary activities. I hereby grant preliminary conditional approval of your charter application after a determination that your proposal met certain regulatory and policy requirements. I also pose no objection to the proposed executive officers and directors of UBS DE. I have granted preliminary conditional approval only. Final approval and authorization for UBS DE to open will not be granted until all pre-opening requirements are met.

I also conditionally approve your request to merge UBS Trust Company, National Association, Weehawken, New Jersey (hereinafter "UBS NJ") with and into UBS DE, with the resulting limited purpose trust bank located in Wilmington, Delaware under the charter of UBS NJ and with the title of UBS Trust Company, National Association (hereinafter "UBS").

I reviewed the proposed merger transaction under the criteria of 12 U.S.C. § 215a, and applicable OCC regulations and policies. Among other matters, I found that the proposed transaction would not have significant anticompetitive effects. I considered the financial and managerial resources of the banks, their future prospects, the convenience and needs of the communities to be served, and their effectiveness in combating money laundering activities. I considered these factors and found them consistent with approval.

My decisions are based on a thorough evaluation of all information available to the Office of the Comptroller of the Currency (“OCC”), including the representations and commitments made in the application and by the Bank’s representatives and a determination that the proposal met certain regulatory and policy requirements.

With respect to the Parent’s request for a multiple residency waiver under 12 U.S.C. § 72 for the proposed board members of the resulting bank after the merger, the OCC has determined that such a request is not needed as a majority of the proposed board members will live within the state or within 100 miles of the Wilmington, Delaware main office, Weehawken, New Jersey trust office or the New York City, New York trust office.

The approvals outlined above are subject to the following conditions:

1. UBS shall limit its business to the operations of a trust company and activities related or incidental thereto. In no event shall UBS engage in activities that would cause it to be a “bank” as defined in section 2(c) of the Bank Holding Company Act.
2. At all times, UBS shall maintain minimum Tier 1 Capital in an amount at least equal to the greater of (a) \$5 million or (b) such other higher amount as may be required by the OCC pursuant to the exercise of its regulatory authority (“Minimum Tier 1 Capital Requirement”). At all times, liquid assets¹ shall comprise at least 75% of UBS’ Minimum Tier 1 Capital Requirement (the “Minimum Liquid Capital Requirement”). (The Minimum Tier 1 Capital Requirement and the Minimum Liquid Capital Requirement are collectively the “Minimum Capital Requirement”.)
3. If at any time, UBS fails to maintain the Minimum Capital Requirement, UBS shall take such corrective measures as the OCC may direct from among the provisions applicable to undercapitalized depository institutions under 12 U.S.C. §1831o(e) and 12 C.F.R. Part 6. For purposes of this requirement, an action “necessary to carry out the purpose of this section” under section 1831o(e)(5) shall include restoration of UBS’ capital to levels which comply with the Minimum Capital Requirement, and any other action deemed advisable by the OCC to address UBS’ capital deficiency or the safety and soundness of its operations.

¹ The term “liquid assets” means (a) cash and cash equivalents, (b) deposits at insured depository institutions, and (c) investment securities eligible for investment by national banks under 12 C.F.R. Part 1 and valued at the lower of cost or market value. However, liquid assets shall not include any assets encumbered or pledged by lien, right of setoff, preference, or otherwise, or any other asset pledged as security in any transaction with any party.

4. UBS' Board shall adopt, implement and maintain a system to analyze and maintain, in conformance with OCC Bulletin 2007-21, Supervision of National Trust Banks – Revised Guidance: Capital and Liquidity (and any subsequent OCC guidance), capital and liquidity commensurate with UBS' risk profile.
5. UBS, the Parent, and its affiliates, upon request by the OCC, shall provide the OCC access to, permit the OCC to examine, and provide the OCC with copies of all books and records, and electronic records that accurately reflect the information in the books and records of UBS, and any other information of, or concerning UBS.
6. All transactions between UBS and any affiliates, foreign or domestic, shall be conducted subject to the applicable provisions of 12 U.S.C. §§ 371c, 371c-1, or other applicable Federal law. The Board of Directors of UBS annually shall review and approve the service agreements, and any other transactions with foreign and domestic affiliates, including in particular any cost allocation, fee-sharing or tax-sharing provisions in such agreements or other transactions.

The conditions of these approvals are conditions “imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request” within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

Prior to the merger between UBS DE and UBS NJ, the Parent must satisfy all applicable requirements to complete the organization of UBS DE and submit the following documents for UBS DE to the Northeastern District Licensing Division:

- Organization Certificate
- Articles of Association
- Capital Stock Payment Certificate
- Oath of Directors
- Joint Oath of Directors

As a reminder, the Northeastern District Licensing Office must be advised in writing in advance of the desired effective date for the merger so that the OCC may issue the necessary certification letter. The OCC will issue a letter certifying consummation of the merger transaction when we receive:

- A Secretary's Certificate for UBS DE, certifying that a majority of the board of directors approved the merger;
- A Secretary's Certificate for UBS DE, certifying that the shareholder approvals have been obtained;
- An executed merger agreement with Articles of Association for the resulting bank attached;
- Documentation that all other conditions that the OCC imposed have been met.

If the merger is not consummated within one year from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

Richard Mumford, Esq.
UBS Wealth Management US
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It is our understanding that UBS will relocate its main office from 1313 Market Street, Wilmington, Delaware to 500 Delaware, Wilmington, Delaware during 1Q08. Prior to relocating, UBS must file a short-distance relocation application with the Northeastern District Licensing Division. The application can be found in the "Branches and Relocation" booklet in the *Comptroller's Licensing Manual*.

This approval and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have any questions, please contact Robin J. Miller, Licensing Analyst, at (212) 790-4015 or email at Robin.Miller@occ.treas.gov. Please include the control numbers on all correspondence related to this application.

Sincerely,

signed

J. Greg Parvin
Director for District Licensing

Enclosure: Survey Letter