

# UBS Group AG

Compensation Report 2021

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# Compensation



Julie G. Richardson  
Chairperson of the  
Compensation Committee  
of the Board of Directors

## Dear Shareholders,

The Board of Directors (the BoD) and I wish to thank you for your support once again at last year's Annual General Meeting (the AGM) and for sharing your views on our compensation practices over the past year. As the Chairperson of the Compensation Committee, I am pleased to present our Compensation Report for 2021.

The arrival of our new CEO in late 2020 and the launch of our purpose in early 2021 resulted in a review of our Total Reward Principles and compensation framework to ensure that they are fully aligned with our purpose and strategic imperatives. Throughout 2021, the BoD Compensation Committee also continued to oversee that reward reflects performance, that risk-taking is appropriate and that employee interests are aligned with those of our stakeholders. Following these reviews, we applied selected enhancements to our principles while keeping our overall compensation framework broadly unchanged, as we concluded that it still remains well suited to support us in achieving our ambitions for the Group and that it provides strong alignment with shareholders' interests. Nevertheless, we have updated our Group-wide performance management approach, including

evolving our Group Executive Board (GEB) performance review to reflect our strategic refresh, digital initiatives and elevated focus on sustainability. The restructured approach fosters an even greater focus on GEB priorities and the success of the overall Group by assessing all GEB members against Group financial targets.

### Strategy execution

We made significant progress in delivering on our strategic vision and putting clients at the center of all we do. The benefits of delivering our ecosystem to clients in a seamless way as One UBS are visible in our financial performance for 2021.

Our clients continued to put their trust in us, as was evident from the ongoing momentum in flows and volume growth throughout the year. Together with favorable market conditions and investor sentiment, this led to growth across the firm. Our business momentum, our focus on fueling growth and disciplined execution led to strong financial results.

Sustainability is core to our purpose and ecosystem; to help us maximize our impact and direct capital to where it is needed most, we are focusing on three key areas to drive the sustainability transition: Planet, People and Partnerships. As a result, our sustainability focus and impact investing assets grew 78% in 2021 and amounted to USD 251 billion. Furthermore, UBS was again named as a member of the Dow Jones Sustainability Index and we are proud to be recognized once again for our industry leadership in the Environmental dimension.

› Refer to **"Financial and operating performance" in our Annual Report 2021 for further details about our Group and business division performance**

### Alignment to purpose

- Our purpose articulates why we do what we do, and why it matters. Our culture impacts how we do things, and it is firmly grounded in our three keys to success: our Pillars, Principles and Behaviors. We refreshed our three keys to success in 2021 to reflect our purpose, client promise and strategic imperatives, and to help ensure that our culture advances our strategic goals.
- For the past decade, those keys have defined how we work together and what we stand for, as a firm and as individuals. They continue to drive daily business decisions and are integrated into our people management processes, including hiring, performance management, compensation, promotion, talent development, training, and succession planning.
- Following the launch of the purpose, we reviewed our **Total Reward Principles, performance management approach, and compensation framework** to ensure they are fully aligned with our purpose and strategic imperatives. While we made modest adjustments, no fundamental changes were made to our compensation framework for 2021 as a result of our review.
- Fair and effective people management processes are key for our long-term success. Our **global performance management approach** underwent a comprehensive review in 2021 as part of our broader strategic refresh. Consequently, we made changes to our year-end review, objective-setting and employee feedback processes that aim to support our strategic priorities, to reinforce our high performance culture and to be simpler and more transparent. Additionally, our GEB performance review process includes more tangible measurement on quantitative outcomes and a greater focus on strategy, digitalization and sustainability matters.

Find out more: [ubs.com/global/en/our-firm/our-purpose](https://ubs.com/global/en/our-firm/our-purpose)

## Financial performance

In 2021, the ongoing momentum in flows and volume growth together with favorable market conditions and investor sentiment led to growth across the firm. Our financial results outperformed our financial targets and we saw the highest profit before tax since 2006. This growth outpaces our performance award pool development. We also maintained our high level of return on CET1 capital.

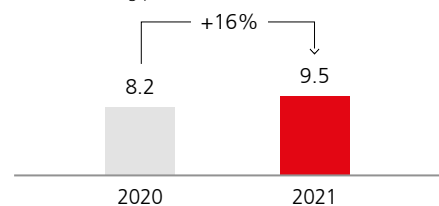
## Commitment to return capital to shareholders

We remain committed to returning excess capital to our shareholders. We repurchased USD 2.6 billion of shares in 2021 and we intend to repurchase up to USD 5 billion during 2022. For 2021, the BoD intends to propose a dividend of USD 0.50 per share for approval at the Annual General Meeting of shareholders in 2022.

### Group profit before tax

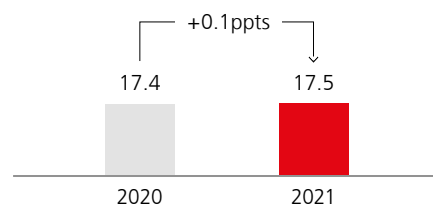
USD billion

+25% excluding provision for French cross-border matter



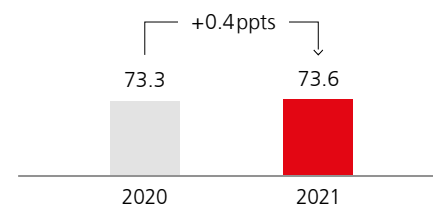
### Return on CET1 capital

in %



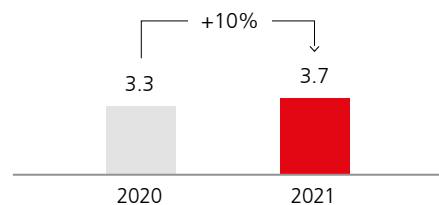
### Cost / income ratio

in %



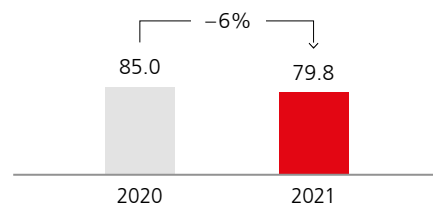
### Group performance award pool

USD billion



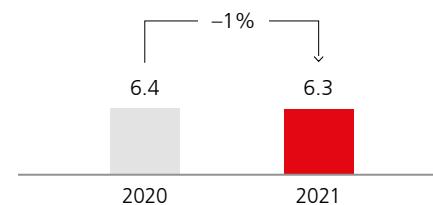
### GEB performance award pool

CHF million



### Per capita GEB performance award pool

CHF million



## 2021 performance award pool

The performance award pool continues to reflect our strict pay-for-performance philosophy, our disciplined approach in managing compensation over business cycles and alignment to shareholder interests.

The 2021 performance award pool was USD 3.7 billion, an increase of 10% compared with 2020. It factors in the strong financial performance, as well as the financial and reputational impact resulting from the loss related to the default of a US-based client of our prime brokerage business. The seriousness of this event led to a significant downward revision of the Group performance award pool. As a reminder regarding the French cross-border matter, in 2019 we reflected this matter in our compensation decisions, including linking a meaningful portion of GEB compensation (as well as the Chairman's compensation) to the final outcome of this matter which is still not resolved.

Furthermore, our performance award pool decision also reflected our achievements relative to non-financial objectives, such as our good progress toward delivering on our sustainability strategy, as well as the positive total shareholder return (TSR) of UBS shares. It also reflected other factors, such as the growing competition to attract and retain a talented and diverse workforce that continues to deliver on our purpose and strategy.

For 2021, the GEB performance award pool was CHF 79.8 million, a reduction of 1% on a per capita basis and a reduction of 6% overall. This decrease in an otherwise exceptionally good financial year contrasts with the Group pool increase of 10%. The decision for the GEB pool considers the excellent financial result offset by a proportionally larger downward adjustment than the Group pool to reflect the accountability of the GEB for the loss resulting from the default of a US-based client of our prime brokerage business.

- › Refer to the "2021 key compensation themes" section of this report for more information about the compensation impact resulting from the significant loss event, the French cross-border matter, environmental, social and governance (ESG) achievements, and other key compensation themes
- › Refer to the "Group compensation" section of this report for more information

## 2022 Annual General Meeting

At the 2022 AGM on 6 April, we will seek your support on the following compensation-related items:

- the maximum aggregate amount of compensation for the BoD for the period from the 2022 AGM to the 2023 AGM;
- the maximum aggregate amount of fixed compensation for the GEB for 2023;
- the aggregate amount of variable compensation for the GEB for 2021; and
- shareholder endorsement in an advisory vote for this Compensation Report.

On behalf of the Compensation Committee and the BoD, I thank you again for your feedback and we respectfully ask for your continued support at the upcoming AGM.

Julie G. Richardson  
Chairperson of the Compensation Committee of the Board of Directors

# 2021 key compensation themes

The feedback we seek from our shareholders on compensation-related topics is very important to us, as we are committed to maintaining a strong link between the interests of our employees and those of our shareholders. We continued engaging with shareholders during 2021 and received overall positive feedback about our compensation framework.

The text below summarizes key compensation themes for 2021 and provides answers to the questions we most frequently receive from shareholders.

## Summary of 2021 key compensation themes / responses to frequently asked questions

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### **How was the loss resulting from the default of a US-based client of our prime brokerage business reflected in the compensation process?**

Despite our excellent financial performance in 2021, our reputation and financial results were negatively impacted by a significant USD 861 million pre-tax loss that we incurred in the first half of 2021 related to the default of a US-based client of our prime brokerage business.

We conducted a thorough review of the event and its root causes, and took decisive actions reflecting the significance of the event and its impact on our shareholders and reputation. The outcomes of the review and the actions taken by management were reviewed by the Joint Risk and Compensation Committees, as well as other internal governance bodies, as appropriate.

The 2021 Group performance award pool was reduced significantly as a consequence of this event. Our funding approach for the performance award pool resulted in a direct and substantial reduction, which was supplemented by an additional and significant negative adjustment to the pool. Overall, compensation was reduced by an amount equivalent to over half of the post-tax loss. This reduction had a direct impact on compensation for business and control functions, as well as for the Group Executive Board (the GEB).

The GEB performance award pool had a proportionally larger downward adjustment than the Group pool, to reflect the accountability of the GEB for the event. The GEB per-capita performance pool decreased in an otherwise exceptionally good financial year.

On an individual level, we conducted a detailed accountability review of employees involved in the event. The fact-finding for the review was supported by external legal counsel, as well as our internal investigation functions. The accountability review covered 30 employees, including relevant individuals in the GEB. The outcomes of the review impacted performance reviews and compensation decisions substantially, where appropriate.

### **How do the refreshed financial targets announced in February 2022 impact compensation?**

The compensation decisions for 2021 reflect the achievements relative to the 2021 objectives that were set in early 2021 and consider the previous externally communicated targets. Similarly, we have set objectives for 2022 that consider the refreshed targets as communicated in February 2022.

In addition, for our Long-Term Incentive Plan (LTIP) awards for 2021 performance, we have reviewed the three-year average return on common equity tier 1 (RoCET1) performance metric to reflect our strategic return ambitions, our revised financial targets and cost of capital.

Specifically, for our awards granted in early 2022 for 2021 performance, the required performance threshold for the minimum payout has been raised to 8%, from 6% in prior-year awards, to reflect our new financial targets. The required RoCET1 performance for a maximum payout is set at 18%, which represents the upper end of our target range. The raised threshold also increases the mid-point of the payout thresholds to better reflect our cost of capital. The linear payout design between threshold and maximum level supports our growth ambitions and our focus on delivering sustainable performance without encouraging excessive risk-taking.

**How does UBS support diversity and pay fairness?**

Ensuring fair treatment and strengthening our commitment to diversity, equity and inclusion (DE&I) are vital to our sustainable business success. We find diverse teams better understand and relate to the needs of our equally diverse clients. Through the diversity of our employees’ backgrounds and experiences, we drive innovation and better decision making.

Gender diversity is a key priority for the firm. We are particularly focused on increasing the representation of women at senior management levels. We take a multi-pronged approach in this respect, analyzing and adapting various factors that support the hiring, development and retention of women at all levels.

Increasing the ethnic minority diversity of our workforce, and a related commitment to support underrepresented talent and communities, is also a top priority across all business divisions and regions. We focus on four areas: accountability and transparency; investing in our talent; improving our culture; and leveraging our business strengths in underrepresented communities.

Compensating employees fairly and consistently is key to ensuring equal opportunities. We pay for performance, and we take pay equity seriously. A strong commitment to both is embedded in our compensation policies, and we regularly conduct both internal reviews and independent external audits as quality checks. Additionally, these reviews also allow us to maintain our certification status from the EQUAL-SALARY Foundation for our equal pay practices in Switzerland, the US, the UK, Hong Kong SAR and Singapore.

**How is litigation considered in the compensation process?**

Litigation and regulatory matters, and their resolution and remediation, are taken into consideration throughout the compensation decision-making process. The Compensation Committee distinguishes between current matters, where the underlying issues are within the responsibility of management, and legacy matters, where management is accountable for resolving them but not responsible for the underlying issue.

Current matters have a direct impact on the performance award pool, individual performance assessments and resulting compensation decisions, as well as the payout of deferred awards.

For legacy matters, the Compensation Committee seeks to incentivize management to resolve these matters in the best interest of shareholders and we hold management accountable for the effective and efficient resolution of these matters. Therefore, the performance and compensation assessment reflects management’s responsibility for achieving a resolution without creating an incentive to settle inappropriately or take excessive risks on such matters. In addition, the use of RoCET1, which includes both current and legacy matters, in our performance assessment for GEB performance, as well as the LTIP design, supports the focus on ensuring the cost of litigation matters has in our compensation plans a direct impact on the compensation awarded to and realized by our most senior leaders, including the GEB.

**What progress has been made on resolving the French cross-border matter and how is this reflected in GEB compensation?**

In December 2021, UBS filed an appeal with the French Supreme Court regarding the decision of the Court of Appeal relating to the French cross-border matter. This matter remains ongoing and was considered in the decision-making process for our 2021 performance award pool.

The use of the RoCET1 metric aims to ensure the cost of litigation matters, including the French cross-border matter, has an ongoing and direct impact on the compensation awarded and realized by our most senior leaders, including the GEB. Additionally, when determining the 2019 performance award pool, the impact of the French cross-border matter was considered in our decision making.

Furthermore, as outlined in our 2019 Compensation Report, up to CHF 7.9 million, or 30%, of the 2019 LTIP awards at grant for GEB members active in March 2017, as well as the Chairman of the BoD’s unvested share award, continues to be at risk and directly linked to the final resolution of the French cross-border matter. In addition, a malus clause allows the Compensation Committee to assess any new information that becomes available in the future and to retrospectively reduce the 2019 LTIP award by up to the full amount if such new information would have impacted our compensation decision in 2019. This matter continues to be ongoing and, once resolved, the final outcome will be reflected in the final amounts delivered to relevant current and former employees.

**Impact of litigation matters on the LTIP**

<b>Long-Term Incentive Plan (LTIP)</b>	<b>LTIP design (all years)</b>	<b>Performance metric</b> (RoCET1 directly impacted by litigation costs)	
	<b>Added measure for 2019 LTIP award (GEB members active in March 2017)</b>	<b>Fact-based adjustment</b> (up to CHF 7.3 million of the 2019 LTIP at grant is directly linked to the final resolution of the French cross-border matter)	<b>Malus adjustment</b> (2019 LTIP award may be reduced based on new information that would have impacted the compensation for 2019)

(As disclosed in the Compensation Report 2019.)

### **How is ESG considered in the compensation process?**

ESG objectives are considered in the compensation determination process in objective setting, performance award pool funding, performance evaluation and compensation decisions.

ESG-related objectives have been embedded in our Pillars and Principles since they were established in 2011. In 2021, we revised the Group CEO and GEB scorecards and further enhanced the link between ESG and compensation by introducing explicit sustainability objectives under "Strategic & Growth" in the non-financial goal category. These sustainability objectives are linked to our priorities, and their progress is measured via robust quantitative metrics and qualitative criteria. Sustainability objectives are individually assessed for each GEB member, and consequently directly impact their performance assessments and compensation decisions.

In addition, in the performance award pool funding across the Group, ESG is also reflected through an assessment of progress made toward targets linked to our focus areas of Planet, People (including progress made toward our diversity ambitions) and Partnerships, alongside other key dimensions.

Therefore ESG is taken into consideration when the Compensation Committee assesses not only what results were achieved but also how they were achieved.

For 2021, we established robust and concrete targets, and made good progress toward achieving them. We continue to increase our focus on this topic.

- › **Refer to "Environmental, Social and Governance considerations" in the "Compensation philosophy and governance" section of this report for more information**

### **How does UBS promote and support the health and well-being of employees?**

Supporting employee health and well-being remained a priority in 2021. We are committed to helping employees thrive in their current roles and deliver sustainable performance over time. Regular "pulse" surveys gauged employees' views on remote work, stress, communication and other aspects. Resources to support holistic well-being featured a bespoke eLearning curriculum, physical and mental health initiatives, volunteering opportunities, increased certain local benefits offerings, and financial education events.

- › **Refer to the Sustainability Report 2021, available from 11 March 2022 under "Annual reporting" at [ubs.com/investors](https://ubs.com/investors), for more information**

### **How does UBS respond to the increasing competition for talent?**

We continue to see increasing competition for talent. These pressures come from our direct competitors but also other organizations including technology, consulting and new entrants or disruptors, such as fintech firms. As a recognized employer of choice, we continue to broaden and deepen our talent pools through ongoing talent development and continued investment in our employees. We take careful consideration to reflect pay for performance and competitive pay in our decision making. Furthermore, as our compensation approach includes substantial deferral, we balance incentivizing performance with retention in order to promote a sustainable workforce.

# Say-on-pay

## Say-on-pay votes at the AGM

In line with the Swiss Ordinance against Excessive Compensation in Listed Stock Corporations, we seek binding shareholder approval for the aggregate compensation awarded to the GEB and the BoD. Prospective approval of the fixed compensation of the BoD and GEB provides the firm and its governing bodies with the certainty needed to operate effectively. Retrospective approval of the GEB's variable compensation aligns their compensation with performance and contribution.

These binding votes on compensation and the advisory vote on our compensation report reflect our commitment to shareholders having their say on pay.

- › Refer to “Provisions of the Articles of Association related to compensation” in the “Supplemental information” section of this report for more information

Audited I

## Approved fixed compensation

At the 2020 AGM, shareholders approved a maximum aggregate fixed compensation amount of CHF 33.0 million for GEB members for the 2021 performance year. This budget reflects base salaries, role-based allowances in response to EU Capital Requirements Directive IV, and estimated standard contributions to retirement benefit plans, as well as other benefits.

Our expenses related to fixed compensation for our continuing GEB members were within the budget; however, the amount of fixed compensation related to the hiring of Barbara Levi as new Group General Counsel resulted in exceeding this budget. Therefore, as authorized by article 46 para. 5 of our Articles of Association, an amount of CHF 2.2 million was used to pay the portion of her fixed compensation (including replacement awards) that exceeded the approved amount. ▲

- › Refer to “2021 total compensation for the GEB members” in the “Compensation for GEB members” section of this report

## Say on pay – compensation-related votes at the 2021 AGM

2021 AGM say-on-pay voting schemes	2021 AGM actual shareholder votes	Vote “for”
<b>Binding vote on GEB variable compensation</b>	Shareholders approved CHF 85,000,000 for the 2020 financial year <sup>1,2,3</sup>	84.8%
<b>Binding vote on GEB fixed compensation</b>	Shareholders approved CHF 33,000,000 for the 2022 financial year <sup>1,2,3</sup>	91.8%
<b>Binding vote on BoD compensation</b>	Shareholders approved CHF 13,000,000 for the period from the 2021 AGM to the 2022 AGM <sup>1,2,4</sup>	91.1%
<b>Advisory vote on the Compensation Report</b>	Shareholders approved the UBS Group AG Compensation Report 2020 in an advisory vote	85.7%

<sup>1</sup> Local currencies are converted into Swiss francs at the exchange rates stated in “Note 33 Currency translation rates” in the “Consolidated financial statements” section of our Annual Report 2021. <sup>2</sup> Excludes the portion related to the legally required employer's social security contributions. <sup>3</sup> As stated in “Group Executive Board” in the “Corporate governance” section of our Annual Report 2021, twelve GEB members were in office on 31 December 2021 and thirteen GEB members on 31 December 2020. <sup>4</sup> Twelve BoD members were in office on 31 December 2021.



## Compensation-related proposals for 2022

At the 2022 AGM, we will ask our shareholders to vote on the variable compensation for the GEB for 2021, the fixed compensation for the GEB for 2023 and the compensation for the BoD from the 2022 AGM to the 2023 AGM.

In addition, we will also ask shareholders for an advisory vote on our Compensation Report, which describes our compensation policy, including framework and governance.

The table below outlines our compensation proposals, including supporting rationales, that we plan to submit to the 2022 AGM for binding votes (in line with the Swiss Ordinance against Excessive Compensation in Listed Stock Corporations and our Articles of Association (AoA)).

### Compensation-related proposals for binding votes at the 2022 AGM

Item	Proposal	Rationale
<b>GEB variable compensation</b>	The Board of Directors proposes an aggregate amount of variable compensation of CHF 79,750,000 for the members of the GEB for the 2021 financial year.	The proposed amount reflects a reduction of 1% on a per capita basis and a reduction of 6% overall compared with the previous year. This decrease in an otherwise exceptionally good financial year contrasts with the Group pool increase of 10%. The decision for the GEB pool considers the excellent financial result offset by a proportionally larger downward adjustment than the Group pool to reflect the accountability of the GEB for the loss resulting from the default of a US-based client of our prime brokerage business.
<b>GEB fixed compensation</b>	The Board of Directors proposes a maximum aggregate amount of fixed compensation of CHF 33,000,000 for the members of the GEB for the 2023 financial year.	The proposed amount is unchanged from the previous year, reflecting consistency in planning over time and unchanged base salaries for the Group CEO and other GEB members. In addition to the base salaries, it also includes role-based allowances in response to EU Capital Requirements Directive IV, estimated standard contributions to retirement benefit plans, and other benefits. The proposed amount provides flexibility in light of potential changes of GEB composition or roles, competitive considerations where potential additional role-based allowances may be required, and other factors (e.g., changes in FX rates or benefits).
<b>BoD compensation</b>	The Board of Directors proposes a maximum aggregate amount of compensation of CHF 13,000,000 for the members of the Board of Directors for the period from the 2022 AGM to the 2023 AGM.	The proposed amount is unchanged compared with the previous period and includes the total compensation of the nominated Chairman and Vice Chairman. For the new Chairman we expect his total compensation would be approximately CHF 0.4 million lower compared with the current Chairman (a reduction of approximately 8%). The fees for BoD members other than the nominated Chairman and Vice Chairman are unchanged.

# Compensation philosophy and governance

## Our compensation philosophy

### Total Reward Principles

Our Total Reward Principles provide a strong link to our strategic imperatives and encourage employees to live our strong and inclusive culture that is grounded in our three keys to success: our Pillars, Principles and Behaviors.

These guiding principles underpin our approach to compensation and define our compensation framework. In 2021, following the launch of our purpose, we reviewed our Total Reward Principles and compensation framework to confirm they are fully aligned with our purpose and support our strategic imperatives.

This ensures that the interests of our employees are aligned with those of our clients and other stakeholders.

Therefore, our compensation approach supports our capital strength and risk management, and provides for simplification and efficiency. It encourages employees to focus on client centricity, connectivity and sustainable impact in everything we do. Moreover, we reward behaviors that help build and protect the firm’s reputation, specifically accountability with integrity, collaboration and innovation. Compensation for each employee is based on individual, team, business division and Group performance, within the context of the markets in which we operate.

### Total Reward Principles

Our Total Reward Principles apply to all employees globally, but vary in certain locations according to local legal requirements and regulations and practices. The table below provides a summary of our Total Reward Principles.

<b>Support our purpose and strategy</b>	Our compensation approach supports the firm’s purpose and strategy, fosters engagement among employees and aligns their long-term interests with those of clients and stakeholders.
<b>Attract, retain and connect a diverse, talented workforce</b>	We embrace a culture of diversity, equity, and inclusiveness. Pay at UBS is fair, reflects equal treatment and is competitive. In this way, our investment in a connected workforce supports the sustainability of the organization.
<b>Apply a pay-for-performance approach to support development and our ways of working</b>	The setting of clear objectives and a thorough evaluation of what was achieved and how it was achieved, combined with effective communication, promote clarity, accountability and establish a strong link between pay and performance. This approach emphasizes our Behaviors, which are accountability with integrity, collaboration and innovation.
<b>Reinforce sustainable growth and support long-term value creation</b>	Compensation is appropriately balanced between fixed and variable elements and delivered over an appropriate period to support our growth ambitions and sustainable performance.
<b>Support risk awareness and appropriate risk-taking</b>	Our compensation structure encourages employees to have a focus on risk management and behave consistently with the firm’s risk framework and appetite, thereby anticipating and managing risks effectively to protect our capital and reputation.

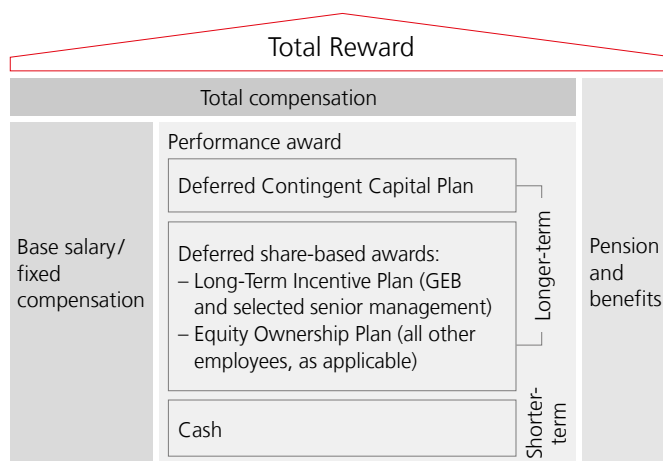
### Our Total Reward approach

At UBS, we apply a holistic Total Reward approach, generally consisting of fixed compensation (base salary and role-based allowances, if applicable), performance awards, pension contributions and benefits. Our Total Reward approach is structured to support sustainable results and growth ambitions.

For employees whose total compensation exceeds certain levels, performance awards are delivered in a combination of cash, deferred contingent capital awards and deferred share-based awards.

A substantial portion of performance awards is deferred and vests over a five-year period (or longer for certain regulated employees). This deferral approach supports alignment of employee and investor interests, our capital base and the creation of sustainable shareholder value.

- Refer to “Compensation elements for all employees” in the “Group compensation” section of this report for more information



Note: illustrative

# Compensation governance

## Board of Directors and Compensation Committee

The BoD is ultimately responsible for approving the compensation strategy and principles proposed by the Compensation Committee, which determines compensation-related matters in line with the principles set forth in the AoA.

As determined in the AoA and the firm's Organization Regulations, the Compensation Committee supports the BoD with its duties to set guidelines on compensation and benefits, to oversee implementation thereof, to approve certain compensation and to scrutinize executive compensation. The Compensation Committee consists of independent BoD members, who are elected annually by shareholders at the AGM, and is responsible for governance and oversight of our compensation process and practices. This includes the alignment between pay and performance, and ensuring that the compensation framework supports appropriate risk awareness and management, as well as appropriate risk-taking. In 2021, to additionally support the connection between the Compensation Committee and the Risk Committee, the Compensation Committee Chairperson was also a member of the Risk Committee.

Annually, and on behalf of the BoD, the Compensation Committee:

- reviews our Total Reward Principles;
- approves key features of the compensation framework and plans for the non-independent Board members and GEB members;
- reviews performance award funding throughout the year and proposes, upon proposal of the Group CEO, the final annual Group performance award pool for BoD approval;
- upon proposal of the Group CEO, reviews the performance framework of the other GEB members;
- upon proposal of the Group CEO, proposes the performance assessments and the individual total compensation for the other GEB members for approval by the BoD;
- upon proposal of the Chairman, proposes financial and non-financial performance targets and objectives for the Group CEO and the Group CEO's performance assessment for approval by the Board;
- approves the total compensation for the Chairman and the non-independent Board members;
- proposes, upon proposal of the Chairman, the total compensation for the Group CEO for approval by the Board;
- proposes to the BoD the maximum aggregate amounts of BoD compensation and GEB fixed compensation and the aggregate amount of variable compensation for the GEB for approval by the general meeting of the shareholders;
- upon proposal of the Chairman, proposes the remuneration / fee framework for independent Board members for approval by the Board;

- upon proposal of the Chairman and Group CEO, approves the remuneration / fee frameworks for external supervisory board members of Significant Group Entities and be informed of remuneration / fee frameworks for external supervisory board members of Significant Regional Entities; and
- proposes to the BoD for approval the annual compensation report and approves other material public disclosures on UBS compensation matters.

The Compensation Committee is required to meet at least four times each year. All meetings in 2021 were held in the presence of the Chairman and the Group CEO and most were attended by external advisors. Individuals, including the Chairman and the Group CEO, are not permitted to attend a meeting or participate in a discussion on their own performance and compensation.

After the meetings, the Chairperson of the Compensation Committee reports to the BoD on the Compensation Committee's activities and discussions and, if necessary, submits proposals for approval by the full BoD. Compensation Committee meeting minutes are also sent to all members of the BoD.

On 31 December 2021, the members of the Compensation Committee were Julie G. Richardson (Chairperson), Reto Francioni, Dieter Wemmer and Jeanette Wong.

› Refer to "Board of Directors" in the "Corporate governance" section of our Annual Report 2021 for more information

## External advisors

The Compensation Committee may retain external advisors to support it in fulfilling its duties. In 2021, HCM International Ltd. (HCM) provided independent advice on compensation matters. HCM holds no other mandates with UBS. Additionally, Willis Towers Watson provided the Compensation Committee with data on market trends and pay levels. Various subsidiaries of Willis Towers Watson provide similar information to Human Resources in relation to compensation for employees. Willis Towers Watson holds no other compensation-related mandates with UBS.

## The Risk Committee's role in compensation

The Risk Committee, a committee of the BoD, works closely with the Compensation Committee to ensure that our compensation framework appropriately reflects risk awareness and management, and ensures appropriate risk-taking. It supervises and sets appropriate risk management and risk control principles and is regularly briefed on how risk is factored into the compensation process. It also monitors the involvement of Group Risk Control and Compliance and Operational Risk in compensation and reviews risk-related aspects of the compensation process.

› Refer to [ubs.com/governance](https://ubs.com/governance) for more information

## Advisory vote

### Compensation Committee 2021 / 2022 key activities and timeline

	May	June	July	Sept	Oct	Nov <sup>1</sup>	Dec <sup>1</sup>	Jan	Feb
<b>Strategy, policy and governance</b>									
Total Reward Principles				●					
Sustainability / ESG in the compensation process			●	●				●	
Compensation disclosure and stakeholder communication matters			●	●			●	●	●
AGM reward-related items		●						●	
Compensation Committee governance									●
<b>Annual compensation review</b>									
Accruals and full-year forecast of the performance award pool funding		●	●		●	●	●	●	
Performance targets and performance assessment of the Group CEO and GEB members	●						●	●	
Group CEO and GEB members' salaries and individual performance awards						●	●	●	
Update on market practice, trends and peer group matters		●	●			●			
Pay for performance, including governance on certain higher-paid employees, and non-standard compensation arrangements	●	●	●	●	●			●	●
Board of Directors remuneration						●		●	
<b>Compensation framework</b>									
Compensation framework and deferred compensation matters				●		●	●	●	●
<b>Risk and regulatory</b>									
Risk management in the compensation approach and joint meeting with BoD Risk Committee			●	●		●	●	●	
Regulatory activities impacting employees and engagement with regulators		●	●	●	●	●	●	●	●

<sup>1</sup> The Compensation Committee held two meetings in November 2021 and three meetings in December 2021.

### Compensation governance

The table below provides an overview of compensation governance by specific role.

Recipients	Compensation recommendations proposed by	Approved by
<b>Chairman of the BoD</b>	Chairperson of the Compensation Committee	Compensation Committee <sup>1</sup>
<b>Independent BoD members (remuneration / fee framework)</b>	Compensation Committee and Chairman of the BoD	BoD <sup>1</sup>
<b>Group CEO</b>	Compensation Committee and Chairman of the BoD	BoD <sup>1</sup>
<b>Other GEB members</b>	Compensation Committee and Group CEO	BoD <sup>1</sup>
<b>Key Risk Takers (KRTs) / senior employees</b>	Respective GEB member and functional management team	Individual compensation for KRTs and senior employees: Group CEO

<sup>1</sup> Aggregate variable compensation and maximum aggregate amount of fixed compensation for the GEB, as well as aggregate remuneration for the BoD, are subject to shareholder approval.

# Environmental, Social and Governance considerations

## ESG in the compensation determination process

ESG objectives are considered in the compensation determination process in objective setting, performance award pool funding, performance evaluation and compensation decisions.

ESG-related objectives have been embedded in our Pillars and Principles since they were established in 2011. In 2021, we revised the Group CEO and GEB scorecards and further enhanced the link between ESG and compensation by introducing explicit sustainability objectives under “Strategic & Growth” in the non-financial goal category. These sustainability objectives are linked to our priorities, and their progress is measured via robust quantitative metrics and qualitative criteria. The table below provides an overview of our metrics and progress achieved in 2021. Sustainability objectives are individually assessed for each GEB member, and consequently directly impact their performance assessments and compensation decisions.

In addition, in the performance award pool funding across the Group, ESG is also reflected through an assessment of progress made against targets linked to our focus areas of Planet, People (including progress made against our diversity ambitions) and Partnerships, alongside other key dimensions. Therefore ESG is taken into consideration when the Compensation Committee assesses not only what results were achieved but also how they were achieved.

For 2021, we established robust and concrete targets, and made good progress toward achieving them. We continue to increase our focus on this topic.




- › Refer to “GEB performance assessments” in the “Compensation for GEB members” section of this report for more information about the GEB performance measurement process
- › Refer to “Our focus on sustainability and climate,” “Employees” and “Society” in the “How we create value for our stakeholders” section of our Annual Report 2021 for more information
- › Refer to [ubs.com/gri](https://ubs.com/gri) for more information about ESG-related topics

## Fair pay and pay for performance

Compensating employees fairly and consistently is key to ensuring equal opportunities. We pay for performance, and we take pay equity seriously. A strong commitment to both is embedded in our compensation policies, and we conduct both internal reviews and independent external audits as quality checks. If we uncover gaps that cannot be explained by business factors or appropriate personal factors – such as experience, role, responsibility, performance or location – we explore the root causes of those gaps and address them.

Additionally, our regular monitoring and review processes also allow us to maintain our certification status with the EQUAL-SALARY Foundation for our equal pay practices in Switzerland, the US, the UK, Hong Kong SAR and Singapore. The firm also successfully completed an equal pay analysis in Switzerland in 2020, as required by the Swiss Federal Act on Gender Equality. The results of the analysis confirmed that we are fully compliant with Swiss equal pay standards. These holistic certifications are a testament to our well-established equal opportunity environment and the strength of our human resources practices, including performance and reward. In 2021, we continued to monitor pay fairness and addressed any unexplained gaps to ensure that all employees are paid fairly.

Our targets and progress

Our priorities	Our targets	Our progress in 2021
<b>Planet, people, partnerships</b>	USD 400 billion invested assets in sustainable investments by 2025.	Increased invested assets in sustainable investments to USD 251 billion (compared with USD 141 billion in 2020).
<b>Planet</b> 	Set decarbonization targets for 2030 for financing of the fossil fuels, power generation and real estate sectors (from 2020 levels): <ul style="list-style-type: none"> <li>– reduce absolute financed emissions associated with UBS loans to fossil fuel companies by 71%;</li> <li>– reduce emissions intensity associated with UBS loans to power generation companies by 49%;</li> <li>– reduce emissions intensity of UBS’s commercial real estate lending portfolio by 44%; and</li> <li>– reduce emissions intensity of UBS’s residential real estate lending portfolio by 42%.</li> </ul> Align USD 235 billion of invested assets to net zero by 2030 (Asset Management).  Achieve net-zero emissions across discretionary client portfolios by 2050.  Achieve net-zero energy emissions resulting from our own operations (scope 1 and 2) by 2025; cut energy consumption by 15% by 2025 (compared with 2020).  Offset historical emissions back to the year 2000 by sourcing carbon offsets (by end 2021) and by offsetting credit delivery and full retirement in registry (by end 2025).  Engage with key vendors on targeting net zero by 2035.	Estimated baselines and development of net-zero-aligned pathways for the fossil fuel, power generation and real estate (commercial and residential) sectors.  Established Asset Management baseline covering the weighted average carbon intensity of the respective benchmark for each strategy and fund included in our target.  Expanded discretionary offering with climate transition-focused solutions and built more detailed carbon footprint data into our research and reporting toolkits.  Reduced net greenhouse gas footprint for scope 1 and 2 emissions by 75% and energy consumption by 5% (compared with 2020); continued implementation of the replacement of fossil fuel heating systems and investing in credible carbon removal projects; maintained 100% renewable electricity coverage.  Completed the sourcing process for a portfolio of transparent carbon offsets from the voluntary carbon market across a range of project types and geographies.  Commenced working on understanding and quantifying the scope 3 emissions in our supply chain.
<b>People</b> 	30% global female representation at Director level and above by 2025.  26% US ethnic minority representation at Director level and above by 2025.  26% UK ethnic minority representation at Director level and above by 2025.  Raise USD 1 billion in donations to our client philanthropy foundations and funds and reach 25 million beneficiaries by 2025 (cumulative for years 2021-2025).  Support one million beneficiaries through our community impact activities by 2025 (cumulative for years 2020-2024).	Increased to 26.7% (2020: 26.0%) female representation at Director level and above.  Increased to 20.1% (2020: 19.5%) ethnic minority representation at Director level and above in the US.  Increased to 21.3% (2020: 20.7%) ethnic minority representation at Director level and above in the UK.  Achieved UBS Optimus Foundation donations volume of USD 161 million (including UBS matching contributions) and reached 4.6 million beneficiaries.  Reached 1.199 million beneficiaries through strategic community impact activities cumulatively during 2020 and 2021, surpassing our 2025 target in two years.
<b>Partnerships</b> 	Establish UBS as a leading facilitator of discussion, debate and idea generation.  Drive standards, research and development, and product development through partnerships across the financial ecosystem.	Launched the UBS Sustainability and Impact Institute, with the objective of delivering original, best-in-class sustainability and impact thought leadership.  Continued implementation of the Principles for Responsible Banking by expanding the scope of our impact analyses and improving upon our existing methodologies in partnership with the UN Environment Program and peers.

› Refer to the Sustainability Report 2021, available from 11 March 2022 under “Annual reporting” at [ubs.com/investors](https://ubs.com/investors), for more information

## Our commitment to diversity, equity and inclusion

Ensuring fair treatment and strengthening our commitment to DE&I are vital to our sustainable business success. We find diverse teams better understand and relate to the needs of our equally diverse clients. Through the diversity of our employees' backgrounds and experiences, we drive innovation and better decision making. Our aim, therefore, is to shape a diverse and inclusive organization that is innovative, provides outstanding service to our clients and offers equitable opportunities so that every employee can thrive.

UBS is a strong supporter of the UN Standards of Conduct for Business anti-discrimination guidelines. Additionally, we are signatories to the UN-backed Women's Empowerment Principles, the UK's Women in Finance Charter and Race at Work Charter, and the Corporate Call to Action in the US. Philosophically, we take a broad approach to DE&I, focusing on a range of aspects, including inclusive leadership, age, gender, race and ethnicity, LGBTQ+, disability, and veterans. Building inclusive leadership skills, increasing gender and ethnic diversity, and equitable policies and practices were our leading priorities in 2021.

Gender diversity is a key priority for the firm. We are particularly focused on increasing the representation of women at senior management levels. We take a multi-pronged approach in this respect, analyzing and adapting various factors that support the hiring, development and retention of women at all levels. For example, our interviews for open roles are expected to include qualified diverse candidates, and our interview questions seek to gauge inclusive leadership competencies for executive roles.

To ensure we are making progress, we hold ourselves and our leaders accountable. For example, in early 2020 we publicly stated our aspiration to have 30% of all Director and above roles held by women by 2025. At the end of 2021, that figure stood at 26.7%, up from 26.0% in 2020. As of 31 December 2021, 25% of GEB members were female and we expect to increase this ratio to 33% in early 2022 after the designated Group Chief Financial Officer joins the firm. In addition, 27% of senior managers who reported directly to the Group Executive Board (the GEB) in 2021 were female. These aspirations are considered in the determination of the annual performance award pool and are included in the explicit sustainability objectives under "Strategic & Growth" for the GEB, as outlined in the table on the previous page.

Increasing the ethnic minority diversity of our workforce, and a related commitment to support underrepresented talent and communities, is also a top priority across all business divisions and regions. We focus on four areas: accountability and transparency; investing in our talent; improving our culture; and leveraging our business strengths in underrepresented communities.

We take a country-by-country approach, in close collaboration with relevant business and jurisdictional entities. This is because legislation, legal requirements and progress toward racial and ethnic equality vary significantly across the locations in which we do business. In the short term, the largest share of our efforts is focused on Switzerland, the US and the UK. In Switzerland, we began collecting ethnicity data on a voluntary basis in 2021, aimed at understanding the current representation within our local workforce. Our 2025 aspiration is to achieve a 26% representation of ethnic minorities at Director level and above in the UK and the US. As of the end of 2021, our representation was 20.1% in the US and 21.3% in the UK.

Our employee networks are strong partners in our ethnic diversity strategy. Throughout 2021, our ethnicity-focused MOSAIC networks globally facilitated numerous events for staff in every region to increase awareness and personal accountability along with specialized educational sessions for network members. In addition, a community of more than 480 Diversity and Inclusion Ambassadors acts as a resource for employee advice and coaching on conversations about various diversity and inclusion-related topics.

We are committed to ensuring a workplace where employees are fairly treated, with equitable employment and advancement opportunities for all. We do not tolerate harassment of any kind, including sexual harassment, and we take measures to prevent all forms of harassment, bullying, victimization and retaliation. Our policies, procedures, employee and line manager education, and awareness materials all encourage employees to raise concerns, which they may do openly or anonymously. An internal anti-harassment officer appointed by the Group Head Human Resources provides an independent view of the firm's various processes and procedures to prevent harassment and sexual misconduct.

- › Refer to [ubs.com/diversity](https://ubs.com/diversity) for additional information about our priorities, commitments and progress, and the Sustainability Report 2021, available from 11 March 2022 under "Annual reporting" at [ubs.com/investors](https://ubs.com/investors), for our management practices and detailed employee data, including gender- and region-specific data
- › Refer to "Employees" in the "How we create value for our stakeholders" section of our Annual Report 2021 for more information.

## Performance award pool funding

Our compensation philosophy focuses on balancing performance with appropriate risk-taking, retaining talented employees and shareholder returns. Our overall performance award pool funding percentage reduces as financial performance increases. In years of strong financial performance, this prevents excessive compensation and results in an increased proportion of profit before performance awards being available for distribution to shareholders or growing the Group's capital. In years where performance declines, the performance award pool will generally decrease; however, the funding percentage may increase.

Our performance award pool funding framework is based on Group and business division performance, including achievements against defined performance measures. In assessing performance, we also consider industry peers, market competitiveness of our results and pay position, as well as progress against our strategic objectives, including returns, risk-weighted assets and cost efficiency. The Risk and Compliance functions support our holistic reflection and consideration of the financial and non-financial impact (including reputation) of risk matters. We further consider the firm's risk profile and culture, the extent to which operational risks and audit issues have been identified and resolved, and the success of risk reduction initiatives including significant events.

The funding for Group Functions is linked to overall Group performance and reflects headcount, workforce location and demographics. For each functional area quantitative and

qualitative assessments evaluate service quality, risk management and financial achievements. Our decisions also balance consideration of financial performance with a range of factors, including DE&I and other ESG metrics, the impact of litigation, regulatory costs, the effect of changes in financial accounting standards, capital returns, and relative total shareholder return.

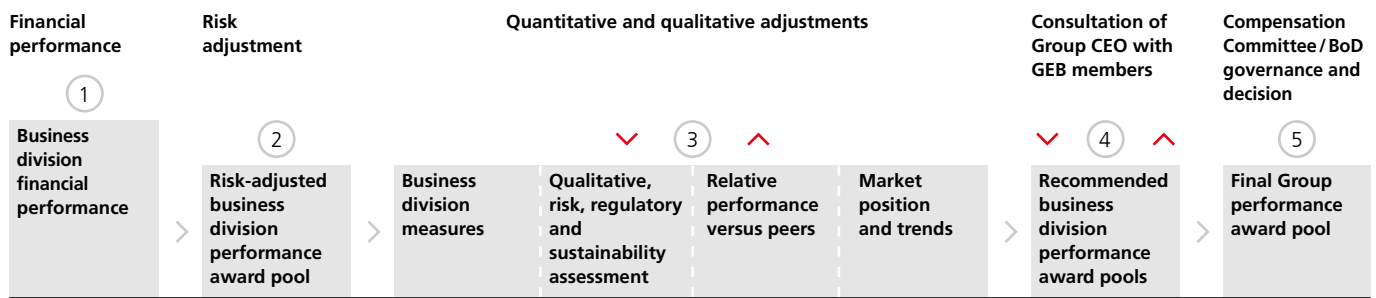
Before making its final proposal to the BoD, the Compensation Committee considers the CEO's proposals and can apply a positive or negative adjustment to the performance award pool. For example, despite our excellent financial results in 2021, our reputation and financial results were negatively impacted by a loss related to the default of a US-based client of our prime brokerage business. As a consequence, the 2021 Group performance award pool was reduced significantly. Our funding approach for the performance award pool resulted in a direct and substantial reduction, which was supplemented by a significant negative adjustment to the pool.

Taking into consideration the above proposals and factors, over the past nine years the Compensation Committee has approved adjustments to the performance award pool, resulting in downward adjustments in all but one year.

- › Refer to **"2021 Group performance outcomes" in the "Group compensation" section of this report**
- › Refer to the **"Group performance" section of our Annual Report 2021 for more information about our results**



## Performance award pool funding process – illustrative overview



1	<b>Business division financial performance</b>	The starting point for the funding process is the business division financial performance, which may be adjusted for items that are not reflective of the underlying business division performance.
2	<b>Risk-adjusted business division performance award pool</b>	Predetermined business division-specific funding rates are applied to risk-adjusted performance, which excludes items that are not reflective of the underlying business performance.
3	<b>Business division measures</b>	Each division is assessed based on specific measures (e.g., net new fee-generating assets, return on attributed equity).
	<b>Qualitative, risk, regulatory and sustainability assessment</b>	Decisions consider the firm's risk profile and the extent to which operational risks and audit issues have been identified and resolved. They also consider diversity, equity & inclusion and other ESG metrics, the impact of litigation and regulatory costs. The Risk and Compliance functions support our holistic reflection and consideration of the financial and non-financial impact (including reputation) of risk matters.
	<b>Relative performance versus peers</b>	Performance is assessed relative to our peers, including financial performance, returns and relative total shareholder return.
	<b>Market position and trends</b>	Market intelligence, based on external advisors, helps assess the competitiveness of our pay levels and compensation structure. It also provides a prospective view of market trends in terms of absolute compensation levels, compensation framework and industry practice.
4	<b>Recommended business division performance award pools</b>	The business division performance award pool determination process, based on quantitative and qualitative assessments, results in a proposal from the Group CEO (after consultation with the GEB) to the Compensation Committee for consideration.
5	<b>Final Group performance award pool</b>	The Compensation Committee considers the proposal in the context of the factors outlined above and verifies it is in line with our strategy and our Total Reward Principles to create sustainable shareholder value and support our growth ambitions. The Committee may alter the proposal of the Group CEO (upward or downward including proposing a zero award) before making its final proposal to the BoD.

# Compensation for GEB members

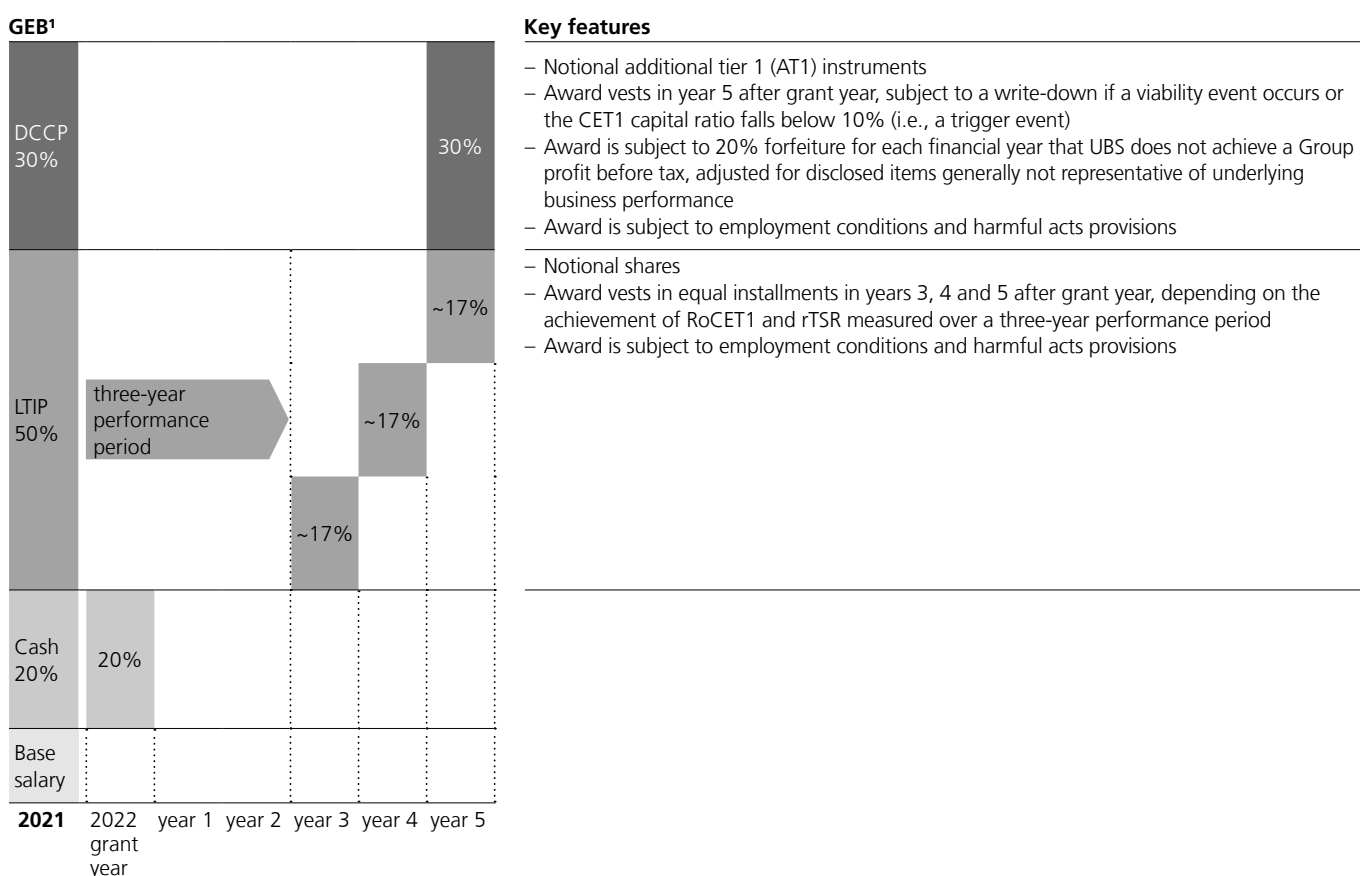
## GEB compensation framework

In 2021, we made no changes to our GEB compensation framework. The chart below illustrates the compensation elements, pay mix and key features for GEB members. Of the annual performance award, 20% is paid in the form of cash and 80% is deferred over a period of five years<sup>1</sup>, with 50% of the

annual performance awards granted under the Long-Term Incentive Plan (the LTIP) and 30% under the Deferred Contingent Capital Plan (the DCCP).

› Refer to “Our deferred compensation plans” in the “Group compensation” section of this report for more information

### 2021 compensation framework for GEB members (illustrative example)



<sup>1</sup> Performance awards to GEB members who are SMF/MRT are subject to additional deferral and vesting requirements.

- › Refer to the “Group Compensation” section of this report for more information
- › Refer to “Regulated staff” in the “Supplemental information” section of this report for more information

### Pay-for-performance safeguards for GEB members

<b>Performance award caps</b>	<ul style="list-style-type: none"> <li>– Cap on the total GEB performance award pool (2.5% of profit before tax)<sup>1</sup></li> <li>– Caps on individual performance awards (for the Group CEO capped at five times the fixed compensation and at seven times for the other GEB members)</li> <li>– Cap of 20% of performance award in cash</li> </ul>
<b>Delivery and deferral</b>	<ul style="list-style-type: none"> <li>– 80% of performance awards are at risk of forfeiture</li> <li>– Long-term deferral over five years (or longer for certain regulated GEB members)</li> <li>– Alignment with shareholders (through the LTIP) and bondholders (through the DCCP)</li> <li>– Final payout of equity-based LTIP award (50% of performance award) subject to absolute and relative performance conditions (three-year performance period)</li> </ul>
<b>Contract terms</b>	<ul style="list-style-type: none"> <li>– No severance terms</li> <li>– Six-month notice period</li> </ul>
<b>Other safeguards</b>	<ul style="list-style-type: none"> <li>– Share ownership requirements</li> <li>– No hedging allowed</li> </ul>

<sup>1</sup> The Compensation Committee may consider adjustments to profit for items that are not reflective of underlying performance.

## GEB share ownership requirements

To align the interests of GEB members with those of our shareholders and to demonstrate personal commitment to the firm, we require the Group CEO and the other GEB members to hold a substantial number of UBS shares. GEB members must reach their minimum shareholding requirements within five years from their appointment and retain it throughout their tenure. The total number of UBS shares held by a GEB member consists of any vested or unvested shares and any privately held shares. GEB

### Share ownership requirements

Group CEO	min. 1,000,000 shares	Must be built up within five years from their appointment and retained throughout their tenure.
Other GEB members	min. 500,000 shares	

## GEB base salary and role-based allowance

Each GEB member receives a fixed base salary, which is reviewed annually by the Compensation Committee. The 2021 annual base salary for the Group CEO role was CHF 2.5 million and has remained unchanged since 2011. The other GEB members each received a base salary of CHF 1.5 million (or local currency equivalent), also unchanged since 2011.

Over the course of 2021, two GEB members held a UK Senior Management Function (SMF) role for one of our UK entities. In addition to base salary, role-based allowances were part of their fixed compensation.

At the AGM, shareholders are asked to approve the maximum aggregate amount of fixed compensation for GEB members for the following financial year.

- › Refer to the “Supplemental information” section of this report for more information about MRTs and SMFs
- › Refer to the “Say-on-pay” section of this report for more information about the AGM vote on fixed compensation for the GEB

## Caps on the GEB performance award pool

The size of the GEB performance award pool may not exceed 2.5% of the Group profit before tax. This limits the overall GEB compensation based on the firm’s profitability.

For 2021, the Group’s profit before tax was USD 9.5 billion and the total GEB performance award pool was CHF 79.8 million. The GEB performance award pool as a percentage of Group profit before tax was 0.9%, well below the 2.5% cap.

In line with the individual compensation caps on the proportion of fixed pay to variable pay for all GEB members (introduced in 2013), the Group CEO’s granted performance award is capped at five times his fixed compensation. Granted performance awards of other GEB members are capped at seven times their fixed compensation (or two times for GEB members who are also Material Risk Takers (MRTs)). For 2021, performance awards granted to GEB members and the Group CEO were, on average, 3.2 times their fixed compensation (excluding one-time replacement awards, benefits and contributions to retirement plans).

- › Refer to “Performance award pool funding” in the “Compensation philosophy and governance” section of this report for more information

members may not sell any UBS shares before they reach the minimum ownership thresholds mentioned below. At the end of 2021, all GEB members met their share ownership requirements, except for those appointed within the last four years, who still have time to build up and meet the required share ownership.

As of 31 December 2021, our GEB members held shares with an aggregate value of approximately USD 191 million, demonstrating their commitment to our strategy and alignment with shareholders.

## GEB employment contracts and severance terms

GEB members’ employment contracts do not include severance terms or supplementary pension plan contributions and are subject to a notice period of at least six months. A GEB member leaving UBS before the end of a performance year may be considered for a performance award. Such awards are subject to approval by the BoD, and ultimately by the shareholders at the AGM.

## Benchmarking for GEB members

When recommending performance awards for the Group CEO and the other GEB members, the Compensation Committee reviews the respective total compensation for each role against a financial industry peer group. The peer group is selected based on comparability of their size, business mix, geographic presence and the extent to which they compete with us for talent. The Compensation Committee considers our peers’ strategies, practices and pay levels, as well as their regulatory environment; it also periodically reviews other firms’ pay levels or practices, including both financial and non-financial sector peers as applicable. The total compensation for a GEB member’s specific role considers the compensation paid by our peers for a comparable role and performance within the context of our organizational profile. The Compensation Committee periodically reviews and approves the peer group composition.

The table below presents the composition of our peer group as approved by the Compensation Committee for the 2021 performance year.

Bank of America	Goldman Sachs
Barclays	HSBC
BlackRock	JPMorgan Chase
BNP Paribas	Julius Baer
Citigroup	Morgan Stanley
Credit Suisse	Standard Chartered
Deutsche Bank	State Street

# GEB performance assessments

For 2021, we have further enhanced the performance assessment for GEB members to ensure it is fully aligned with the firm’s new purpose and strategic objectives. We assess GEB members against a set of Group financial targets, non-financial objectives and Behaviors. Under the non-financial objectives we introduced the new categories of Core Job, which covers job-specific, risk and people objectives, as well as Strategic & Growth, which covers strategy, digital and ESG objectives. The restructured approach fosters an even greater focus on GEB priorities and the success of the Group overall among all GEB members, and strengthens the understanding and importance of interdependence within and

across the GEB. At the same time, it creates stronger individual accountability, and further increases the focus on core activities.

The Compensation Committee exercises its judgment with respect to the performance achieved relative to the prior year, the strategic plan and competitors, and considers the Group CEO’s proposals. The Compensation Committee’s proposals are subject to approval by the BoD.

The Compensation Committee, and then the full BoD, follows a similar process for the Group CEO, except that the proposal comes from the Chairman of the BoD.

## Overview of the GEB compensation determination process

The compensation for the Group CEO and the other GEB members is governed by a rigorous process under Compensation Committee and BoD oversight. The chart below shows how compensation for all GEB members is determined.

The Compensation Committee is involved at all stages of the performance and total compensation decision-making process for the Group CEO and the other GEB members, for review and approval by the BoD.			
	Objective setting	Performance assessment	Compensation determination
Decision-making process	<p>Financial targets are based on Group performance measures.</p> <p>Non-financial objectives are related to core job, strategic and growth.</p> <p>Behaviors objectives are related to the three UBS Behaviors of accountability with integrity, collaboration and innovation.</p> <p>Financial targets weight: 60% Non-financial objectives weight: 30% Behavior objectives weight: 10%</p>	<p>Financial results are assessed quantitatively based on full-year financial results versus predetermined targets and plan figures.</p> <p>Non-financial objectives are assessed predominantly based on achievements relative to quantitative key performance indicators.</p> <p>Behaviors objectives are assessed qualitatively.</p> <p>The achievements of non-financial measures and Behaviors are determined in three performance categories, outlined on the next page. The total of all weighted achievement scores cannot exceed 100%.</p>	<p>When determining actual pay levels, the Compensation Committee factors in:</p> <ul style="list-style-type: none"> <li>– financial performance;</li> <li>– performance assessment;</li> <li>– relative performance versus peers; and</li> <li>– compensation market benchmarks and trends.</li> </ul> <p>Final compensation decisions for GEB members consider the Group CEO’s proposal (the Group CEO makes no proposal on his own awards).</p>
Role of the Compensation Committee	<p>Together with the BoD Chairman, proposes performance targets and objectives for the Group CEO for approval by the BoD.</p> <p>Together with the Group CEO, reviews the performance framework for the other GEB members.</p>	<p>Together with the BoD Chairman, propose the Group CEO’s performance assessment for approval by the BoD.</p> <p>Together with the Group CEO, propose the performance assessments of the other GEB members for approval by the BoD.</p>	<p>Proposes to the BoD:</p> <ul style="list-style-type: none"> <li>– together with the BoD Chairman, the total compensation for the Group CEO; and</li> <li>– together with the Group CEO, the individual total compensation for the other GEB members.</li> </ul> <p>The final decision on the aggregate amount is subject to shareholder approval.</p>

## Overview of performance assessment measures

We apply a range of quantitative measures to assess GEB member performance against financial and non-financial objectives while Behaviors are assessed qualitatively. The table below provides a summary of the main metrics and measures used for 2021.

<b>Financial measures (60%)</b>		<ul style="list-style-type: none"> <li>– Reported Group profit before tax</li> <li>– Reported Group cost / income ratio</li> <li>– Reported Return on CET1 capital</li> </ul>	
<b>Non-financial measures (30%)</b>	Core Job	Job-specific	<ul style="list-style-type: none"> <li>– Business-specific criteria such as net new investable asset targets and client engagement-level objectives</li> <li>– Operating income growth targets for specific client segments and total cost goals</li> <li>– Post-stress CET1 objectives and Capital ratio guidance</li> <li>– Execution progress on key client and internal initiatives; e.g., cross-divisional collaboration initiatives, efficiency and cost saving initiatives</li> </ul>
		Risk	<ul style="list-style-type: none"> <li>– Operating within risk appetite constraints</li> <li>– Progress to deliver on risk reduction initiatives</li> </ul>
	Strategic & Growth	People	<ul style="list-style-type: none"> <li>– Employee listening / sentiment results and feedback</li> <li>– Progress to meet 2025 ambitions for female representation and for ethnic minority representation in the US and UK at Director and above levels (as per ESG disclosure)</li> <li>– People development, mobility, turnover and succession plan metrics</li> </ul>
		Strategy	<ul style="list-style-type: none"> <li>– Progress on group-wide transformation initiatives</li> <li>– Delivery on division / function-specific strategic programs and initiatives</li> </ul>
		Digital	<ul style="list-style-type: none"> <li>– Progress on digital transformation initiatives</li> <li>– Delivery of digital offering and user experience for clients</li> </ul>
	ESG	<ul style="list-style-type: none"> <li>– Refer to the “Our targets and progress” table in the “Environmental, Social and Governance considerations” section of this report</li> </ul>	
<b>Behaviors (10%)</b>	Accountability with integrity	Qualitative assessment against expected Behaviors:	<ul style="list-style-type: none"> <li>– Responsible for what they say and do</li> <li>– Takes ownership and makes things happen</li> <li>– Steps up and acts when something is not right</li> </ul>
	Collaboration		<ul style="list-style-type: none"> <li>– Trusts others and helps them to be successful</li> <li>– Delivers One UBS, together with their colleagues</li> <li>– Fosters a diverse, inclusive and equitable work environment</li> </ul>
	Innovation		<ul style="list-style-type: none"> <li>– Challenges perspectives and looks at every opportunity to improve</li> <li>– Actively seeks and provides feedback</li> <li>– Learns from every success and failure</li> </ul>

## Performance assessment categories

The table below presents the three performance categories for the assessment of the performance against non-financial objectives related to Core Job, Strategic & Growth and Behaviors. The achievement score represents the maximum percentage, and the Compensation Committee may apply downward adjustments.

Non-financial measures		
Needs focus	Good contribution	Excellent contribution
Achievement score: up to 33%	Achievement score: up to 66%	Achievement score: up to 100%

Behaviors		
Needs focus	Expected behavior	Exemplary behavior
Achievement score: up to 33%	Achievement score: up to 66%	Achievement score: up to 100%

## 2021 performance for the Group CEO

The performance award for the Group CEO is based on the achievement of financial performance targets and non-financial objectives related to his Core Job, Strategic & Growth initiatives and Behaviors, as described earlier in this section.

These objectives were set to reflect the strategic priorities determined by the Chairman and the BoD.

- › Refer to “GEB compensation framework” in this section of this report for more information

### Performance assessment for the Group CEO

The BoD recognized that Ralph Hamers successfully focused on building on UBS’s strong business momentum, which resulted in very strong financial results for 2021. He led the Group toward stronger client centricity and improved the delivery of the bank’s ecosystem to clients. He also delivered a successful strategic refresh in 2021 and re-positioned the bank’s sustainability efforts.

Mr. Hamers successfully led the development of the purpose statement, established the client promise, and strategic imperatives, including development of concrete transformation initiatives to position the firm for future growth. He was the most important ambassador for the firm’s refreshed culture and behavior program.

Furthermore, Ralph Hamers continuously displayed high risk awareness and set a strong and consistent tone from the top to promote an effective risk culture. He also demonstrated strong leadership and accountability in dealing with the loss event resulting from the default of a US-based client of our prime brokerage business.

Additionally, the BoD recognized that Mr. Hamers personally championed the drive towards becoming more digital across the organization, along with his continuous push for technology as a differentiator for both clients and employees.

The BoD acknowledged that Mr. Hamers also championed key changes across the organization to further promote agile ways of working, simplification and empowerment. He continued to increase the Group’s focus on delivering against diversity and ethnicity ambitions.

Mr. Hamers demonstrated strong leadership on ESG topics, including establishing a group-wide sustainability and impact organization. He drove the definition of a net-zero framework and focused the organization on delivering against select UN Sustainable Development goals, as well as establishing ambitions and making progress on key focus areas, including Planet, People and Partnerships.

The table below illustrates the assessment criteria used to evaluate the achievements of Mr. Hamers in 2021.

### Financial performance

Weight	Performance measures	2021 targets	2021 results	Achievement <sup>2</sup>	Weighted assessment	2021 commentary
20%	<b>Reported Group Profit before Tax</b>	USD 6.9bn	USD 9.5bn	100% <sup>2</sup>	20%	– Profit before tax increased 16% to USD 9.5 billion, reflecting strong business momentum with income up in all regions and good cost control. This result <b>significantly exceeds the 2021 performance target and also represents the highest result since 2006.</b>
20%	<b>Reported Cost / Income Ratio</b>	75% <sup>1</sup>	73.6%	100% <sup>2,3</sup>	20%	– The cost / income ratio was 73.6%, <b>better than the 2021 performance target</b> , despite the increase in litigation provisions of USD 740 million taken for the French cross-border matter.
20%	<b>Reported Return on CET1 Capital</b>	16% <sup>1</sup>	17.5%	100% <sup>2</sup>	20%	– The return on CET1 capital (RoCET1) was 17.5%, compared with 17.4% in 2020, <b>exceeding the 2021 performance target.</b>

<sup>1</sup> The return on CET1 capital and cost / income ratio performance targets are set based on the previously communicated targets and reflect a stretch-target level relative to the Group return on CET1 capital target range of 12–15% and the cost / income ratio target range of 75–78% in the spirit of setting ambitious goals to reach a 100% performance achievement. <sup>2</sup> Achievement score capped at 100%. <sup>3</sup> For the assessment of the cost / income ratio, each 1% difference between actual and target affects the score by 10%.

## Performance assessment for the Group CEO (continued)

### Non-financial performance and Behaviors

Weight	Performance measures	Achievement	Weighted assessment	2021 commentary
30%	<p><b>Core Job</b> (Job specific, Risk, People)</p> <p><b>Strategic &amp; Growth</b> (Strategy, Digital, ESG)</p>	Good contribution (66%)	20%	<p>– The evaluation of each non-financial objective considers <b>quantitative metrics</b> that are assessed against internal targets / plan:</p> <p><b>Core Job</b></p> <ul style="list-style-type: none"> <li>– Progressed on execution of <b>digital transformation</b> initiatives</li> <li>– Delivered improved <b>digital offering</b> and <b>user experience for clients</b></li> <li>– Operated within <b>risk appetite</b> constraints</li> <li>– Progressed on <b>risk reduction initiatives</b> and strengthened the <b>control framework</b></li> <li>– Improved <b>employee listening / sentiment results</b> across key categories</li> <li>– Increased the <b>ratio of female leaders</b>, stayed on track to meet the 2025 target</li> <li>– Stayed on track toward the 2025 ambition for ratios of US and UK <b>employees from ethnic minorities</b></li> <li>– Improved statistics on <b>employee mobility and turnover</b></li> </ul> <p><b>Strategic &amp; Growth</b></p> <ul style="list-style-type: none"> <li>– Developed and launched UBS’s <b>purpose</b></li> <li>– Delivered the refreshed <b>strategy</b></li> <li>– Launched new client promise and strategic imperatives</li> <li>– Refreshed the <b>Sustainability</b> strategy</li> <li>– Progressed on the execution of key <b>growth initiatives</b></li> <li>– Refreshed culture and behavior program</li> <li>– See <b>ESG</b> metrics and progress in separate table in this report</li> </ul>
10%	<b>Behaviors</b> (Accountability with integrity, Collaboration, Innovation)	Expected behavior (66%)	7%	<p>The assessment of the Behavior objectives is <b>qualitative</b> and has resulted in the following summary assessment:</p> <ul style="list-style-type: none"> <li>– Mr. Hamers acted as a <b>role model</b> in accepting <b>ownership and accountability</b>. He further strengthened <b>collaboration</b> across the Group and at the same time pushed <b>individual accountability</b> and empowerment across the organization</li> <li>– He drove <b>innovation</b> in UBS and built the foundation for a successful digitalization through <b>new ways of working</b>. He continuously promoted simplification, more radical challenge and innovative thinking and action</li> </ul>
<b>Total weighted assessment (maximum 100%)</b>			<b>87%</b>	

In addition to the overall 2021 performance of the Group and Mr. Hamers’ achievements outlined in the performance evaluation table above, the BoD also considered other factors, such as the impact of the significant risk event related to a loss from a US-based client of our prime brokerage business.

The BoD approved the proposal by the Compensation Committee to grant Mr. Hamers a performance award of CHF 8.5 million, resulting in a total compensation for 2021 of CHF 11.0

million (excluding benefits and contributions to his retirement benefit plan).

Aligned with the GEB compensation framework, the Group CEO’s performance award will be delivered 20% (CHF 1.7 million) in cash and the remaining 80% (CHF 6.8 million) subject to deferral and forfeiture provisions, as well as meeting performance conditions over the next five years.

## 2021 total compensation for the GEB members

The aggregate performance award pool for the GEB for 2021 was CHF 79.8 million (USD 87.1 million); on a per capita basis this reflects a decrease of 1% compared with 2020. This contrasts with the change in the overall performance award pool of the firm, which increased 10% compared with 2020. The GEB performance award pool had a proportionally larger downward adjustment than the Group pool, to reflect the accountability of the GEB for the significant risk event in the first half of 2021. The Group's profit before tax was USD 9.5 billion, up 16% compared with 2020.

The Compensation Committee has confirmed that performance conditions for all GEB members' awards due to vest in March 2022 have been satisfied and the awards will therefore vest in full.

At the 2022 AGM, shareholders will vote on the aggregate 2021 total variable compensation for the GEB in Swiss francs. The tables below provide the awarded compensation for the Group CEO and the GEB members in Swiss francs and, for reference, the total amounts in US dollars for comparability with financial performance. The individual variable performance awards for each GEB member will only be confirmed upon shareholder approval at the AGM

» Refer to "Provisions of the Articles of Association related to compensation" in the "Supplemental Information" section of this report for more information

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### Total compensation for GEB members

CHF, except where indicated

For the year	CHF			Total fixed compensation	USD			Total variable compensation	Total fixed and variable compensation <sup>6</sup>	USD (for reference) <sup>1</sup>		
	Base salary	Contribution to retirement benefit plans	Benefits <sup>2</sup>		Cash <sup>3</sup>	Performance award under LTIP <sup>4</sup>	Performance award under DCCP <sup>5</sup>			Total fixed compensation	Total variable compensation	Total fixed and variable compensation <sup>6</sup>
<b>Highest Paid Executive (for 2021 Ralph A.J.G. Hamers and for 2020 Sergio P. Ermotti)</b>												
2021	2,500,000	246,415	251,856	<b>2,998,271</b>	1,700,000	4,250,000	2,550,000	<b>8,500,000</b>	<b>11,498,271</b>	3,275,763	9,286,681	12,562,444
2020 <sup>7</sup>	2,500,000	244,353	78,891	<b>2,823,244</b>	2,100,000	5,250,000	3,150,000	<b>10,500,000</b>	<b>13,323,244</b>			
<b>Group CEO Ralph A.J.G. Hamers (reflects compensation since joining UBS per 1 September 2020)</b>												
2020	833,333	62,124	314,260	<b>1,209,717</b>	600,000	1,500,000	900,000	<b>3,000,000</b>	<b>4,209,717</b>			
<b>Aggregate of all GEB members<sup>8,9,10,11,12</sup></b>												
2021	24,853,521	2,064,009	1,179,512	<b>28,097,041</b>	15,950,000	39,875,000	23,925,000	<b>79,750,000</b>	<b>107,847,041</b>	30,697,441	87,130,916	117,828,357
2020	27,469,369	2,249,276	1,145,489	<b>30,864,135</b>	16,625,062	42,874,938	25,500,000	<b>85,000,000</b>	<b>115,864,135</b>			

<sup>1</sup> Swiss franc amounts have been translated into US dollars for reference at the 2021 performance award currency exchange rate of CHF / USD 1.092551. <sup>2</sup> All benefits are valued at market price. <sup>3</sup> For GEB members who are also MRTs or SMFs, the cash portion includes blocked shares. <sup>4</sup> LTIP awards for performance year 2021 were awarded at a value of 67.7% of maximum which reflects our best estimate of the fair value of the award. The maximum number of shares is determined by dividing the awarded amount by the estimated fair value of the award at grant, divided by CHF 19.194 or USD 20.700, the average closing price of UBS shares over the last ten trading days leading up to and including the grant date. <sup>5</sup> The amounts reflect the amount of the notional additional tier 1 (AT1) capital instrument excluding future notional interest. <sup>6</sup> Excludes the portion related to the legally required employer's social security contributions for 2021 and 2020, which are estimated at grant at CHF 4,997,243 and CHF 5,497,811, respectively, of which CHF 763,059 and CHF 880,496, respectively, are for the highest-paid GEB member. The legally required employees' social security contributions are included in the amounts shown in the table above, as appropriate. <sup>7</sup> Reflects compensation for 12 months until the end of his GEB employment on 31 December 2020. <sup>8</sup> As stated in "Group Executive Board" in the "Corporate governance" section of our Annual Report 2021, twelve GEB members were in office on 31 December 2021 and thirteen GEB members on 31 December 2020. <sup>9</sup> Includes compensation paid under employment contracts during notice periods for GEB members who stepped down during the respective years. <sup>10</sup> Includes compensation for newly appointed GEB members for their time in office as GEB members during the respective years. <sup>11</sup> For 2021, Barbara Levi received a one-time replacement award of CHF 7,081,474. This replacement award is not included in the above table; including this, the 2021 total aggregate compensation of all GEB members is CHF 114,928,515. For 2020, Ralph A.J.G. Hamers received a one-time replacement award of CHF 163,399. This replacement award is not included in the above table; including this, the 2020 total aggregate compensation of all GEB members is CHF 116,027,534. <sup>12</sup> Base salary may include role-based allowances in line with market practice in response to regulatory requirements.



## Total realized compensation for the Group CEO

The realized compensation reflects the total amount paid out in the year. It includes the base salary, cash performance award payments, and all deferred performance awards vested in the year. As such, realized pay is the natural culmination of awards granted and approved by shareholders in previous years.

To illustrate the effect of our long-term deferral approach, which has been in place since 2012, we disclose the annual realized compensation of Mr. Hamers, including a comparison with his total awarded compensation.

### Total realized compensation vs awarded compensation for Ralph A.J.G Hamers<sup>1</sup>

<i>CHF</i>						Realized	Awarded
For the year	Base salary	Cash award <sup>2</sup>	Deferred cash award <sup>2</sup>	Performance award under equity plans <sup>2</sup>	Performance award under DCCP <sup>2</sup>	Total realized fixed and variable compensation	Total awarded fixed and variable compensation <sup>3,4</sup>
2021	2,500,000	600,000	0	0	0	3,100,000	11,000,000
2020 <sup>1</sup>	833,333	0	0	0	0	833,333	3,833,333

<sup>1</sup> Includes compensation for 4 months as Ralph A.J.G. Hamers joined UBS on 1 September 2020. <sup>2</sup> Excludes dividend / interest payments. <sup>3</sup> Excludes contributions to retirement benefit plans and benefits. Includes social security contributions paid by Ralph A.J.G. Hamers but excludes the portion related to the legally required social security contributions paid by UBS. <sup>4</sup> Excludes the one-time replacement award.

# Group compensation

## Compensation elements for all employees

All elements of pay are considered when making our compensation decisions. We regularly review our principles and compensation framework in order to remain competitive and aligned with stakeholders. In 2021, we made no material changes to our overall framework. We will continue to review our approach to salaries and performance awards, considering market developments, our performance and our commitment to deliver sustainable returns to shareholders.

### Base salary and role-based allowance

Employees' fixed compensation (e.g., base salary) reflects their level of skill, role and experience, as well as local market practice. Base salaries are usually paid monthly or fortnightly, in line with local market practice. We offer competitive base salaries that reflect location, function and role. Salary increases generally consider promotions, skill set, performance and overall responsibility.

In addition to base salary, and as part of fixed compensation, some employees may receive a role-based allowance. This allowance is a shift in the compensation mix between fixed and variable compensation, not an increase in total compensation. It reflects the market value of a specific role and is fixed, non-forfeitable compensation. Unlike salary, a role-based allowance is paid only if the employee is in a specific role. Similar to previous years, 2021 role-based allowances consisted of a cash portion and, where applicable, a blocked UBS share award.

### Pensions and benefits

We offer certain benefits for all employees, such as health insurance and retirement benefits. These vary depending on the employee's location and are reviewed periodically for competitiveness. Pension contributions and pension plans also vary in accordance with local requirements and market practice. However, pension plan rules in any one location are generally the same for all employees, including management.

GEB members' pension contributions and benefits are in line with local practices for other employees. There are no enhanced or supplementary pension contributions for the GEB.

### Performance award

Most of our employees are eligible for an annual performance award. The level of this award, where applicable, generally depends on the firm's overall performance, the employee's business division, team and individual performance, and behavior, reflecting their overall contribution to the firm's results. These awards are in line with applicable local employment conditions and at the discretion of the firm.

In addition to the firm's Pillars and Principles, Behaviors related to accountability with integrity, collaboration and innovation are part of the performance management approach. Therefore, when assessing performance, we consider not only what was achieved but also how it was achieved.

## Our deferred compensation plans

To reinforce our emphasis on sustainable performance and risk management, and our focus on achieving growth ambitions, we deliver part of our employees' annual variable compensation through deferred compensation plans. We believe that our approach, with a single incentive decision and a mandatory deferral, is transparent and well suited to implementing our compensation philosophy and delivering sustainable performance. This aligns the interests of our employees and shareholders and appropriately links compensation to longer-term sustainable performance.

Our mandatory deferral approach applies to all employees with regulatory-driven deferral requirements or total compensation greater than USD / CHF 300,000. Certain regulated employees, such as Senior Management Functions (SMFs) and Material Risk Takers (MRTs), are subject to additional requirements (e.g., an additional non-financial conduct-related performance metric under the LTIP, more stringent deferral requirements, additional blocking periods). In addition, SMFs and MRTs receive 50% of their cash portion in the form of immediately vested shares, which are blocked for 12 months after grant.

The deferred amount increases at higher marginal rates in line with the value of the performance award. The effective deferral rate therefore depends on the amount of the performance award and the amount of total compensation.

We believe our deferral regime has one of the longest vesting periods in the industry. The weighted average deferral period (for non-regulated employees) is 4.4 years for GEB members and ranges from 3.5 to 4 years for employees below GEB level. Additionally, from time to time, we may utilize alternative deferred compensation arrangements to remain competitive in specific business areas.

To further promote sustainable performance, all of our deferred compensation plans include employment conditions and malus conditions. These enable the firm to reduce or fully forfeit unvested deferred awards under certain circumstances, pursuant to performance and harmful acts provisions. In addition, forfeiture is triggered in cases where employment has been terminated for cause.

Our share delivery obligations related to notional share awards are satisfied by delivering treasury shares, which are purchased in the market, to employees at vesting.

- › Refer to "Note 28 Employee benefits: variable compensation" in the "Consolidated financial statements" section of our Annual Report 2021 for more information
- › Refer to the "Supplemental information" section of this report for more information about MRTs and SMFs

## Variable compensation elements by employee category

### Deferred compensation elements

Employee category	Cash	LTIP	EOP	DCCP
GEB and selected senior management	✓	✓		✓
Asset Management senior management	✓	✓	✓ <sup>1</sup>	✓
Employees subject to mandatory deferral framework	✓		✓ <sup>1</sup>	✓

<sup>1</sup> AM employees and selected AM senior staff in investment areas receive AM EOP (notional funds) instead of EOP (notional shares) in order to align their compensation more closely with industry standards. AM employees in non-investment areas receive both EOP and AM EOP in their plan mix.

### Long-Term Incentive Plan

The LTIP is a mandatory deferral plan for senior leaders of the Group (i.e., GEB members and selected senior management). For the 2021 performance year, we granted LTIP awards to 117 employees at a fair value of 67.7% of maximum. The value was calculated by an independent third party using a well-established valuation methodology.

The performance metrics of the share-based LTIP awards are average return on CET1 capital (RoCET1) and relative total shareholder return (rTSR) over a three-year performance period starting on 1 January in the year of grant. Performance outcomes and actual payout levels will be disclosed at the end of the performance period.

The three-year average RoCET1 performance metric reflects our strategic return ambitions and considers our revised financial targets, as well as our cost of capital as outlined below:

- the required RoCET1 performance for a maximum payout is set at 18%, which represents the upper end of our target range;
- the required performance threshold for the minimum payout has been raised to 8% from 6% in prior-year awards to reflect our new financial targets communicated in February 2022, increasing the mid-point of the payout thresholds to better reflect our cost of capital; and
- the linear payout design between threshold and maximum level supports our growth ambitions and our focus on delivering sustainable performance without encouraging excessive risk-taking.

The rTSR performance metric over the three-year period further aligns the interests of employees with those of shareholders:

- the metric compares the total shareholder return (the TSR) of UBS with the TSR of an index consisting of listed Global Systemically Important Banks (G-SIBs) as determined by the Financial Stability Board (excluding UBS Group);
- the G-SIBs are independently defined and reflect companies with a comparable risk profile and impact on the global economy;

- the index, which includes publicly traded G-SIBs, is equal weighted, calculated in Swiss francs and maintained by an independent index provider, so as to ensure independence of the TSR calculation; and
- the payout interval of  $\pm 25$  percentage points versus the index performance demonstrates our ambition of delivering attractive relative returns to shareholders. The linear payout and the threshold level set below index performance further support sustainability of results and prudent risk-taking.

#### Global Systemically Important Banks (G-SIBs) that are listed companies<sup>1</sup>

Agricultural Bank of China	Goldman Sachs	Santander
Bank of America	Groupe Cr�dit Agricole	Soci�t� G�n�rale
Bank of China	HSBC	Standard Chartered
Bank of New York Mellon	ING Bank	State Street
Barclays	ICBC	Sumitomo Mitsui FG
BNP Paribas	JPMorgan Chase	Toronto-Dominion
China Construction Bank	Mitsubishi UFJ FG	UniCredit
Citigroup	Mizuho FG	Wells Fargo
Credit Suisse	Morgan Stanley	
Deutsche Bank	Royal Bank of Canada	

<sup>1</sup> As of November 2021. Excludes UBS Group.

Dividend equivalents (granted where applicable regulation permits) are subject to the same terms as the underlying LTIP award.

LTIP awards reflect the long-term focus of our compensation framework. The final number of shares as determined at the end of the three-year performance period will vest in three equal installments in each of the three years following the performance period for GEB members, and cliff vest in the first year following the performance period for selected senior management (longer deferral periods may apply for regulated employees).

### LTIP payout illustration

- The final number of notional shares vesting will vary based on the achievement versus the performance metrics.
- Linear payout between threshold and maximum performance.
- Vesting levels are a percentage of the maximum opportunity of the LTIP and cannot exceed 100%.
- Full forfeiture for performance below the predefined threshold levels.
- SMFs and UK MRTs are subject to an additional non-financial metric based on a conduct assessment with a potential downward adjustment of up to 100% of the entire award.

Performance metric: <b>average RoCET1 (50% of award)</b>		
Below threshold (<8%)	Threshold (8%) up to maximum (<18%)	Maximum and above ( $\geq 18\%$ )
<b>Full forfeiture</b> (payout 0%)	<b>Partial vest</b> (payout between 33% and <100%)	<b>Full vest</b> (payout 100%)

Performance metric: <b>rTSR vs G-SIBs index (50% of award)</b>		
Below threshold (<-25 pps)	Threshold (-25 pps) up to maximum (+25 pps)	Maximum and above ( $\geq +25$ pps)
<b>Full forfeiture</b> (payout 0%)	<b>Partial vest</b> (payout between 33% and <100%)	<b>Full vest</b> (payout 100%)

## Equity Ownership Plan

The EOP is the deferred compensation plan for employees who are subject to deferral requirements but do not receive LTIP awards. For the 2021 performance year, we granted EOP awards to 4,228 employees.

Delivering sustainable performance is a key objective for UBS, and we therefore link EOP award vesting with minimum performance thresholds over a multi-year time horizon. Our EOP creates a direct link with shareholder returns as a notional equity award and have no upward leverage. This approach promotes growth and sustainable performance.

EOP awards generally vest over three years. For certain employee populations, EOP awards can be adjusted downwards, including to zero, based on the average RoCET1 over the applicable performance period. The Compensation Committee sets the minimum future performance threshold and may adjust the award if the performance metric does not reflect a fair measure of performance.

Asset Management employees receive some or all of their EOP in the form of notional funds to align their compensation more closely with industry standards. This plan is generally delivered in cash and vests over five years.

- › Refer to “Vesting of outstanding awards granted in prior years subject to performance conditions” in the “Supplemental information” section of this report for more information

## Deferred Contingent Capital Plan

The DCCP is a key component of our compensation framework and supports alignment of the interests of our senior employees with those of our stakeholders.

All employees subject to deferral requirements receive DCCP awards. For the 2021 performance year, we granted DCCP awards to 4,303 employees.

DCCP replicates many of the features of the loss-absorbing bonds that we issue to investors and may be paid at vesting in cash or, at the discretion of the firm, a perpetual, marketable additional tier 1 (AT1) capital instrument. Employees can elect to have their DCCP awards denominated in Swiss francs or US dollars.

DCCP awards vest in full after five years (longer deferral periods may apply for regulated employees). DCCP awards bear notional interest paid annually (except as limited by regulation for MRTs), subject to review and confirmation by the Compensation Committee. The notional interest rate for grants in 2022 was 3.7% for awards denominated in Swiss francs and 5.7% for awards denominated in US dollars. These interest rates are based on the current market rates for similar AT1 capital instruments issued by UBS Group.

Awards are forfeited if a viability event occurs, i.e., if FINMA notifies the firm that the DCCP awards must be written down to mitigate the risk of an insolvency, bankruptcy or failure of UBS or if the firm receives a commitment of extraordinary support from the public sector that is necessary to prevent such an event. DCCP awards are also written down for GEB members if the Group's CET1 capital ratio falls below 10% and for all other employees if it falls below 7%.

In addition, GEB members forfeit 20% of DCCP awards for each loss-making year during the vesting period. This means 100% of the award is subject to risk of forfeiture. The forfeiture features of DCCP create a strong alignment with our debt holders and support the sustainability of the firm.

Over the last five years, USD 1.7 billion of DCCP awards have been issued, contributing to the Group's total loss-absorbing capacity (TLAC). Therefore, DCCP awards not only support competitive pay but also provide a loss absorption buffer that protects the firm's capital position. The following table illustrates the contribution of the DCCP to our AT1 capital and the effect on our TLAC ratio.

- › Refer to the “Supplemental information” section of this report for more information about performance award and personnel-related expenses
- › Refer to the “Supplemental information” section of this report for more information about longer vesting and clawback periods for MRTs and SMFs

### Contribution of the Deferred Contingent Capital Plan to our loss-absorbing capacity<sup>1</sup>

<i>USD million, except where indicated</i>	<b>31.12.21</b>	31.12.20
<b>Deferred Contingent Capital Plan (DCCP), eligible as high-trigger loss-absorbing additional tier 1 capital</b>	<b>1,730</b>	1,875
DCCP contribution to the total loss-absorbing capacity ratio (%)	<b>0.6</b>	0.6

<sup>1</sup> Refer to “Bondholder information” at [ubs.com/investors](https://ubs.com/investors) for more information about the capital instruments of UBS Group AG and UBS AG both on a consolidated and a standalone basis.

## Replacement awards and forfeitures

In line with industry practice, our compensation framework and plans include provisions generally requiring reduction / forfeiture of a terminated employee's unvested or deferred awards. In particular, these provisions apply if the terminated employee joins another financial services organization and / or violates restrictive covenants, such as solicitation of clients or employees.

Conversely, to support talent acquisition, and consistent with industry practice, we may offer replacement awards to attract senior candidates by offsetting deferred compensation being forfeited at their previous employer as a result of joining UBS. When making such awards, we aim to match the previous employer's terms and conditions for the awards to be forfeited upon joining UBS. The total 2021 forfeitures of USD 258 million of previously awarded deferred compensation offset the 2021 total sign-on payments, replacement payments and guarantees of USD 137 million.

Barbara Levi succeeded Markus Diethelm as Group General Counsel effective 1 November 2021. Consistent with the terms of the original awards and included in the above figures, she received replacement awards for compensation forfeited at her previous employer as a result of joining UBS. Ms. Levi's replacement payment had a total value of CHF 7,081,474 and consisted of an EOP share award representing 430,732 UBS shares (denominated in Swiss francs), a deferred cash award as well as replacement of cash items. The deferred portion of the award will vest in various installments between 2022 and 2027. These replacement awards are subject to UBS's harmful acts provisions.

## Other variable compensation components

To support hiring and retention, particularly at senior levels, we may offer other compensation components, such as:

- retention payments to key employees to induce them to stay, particularly during critical periods for the firm, such as a sale or wind-down of a business;
- on a limited basis, guarantees may be required to attract individuals with certain skills and experience – these awards are fixed incentives subject to our standard deferral rules and limited to the first full year of employment;
- award grants to employees hired late in the year to replace performance awards that they would have earned at their previous employers, but have foregone by joining UBS – these awards are generally structured with the same level of deferral as for employees at a similar level at UBS; and
- in exceptional cases, candidates may be offered a sign-on award to increase the chances of them accepting our offer.

These other variable compensation components are subject to a comprehensive governance process, which may involve the Compensation Committee, depending on the amount or type of such payments.

Below-GEB level employees who are made redundant may receive severance payments. Our severance terms comply with the applicable local laws (legally obligated severance). In certain locations, we may provide severance packages that are negotiated with our local social partners and may go beyond the applicable minimum legal requirements (standard severance). Such payments are governed by location-specific severance policies. In addition, we may make severance payments that exceed legally obligated or standard severance payments where we believe these are aligned with market practice and appropriate under the circumstances (supplemental severance). GEB members do not receive severance payments.

## Sign-on payments, replacement payments, guarantees and severance payments

	Total 2021	of which: non-deferred cash	of which: deferred compensation awards	Total 2020	Number of beneficiaries	
					2021	2020
<i>USD million, except where indicated</i>						
<b>Total sign-on payments<sup>1</sup></b>	<b>26</b>	<b>18</b>	<b>8</b>	<b>20</b>	<b>226</b>	<b>99</b>
<i>of which: Key Risk Takers<sup>2</sup></i>	<i>9</i>	<i>4</i>	<i>5</i>	<i>2</i>	<i>6</i>	<i>3</i>
<b>Total replacement payments<sup>3</sup></b>	<b>94</b>	<b>11</b>	<b>83</b>	<b>58</b>	<b>310</b>	<b>200</b>
<i>of which: Key Risk Takers<sup>2</sup></i>	<i>34</i>	<i>5</i>	<i>29</i>	<i>17</i>	<i>12</i>	<i>13</i>
<b>Total guarantees<sup>3</sup></b>	<b>17</b>	<b>11</b>	<b>6</b>	<b>16</b>	<b>40</b>	<b>32</b>
<i>of which: Key Risk Takers<sup>2</sup></i>	<i>2</i>	<i>1</i>	<i>1</i>	<i>5</i>	<i>1</i>	<i>2</i>
<b>Total severance payments<sup>1,4</sup></b>	<b>160</b>	<b>200<sup>5</sup></b>	<b>0</b>	<b>134</b>	<b>1,477</b>	<b>1,019</b>
<i>of which: Key Risk Takers<sup>2</sup></i>	<i>3</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>10</i>	<i>0</i>

<sup>1</sup> GEB members are not eligible for sign-on or severance payments. <sup>2</sup> Expenses for Key Risk Takers are full-year amounts for individuals in office on 31 December 2021. Key Risk Takers as defined by UBS, including all employees with a total compensation exceeding USD / CHF 2.5 million (Highly Paid Employees). <sup>3</sup> Includes replacement payments for one GEB member in 2021 and for another GEB member in 2020. No GEB member received a guarantee in 2021 or 2020. <sup>4</sup> Includes legally obligated and standard severance payments as well as payments in lieu of notice. <sup>5</sup> Represents expense recognized in 2021 associated with payments made in 2021 as well as provisions for expected payments in 2022.

## Forfeitures<sup>1</sup>

	Total 2021	Total 2020
<i>USD million, except where indicated</i>		
<b>Total forfeitures</b>	<b>258</b>	<b>145</b>
<i>of which: former GEB members</i>	<i>23</i>	<i>0</i>
<i>of which: Key Risk Takers<sup>2</sup></i>	<i>8</i>	<i>6</i>

<sup>1</sup> For notional share awards, forfeitures are calculated as units forfeited during the year, valued at the share price on 31 December 2021 (USD 17.87) for 2021. The 2020 data is valued using the share price on 31 December 2020 (USD 14.13). For LTIP the forfeited units reflect the fair value awarded at grant. For the notional funds awarded to Asset Management employees under the EOP, this represents the forfeiture credits recognized in 2021 and 2020. For the DCCP, the fair value at grant of the forfeited awards during the year is reflected. Numbers presented may differ from the effect on the income statement in accordance with IFRS. <sup>2</sup> Key Risk Takers as defined by UBS, including all employees with a total compensation exceeding USD / CHF 2.5 million (Highly Paid Employees) and excluding former GEB members who forfeited awards in 2021 or 2020.

### **Benchmarking for employees other than GEB members**

We generally consider market practice in our pay decisions and framework. Our market review reflects several factors, including the comparability of the business division, location, scope and the diversity of our businesses. For certain businesses or roles, we may consider practices at other major international banks, other large Swiss private banks, private equity firms, hedge funds and non-financial firms. We also internally benchmark employee compensation for comparable roles within and across business divisions and locations.

### **Employee share ownership**

According to available records on employee shareholdings, including unvested deferred compensation, as of 31 December 2021, employees held at least USD 4.5 billion of UBS shares (of which approximately USD 2.9 billion were unvested), representing approximately 7% of our total shares issued.

The Equity Plus Plan is our employee share purchase program. It allows employees at Executive Director level and below to voluntarily invest up to 30% of their base salary and / or regular commission payments to purchase UBS shares. In addition (where offered), eligible employees can invest up to 35% of their performance award under the program. Participation in the program is capped at USD / CHF 20,000 annually. Eligible

employees may purchase UBS shares at market price and receive one additional share for every three shares purchased through the program. Additional shares vest after a maximum of three years, provided the employee remains employed by UBS and has retained the purchased shares throughout the holding period.

- › **Refer to “Note 28 Employee benefits: variable compensation” in the “Consolidated financial statements” section of our Annual Report 2021 for more information**

### **Compensation for US financial advisors in Global Wealth Management**

In line with market practice for US wealth management businesses, the compensation for US financial advisors in Global Wealth Management predominantly includes production payout and deferred compensation awards. Production payout, paid monthly, is primarily based on compensable revenue. Financial advisors may also qualify for deferred compensation awards, which generally vest over a six-year period. These awards are based on strategic performance measures, including production and length of service with UBS. Production payout rates and deferred compensation awards may be reduced for, among other things, errors, negligence or carelessness, or failure to comply with the firm’s rules, standards, practices and / or policies, and / or applicable laws and regulations.

## 2021 Group performance outcomes

### Performance awards granted for the 2021 performance year

The “Variable compensation” table below shows the amount of variable compensation awarded to employees for the 2021 performance year, together with the number of beneficiaries for

each type of award granted. In the case of deferred awards, the final amount paid to an employee depends on performance conditions and consideration of relevant forfeiture provisions. The deferred share award amount is based on the market value of these awards on the date of grant.

#### Variable compensation<sup>1</sup>

USD million, except where indicated	Expenses recognized in the IFRS income statement		Expenses deferred to future periods <sup>4</sup>		Accounting adjustments <sup>4</sup>		Total		Number of beneficiaries	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Non-deferred cash	2,383	2,167	0	0	0	0	2,383	2,167	57,783	58,843
Deferred compensation awards	405	341	797	756	65	51	1,267	1,148	4,202	3,937
of which: Equity Ownership Plan	183	137	393	306	46 <sup>5</sup>	35 <sup>5</sup>	623	478	3,807	3,566
of which: Deferred Contingent Capital Plan	140	112	299	280	0	0	438	392	4,170	3,910
of which: Long-Term Incentive Plan	54	42	50	50	18 <sup>5</sup>	16 <sup>5</sup>	122	109	117	115
of which: Asset Management EOP	29	49	56	120	0	0	84	169	374	335
<b>Variable compensation – performance award pool</b>	<b>2,788</b>	<b>2,508</b>	<b>797</b>	<b>756</b>	<b>65</b>	<b>51</b>	<b>3,650</b>	<b>3,315</b>	<b>57,793</b>	<b>58,850</b>
Variable compensation – other <sup>2</sup>	191	126	215	181	(121) <sup>6</sup>	(74) <sup>6</sup>	285	233		
<b>Total variable compensation excluding financial advisor variable compensation</b>	<b>2,979</b>	<b>2,634</b>	<b>1,012</b>	<b>938</b>	<b>(56)</b>	<b>(23)</b>	<b>3,935</b>	<b>3,548</b>		
Financial advisor (FA) variable compensation <sup>3</sup>	4,175	3,378	1,097	822	0	0	5,272	4,200	6,218	6,305
<b>Total variable compensation including FA variable compensation</b>	<b>7,155</b>	<b>6,012</b>	<b>2,109</b>	<b>1,760</b>	<b>(56)</b>	<b>(23)</b>	<b>9,207</b>	<b>7,749</b>		

<sup>1</sup> Expenses under “Variable compensation – other” and “Financial advisor variable compensation” are not part of UBS’s performance award pool. <sup>2</sup> Consists of replacement payments, forfeiture credits, severance payments, retention plan payments and interest expense related to the Deferred Contingent Capital Plan. <sup>3</sup> Financial advisor compensation consists of formulaic compensation based directly on compensable revenues generated by financial advisors and supplemental compensation calculated based on financial advisor productivity, firm tenure, new assets and other variables. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. <sup>4</sup> Estimates as of 31 December 2021 and 2020. Actual amounts to be expensed in future periods may vary, e.g., due to forfeiture of awards. <sup>5</sup> Represents estimated post-vesting transfer restriction and permanent forfeiture discounts. <sup>6</sup> Included in expenses deferred to future periods is an amount of USD 121 million (2020: USD 74 million) in interest expense related to the Deferred Contingent Capital Plan. As the amount recognized as performance award represents the present value of the award at the date it is granted to the employee, this amount is excluded.

### 2021 performance award pool and expenses

The performance award pool, which includes performance-based variable awards for 2021, was USD 3.7 billion, reflecting an increase of 10% compared with 2020. Performance award expenses for 2021 decreased 1% to USD 3.2 billion, reflecting increased performance award expenses accrued in the

performance year, offset by lower expenses related to prior performance years, as 2020 included additional expenses that resulted from modifying the terms of certain outstanding deferred compensation awards. The “Performance award pool and expenses” table below compares the performance award pool with performance award expenses.

#### Performance award pool and expenses

USD million, except where indicated	2021	2020	% change
Performance award pool <sup>1</sup>	3,650	3,315	10
of which: expenses deferred to future periods and accounting adjustments <sup>2,3</sup>	862	807	7
Performance award expenses accrued in the performance year	2,788	2,508	11
Performance award expenses related to prior performance years	402	701	(43)
<b>Total performance award expenses recognized for the year<sup>4</sup></b>	<b>3,190</b>	<b>3,209</b>	<b>(1)</b>

<sup>1</sup> Excluding employer-paid taxes and social security. <sup>2</sup> Estimate as of the end of the performance year. Actual amounts expensed in future periods may vary, e.g., due to forfeiture of awards. <sup>3</sup> Accounting adjustments represent estimated post-vesting transfer restriction and permanent forfeiture discounts. <sup>4</sup> Refer to “Note 28 Employee benefits: variable compensation” in the “Consolidated financial statements” section of our Annual Report 2021 for more information



# Compensation for the Board of Directors

## Chairman of the BoD

Under the leadership of the Chairman, Axel A. Weber, the BoD determines, among other things, the strategy for the Group, based on recommendations by the Group CEO, exercises ultimate supervision over management and appoints all GEB members.

The Chairman leads all general meetings and BoD meetings and works with the committee chairpersons to coordinate their work. Together with the Group CEO, the Chairman is responsible for effective communication with shareholders and stakeholders, including clients, government officials, regulators and public organizations. The Chairman works closely with the Group CEO and other GEB members, providing advice and support when appropriate, and continues to strengthen and promote our culture through the three keys to success: our Pillars, Principles and Behaviors.

The Chairman's total compensation for the period from AGM to AGM is contractually fixed without any variable component. For the current period from the 2021 AGM to the 2022 AGM, his total compensation was CHF 4.9 million, excluding benefits and pension fund contributions. The Chairman's total compensation

for the current period consisted of a cash payment of CHF 3.5 million and a share component of CHF 1.4 million consisting of 72,939 UBS shares at CHF 19.194 per share. The share component aligns the Chairman's pay with the Group's long-term performance.

Thus, Mr. Weber's total reward, including benefits and pension fund contributions, for his service as Chairman for the current period, was CHF 5,224,913.

The Chairman's employment agreement does not provide for severance terms or supplementary contributions to pension plans. The benefits for the Chairman are in line with local practices for UBS employees. The Chairperson of the Compensation Committee proposes and the Compensation Committee approves the Chairman's compensation annually for the upcoming AGM-to-AGM period, taking into consideration fee or compensation levels for comparable roles based on our core financial industry peers and other relevant leading Swiss companies included in the Swiss Market Index.

› Refer to "Board of Directors" in the "Corporate governance" section of our Annual Report 2021 for more information about the responsibilities of the Chairman

## Audited I

### Compensation details and additional information for non-independent BoD members

Name, function <sup>1</sup>	CHF, except where indicated				USD (for reference)	
	For the period AGM to AGM	Base salary	Annual share award <sup>2</sup>	Contributions to retirement plans and benefits <sup>3</sup>	Total <sup>4</sup>	Total <sup>4,5</sup>
Axel A. Weber, Chairman	2021/2022	3,500,000	1,400,000	324,913	5,224,913	5,708,482
	2020/2021	3,500,000	1,400,000	343,283	5,243,283	

<sup>1</sup> Axel A. Weber was the only non-independent member in office on 31 December 2021 and 31 December 2020. <sup>2</sup> These shares are blocked for four years. <sup>3</sup> Includes the estimated portion related to UBS's contribution to the statutory pension scheme and estimated benefits valued at market price, as applicable. For the period from the 2020 AGM to the 2021 AGM, the actual amount was CHF 336,050. <sup>4</sup> Excludes the portion related to the legally required social security contributions paid by UBS, which for the period from the 2021 AGM to the 2022 AGM is estimated at CHF 336,428 and for the period from the 2020 AGM to the 2021 AGM at CHF 332,243. The legally required social security contributions paid by the non-independent BoD members are included in the amounts shown in this table, as appropriate. <sup>5</sup> Swiss franc amounts have been translated into US dollars for reference at the 2021 performance award currency exchange rate of CHF / USD 1.092551.



## Advisory vote

### Independent BoD members

As outlined in the table below, all BoD members, except the Chairman, are deemed independent and receive fixed fees for their services on the BoD and its committees. Independent BoD members do not receive performance awards, severance payments, benefits or pension contributions.

In the current period, the roles of Senior Independent Director and Vice Chairman are both held by one BoD member, but the additional fee is only paid once. Independent BoD members must use a minimum of 50% of their fees to purchase UBS shares, which are blocked for four years, and they may elect to use up to 100% of their fees to purchase blocked UBS shares. In all cases, the number of shares is calculated based on the average closing price of the 10 trading days leading up to and including the grant date.

At each AGM, shareholders are invited to approve the aggregate amount of BoD remuneration, including compensation for the Chairman, which applies until the next AGM. The tables below and on the following page provide details on the fee structure for the independent BoD members.

The fee structure for independent BoD members is reviewed annually based on the Chairman's proposal to the Compensation Committee, which in turn submits a proposal to the BoD for approval. In our regular review of the BoD fee structure, we concluded that our overall approach for independent BoD member compensation remains appropriate and thus unchanged.

### Remuneration framework for independent BoD members

CHF	2021 AGM to 2022 AGM <sup>1</sup>		Pay mix		Delivery					
Fixed base fee	300,000		Blocked shares	Cash	AGM-to-AGM period	grant year	year 1	year 2	year 3	year 4
<b>Additional fees</b>										
Senior Independent Director/Vice Chairman	150,000									
<b>Additional committee fees</b>	<b>Chair</b>	<b>Member</b>								
Audit Committee	300,000	200,000								
Compensation Committee	200,000	100,000								
Governance and Nominating Committee		100,000								
Corporate Culture and Responsibility Committee		50,000								
Risk Committee	350,000	200,000								

<sup>1</sup> At least 50% of the total amounts must be used to purchase UBS shares, which are blocked for four years. Independent BoD members can elect to use 100% of their remuneration to purchase blocked UBS shares.

## Audited I

## Total payments to BoD members

CHF, except where indicated

	For the period AGM to AGM		USD (for reference)
	2021/2022	Total <sup>1</sup>	Total <sup>1,2</sup>
Aggregate of all BoD members	2021/2022	12,124,913	13,247,082
	2020/2021	11,843,283	

<sup>1</sup> Includes social security contributions paid by the BoD members but excludes the portion related to the legally required social security contributions paid by UBS, which for the period from the 2021 AGM to the 2022 AGM is estimated at grant at CHF 739,615 and for the period from the 2020 AGM to the 2021 AGM at CHF 719,763. <sup>2</sup> Swiss franc amounts have been translated into US dollars for reference at the 2021 performance award currency exchange rate of CHF / USD 1.092551

## Audited I

## Remuneration details and additional information for independent BoD members

CHF, except where indicated

Name, function <sup>1</sup>	Audit Committee	Compensation Committee	Corporate Culture and Responsibility Committee	Governance and Nominating Committee	Risk Committee	For the period AGM to AGM		Committee fee(s)	Additional payments <sup>2</sup>	Total <sup>3</sup>	Share percentage <sup>4</sup>	Number of shares <sup>5,6</sup>
						2021/2022	2020/2021					
Jeremy Anderson, Vice Chairman and Senior Independent Director	C			M		2021/2022	300,000	400,000	150,000	850,000	50	22,142
	C			M		2020/2021	300,000	400,000	150,000	850,000	50	30,774
Claudia Böckstiegel, member						2021/2022	300,000	0		300,000	50	7,814
						2020/2021	-			-	-	-
William C. Dudley, member			M	M	M	2021/2022	300,000	350,000		650,000	50	16,932
			M	M	M	2020/2021	300,000	350,000		650,000	50	23,533
Patrick Firmenich, member	M		M			2021/2022	300,000	250,000		550,000	100	27,275
						2020/2021	-			-	-	-
Reto Francioni, member		M			M	2021/2022	300,000	300,000		600,000	50	15,629
		M			M	2020/2021	300,000	300,000		600,000	50	21,723
Fred Hu, member				M	M	2021/2022	300,000	300,000		600,000	100	23,062
				M	M	2020/2021	300,000	300,000		600,000	100	32,053
Mark Hughes, member			M		C	2021/2022	300,000	400,000		700,000	50	18,234
			M		C	2020/2021	300,000	400,000		700,000	50	25,343
Nathalie Rachou, member				M		2021/2022	300,000	200,000		500,000	50	13,024
				M		2020/2021	300,000	200,000		500,000	50	18,102
Julie G. Richardson, member		C		M	M	2021/2022	300,000	500,000		800,000	50	20,839
		C		M	M	2020/2021	300,000	500,000		800,000	50	28,964
Beatrice Weder di Mauro, former member						2021/2022	-			-	-	-
	M		M			2020/2021	300,000	250,000		550,000	50	19,913
Dieter Wemmer, member	M	M		M		2021/2022	300,000	400,000		700,000	50	18,234
	M	M		M		2020/2021	300,000	400,000		700,000	50	25,343
Jeanette Wong, member	M	M	M			2021/2022	300,000	350,000		650,000	100	24,988
	M	M	M			2020/2021	300,000	350,000		650,000	100	34,730
<b>Total 2021/2022</b>										<b>6,900,000</b>		
Total 2021/2022 in USD (for reference) <sup>7</sup>										7,538,600		
<b>Total 2020/2021</b>										<b>6,600,000</b>		

Legend: C = Chairperson of the respective Committee, M = Member of the respective Committee

<sup>1</sup> Eleven independent BoD members were in office on 31 December 2021. At the 2021 AGM, Claudia Böckstiegel and Patrick Firmenich were newly elected and Beatrice Weder di Mauro did not stand for re-election. Ten independent BoD members were in office on 31 December 2020. <sup>2</sup> These payments are associated with the Vice Chairman and the Senior Independent Director function. <sup>3</sup> Excludes UBS's portion related to the legally required social security contributions, which for the period from the 2021 AGM to the 2022 AGM is estimated at grant at CHF 403,187 and which for the period from the 2020 AGM to the 2021 AGM was estimated at grant at CHF 387,520. The legally required social security contributions paid by the independent BoD members are included in the amounts shown in this table, as appropriate. <sup>4</sup> Fees are paid 50% in cash and 50% in blocked UBS shares. However, independent BoD members may elect to have 100% of their remuneration paid in blocked UBS shares. <sup>5</sup> For 2021, UBS shares were valued at CHF 19.194 (average closing price of UBS shares over the last 10 trading days leading up to and including the grant date). For 2020, UBS shares, valued at CHF 13.810 (average closing price of UBS shares over the last 10 trading days leading up to and including the grant date). These shares are blocked for four years. <sup>6</sup> Number of shares is reduced in case of the 100% election to deduct legally required contributions. All remuneration payments are, where applicable, subject to social security contributions and / or withholding tax. <sup>7</sup> Swiss franc amounts have been translated into US dollars for reference at the 2021 performance award currency exchange rate of CHF / USD 1.092551.

# Supplemental information

## Fixed and variable compensation for GEB members

### Fixed and variable compensation for GEB members<sup>1,2,3</sup>

CHF million, except where indicated	Total for 2021		Not deferred		Deferred <sup>4</sup>		Total for 2020
	Amount	%	Amount	%	Amount	%	Amount
<b>Total compensation</b>							
Amount <sup>5</sup>	105	100	41	39	64	61	112
Number of beneficiaries	15						16
<b>Fixed compensation<sup>5,6</sup></b>	25	24	25	100	0	0	27
Cash-based	22	21	22		0		24
Equity-based	3	3	3		0		4
<b>Variable compensation</b>	80	76	16	20	64	80	85
Cash <sup>7</sup>	16	15	16		0		17
Long-Term Incentive Plan (LTIP) <sup>8</sup>	40	38	0		40		43
Deferred Contingent Capital Plan (DCCP) <sup>8</sup>	24	23	0		24		26

<sup>1</sup> The figures include all GEB members in office during the respective years. <sup>2</sup> Includes compensation paid under the employment contract during the notice period for GEB members who stepped down during the respective years. <sup>3</sup> Includes compensation for newly appointed GEB members for their time in office as a GEB member during the respective years. <sup>4</sup> Based on the specific plan vesting and reflecting the total award value at grant, which may differ from the expense recognized in the income statement in accordance with IFRS. <sup>5</sup> Excludes benefits and employer's contributions to retirement benefit plans. Includes social security contributions paid by GEB members but excludes the portion related to the legally required social security contributions paid by UBS. For 2021, Barbara Levi received a one-time replacement award of CHF 7 million. This replacement award is not included in the above table; including this, the 2021 total aggregate compensation of all GEB members is CHF 112 million. For 2020, Ralph A.J.G. Hamers received a one-time replacement award of CHF 0.2 million. This replacement award is not included in the above table; including this, the 2020 total aggregate compensation of all GEB members is CHF 113 million. <sup>6</sup> Includes base salary and role-based allowances, rounded to the nearest million. <sup>7</sup> Includes allocation of vested but blocked shares, in line with the remuneration section of the UK Prudential Regulation Authority Rulebook. <sup>8</sup> For the GEB members who are also MRTs (or SMFs), the awards do not include dividend and interest payments. Accordingly, the amounts reflect for the LTIP the fair value of the non-dividend-bearing awards and for the DCCP the fair value of the granted non-interest-bearing awards.

# Regulated staff

## Key Risk Takers

KRTs are defined as those employees who, by the nature of their roles, have been determined to materially set, commit or control significant amounts of the firm's resources and / or exert significant influence over its risk profile. This includes employees that work in front-office roles, logistics and control functions. Identifying KRTs globally is part of our risk control framework and an important element in ensuring we incentivize only appropriate risk-taking. For 2021, in addition to GEB members, 699 employees were classified as KRTs throughout UBS Group globally, including all employees with a total compensation exceeding USD / CHF 2.5 million (Highly Paid Employees), who may not have been identified as KRTs during the performance year.

In line with regulatory requirements, the performance of employees identified as KRTs during the performance year is evaluated by the control functions. In addition, KRTs' performance awards are subject to a mandatory deferral rate of at least 50%, regardless of whether the deferral threshold has been met (excluding KRTs with de minimis performance awards below a pre-determined threshold where standard deferral rates apply). A KRT's deferred compensation award will only vest if the Group performance conditions are met. Consistent with all other employees, the deferred portion of a KRT's compensation is also subject to forfeiture or reduction if the KRT commits harmful acts.

### Fixed and variable compensation for Key Risk Takers<sup>1</sup>

USD million, except where indicated	Total for 2021		Not deferred		Deferred <sup>2</sup>		Total for 2020
	Amount	%	Amount	%	Amount	%	Amount
<b>Total compensation</b>							
Amount	1,561	100	895	57	666	43	1,400
Number of beneficiaries	699						647
<b>Fixed compensation<sup>3,4</sup></b>	477	31	477	100	0	0	417
Cash-based	474	30	474				417
Equity-based	3	0	3				1
<b>Variable compensation</b>	1,084	69	418	39	666	61	983
Cash <sup>5</sup>	418	27	418				365
Long-Term Incentive Plan (LTIP) / Equity Ownership Plan (EOP) <sup>6</sup>	423	27			423		404
Deferred Contingent Capital Plan (DCCP) <sup>6</sup>	243	16			243		213

<sup>1</sup> Includes employees with a total compensation exceeding USD / CHF 2.5 million (Highly Paid Employees), excluding GEB members who were in office during the performance year, except the new GEB member appointed during 2021, who is included for compensation received in their role as a KRT prior to being appointed to the GEB. <sup>2</sup> Based on the specific plan vesting and reflecting the total value at grant, which may differ from the expense recognized in the income statement in accordance with IFRS. <sup>3</sup> Excludes benefits and employer's contributions to retirement benefits plan. Includes social security contributions paid by KRTs but excludes the legally required social security contributions paid by UBS. <sup>4</sup> Includes base salary and role-based allowances. <sup>5</sup> Includes allocation of vested but blocked shares, in line with regulatory requirements where applicable. <sup>6</sup> KRTs who are also MRTs do not receive dividend and interest payments. Accordingly, the amounts for the EOP / LTIP reflect the fair value of the non-dividend-bearing awards and for the DCCP the fair value of the granted non-interest-bearing awards.

**GEB and KRTs deferred compensation**

The table below shows the current economic value of unvested outstanding deferred variable compensation awards subject to ex-post adjustments. For share-based plans, the economic value

is determined based on the closing share price on 31 December 2021. For notional funds, it is determined using the latest available market price for the underlying funds at year-end 2021, and for deferred cash plans, it is determined based on the outstanding amount of cash owed to award recipients.

**GEB and KRTs deferred compensation<sup>1,2,3</sup>**

<i>USD million, except where indicated</i>	Relating to awards for 2021 <sup>4</sup>	Relating to awards for prior years <sup>5</sup>	Total	<i>of which: exposed to ex-post explicit and / or implicit adjustments</i>	Total deferred compensation year-end 2020	Total amount of deferred compensation paid out in 2021 <sup>6</sup>
<b>GEB</b>						
Deferred Contingent Capital Plan	26	72	98	100%	126	8
Equity Ownership Plan (including notional funds)		78	78	100%	102	19
Long-Term Incentive Plan	44	76	119	100%	85	
<b>KRTs</b>						
Deferred Contingent Capital Plan	244	940	1,183	100%	1,000	172
Equity Ownership Plan (including notional funds)	357	1,057	1,414	100%	1,059	344
Long-Term Incentive Plan	67	169	235	100%	109	
<b>Total GEB and KRTs</b>	<b>736</b>	<b>2,391</b>	<b>3,127</b>		<b>2,480</b>	<b>544</b>

<sup>1</sup> Based on the specific plan vesting and reflecting the economic value of the outstanding awards, which may differ from the expense recognized in the income statement in accordance with IFRS. Year-to-year reconciliations would also need to consider the impacts of additional items including off-cycle awards, FX movements, population changes, and dividend equivalent reinvestments. <sup>2</sup> Refer to "Note 28 Employee benefits: variable compensation" in the "Consolidated financial statements" section of the Annual Report 2021 for more information. <sup>3</sup> GEB members and KRTs who are also MRTs do not receive dividend and interest payments. Accordingly, the amounts for the EOP / LTIP reflect the fair value of the non-dividend-bearing awards and for the DCCP the fair value of the granted non-interest-bearing awards. <sup>4</sup> Where applicable, amounts are translated into US dollars at the performance award currency exchange rate. LTIP values reflect the fair value awarded at grant. <sup>5</sup> Takes into account the ex-post implicit adjustments, given the share price movements since grant. Where applicable, amounts are translated from award currency into US dollars using FX rates as of 31 December 2021. LTIP values reflect the fair value awarded at grant. <sup>6</sup> Valued at distribution price and FX rate for all awards distributed in 2021.

The table below shows the value of actual ex-post explicit and implicit adjustments to outstanding deferred compensation in the 2021 financial year for GEB members and KRTs.

Ex-post adjustments occur after an award has been granted. Explicit adjustments occur when we adjust compensation by forfeiting deferred awards. Implicit adjustments are unrelated to

any action taken by the firm and occur as a result of price movements that affect the value of an award.

The total value of ex-post explicit adjustments made to UBS share awards in 2021, based on the approximately 8.1 million shares forfeited during 2021, is a reduction of USD 142 million.

**GEB and KRTs ex-post explicit and implicit adjustments to deferred compensation**

<i>USD million</i>	Ex-post explicit adjustments to unvested awards <sup>1</sup>		Ex-post implicit adjustments to unvested awards <sup>2</sup>	
	31.12.21	31.12.20	31.12.21	31.12.20
<b>GEB</b>				
Deferred Contingent Capital Plan	0	0	0	0
Equity Ownership Plan (including notional funds, if applicable)	0	0	17	13
Long-Term Incentive Plan	0	0	21	5
<b>KRTs</b>				
Deferred Contingent Capital Plan	(14)	(3)	0	0
Equity Ownership Plan (including notional funds)	(16)	(3)	250	98
Long-Term Incentive Plan	(1)	0	47	6
<b>Total GEB and KRTs</b>	<b>(31)</b>	<b>(6)</b>	<b>335</b>	<b>122</b>

<sup>1</sup> For notional share awards, ex-post explicit adjustments are calculated as units forfeited during the year, valued at the share price on 31 December 2021 (USD 17.87) for 2021 (which may differ from the expense recognized in the income statement in accordance with IFRS). The 2020 data is valued using the share price on 31 December 2020 (USD 14.13). For LTIP the forfeited units reflect the fair value awarded at grant. For the notional funds awarded to Asset Management employees under the EOP, this represents the forfeiture credits recognized in 2021 and 2020. For the DCCP, the fair value at grant of the forfeited awards during the year is reflected. <sup>2</sup> Ex-post implicit adjustments for UBS shares are calculated based on the difference between the weighted average grant date fair value and the share price at year-end. The amount for notional funds is calculated using the mark-to-market change during 2021 and 2020. For the GEB member who was appointed to the GEB during 2021, awards have been fully reflected in the GEB entries.

## Material Risk Takers

For relevant EU- or UK-regulated entities, we identify individuals who are deemed to be Material Risks Takers (MRTs) based on local regulatory requirements, including the respective EU Commission Delegated Regulation, the fifth iteration of the EU Capital Requirements Directive (CRD V) and equivalent UK requirements, as applicable. This group consists of senior management, risk takers, selected staff in control or support functions and certain highly-compensated employees. For 2021, UBS identified 683 MRTs in relation to its relevant EU or UK entities.

Variable compensation awarded to MRTs is subject to additional deferral and other requirements. These include a maximum variable to fixed compensation ratio of 200% based on approval through relevant shareholder votes, a minimum deferral rate of 40% or 60% (depending on role / variable compensation level) on performance awards and delivery of at least 50% of any upfront performance award in UBS shares that are vested but blocked for 12 months after grant.

Deferred awards granted to MRTs under UBS's deferred compensation plans for their performance in 2021 are subject to 6- or 12-month blocking periods post vesting and do not pay out dividends or interest during the deferral period.

For up to seven years after grant, performance awards granted to MRTs are subject to clawback provisions, which allow the firm to claim repayment of both the upfront and the vested deferred element of any performance award if an individual is found to have contributed substantially to significant financial losses for the Group or corporate structure in scope, a material downward restatement of disclosed results, or engaged in misconduct and / or failed to take expected actions that contributed to significant reputational harm.

LTIP awards granted to UK MRTs and SMFs are subject to an additional non-financial conduct-related metric as required by UK regulation.

## UK Senior Managers and Certification Regime

The Senior Managers and Certification Regime (the SMCR) of the UK Prudential Regulation Authority and Financial Conduct Authority requires that individuals with specified responsibilities, performing certain significant functions and / or those in certain other identified categories be designated as SMFs.

Subject to de minimis and other compensation-related considerations, variable compensation awards made to SMFs must comply with specific requirements, including longer deferral, blocking and clawback periods. The deferral period for SMFs is seven years, with the deferred performance awards vesting no faster than pro rata from years 3 to 7, except those who have total compensation below GBP 500,000 and variable incentive accounting for less than 33% of total compensation, for whom a five-year deferral period (instead of a seven-year period) applies. Such awards are also subject to a 12-month blocking period post vesting. The clawback policy for SMFs permits clawback for up to 10 years from the date of performance award grants (applicable if an individual is subject to an investigation at the end of the initial seven-year clawback period). All SMFs are also MRTs and, as such, subject to the same prohibitions on dividend and interest payments.

## Control functions and Group Internal Audit

Our control functions must be independent in order to monitor risk effectively. Therefore, their compensation is determined separately from the revenue areas that they oversee, supervise or monitor. Their performance award pool is based not on the performance of these businesses, but on the performance of the Group as a whole. We also consider other factors, such as how effectively the function has performed and our market position. Decisions on individual compensation for the senior managers of the control functions are made by the function heads and approved by the Group CEO. Decisions on individual compensation for the members of Group Internal Audit (GIA) are made by the Head GIA and approved by the Chairman. Following a proposal by the Chairman, total compensation for the Head GIA is approved by the Compensation Committee.

## 2021 Group personnel expenses

The number of personnel employed as of 31 December 2021 was broadly stable, at 71,385 (full-time equivalents), a net decrease of 166 compared with 31 December 2020.

The table below shows our total personnel expenses for 2021, including salaries, pension expenses, social security contributions, variable compensation and other personnel costs. Variable compensation includes cash performance awards paid in 2022 for the 2021 performance year, amortization of unvested deferred awards granted in previous years and the cost of deferred awards granted to employees that are eligible for retirement in the context of the compensation framework at the date of grant.

The performance award pool reflects the value of performance awards granted relating to the 2021 performance year, including awards that are paid out immediately and those that are deferred. To determine our variable compensation expenses, the following adjustments are required in order to reconcile the performance

award pool to the expenses recognized in the Group's financial statements prepared in accordance with IFRS:

- reduction for expenses deferred to future periods (amortization of unvested awards granted in 2022 for the 2021 performance year) and accounting adjustments; and
- addition for 2021 amortization of unvested deferred awards granted in prior years.

As a large part of compensation consists of deferred awards, the amortization of unvested deferred awards granted in prior years forms a significant part of the IFRS expenses in both 2021 and 2022.

- › Refer to “Note 6 Personnel expenses” and “Note 28 Employee benefits: variable compensation” in the “Consolidated financial statements” section of our Annual Report 2021 for more information

### Personnel expenses

USD million	Expenses recognized in the IFRS income statement				
	Related to the performance year 2021	Related to prior performance years	Total expenses recognized in 2021	Total expenses recognized in 2020	Total expenses recognized in 2019
<b>Salaries<sup>1</sup></b>	<b>7,339</b>	<b>0</b>	<b>7,339</b>	7,023	6,518
Non-deferred cash	2,383	(10)	2,373	2,141	1,868
Deferred compensation awards	405	412	817	1,068	887
of which: Equity Ownership Plan	183	180	363	463	422
of which: Deferred Contingent Capital Plan	140	158	297	463	375
of which: Long-Term Incentive Plan	54	19	73	54	39
of which: Asset Management EOP	29	56	84	88	51
<b>Variable compensation – performance awards<sup>2</sup></b>	<b>2,788</b>	<b>402</b>	<b>3,190</b>	3,209	2,755
<b>Variable compensation – other<sup>2,3</sup></b>	<b>191</b>	<b>38</b>	<b>229</b>	220	246
<b>Total variable compensation excluding financial advisor variable compensation</b>	<b>2,979</b>	<b>440</b>	<b>3,419</b>	3,429	3,001
<b>Contractors</b>	<b>381</b>	<b>0</b>	<b>381</b>	375	381
<b>Social security</b>	<b>926</b>	<b>53</b>	<b>978</b>	899	799
<b>Pension and other post-employment benefit plans<sup>4</sup></b>	<b>833</b>	<b>0</b>	<b>833</b>	845	787
<b>Financial advisor variable compensation<sup>2,5</sup></b>	<b>4,175</b>	<b>685</b>	<b>4,860</b>	4,091	4,043
<b>Other personnel expenses</b>	<b>560</b>	<b>16</b>	<b>576</b>	561	555
<b>Total personnel expenses</b>	<b>17,193</b>	<b>1,194</b>	<b>18,387</b>	17,224	16,084

<sup>1</sup> Includes role-based allowances. <sup>2</sup> Refer to “Note 28 Employee benefits: variable compensation” in the “Consolidated financial statements” section of our Annual Report 2021 for more information. <sup>3</sup> Consists of replacement payments, forfeiture credits, severance payments, retention plan payments and interest expense related to the Deferred Contingent Capital Plan. <sup>4</sup> Refer to “Note 27 Pension and other post-employment benefit plans” in the “Consolidated financial statements” section of our Annual Report 2021 for more information. <sup>5</sup> Consists of formulaic compensation based directly on compensable revenues generated by financial advisors and supplemental compensation calculated based on financial advisor productivity, firm tenure, new assets and other variables. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements.



# Deferred compensation

## Vesting of outstanding awards granted in prior years subject to performance conditions

The tables below show the extent to which the performance conditions for awards granted in prior years have been met and the percentage of the installment that will vest in 2022.

<b>Equity Ownership Plan (EOP) 2016 / 2017, EOP 2017 / 2018, EOP 2018 / 2019 and EOP 2019 / 2020</b>		
<b>Performance conditions</b>	<b>Performance achieved<sup>1</sup></b>	<b>% of installment vesting</b>
Return on common equity tier 1 capital (RoCET1) and divisional return on attributed equity	The Group and divisional performance conditions have been satisfied. For EOP 2016 / 2017, the third and final installment for the Group Executive Board (the GEB) members vests in full. For EOP 2017 / 2018, the second installment for the GEB members vests in full. For EOP 2018 / 2019, the first installment for the GEB members and the second installment for all other employees covered under the plan vest in full. For EOP 2019 / 2020, the first installment for all other employees covered under the plan vests in full.	100%

<b>Deferred Contingent Capital Plan (DCCP) 2016 / 2017</b>		
<b>Performance conditions</b>	<b>Performance achieved<sup>1</sup></b>	<b>% of installment vesting</b>
Common equity tier 1 (CET1) capital ratio, viability event and, additionally for GEB, Group profit before tax	The performance conditions have been satisfied. DCCP 2016 / 2017 vests in full.	100%

<sup>1</sup> Performance may be adjusted for disclosed items generally not representative of underlying business performance.

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## Share ownership / entitlements of GEB members<sup>1</sup>

Name, function	on 31 December	Number of unvested shares / at risk <sup>2</sup>	Number of vested shares	Total number of shares	Potentially conferred voting rights in %
Ralph A.J.G. Hamers, Group Chief Executive Officer	2021	122,453	2,673	125,126	0.008
	2020	14,841	0	14,841	0.001
Christian Bluhm, Group Chief Risk Officer	2021	654,579	226	654,805	0.041
	2020	582,787	218	583,005	0.035
Mike Dargan, Group Chief Digital and Information Officer	2021	240,343	82,743	323,086	0.020
	2020	-	-	-	-
Markus U. Diethelm, former Group General Counsel	2021	-	-	-	-
	2020	706,845	617,858	1,324,703	0.079
Kirt Gardner, Group Chief Financial Officer	2021	780,640	236,421	1,017,061	0.063
	2020	696,500	165,223	861,723	0.051
Suni Harford, President Asset Management	2021	636,122	22,199	658,321	0.041
	2020	352,329	0	352,329	0.021
Robert Karofsky, President Investment Bank	2021	851,520	357,064	1,208,584	0.075
	2020	627,748	357,621	985,369	0.059
Sabine Keller-Busse, President Personal & Corporate Banking and President UBS Switzerland	2021	798,457	421,491	1,219,948	0.076
	2020	639,087	349,834	988,921	0.059
Iqbal Khan, Co-President Global Wealth Management and President EMEA	2021	898,111	113,715	1,011,826	0.063
	2020	742,546	68,253	810,799	0.048
Edmund Koh, President Asia Pacific	2021	501,322	493,977	995,299	0.062
	2020	421,930	337,062	758,992	0.045
Axel P. Lehmann, former President Personal & Corporate Banking and President UBS Switzerland	2021	-	-	-	-
	2020	690,537	331,677	1,022,214	0.061
Barbara Levi, Group General Counsel	2021	430,732	0	430,732	0.027
	2020	-	-	-	-
Tom Naratil, Co-President Global Wealth Management and President UBS Americas	2021	1,374,044	950,682	2,324,726	0.145
	2020	1,383,854	770,780	2,154,634	0.128
Piero Novelli, former Co-President Investment Bank	2021	-	-	-	-
	2020	660,240	408,897	1,069,137	0.064
Markus Ronner, Group Chief Compliance and Governance Officer	2021	418,452	57,856	476,308	0.030
	2020	302,584	130,097	432,681	0.026
<b>Total</b>	2021	7,706,776	2,739,047	10,445,823	0.650
	2020	7,821,828	3,537,520	11,359,348	0.675

<sup>1</sup> Includes all vested and unvested shares of GEB members, including those held by related parties. No options were held in 2021 and 2020 by any GEB member or any of its related parties. Refer to "Note 28 Employee benefits: variable compensation" in the "Consolidated financial statements" section of our Annual Report 2021 for more information. <sup>2</sup> Includes shares granted under variable compensation plans with forfeiture provisions. LTIP values reflect the fair value awarded at grant. The actual number of shares vesting in the future will be calculated under the terms of the plans. Refer to the "Group compensation" section of this report for more information about the plans.



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## Total of all vested and unvested shares of GEB members<sup>1,2</sup>

	Total	of which: vested		of which: vesting				
		2022	2023	2024	2025	2026	2027	
Shares on 31 December 2021	10,445,823	2,739,047	1,463,440	1,688,568	2,112,516	1,488,544	877,856	75,852
			2021	2022	2023	2024	2025	2026
Shares on 31 December 2020	11,359,348	3,537,520	1,424,063	1,854,660	2,070,158	1,656,600	774,416	41,931

<sup>1</sup> Includes shares held by related parties. <sup>2</sup> Includes shares granted under variable compensation plans with forfeiture provisions. The actual number of shares vesting in the future will be calculated under the terms of the plans. Refer to the "Group compensation" section of this report for more information.



## Advisory vote

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### Number of shares of BoD members<sup>1</sup>

Name, function	on 31 December		Number of shares held	Voting rights in %
	2021	2020		
Axel A. Weber, Chairman	1,148,369	1,046,994		0.071
Jeremy Anderson, Vice Chairman and Senior Independent Director	97,518	66,744		0.006
Claudia Böckstiegel, member <sup>2</sup>	0	-		0.000
William C. Dudley, member	49,714	26,181		0.003
Patrick Firmenich, member <sup>2</sup>	0	-		0.000
Reto Francioni, member	139,609	154,086		0.009
Fred Hu, member	74,481	42,428		0.005
Mark Hughes, member	30,263	4,920		0.002
Nathalie Rachou, member	18,102	0		0.001
Julie G. Richardson, member	117,365	88,401		0.007
Beatrice Weder di Mauro, former member <sup>2</sup>	-	198,578		-
Dieter Wemmer, member	114,086	88,743		0.007
Jeanette Wong, member	68,452	33,722		0.004
<b>Total</b>	<b>1,857,959</b>	<b>1,750,797</b>		<b>0.116</b>
				<b>0.104</b>

<sup>1</sup> Includes blocked and unblocked shares held by BoD members, including those held by related parties. No options were granted in 2021 and 2020. <sup>2</sup> At the 2021 AGM, Claudia Böckstiegel and Patrick Firmenich were newly elected and Beatrice Weder di Mauro did not stand for re-election.

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### Total of all blocked and unblocked shares of BoD members<sup>1</sup>

	Total	of which: unblocked	of which: blocked until			
			2022	2023	2024	2025
Shares on 31 December 2021	1,857,959	701,594	178,603	305,947	329,875	341,940
Shares on 31 December 2020	1,750,797	658,642	205,961	197,395	332,743	356,056

<sup>1</sup> Includes shares held by related parties.

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## Loans granted to GEB members<sup>1</sup>

In line with article 38 of the Articles of Association of UBS Group AG, GEB members may be granted loans. Such loans are made in the ordinary course of business on substantially the same terms as those granted to other employees, including interest rates

and collateral, and neither involve more than the normal risk of collectability nor contain any other unfavorable features for the firm. The total amount of such loans must not exceed CHF 20 million per GEB member.

Name, function	CHF, except where indicated <sup>2</sup>		USD (for reference)
	on 31 December	Loans <sup>3</sup>	Loans <sup>3</sup>
Christian Bluhm, Group Chief Risk Officer (highest loan in 2021)	2021	7,059,000	7,742,947
Markus U. Diethelm, Group General Counsel (highest loan in 2020)	2020	6,131,500	
Aggregate of all GEB members <sup>4</sup>	2021	29,635,590	32,506,982
	2020	31,830,394	

<sup>1</sup> No loans have been granted to related parties of the GEB members at conditions not customary in the market. <sup>2</sup> Swiss franc and US dollar amounts disclosed represent local currency amounts translated at the relevant year-end closing exchange rate. <sup>3</sup> All loans granted are secured loans. <sup>4</sup> No unused uncommitted credit facilities in 2021 and 2020.

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## Loans granted to BoD members<sup>1</sup>

In line with article 33 of the Articles of Association of UBS Group AG, loans to independent BoD members are made in the ordinary course of business at general market conditions. The Chairman, as a non-independent member, may be granted loans in the ordinary course of business on substantially the same terms as

those granted to employees, including interest rates and collateral, and neither involve more than the normal risk of collectability nor contain any other unfavorable features for the firm. The total amount of such loans must not exceed CHF 20 million per BoD member.

Aggregate of all BoD members	CHF, except where indicated <sup>2</sup>		USD (for reference)
	on 31 December	Loans <sup>3,4</sup>	Loans <sup>3,4</sup>
	2021	1,500,000	1,645,335
	2020	2,100,000	

<sup>1</sup> No loans have been granted to related parties of the BoD members at conditions not customary in the market. <sup>2</sup> Swiss franc and US dollar amounts disclosed represent local currency amounts translated at the relevant year-end closing exchange rate. <sup>3</sup> All loans granted are secured loans. <sup>4</sup> CHF 1,500,00 for Reto Francioni in 2021 and CHF 600,000 for Reto Francioni and CHF 1,500,000 for Beatrice Weder di Mauro in 2020.

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## Compensation paid to former BoD and GEB members<sup>1</sup>

CHF, except where indicated <sup>2</sup>	For the year	Compensation	Benefits	Total	USD (for reference)
					Total
Former BoD members	2021			0	
	2020	0	0	0	
Aggregate of all former GEB members <sup>3</sup>	2021		187,876	187,876	205,264
	2020	0	206,048	206,048	
Aggregate of all former BoD and GEB members	2021		187,876	187,876	205,264
	2020	0	206,048	206,048	

<sup>1</sup> Compensation or remuneration that is related to the former members' activity on the BoD or GEB or that is not at market conditions. <sup>2</sup> Swiss franc and US dollar amounts disclosed represent local currency amounts translated at the relevant year-end closing exchange rate. <sup>3</sup> Includes benefit payments in 2021 and 2020 to two former GEB members.

## Provisions of the Articles of Association related to compensation

Swiss say-on-pay provisions give shareholders of companies listed in Switzerland significant influence over board and management compensation. At UBS, this is achieved by means of an annual binding say-on-pay vote in accordance with the following provisions of the Articles of Association (the AoA).

### *Say on pay*

In line with article 43 of the AoA of UBS Group AG, the General Meeting approves proposals from the BoD in relation to:

- a) the maximum aggregate amount of compensation of the BoD for the period until the next AGM;
- b) the maximum aggregate amount of fixed compensation of the GEB for the following financial year; and
- c) the aggregate amount of variable compensation of the GEB for the preceding financial year.

The BoD may submit for approval by the General Meeting deviating or additional proposals relating to the same or different periods. If the General Meeting does not approve a proposal from the BoD, the BoD will determine, taking into account all relevant factors, the respective (maximum) aggregate amount or (maximum) partial amounts and submit the amount(s) so determined for approval by the General Meeting. UBS Group AG or companies controlled by it may pay or grant compensation prior to approval by the General Meeting, subject to subsequent approval.

### *Principles of compensation*

In line with articles 45 and 46 of the AoA of UBS Group AG, compensation of the members of the BoD includes base remuneration and may include other compensation elements and benefits. Compensation of the members of the BoD is intended to recognize the responsibility and governance nature of their role, to attract and retain qualified individuals, and to ensure alignment with shareholders' interests.

Compensation of the members of the GEB includes fixed and variable compensation elements. Fixed compensation includes the base salary and may include other compensation elements and benefits. Variable compensation elements are governed by financial and non-financial performance measures that take into account the performance of UBS Group AG and / or parts thereof, targets in relation to the market, other companies or comparable benchmarks, short- and long-term strategic objectives, and / or individual targets. The BoD or, where delegated to it, the Compensation Committee determines the respective performance measures, the overall and individual performance targets, and their achievement. The BoD or, where delegated to it, the Compensation Committee aims to ensure alignment with sustainable performance and appropriate risk-taking through adequate deferrals, forfeiture conditions, caps on

compensation, harmful acts provisions and similar means with regard to parts of or all of the compensation. Parts of variable compensation are subject to a multi-year vesting period.

### *Additional amount for GEB members appointed after the vote on the aggregate amount of compensation by the AGM*

In line with article 46 of the AoA of UBS Group AG, if the maximum aggregate amount of compensation already approved by the General Meeting is not sufficient to also cover the compensation of a person who becomes a member of or is being promoted within the GEB after the General Meeting has approved the compensation, UBS Group AG, or companies controlled by it, is authorized to pay or grant each such GEB member a supplementary amount during the compensation period(s) already approved. The aggregate pool for such supplementary amounts per compensation period cannot exceed 40% of the average of total annual compensation paid or granted to the GEB during the previous three years.

› **Refer to [ubs.com/governance](https://ubs.com/governance) for more information**



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To the General Meeting of  
UBS Group AG, Zurich

Basel, 4 March 2022

## Report of the statutory auditor on the compensation report

We have audited the compensation report dated 4 March 2022 of UBS Group AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14 – 16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the following tables labeled "audited" of the compensation report: *Approved fixed compensation, Total compensation for GEB members, Compensation details and additional information for non-independent BoD members, Total payments to BoD members, Remuneration details and additional information for independent BoD members, Loans granted to GEB members, Loans granted to BoD members and Compensation paid to former BoD and GEB members.*

### Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

### Auditor's responsibility

Our responsibility is to express an opinion on the compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of compensation, as well as assessing the overall presentation of the compensation report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Opinion

In our opinion, the compensation report for the year ended 31 December 2021 of UBS Group AG complies with Swiss law and articles 14 – 16 of the Ordinance.

Ernst & Young Ltd

Maurice McCormick  
Licensed audit expert  
(Auditor in charge)

Jan Marxfeld  
Licensed audit expert

# Information sources

## Reporting publications

### Annual publications

*Annual Report (SAP No. 80531)*: Published in English, this single-volume report provides descriptions of: our Group strategy and performance; the strategy and performance of the business divisions and Group Functions; risk, capital and funding, and balance sheet management; corporate governance, corporate responsibility and our compensation framework, including information about compensation for the Board of Directors and the Group Executive Board members; and financial information, including the financial statements.

*Geschäftsbericht (SAP No. 80531)*: This publication provides a translation into German of selected sections of our Annual Report.

*Annual Review (SAP No. 80530)*: This booklet contains key information about our strategy and performance, with a focus on corporate responsibility at UBS. It is published in English, German, French and Italian.

*Compensation Report (SAP No. 82307)*: This report discusses our compensation framework and provides information about compensation for the Board of Directors and the Group Executive Board members. It is available in English and German.

### Quarterly publications

The quarterly financial report provides an update on our strategy and performance for the respective quarter. It is available in English.

### How to order publications

The annual and quarterly publications are available in .pdf format at [ubs.com/investors](https://ubs.com/investors), under "Financial information," and printed copies can be requested from UBS free of charge. For annual publications, refer to the "Investor services" section at [ubs.com/investors](https://ubs.com/investors). Alternatively, they can be ordered by quoting the SAP number and the language preference, where applicable, from UBS AG, F4UK–AUL, P.O. Box, CH-8098 Zurich, Switzerland.

## Other information

### Website

The "Investor Relations" website at [ubs.com/investors](https://ubs.com/investors) provides the following information about UBS: news releases; financial information, including results-related filings with the US Securities and Exchange Commission (the SEC); information for shareholders, including UBS share price charts, as well as data and dividend information, and for bondholders; the UBS corporate calendar; and presentations by management for investors and financial analysts. Information is available online in English, with some information also available in German.

### Results presentations

Our quarterly results presentations are webcast live. Playbacks of most presentations can be downloaded from [ubs.com/presentations](https://ubs.com/presentations).

### Messaging service

Email alerts to news about UBS can be subscribed for under "UBS News Alert" at [ubs.com/global/en/investor-relations/contact/investor-services.html](https://ubs.com/global/en/investor-relations/contact/investor-services.html). Messages are sent in English, German, French or Italian, with an option to select theme preferences for such alerts.

### Form 20-F and other submissions to the US Securities and Exchange Commission

We file periodic reports and submit other information about UBS to the US Securities and Exchange Commission (the SEC). Principal among these filings is the annual report on Form 20-F, filed pursuant to the US Securities Exchange Act of 1934. The filing of Form 20-F is structured as a wrap-around document. Most sections of the filing can be satisfied by referring to the combined UBS Group AG and UBS AG annual report. However, there is a small amount of additional information in Form 20-F that is not presented elsewhere and is particularly targeted at readers in the US. Readers are encouraged to refer to this additional disclosure. Any document that we file with the SEC is available on the SEC's website: [sec.gov](https://sec.gov). Refer to [ubs.com/investors](https://ubs.com/investors) for more information.



## Corporate information

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**UBS Group AG** is incorporated and domiciled in Switzerland and operates under Art. 620ff. of the Swiss Code of Obligations as an Aktiengesellschaft, a corporation limited by shares. Its registered office is at Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41-44-234 11 11, and its corporate identification number is CHE-395.345.924. UBS Group AG was incorporated on 10 June 2014 and was established in 2014 as the holding company of the UBS Group. UBS Group AG shares are listed on the SIX Swiss Exchange and on the New York Stock Exchange (ISIN: CH0244767585; CUSIP: H42097107). UBS Group AG owns 100% of the outstanding shares of UBS AG.

## Contacts

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### Switchboards

For all general inquiries  
[ubs.com/contact](https://ubs.com/contact)

Zurich +41-44-234 1111  
London +44-207-567 8000  
New York +1-212-821 3000  
Hong Kong SAR +852-2971 8888  
Singapore +65-6495 8000

### Investor Relations

UBS's Investor Relations team manages relationships with institutional investors, research analysts and credit rating agencies.

[ubs.com/investors](https://ubs.com/investors)

Zurich +41-44-234 4100  
New York +1-212-882 5734

### Media Relations

UBS's Media Relations team manages relationships with global media and journalists.

[ubs.com/media](https://ubs.com/media)

Zurich +41-44-234 8500  
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London +44-20-7567 4714  
[ubs-media-relations@ubs.com](mailto:ubs-media-relations@ubs.com)

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[mediarelations@ubs.com](mailto:mediarelations@ubs.com)

Hong Kong SAR +852-2971 8200  
[sh-mediarelations-ap@ubs.com](mailto:sh-mediarelations-ap@ubs.com)

### Office of the Group Company Secretary

The Group Company Secretary handles inquiries directed to the Chairman or to other members of the Board of Directors.

UBS Group AG, Office of the  
Group Company Secretary  
P.O. Box, CH-8098 Zurich, Switzerland  
[sh-company-secretary@ubs.com](mailto:sh-company-secretary@ubs.com)

Zurich +41-44-235 6652

### Shareholder Services

UBS's Shareholder Services team, a unit of the Group Company Secretary's office, manages relationships with shareholders and the registration of UBS Group AG registered shares.

UBS Group AG, Shareholder Services  
P.O. Box, CH-8098 Zurich, Switzerland

[sh-shareholder-services@ubs.com](mailto:sh-shareholder-services@ubs.com)

Zurich +41-44-235 6652

### US Transfer Agent

For global registered share-related inquiries in the US.

Computershare Trust Company NA  
P.O. Box 505000  
Louisville, KY 40233-5000, USA

Shareholder online inquiries:  
[www-us.computershare.com/  
investor/contact](http://www-us.computershare.com/investor/contact)

Shareholder website:  
[computershare.com/investor](http://computershare.com/investor)

Calls from the US  
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Calls from outside the US  
+1-781-575-2623  
TDD for hearing impaired  
+1-800-231-5469  
TDD for foreign shareholders  
+1-201-680-6610

## Corporate calendar UBS Group AG

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Publication of the Sustainability Report 2021:	Friday, 11 March 2022
Annual General Meeting 2022 (webcast):	Wednesday, 6 April 2022
Publication of the first quarter 2022 report:	Tuesday, 26 April 2022
Publication of the second quarter 2022 report:	Tuesday, 26 July 2022
Publication of the third quarter 2022 report:	Tuesday, 25 October 2022

## Imprint

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**Cautionary Statement Regarding Forward-Looking Statements** | This report contains statements that constitute “forward-looking statements,” including but not limited to management’s outlook for UBS’s financial performance, statements relating to the anticipated effect of transactions and strategic initiatives on UBS’s business and future development and goals or intentions to achieve climate, sustainability and other social objectives. While these forward-looking statements represent UBS’s judgments, expectations and objectives concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS’s expectations. Russia’s invasion of Ukraine has led to heightened volatility across global markets and to the coordinated implementation of sanctions on Russia, Russian entities and nationals. Russia’s invasion of Ukraine already has caused significant population displacement, and as the conflict continues, the disruption will likely increase. The scale of the conflict and the speed and extent of sanctions, as well as the uncertainty as to how the situation will develop, may have significant adverse effects to the market and macroeconomic conditions, including in ways that cannot be anticipated. This creates significantly greater uncertainty about forward-looking statements. The COVID-19 pandemic and the measures taken to manage it have had and may also continue to have a significant adverse effect on global and regional economic activity, including disruptions to global supply chains, inflationary pressures, and labor market displacements. Factors that may affect our performance and ability to achieve our plans, outlook and other objectives also include, but are not limited to: (i) the degree to which UBS is successful in the ongoing execution of its strategic plans, including its cost reduction and efficiency initiatives and its ability to manage its levels of risk-weighted assets (RWA) and leverage ratio denominator (LRD), liquidity coverage ratio and other financial resources, including changes in RWA assets and liabilities arising from higher market volatility; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions; (iii) the continuing low or negative interest rate environment in Switzerland and other jurisdictions; (iv) developments in the macroeconomic climate and in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, and currency exchange rates, and the effects of economic conditions, market developments, and increasing geopolitical tensions, and changes to national trade policies on the financial position or creditworthiness of UBS’s clients and counterparties, as well as on client sentiment and levels of activity; (v) changes in the availability of capital and funding, including any changes in UBS’s credit spreads and ratings, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity (TLAC); (vi) changes in central bank policies or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the European Union and other financial centers that have imposed, or resulted in, or may do so in the future, more stringent or entity-specific capital, TLAC, leverage ratio, net stable funding ratio, liquidity and funding requirements, heightened operational resilience requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration, constraints on transfers of capital and liquidity and sharing of operational costs across the Group or other measures, and the effect these will or would have on UBS’s business activities; (vii) UBS’s ability to successfully implement resolvability and related regulatory requirements and the potential need to make further changes to the legal structure or booking model of UBS Group in response to legal and regulatory requirements, or other external developments; (viii) UBS’s ability to maintain and improve its systems and controls for complying with sanctions and for the detection and prevention of money laundering to meet evolving regulatory requirements and expectations, in particular in current geopolitical turmoil; (ix) the uncertainty arising from domestic stresses in certain major economies; (x) changes in UBS’s competitive position, including whether differences in regulatory capital and other requirements among the major financial centers adversely affect UBS’s ability to compete in certain lines of business; (xi) changes in the standards of conduct applicable to our businesses that may result from new regulations or new enforcement of existing standards, including measures to impose new and enhanced duties when interacting with customers and in the execution and handling of customer transactions; (xii) the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, contractual claims and regulatory investigations, including the potential for disqualification from certain businesses, potentially large fines or monetary penalties, or the loss of licenses or privileges as a result of regulatory or other governmental sanctions, as well as the effect that litigation, regulatory and similar matters have on the operational risk component of our RWA, as well as the amount of capital available for return to shareholders; (xiii) the effects on UBS’s cross-border banking business of sanctions, tax or regulatory developments and of possible changes in UBS’s policies and practices relating to this business; (xiv) UBS’s ability to retain and attract the employees necessary to generate revenues and to manage, support and control its businesses, which may be affected by competitive factors; (xv) changes in accounting or tax standards or policies, and determinations or interpretations affecting the recognition of gain or loss, the valuation of goodwill, the recognition of deferred tax assets and other matters; (xvi) UBS’s ability to implement new technologies and business methods, including digital services and technologies, and ability to successfully compete with both existing and new financial service providers, some of which may not be regulated to the same extent; (xvii) limitations on the effectiveness of UBS’s internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xviii) the occurrence of operational failures, such as fraud, misconduct, unauthorized trading, financial crime, cyberattacks, data leakage and systems failures, the risk of which is increased with cyberattack threats from nation states and while COVID-19 control measures require large portions of the staff of both UBS and its service providers to work remotely; (xix) restrictions on the ability of UBS Group AG to make payments or distributions, including due to restrictions on the ability of its subsidiaries to make loans or distributions, directly or indirectly, or, in the case of financial difficulties, due to the exercise by FINMA or the regulators of UBS’s operations in other countries of their broad statutory powers in relation to protective measures, restructuring and liquidation proceedings; (xx) the degree to which changes in regulation, capital or legal structure, financial results or other factors may affect UBS’s ability to maintain its stated capital return objective; (xxi) uncertainty over the scope of actions that may be required by UBS, governments and others to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and governmental standards; and (xxii) the effect that these or other factors or unanticipated events may have on our reputation and the additional consequences that this may have on our business and performance. The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences. Our business and financial performance could be affected by other factors identified in our past and future filings and reports, including those filed with the SEC. More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including UBS’s Annual Report on Form 20-F for the year ended 31 December 2021. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

**Rounding** | Numbers presented throughout this report may not add up precisely to the totals provided in the tables and text. Percentages and percent changes disclosed in text and tables are calculated on the basis of unrounded figures. Absolute changes between reporting periods disclosed in the text, which can be derived from numbers presented in related tables, are calculated on a rounded basis.

**Tables** | Within tables, blank fields generally indicate non-applicability or that presentation of any content would not be meaningful, or that information is not available as of the relevant date or for the relevant period. Zero values generally indicate that the respective figure is zero on an actual or rounded basis. Values that are zero on a rounded basis can be either negative or positive on an actual basis.



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