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# Exhibits

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Exhibit 1.1 Articles of Association of UBS AG



UBS AG  
Board of Directors  
P.O. Box, CH-8098 Zurich



# Articles of Association UBS AG

26 February 2002



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# Section 1

## Name, registered office, business object and duration of the Corporation

<b>Name and registered office</b>	<b>Article 1</b> A corporation limited by shares under the name of UBS AG/UBS SA/UBS Ltd. is established with a registered office in Zurich and Basel.
<b>Business object</b>	<b>Article 2</b> 1 The purpose of the Corporation is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad. 2 The Corporation may establish branches and representative offices as well as banks, finance companies and other enterprises of any kind in Switzerland and abroad, hold equity interests in these companies, and conduct their management. 3 The Corporation is authorized to acquire, mortgage and sell real estate and building rights in Switzerland and abroad.
<b>Duration</b>	<b>Article 3</b> The duration of the Corporation shall not be limited by time.

# Section 2

## Share capital

### Share capital

#### Article 4

1

The share capital of the Corporation is CHF 3,588,808,997.20 (three billion, five hundred and eighty-eight million, eight hundred and eight thousand, nine hundred and ninety-seven Swiss francs and twenty centimes), divided into 1,281,717,499 registered shares with a par value of CHF 2.80 each. The share capital is fully paid up.

2

Registered shares may be converted into bearer shares and bearer shares into registered shares by resolution of the General Meeting of Shareholders; the Corporation may issue certificates representing multiples of shares.

### Conditional capital

#### Article 4a

*Employee stock ownership plan of Paine Webber Group Inc., New York ("PaineWebber")*

The share capital will be increased, under exclusion of shareholders' pre-emptive rights, by a maximum of CHF 36,499,604.80, corresponding to a maximum of 13,017,716 registered shares of CHF 2.80 par value each (which must be fully paid up) through the exercise of option rights granted to the employees of PaineWebber, which were rolled over according to the merger agreement of 12 July 2000.

The subscription ratio, time limits and further details were determined by PaineWebber and taken over by UBS AG.

The purchase of shares through the exercise of option rights as well as any subsequent transfer of the shares are subject to the registration restrictions set out in Article 5 of these Articles of Association.



**Share register  
and nominees**

**Article 5**

1

A share register is maintained for the registered shares, in which owners' and usufructuaries' family and given names are entered, with their complete address and nationality (or registered office for legal entities).

2

If the mailing address of a shareholder changes, the new address must be communicated to the Corporation. As long as this has not been done, all written communications will be sent to the address entered in the share register, this being valid according to the requirements of the law.

3

Those who acquire registered shares shall be entered in the share register as shareholders with voting rights if they expressly declare that they acquired these registered shares in their own names and for their own account. If the party acquiring the shares is not prepared to provide such a declaration, the Board of Directors may refuse to allow the shares to be entered with voting rights.

4

The restriction on registration under paragraph 3 above also applies to shares acquired by the exercise of preemptive, option or conversion rights.

5

The Board of Directors is authorized, after hearing the position of the registered shareholder or nominee affected, to strike the entry of a shareholder with voting rights from the share register retroactively with effect to the date of the entry, if it was obtained under false pretences. The party affected must be informed of the action immediately.

6

The Board of Directors formulates general principles relating to the registration of fiduciaries/nominees and issues the necessary regulations to ensure compliance with the above provisions.

**Deferred  
printing of  
shares**

**Article 6**

1

In the case of registered shares, the Corporation may elect not to print and deliver certificates. However, shareholders may at any time request the Corporation to print and deliver certificates free of charge. Particulars are set forth in regulations issued by the Board of Directors.

2

Uncertificated registered shares may only be transferred by the assignment of all appurtenant rights. The assignment must be reported to the Corporation to be valid. If uncertificated registered shares are held in a custody or portfolio account at a bank, they may only be transferred with the cooperation of that bank. Furthermore, they may only be pledged in favour of that bank, in which case notifying the Corporation is not necessary.

**Exercise of rights**

**Article 7**

1

Shares are indivisible. The Corporation recognizes only one representative per share.

2

Voting rights and associated rights may only be exercised in relation to the Corporation by a party entered in the share register as having the right to vote.

# Section 3

## Corporate bodies

### A. General Meeting of Shareholders

<b>Authority</b>	<b>Article 8</b> The General Meeting of Shareholders is the Corporation's supreme corporate body.
<b>Types of General Meetings</b> <b>a. Annual General Meeting</b>	<b>Article 9</b> The Annual General Meeting takes place every year within six months after the close of the financial year; the annual report and the report of the Auditors must be available for inspection by shareholders at the Corporation's registered offices at least twenty days before the meeting.
<b>b. Extraordinary General Meetings</b>	<b>Article 10</b> 1 Extraordinary General Meetings are convened whenever the Board of Directors or the Auditors consider it necessary. 2 Such a meeting must also be convened if demanded by a resolution of the shareholders in General Meeting or by a written request from one or more shareholders, representing together at least one tenth of the share capital, specifying the items to be included on the agenda and the proposals to be put forward.
<b>Convening</b>	<b>Article 11</b> 1 The General Meeting shall be called by the Board of Directors, or if need be by the Statutory Auditors, at least twenty days before the meeting is to take place. The meeting is called by publishing a single notice in the publication of record designated by the Corporation. An invitation will be sent to all shareholders registered. 2 The notice to convene the General Meeting shall specify the agenda with the proposals of the Board of Directors and proposals from shareholders, and in the event of elections the names of the proposed candidates.

**Placing of items  
on the agenda**

**Article 12**

1

Shareholders representing shares with an aggregate par value of one million Swiss francs may submit proposals for matters to be placed on the agenda for consideration by the General Meeting, provided that their proposals are submitted in writing within the deadline published by the Corporation and include the actual motion(s) to be put forward.

2

No resolutions may be passed concerning matters which have not been duly placed on the agenda, except on a motion put forward at the General Meeting to call an Extraordinary General Meeting or a motion for a special audit to be carried out.

**Chairmanship,  
tellers, minutes**

**Article 13**

1

The Chairman of the Board of Directors or, if the Chairman cannot attend, a Vice Chairman or another member designated by the Board of Directors, shall preside over the General Meeting and appoint a secretary and the necessary tellers.

2

Minutes are kept of the proceedings and must be signed by the presiding Officer and the Secretary.

**Shareholder  
proxies**

**Article 14**

1

The Board of Directors issues procedural rules for participation and representation of shareholders at the General Meeting.

2

A shareholder may only be represented at the General Meeting by his or her legal representative or under a written power of attorney by another shareholder eligible to vote, by a corporate proxy, by the independent proxy or by a custodial proxy.

3

The presiding Officer decides whether to recognize the power of attorney.

## **Voting right**

### **Article 15**

Each share conveys the right to cast one vote.

## **Resolutions, elections**

### **Article 16**

1

Resolutions and elections are decided at the General Meeting by an absolute majority of the votes cast, excluding blank and invalid ballots, subject to the compulsory provisions of the law.

2

A resolution to change Art. 18 of these Articles of Association, to remove one fourth or more of the members of the Board of Directors, or to delete or modify Art. 16 paragraph 2 of these Articles of Association, must receive at least two thirds of the votes represented.

3

Voting on resolutions and elections shall take place with a show of hands, but a written ballot shall be adopted if requested by at least 3% of the votes represented or if the presiding Officer so orders. A written ballot or election may also be conducted electronically.

4

In the case of written ballots, the presiding Officer may rule that only the ballots of those shareholders shall be collected who choose to abstain or to cast a negative vote, and that all other shares represented at the General Meeting at the time of the vote shall be counted in favour, in order to expedite the counting of the votes.

5

The presiding Officer may order a vote by show of hands to be repeated in a written ballot if he feels there is any doubt regarding the results. In this case the show of hands vote is deemed not to have taken place.

## **Powers**

### **Article 17**

The General Meeting has the following powers:

- a) To establish and amend the Articles of Association
- b) To elect the members of the Board of Directors, the Statutory Auditors and the Group Auditors
- c) To approve the annual report and the consolidated financial statements
- d) To approve the annual accounts and to decide upon the appropriation of the net profit shown in the balance sheet
- e) To give the members of the Board of Directors and of the Group Executive Board a discharge concerning their administration
- f) To take decisions on all matters reserved to the General Meeting by law or by the Articles of Association, or which are placed before it by the Board of Directors.

# Corporate bodies

## B. Board of Directors

<b>Number of Board members</b>	<b>Article 18</b> The Board of Directors shall consist of at least six and no more than twelve members.
<b>Term of office</b>	<b>Article 19</b> 1 The term of office for members of the Board of Directors is four years, with the interval between two Annual General Meetings being deemed a year for this purpose. The initial term of office for each Director shall be fixed in such a way as to assure that about one fourth of all the members have to be newly elected or re-elected every year. 2 New Directors elected to replace members who vacate their office before completion of their term shall serve for the remainder of the term of the Directors they are replacing. Members whose term of office has expired are immediately eligible for re-election.
<b>Organization, Chairman's Office</b>	<b>Article 20</b> 1 The Board of Directors shall elect a Chairman's Office from among its members. It shall be composed of the Chairman and at least one Vice Chairman. 2 The Board of Directors shall appoint its secretary, who need not be a member of the Board.
<b>Convening, participation</b>	<b>Article 21</b> 1 The Chairman shall convene the Board of Directors as often as business requires, but at least six times a year. 2 The Board of Directors shall also be convened if one of its members or the Group Executive Board submits a written request to the Chairman's Office to hold such a meeting.

# Corporate bodies

## B. Board of Directors

<b>Decisions</b>	<p><b>Article 22</b></p> <p>1 Decisions of the Board of Directors are taken by an absolute majority of the votes cast. In case of a tie, the presiding Officer shall cast the deciding vote.</p> <p>2 The number of members who must be present to constitute a quorum, and the modalities for the passing of resolutions shall be laid down by the Board of Directors in the Organization Regulations. No such quorum is required for decisions confirming and amending resolutions relating to capital increases.</p>
<b>Duties and powers</b>	<p><b>Article 23</b></p> <p>1 The Board of Directors has responsibility for the ultimate direction of the Corporation and the supervision and control of its executive management.</p> <p>2 The Board of Directors may also take decisions on all matters which are not expressly reserved to the shareholders in General Meeting or to another corporate body by law or by the Articles of Association.</p>
<b>Ultimate direction of the Corporation</b>	<p><b>Article 24</b></p> <p>The ultimate direction of the Corporation comprises in particular:</p> <ul style="list-style-type: none"><li>a) Preparing of and deciding on proposals to be placed before the General Meeting</li><li>b) Issuing the regulations necessary for the conduct of business and for the delineation of authority, in particular the Organization Regulations and the regulations governing the Group Internal Audit</li><li>c) Laying down the principles for the accounting, financial and risk controls and financial planning, in particular the allocation of equity resources and risk capital for business operations</li></ul>



- d) Decisions on Group strategy and other matters reserved to the Board of Directors under the Organization Regulations
- e) Appointment and removal of the President and the members of the Group Executive Board, the members of the Group Managing Board and the head of Group Internal Audit
- f) Decisions on increasing the share capital, to the extent this falls within the authority of the Board of Directors (Art. 651 paragraph 4 of the Swiss Code of Obligations), on the report concerning an increase in capital (Art. 652e of the Swiss Code of Obligations) and on the ascertainment of capital increases and the corresponding amendments to the Articles of Association.

**Supervision,  
control**

**Article 25**

Supervision and control of the business management comprises in particular the following:

- a) Review of the annual report, consolidated and parent company financial statements as well as quarterly financial statements
- b) Acceptance of regular reports covering the course of business and the position of the Group, the status and development of country, counter-party and market risks and the extent to which equity and risk capital are tied up due to business operations
- c) Consideration of reports prepared by the Statutory and Group Auditors concerning the annual financial statements.

**Delegation,  
Organization  
Regulations**

**Article 26**

The Board of Directors may delegate part of its authority to one or more of its members subject to Arts. 24 and 25. The allocation of authority and functions shall be defined in the Organization Regulations.

**Signatures,  
seal, exceptional  
measures**

**Article 27**

1

In accordance with the Articles of Association the company's external representation and the manner and form of signature shall be defined in the Organization Regulations.

2

Signing in the name of the company requires two authorized signatures to be binding. Forms and other written documents produced in large quantities in the course of daily business may be distributed with only one or without signature. Such exceptions to the joint signature principle shall be made known in a suitable fashion.

3

The Board of Directors and those authorized by it to sign on behalf of the Corporation may empower individual persons to execute specific business and legal transactions.

4

For countries in which law or custom prescribes the use of seals on important or formal documents, a seal may be added to the signature. The Board of Directors shall designate such seals and issue regulations for their use.

5

To safeguard important interests of the Bank, the Board of Directors, or persons acting on the Board's instructions, may take exceptional measures in emergency situations arising as a result of extraordinary political developments.

**Remuneration**

**Article 28**

The Board of Directors shall determine the remuneration of its members.

# Corporate bodies

## C. Group Executive Board

<b>Organization</b>	<b>Article 29</b> The Group Executive Board is composed of the President and at least three other members.
<b>Functions, authorities</b>	<b>Article 30</b> 1 The Group Executive Board is responsible for the management of the Group. It is the supreme executive body as defined by the Swiss Federal Law on Banks and Savings Banks. It implements the Group strategy decided by the Board of Directors and ensures the execution of the decisions of the Board of Directors and the Chairman's Office. It is responsible for the Group's results. 2 The Group Executive Board has the following principal responsibilities: a) Preparing and proposing Group strategy and the fundamental policy decisions necessary for their implementation, the Organization Regulations and the basic organizational structure of the Group b) Exercising such functions and authorities as shall be assigned to it by the Organization Regulations c) Regularly informing the Board of Directors, as prescribed by Art. 25, item b of these Articles of Association, and submitting the documents in accordance with Art. 25, items a and c of these Articles of Association 3 The functions and authorities of the Group Executive Board and other management units designated by the Board of Directors are to be defined by the Organization Regulations.

# Corporate bodies

## D. Statutory and Group Auditors

### **Term of office, authority and duties**

#### **Article 31**

1

An auditing company is to be appointed as Statutory and Group Auditors.

2

The shareholders in General Meeting shall elect the Statutory and Group Auditors for a term of one year. The rights and duties of the Statutory and Group Auditors are determined by the provisions of the law.

3

The General Meeting may appoint Special Auditors for a term of three years, who provide the attestations required for capital increases.

# Section 4

## Financial statements and appropriation of profit, reserves

<b>Financial year</b>	<b>Article 32</b> The consolidated and parent company financial accounts are closed on December 31 of each year.
<b>Appropriation of disposable profit</b>	<b>Article 33</b> 1 At least 5% of the profit for the year is allocated to the general statutory reserve until such time as said reserve amounts to 20% of the share capital. 2 The remaining profit is, subject to the provisions of the Swiss Code of Obligations and of the Federal Banking law, at the disposal of the shareholders in General Meeting who may also use it for the formation of free or special reserves.
<b>Reserves</b>	<b>Article 34</b> The shareholders in General Meeting determine the utilization of the general reserve in accordance with the legal provisions acting upon the recommendations of the Board of Directors.

# Section 5

## Notices and jurisdiction

<b>Official publication media</b>	<b>Article 35</b> Public notices appear in the Swiss official commercial gazette (in French «Feuille Officielle Suisse du Commerce», or German «Schweizerisches Handelsamtsblatt»). The Board of Directors may designate other publications as well.
<b>Jurisdiction</b>	<b>Article 36</b> Jurisdiction for any disputes arising out of the corporate relationship shall be at both the registered offices of the Corporation, with the exception of legal actions in connection with the contestation or nullity of decisions of the shareholders' meeting or the nullity of Board of Directors' decisions, where jurisdiction shall exclusively be with the courts of Zurich.

# Section 6

## Non-cash considerations and contribution in kind

### **Non-cash considerations**

#### **Article 37**

1

The Corporation acquires Schweizerische Bankgesellschaft (SBG) in Zurich by merger through the capital increase of April 30/May 19, 1998. Assets of CHF 426,820,619,609.52 and liabilities of CHF 408,302,595,203.66 pursuant to the merger balance sheet of September 30, 1997 shall be transferred by universal succession to the Corporation; the amount of the capital increase has been paid in accordance with the merger agreement. The shareholders of the company acquired receive 128,750,000 fully paid-up registered shares of the acquiring company each with a par value of CHF 20.

2

The Corporation acquires Schweizerischer Bankverein (SBV) in Basel by merger through the capital increase of April 29/May 18, 1998. Assets of CHF 352,252,889,332.69 and liabilities of CHF 338,770,039,294.46 pursuant to the merger balance sheet of September 30, 1997 shall be transferred by universal succession to the Corporation; the amount of the capital increase has been paid in accordance with the merger agreement. The shareholders of the company acquired receive 85,623,491 fully paid-up registered shares of the acquiring company each with a par value of CHF 20.

### **Contribution in kind**

#### **Article 38**

The Corporation, in connection with the capital increase of 1 November 2000, is acquiring the totality of the shares of Paine Webber Group Inc. (New York, N.Y., USA) from existing shareholders of this listed company through the Corporation's wholly owned subsidiary UBS Americas Inc. (Wilmington, Delaware, USA) by way of a triangular merger under the laws of the State of Delaware (USA). Under the terms of the merger agreement of 12 July 2000, the total consideration for these shares will take the form of a cash component of not more than USD 6,350,000,000 plus a share component of not more than 42,800,000 shares of UBS AG, i.e. (assuming an exchange rate of CHF/USD 1.80 and a price of CHF 250 per UBS share)

CHF 22,130,000,000, and of not less than USD 5,520,000,000 plus not less than 37,150,000 shares of UBS AG, i.e. (based on the foregoing assumptions) CHF 19,223,500,000, this including the 12,000,000 shares resulting from the capital increase of 1 November 2000.

UBS AG  
For the Board of Directors:

Marcel Ospel  
Chairman

Gertrud Erismann-Peyer  
Company Secretary







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# Exhibit 1.2. Organization Regulations of UBS AG



# Organization Regulations of UBS AG

Based on art. 716b of the Swiss Code of Obligations and art. 24 of the Articles of Association of UBS AG, the Board of Directors has issued the following Organization Regulations on 12 February 2002

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The "Appendix" (Authorities, Part 1 and 2) is an integral part of these Organization Regulations.

## I. The Board of Directors

### *Art. 1 Constitution*

<sup>1</sup>The Board of Directors constitutes itself in the last meeting preceding (subject to approval of elections at the AGM) or the first meeting following the Annual General Meeting of Shareholders).

<sup>2</sup>The Board elects its Chairman and one or more Vice Chairmen, and appoints its Secretary.

### *Art. 2 Meetings and invitations to convene*

<sup>1</sup>The Board meets as prescribed by art. 21 of the Articles of Association.

<sup>2</sup>Except in urgent cases the invitations to the meeting, together with the agenda, are sent to the directors at least one week before the date of the meeting.

<sup>3</sup>As a rule, the members of the Group Executive Board participate in board meetings in an advisory capacity. The presiding director decides where exceptions will be made. Together with the President of the Group Executive Board (President), the presiding director determines whether other persons may attend.

### *Art. 3 Decisions and minutes*

<sup>1</sup>The Board takes its decisions as prescribed by art. 22 of the Articles of Association. Directors may participate in meetings via telephone or video. They are counted as present in such cases.

<sup>2</sup>In urgent cases decisions may be taken via circular mail. Such decisions are only valid when all directors are sent the text of the resolution, when more than two thirds of the directors cast a vote, and when the absolute majority of directors voting approve the resolution submitted to them. Any dissenting director is entitled to request a meeting to be convened. In such a case the decision via circular mail is not valid.

<sup>3</sup>Minutes are kept of decisions taken by the Board and are signed by the presiding director and the secretary.

### *Art. 4 Functions and authorities*

<sup>1</sup>The functions and authorities of the Board are based on the provisions contained in arts. 23–28 of the Articles of Association. All details are governed in the "Appendix".

<sup>2</sup>The Board of Directors establishes detailed rules about its working methods and the individual rights of its members in a special Charter.

### *Art. 5 Term of office*

A director who has reached the age of seventy automatically retires from the Board with effect from the next Annual General Meeting of Shareholders.

## II. The Chairman's Office

### *Art. 6 Composition*

The Board of Directors establishes a Chairman's Office, composed of the Chairman and one or more Vice Chairman.

### *Art. 7 Meetings*

<sup>1</sup>As a rule the Chairman's Office meets at least four times a year together with members of the Group Executive Board to deal with strategic and other fundamental issues. The President of the Group Executive Board normally also participates at additional meetings held by the Chairman's Office. The Chairman may invite other members of the Group Executive Board and internal or external specialists to participate for special purposes. The president and the members of the Group Executive Board participate in an advisory capacity.

<sup>2</sup>The Chairman or an executive Vice Chairman participate in the meetings of the Group Executive Board. Such participation serves to ensure that the Board is apprised of current developments and permits the exercise of the supervisory and control functions of the Board and its responsibility for the ultimate direction of the company. The Chairman or an executive Vice Chairman participate in these meetings in an advisory capacity.

### *Art. 8 Decisions and minutes*

The presence of the Chairman and one Vice Chairman is required for resolutions to be passed at meetings of the Chairman's Office. Details are ruled in the Charter of the Board of Directors.

### *Art. 9 Functions and authorities*

<sup>1</sup>The authorities of the Chairman's Office are governed in detail in the "Appendix" and in the Charter of the Board of Directors. Together with the Group Executive Board the Chairman's Office assumes overall responsibility for the development of the Group's strategies.

<sup>2</sup>As an exception, urgent decisions falling within the authority of the Board of Directors may be taken by the Chairman's Office. Such decisions are to be brought to the attention of the Board of Directors at its next meeting. This regulation shall not apply to such functions and duties of the Board of Directors which, pursuant to art. 716a of the Swiss Code of Obligations, are non-transferable and inalienable.

<sup>3</sup>The credit approval authorities of the Chairman's Office can be delegated to an executive Vice Chairman who brings his decisions to the next meeting of the Chairman's Office for information. Extraordinary cases will be submitted to circular approval by all members of the Chairman's Office.

## **III. The Board of Directors' Committees**

### *Art. 10 Appointment and authorities*

<sup>1</sup>The Board of Directors appoints the following Committees:

- a) Audit Committee
- b) Audit Supervisory Board
- c) Compensation Committee
- d) Nomination Committee
- e) Corporate Responsibility Committee

<sup>2</sup>The Board of Directors establishes a Charter for each of these Committees which defines the composition of the Committee, its authorities and the working method. It may appoint additional committees if deemed necessary.

## **IV. The Chairman of the Board of Directors (Chairman)**

### *Art. 11 Functions*

<sup>1</sup>The Chairman – or in his absence one of the Vice Chairmen – presides over the meetings of the Board of Directors and the General Meeting of Shareholders.

<sup>2</sup>The Chairman, on behalf of the Board of Directors, exercises ongoing supervision and control over the Group Executive Board. The Chairman is responsible for providing information to the Chairman's Office and the Board of Directors that is relevant to their function.

<sup>3</sup>He assumes a leading role in mid- and long-term strategic planning, the selection and supervision of top-level management, corporate culture and corporate responsibility issues, global compensation principles, mid-term succession planning, and the definition of the Group's risk appetite and risk limit structure. Together with the President of the Group Executive Board he is responsible for public affairs and the Group's overall image.

<sup>4</sup>Group Internal Audit reports directly to the Chairman of the Board.

### *Art. 12 Authorities*

The Chairman of the Board of Directors and the executive Vice Chairmen may demand information about any matters relating to the Group, and examine reports, proposals and minutes of meetings of the Group Executive Board, the Functional Areas and Committees of the Corporate Center, the Business Groups and the Divisions.

## **V. The Group Executive Board**

### *Art. 13 Composition*

The Group Executive Board consists of its President and at least three other members.

### *Art. 14 Meetings, decisions, minutes*

<sup>1</sup>As a rule, the Group Executive Board meets at least once every month. Extraordinary meetings will be held as required or at the request of a member.

<sup>2</sup>A quorum is constituted when at least three members of the Group Executive Board are present, or can be reached for discussion and voting. For voting on matters of fundamental importance, however, two thirds of the members, including the member responsible for the area concerned, must attend.

<sup>3</sup>Decisions are taken by the absolute majority of the members present. In case of a tie the presiding officer has the casting vote.

<sup>4</sup>Minutes are kept of decisions taken by the Group Executive Board and are signed by the presiding officer and the recording secretary. They are taken as approved if no comment is made on them in the next meeting. They shall be sent to the members of the Group Executive Board, to the executive members of the Board of Directors, and are made available for inspection to the non-executive members of the Board of Directors.

*Art. 15 Functions and authorities*

<sup>1</sup>The Group Executive Board has the executive management responsibility for the company. Together with the Chairman's Office it assumes overall responsibility for the development of the Group's strategies. It is responsible for the implementation and results of those strategies. It ensures cooperation and unity within the Group across Business Group lines.

<sup>2</sup>The authorities of the Group Executive Board are governed in detail in the "Appendix", based on article 30 of the Articles of Association. The Group Executive Board prepares the proposals which have to be submitted to the Chairman's Office and the Board of Directors for approval and supports the decision making process. It regularly informs the Board of Directors on the Group's business development.

<sup>3</sup>The Group Executive Board may wholly or partially delegate approval authorities to one of its members or another officer of the Group.

*Art. 16 The Group Executive Board as Risk Council*

The Group Executive Board assumes the responsibilities of a Risk Council. It is responsible for implementing the Risk Management and Control Principles, for approving the core risk policies as proposed by the Group Chief Risk Officer and/or the Group Chief Credit Officer, for allocating risk limits to the Business Groups within the overall approved framework and for managing the risk profile of the Bank as a whole.

*Art. 17 The President*

<sup>1</sup>The President assumes the leadership of the Group Executive Board and presides over its meetings. He is responsible, together with the Group Executive Board, for the development of the Group and Business Group strategies and for the implementation of strategic decisions.

<sup>2</sup>He ensures that matters relating to the Group are dealt with, supervises the management of the Business Groups and ensures the alignment of Business Group's activities and interests as well as the exploration and exploitation of synergies across the Group. He is responsible for ensuring that decisions are taken in a timely fashion, and for supervising their implementation.

<sup>3</sup>The President is Head of the Corporate Center and in this capacity is responsible for the Group's Finance and Risk Control Functions, for Communication and Marketing, Group Legal Services, Human Resources and Management Development. He directs the Group's financial management, the implementation of group-wide independent risk control and the group-wide controlling processes. In consultation with the Chairman of the Board of Directors he assumes responsibility for the image of the Group as a whole.

<sup>4</sup>He ensures that the Chairman's Office and the Board of Directors are informed in a timely and appropriate manner.

<sup>5</sup>The President has an all-encompassing right to information and examination regarding all matters handled by the Business Groups. He has veto power over any decisions taken by any management body. A veto has the effect of suspending the decision until the matter is decided by the Group Executive Board.

**VI. The Business Groups***Art. 18 Organization of business activities*

<sup>1</sup>The Group's business activities are organized into Business Groups, which in turn are broken down into Divisions and/or Business Areas.



<sup>2</sup>The structure and assignment of activities are reflected in the basic organizational structure of the Group. Details about responsibilities, functions and authorities are governed in the "Appendix" to these Organization Regulations and in the Business Group Regulations.

#### *Art. 19 The CEO of the Business Group*

<sup>1</sup>The CEO of the Business Group is responsible for the implementation of the business strategy within his Business Group and for the implementation of the decisions taken by the Board of Directors, the Chairman's Office and the Group Executive Board.

<sup>2</sup>He has overall responsibility for the Business Group and its management and is accountable for its results.

#### *Art. 20 Responsibilities*

<sup>1</sup>The Business Groups are responsible for the management of the business, of resources, logistics and all risks within their respective area of responsibility. At shared locations the Group Executive Board assigns all or part of logistics and resources responsibilities to the most suitable Business Group.

<sup>2</sup>Management structure, responsibilities and accountability in the areas of risk management, reporting, communication, internal and external information, human resources, legal and compliance issues are governed in the Business Group Regulations, based strictly on the principles established by the Group.

## **VII. The Corporate Center**

#### *Art. 21 Functions and organization*

<sup>1</sup>The Corporate Center works with the Business Groups to ensure long-term maximization of shareholder value.

<sup>2</sup>It assumes responsibility in the financial management of the Group, in maintaining an appropriate balance between risk and returns, in managing effective communication with all stakeholders, in positioning the Group as employer of choice and in coordinating activities critical for the Group's reputation.

<sup>3</sup>The Group Chief Risk Officer and the Group Chief Credit Officer have group-wide responsibility for the Risk functions. The Group Controller has group-wide responsibility for financial control functions. The Group General Counsel has group-wide responsibility for legal matters.

#### *Art. 22 Functional directive and controlling authority*

The heads of the Functional Areas of the Corporate Center have functional directive and functional controlling authority throughout the Group.

## VIII. Region and Country Heads, Representatives and Permanent Advisors

### Art. 23 *Appointment*

Upon recommendation of the Business Groups, the Group Executive Board appoints Region and Country Heads, Representatives who assume functions for more than one Business Group, as well as the permanent advisors of the Group.

## IX. Group Internal Audit

### Art. 24 *Organization*

<sup>1</sup>Group Internal Audit performs the Group's internal audits.

<sup>2</sup>The guidelines for the activities of Group Internal Audit are contained in a special set of regulations.

<sup>3</sup>The Chairman's Office may order special audits to be conducted. Individual members of the Board of Directors may submit requests for such audits to the Chairman's Office. If there is any doubt about whether such a request is justified, the question is submitted to the Board of Directors by the presiding director.

<sup>4</sup>The members of the Group Executive Board, with the agreement of the Chairman of the Board of Directors, may instruct Group Internal Audit to conduct special audits.

### Art. 25 *Functions and authorities*

<sup>1</sup>Group Internal Audit monitors compliance with the legal and regulatory requirements and with the provisions of the Articles of Association, as well as with internal directives and guidelines within the organizational units of the parent company and the group companies. In doing so, it specifically verifies or assesses whether the internal controls are commensurate with the risks and are working effectively, whether activities within the Group are being conducted and recorded properly, correctly and fully, and whether the organization of operations, including information technology, is efficient and the information is reliable.

<sup>2</sup>Group Internal Audit possesses unrestricted auditing rights within the parent company and the group companies; it has access at all times to all accounts, books and records. It must be provided with all information and data needed to fulfill its auditing duties.

### Art. 26 *Reports*

<sup>1</sup>Group Internal Audit is independent in its reporting and is not subject to any instructions.

<sup>2</sup>Group Internal Audit addresses its reports with major issues ultimately to the Chairman of the Board of Directors. The procedure employed for this and the list of other recipients of its audit reports are described in the regulations governing Group Internal Audit.

<sup>3</sup>Audit issues of less significant importance are brought to the attention of the appropriate level of management.

<sup>4</sup>The Chairman of the Board of Directors and the President shall inform the Chairman's Office and the Board of Directors in an appropriate manner of any findings of Group Internal Audit which raise questions of fundamental importance or reveal serious weaknesses.

<sup>5</sup>The Chairman of the Board of Directors shall also inform the Board of Directors of the results of special audits performed at the request of individual board members.

<sup>6</sup>The members of the Board of Directors and of the Group Executive Board shall receive the annual activity report of the Head of Group Internal Audit for review. This report is to be discussed at a meeting of the Board of Directors.

## **X. Signatures**

### *Art. 27 Authority to sign*

<sup>1</sup>The following persons are authorized to sign, jointly with another authorized signatory:

- a) The members of the Chairman's Office
- b) The members of the Group Executive Board
- c) The members of the Group Managing Board
- d) Managing Directors, Executive Directors and Directors or senior staff with equivalent ranks
- e) Associate Directors, in Division Private and Corporate Clients Chefprokuristen, Prokuristen and Handlungsbevollmächtigte.

<sup>2</sup>The authority to sign for the parent company encompasses:

- a) all branches of UBS AG worldwide for the members of the Chairman's Office, the Group Executive Board and the Group Managing Board
- b) the respective Business Area and jurisdiction for all other signatories.

<sup>3</sup>The Group General Counsel issues a Group Directive, ruling all details, including but not limited to extended signature authorities, exceptions to the joint signature authority, dual signature authorities and the authority of signatories of the parent company to sign for subsidiaries and vice versa. Group Companies (subsidiaries) shall establish their respective rules, according to local legal and regulatory provisions.

### *Art. 28 Form of signature*

All authorized signatories sign by adding their signature to the name of the Corporation or the respective subsidiary.

## **XI. General provisions**

### *Art. 29 Abstention*

In the decision making process, members of the Board of Directors, the Group Executive Board, the Business Group Boards and executive management are obliged to abstain from discussions and decisions on transactions or other matters involving a potential conflict of interest. Rules for abstention in individual transactions will be established by the Business Groups.

## **XII. Amendments**

### *Art. 30 Amendments*

The members of the Board of Directors must be notified in writing of any proposals for the amendment of the Organization Regulations at least one week before the proposals are to be discussed.

## **XIII. Entry into force, implementing provisions**

### *Art. 31 Entry into force, implementing provisions*

<sup>1</sup>These Organization Regulations entered into force on 18 February 2002.

<sup>2</sup>The Group Executive Board shall enact rules for the implementation of these regulations if deemed necessary.

## **UBS AG**

Marcel Ospel  
Chairman

Alberto Togni  
Vice Chairman



# Appendix to the Organization Regulations Authorities

## **Part 1                      General Issues**

This "Appendix" is an integral part of the Organization Regulations.  
It has been approved by the Board of Directors of UBS AG on 12 February 2002.

## Table of Contents

1. Organization
2. Strategy
3. Personnel and Compensation
4. Auditing
5. Other Matters

## Abbreviations

A	Approval	GMB	Group Managing Board
AGM	Annual General Meeting of Shareholders	I	Information
BoD	Board of Directors	MD	Managing Director (or equivalent)
CEO UBSW	Chief Executive Officer UBS Warburg	OR	Organization Regulations
D	Director	P	Proposal
ED	Executive Director	PGEB	President of the Group Executive Board
GEB	Group Executive Board	X	Authority attributed
GIA	Group Internal Audit		

## 1. Organization

	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>1.1. Legal structure</b>						
1.1.1. Articles of Association	A*					*) to be submitted to the AGM for approval
1.1.2. Organization Regulations and Appendix delineating authorities	A	P	P			
1.1.3. Business Group Regulations and Regulations of Corporate Center		A	P	P	P	
1.1.4. Business Regulations of Divisions and Business Units / Business Areas			A	P	P	
<b>1.2. Organizational structure</b>						
1.2.1. Election of the Chairman's Office and of the Secretary to the Board of Directors	X					
1.2.2. Election of the Chairman and the members of the BoD's Committees	A	P				

	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
1.2.3. Basic organizational structure of the Group	A	P	P			Definition of basic structure (Business Groups)
1.2.4. Organizational structure of the Business Groups and the Corporate Center			A	P	P	
1.2.5. Special Committees for Group purposes Definition of mission and appointment of members			A	P	P	
1.2.6. Other structures				A	A	



## 2. Strategy

	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>2.1. Group strategy</b>	A	P	P			
<b>2.2. Business Group and Corporate Center strategies</b>		A	P	P	P	

### 3. Personnel and Compensation

	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>3.1. Appointments, removals and title ratification</b>						
3.1.1. Appointments and removals for senior management functions:						
3.1.1.1. Group Executive Board	A	P				
3.1.1.2. Group Managing Board		A	P			
3.1.1.3. Non-GMB Members of Business Group Executive Committees			A		P	
3.1.1.4. Members of Division and Business Area Managements				A	A	
3.1.2. New Hire, title ratification and removal (firing) for MD (or equivalent) Hiring (including assurance of rank) and removal  Title ratification / promotion				A  P	A  P	
3.1.3. New Hire and removal / firing for ED, D and other management  Title ratification / promotion				A  A	A  A	Can be further delegated  Can be further delegated

	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
3.1.4. Appointment and removal of Head of Group Internal Audit  Appointment and promotions of Managing Directors of Group Internal Audit	A	P  A				
3.1.5. Appointment of region and country heads, representatives and permanent advisors according to art. 23 OR			A		P	
<b>3.2. Compensation</b>						
3.2.1. Compensation policy	A	P	P			
3.2.2. Compensation system BoD	A	P				
3.2.3. Compensation BoD members – executive members  – non-executive members	X: Compensation Committee A	P: Compensation Committee				
3.2.4. Compensation system – for GEB members  – for GMB members	A: Compensation Committee	P  A	P: PGEB			
3.2.5. Compensation – for GEB members  – for-GMB members	A: Compensation Committee	P: Chairman  X: Chairman + President				

	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
3.2.6. Compensation for direct reports of GEB members			A: PGEB	P	P	
3.2.7. Compensation Head of Group Internal Audit		X				
3.2.8. Other compensation				X	X	Can be further delegated
3.2.9. Setting of final annual bonus pools for Business Groups		A	P			
<b>3.3. Retirement benefit plans</b>						
3.3.1. Setting Group retirement benefit plans		A	P			
3.3.2. Appointment of the Board members (employer's representatives) of the pension trusts		A	P			
3.3.3. Approval of principles governing retirement benefit plans	A		P			

## 4. Auditing

	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>4.1. External audit</b>						
4.1.1. Appointment of Group and Statutory auditors	A*		P			*) Proposal to be submitted to the AGM for approval. Preparation of the nomination supported by GEB, Audit Committee and Group Internal Audit
4.1.2. Approval of Group and Statutory Reports on financial statements	A		P			Preparation for submission to AGM
<b>4.2. Internal audit</b>						
4.2.1. Appointment of the Head of Group Internal Audit (GIA)	A	P				
4.2.2. Determination of GIA activities		X	I			
4.2.3. GIA activity report	A	P	I			
4.2.4. Individual internal audit reports		X	X	X	X	Circulation among units / persons involved/concerned
<b>4.3. Audit Committee</b>						
4.3.1. Regulations on Audit Committee	A	P				
4.3.2. Appointment of members and Chairman of Audit Committee	A	P: Chairman BoD				

## 5. Other Matters

All amounts in CHF millions	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>5.1. Litigation / settlements</b>						
5.1.1. Notification about litigations initiated against the Group and claims lodged		>25	25		10	Information of other Bodies (e.g. BoD) required, irrespective of amounts claimed, in cases with high reputational risk
5.1.2. Authorization to initiate litigations and to conclude settlements	>100	100	50	20	20	
<b>5.2. External mandates*</b>						* Political mandates and mandates on a private basis do not require approval, but notification (Group regulation CF/-/006)
5.2.1. of members of the Chairman's Office	A					
5.2.2. of members of the BoD		I				
5.2.3. of members of the GEB		A				
5.2.4. of members of the GMB			A			
5.2.5. of other staff				A	A	

All amounts in CHF millions	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>5.3. Initiation of Bank projects</b>						
5.3.1. Initiation of bank projects with projected aggregate costs (investment, internal and external expenses, including operating expenses for the first year of operation) amounting to		>100	100	50	50	
<b>5.4. Individual mandates of management consultancy services bought externally</b>			>2	2	2	<p><b>Definitions:</b></p> <p>An <u>individual mandate</u> is the total of all efforts contributing to one project or assignment, regardless of single contracts (e.g. assignment to several consultants, multiphasing contracts, contracts for subtasks)</p> <p><u>Management consultancy services</u> include all services from external providers to support management in decision-making or project related tasks, excluding IT related services.</p> <p>Mandates to the Group External Auditors for consultancy services are subject to a special approval process, which includes the Audit Committee.</p>

All amounts in CHF millions	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>5.5. Purchase and sale of broker and broker-dealer licenses</b>			A			
<b>5.6. Warrant issues on UBS shares</b>				I	CEO UBSW	

## UBS AG

Marcel Ospel  
Chairman of the Board of Directors

Alberto Togni  
Vice Chairman of the Board of Directors





# Appendix to the Organization Regulations Authorities

## **Part 2                      Finance and Risk**

This "Appendix" is an integral part of the Organization Regulations.  
It has been approved by the Board of Directors of UBS AG on 12 February 2002.

## Table of Contents

1. Planning and Reporting
2. Capitalization and Funding
3. Risk Management and Control
4. Participations / Investments
5. Group Companies

## Abbreviations

A	Approval	I	Information
AGM	Annual General Meeting of Shareholders	P	Proposal
AoA	Articles of Association	PCC	Private & Corporate Clients division
BoD	Board of Directors	PCE	Potential Credit Exposure
CRE	Corporate Real Estate	PGEB	President of the Group Executive Board
GC	Group Companies	SPE	Special Purpose Entity
GCCO	Group Chief Credit Officer	UBS PW	UBS PaineWebber
GCRO	Group Chief Risk Officer	UBSW	UBS Warburg
GEB	Group Executive Board	VaR	Value at Risk
GGC	Group General Counsel	X	Authority attributed

## 1. Planning and Reporting

	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>1.1. Planning</b>						
1.1.1. Mid-term financial and business planning, definition of targets and Terms of Reference	I	A	P	P	P	
1.1.2. Annual budget of the Group	A		P			
<b>1.2. Reporting</b>						
1.2.1. Consolidated and parent company annual financial statements	A		P			
1.2.2. Annual Report Concept, general guidelines Editing Sign-off	A	A A P	P A P	P		
1.2.3. Quarterly financial statements	A		P			
1.2.4. Quarterly reports	I		A	P		
1.2.5. Monthly financial statements		I	A	P		
1.2.6. Quarterly Risk Report	A		P			

## 2. Capitalization and Funding

	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>2.1. Share Capital and UBS shares</b>						
2.1.1. Increase, decrease of share capital, creation of conditional and authorized capital	A*		P			* ) to be submitted to the AGM for approval (amendment of AoA)
2.1.2. Use of authorized and conditional capital (through rights issues, employee share schemes etc.)	A		P			
2.1.3. Listing and de-listing of UBS shares	A		P			
<b>2.2. Treasury Shares</b>						
2.2.1. Treasury stock policy	A		P			
2.2.2. Sale, purchase of own shares as treasury stock (incl. derivatives)			I	A		

	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>2.3. Regulatory Capital</b>						
2.3.1. Issue of tier 1 capital (other than common stock) issued by the parent company			A	P		
2.3.2. Repurchase and redemption of tier 1 capital (other than common stock and Bearer Participation Certificates) issued by the parent company)				X		
2.3.3. Issue, repurchase and redemption of tier 2 and 3 capital				X		
<b>2.4. Allocation of Capital</b>						
2.4.1. Capital determination and allocation method		I		X		
2.4.2. Allocation to Business Groups		I	A	P		
2.4.3. Allocation within Business Groups			I		A	Proposal by Divisions / Business Units
<b>2.5. Internal Legal Lending Limit</b>						
2.5.1. Setting of legal lending limit (Group and parent bank)			A	P		
2.5.2. Setting of available excess capital (Group)			A	P		

	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
2.5.3. Release of available excess capital (Group)		I	A	P		
<b>2.6. Debt Issues *</b>						* Contractual terms to be submitted to the GCC.
2.6.1. Conditions for debt capital market issues (annual issue volumes, guarantees)	I		A	P		
2.6.2. Management and coordination of the Group's funding activities				X		
2.6.3. Establishment and structural changes (e.g. increase) of debt programs and CD-/CP-programs (including eventual parent guarantee)				X		
2.6.4. Issue, repurchase, early redemption of notes, bonds and other securities with similar characteristics <sup>1</sup> on a stand-alone basis as well as under debt programs				X		Raising of debt through the parent company or other Group companies. In case of issues through subsidiaries the authority also covers an eventual parent guarantee.
2.6.5. Issue of asset backed securities through group companies			A		P	Proposals to be submitted to Group Treasury for sign-off.

<sup>1</sup> Including e.g. notes and bonds with conversion rights or warrants attached on already issued UBS shares or on securities of other companies; notes and bonds linked (coupon and/or redemption amount variable) to the performance of an index, a stock, a currency or the credit of a company ("CLN") etc.

	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>2.7. Group foreign exchange management</b>						
2.7.1. Group foreign exchange policy (non-trading FX exposures)	I		A	P		
2.7.2. Setting limits			A	P		
2.7.3. Management and reporting				X		
<b>2.8. Group liquidity management</b>						
2.8.1. Group liquidity policy	I		A	P		
2.8.2. Setting limits			A	P		
2.8.3. Management and reporting				X		
<b>2.9. Group interest rate management</b>						
2.9.1. Group interest rate policy (non-trading interest rate exposures)	I		A	P		
2.9.2. Setting limits			A	P		
2.9.3. Management and reporting				X		

### 3. Risk Management and Control

	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>3.1. Risk philosophy and risk guidelines</b>						
3.1.1. Risk management and control principles	A	P	P			
3.1.2. Group risk limits and risk capacity	A	P	P			e.g. Group VaR and Stress loss limits
<b>3.2. Risk management and control</b>						
3.2.1. Implementation of risk management and control principles			X	X		
3.2.2. Risk identification				X		
3.2.3. Risk measurement			A	P		
3.2.4. Risk policy: – Setting major risk policies and making significant changes thereto – Setting other risk policies and making other changes		I	A	P A	P P	All risk categories Determination of what is "major" and "significant" at the discretion of the GCRO/GCCO/GGC.  Policies to specify limits other than those allocated from Group limits (3.1.2.), and authorities for approving such limits, exceptions etc.



	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
3.2.5. Risk reporting (Monitoring and reporting developments and concentrations of risks)	I		X	X		
3.2.6. Risk control (process and enforcement of policies and limits)				X		
<b>3.3. Market risk management and control</b>						
3.3.1. Definition and allocation of limits to Business Groups			A	P		e.g. Group risk limits and risk capacity, e.g. VaR and Stress loss limits
3.3.2. Risk controlling process				X		

All amounts in CHF millions	BoD	Chairman's Office <sup>2</sup>	GEB <sup>3</sup>	CEO UBS Warburg	CEO UBS PaineWebber	CEO UBS Switzerland	Remarks
<b>3.4. Credit risk management and control</b>							Credit authorities are on an ad-personam basis and are subject to Credit Risk Policies as approved by the GEB and/or the GCCO and as published on BankWeb.
<b>3.4.1. Global Ceilings</b>							
3.4.1.1. Global ceiling for counterparty groups		>3,500	3,500				

<sup>2</sup> Authority may be delegated to an Executive Vice Chairman (article 9 para 3 of the Organization Regulations). Delegation executed as per decision of the Chairman's Office on 9 August 2001.

<sup>3</sup> Authority may be wholly or partially delegated (article 15 para 3 of the Organization Regulations). Full delegation to the Group Chief Credit Officer approved by GEB on 5 December 2001. Nominations of deputies for the GCCO and the Business Group CEOs in case of absence must be approved by the GEB.

All amounts in CHF millions	BoD	Chairman's Office <sup>2</sup>	GEB <sup>3</sup>	CEO UBS Warburg	CEO UBS PaineWebber	CEO UBS Switzerland	Remarks
<b>3.4.2. Take and Holds <sup>4</sup></b>					*		Take and Hold positions include Banking Products and Traded Products (PCE, Repo/ETD)
3.4.2.1. Corporates, brokers, investment banks, funds, insurance companies, public finance and structured transactions							In determining the appropriate authority level, private equity positions must also be taken into consideration.
Rating C1 – C2		>4,000	4,000	2,000	750	750	Loans which will be held to maturity but are committed conditional on execution of credit hedges in compliance with GCCO approved policy must be pre-approved in line with temporary asset level of authorities.
Rating C3 – C4		>3,000	3,000	1,500	500	500	
Rating C5 – C6		>1,500	1,500	600	300	300	
Rating C7 – C9		>750	750	300	150	150	
Rating D0 – D1		>250	250	125	75	75	
Rating D2 – D4		>150	150	75	25	25	
3.4.2.2. Regulated Savings and Commercial Banks (incl. Central Banks)							* In the case of UBS PW these authorities are only available for unsecured and secured derivatives exposures, and/or for secured lending. Authorities for unsecured lending are capped at CHF 25 Mio.
Rating C1 – C2		>4,000	4,000	2,000	500	500	See remarks above
Rating C3 – C4		>3,000	3,000	1,500	250	250	
Rating C5 – C6		>1,500	1,500	600	100	100	
Rating C7 – C9		>750	750	300	0	0	
Rating D0 – D1		>250	250	125	0	0	
Rating D2 – D4		>150	150	75	0	0	

<sup>4</sup> For Take and Hold Decisions the Business Group CEOs (respectively their deputies) may only exercise their credit authority jointly with the Business Group CCO. In case of disagreement, proposals must be escalated through the GCCO to the PGEB.

All amounts in CHF millions	BoD	Chairman's Office <sup>2</sup>	GEB <sup>3</sup>	CEO UBS Warburg	CEO UBS PaineWebber	CEO UBS Switzerland	Remarks
3.4.2.3. Private Individuals and privately owned Investment Companies							*Non-marketable eligible collateral includes single-stock, Standby Letter of Credit, covered guarantees and repurchase value of life insurance policies.
– unsecured		>50	50	20	20	20	
– against marketable eligible collateral *		>500	500	300	300	300	
– against non-marketable eligible collateral*		>250	250	200	200	200	These authorities apply to lending as well as margin limits.
– owner occupied residential Real Estate		>50	50	20	20	20	
– other Real Estate		>250	250	150	150	150	
3.4.2.4. Principal Finance							Take and Hold applies to all exposures where the expected final hold period exceeds 6 months. Amounts apply to both individual as well as pooled assets.
Rating C1 – C2		>4,000	4,000	2,000			
Rating C3 – C4		>3,000	3,000	1,500			
Rating C5 – C6		>1,500	1,500	600			
Rating C7 – C9		>750	750	300			
Rating D0 – D1		>250	250	125			
Rating D2 – D4		>150	150	75			Authorities subject to Principal Finance Credit Risk Policy and to market risk approval.

All amounts in CHF millions	BoD	Chairman's Office <sup>2</sup>	GEB <sup>3</sup>	CEO UBS Warburg	CEO UBS PaineWebber	CEO UBS Switzerland	Remarks
<b>3.4.3. Temporary Exposures</b>				*	**		<p>This authority may be exercised in addition to take-and-hold authorities. Temporary exposures include all exposures which are undertaken with the intention and clear commitment to immediately syndicate and/or sell (max. 180 days) and hence are subject to tradable asset treatment and to a "mark-to-market" valuation. They include all Loan Underwriting Commitment subject to sell down and/or subject to credit hedging, Tradable Asset positions and Security Underwritings.</p> <p>* amounts are based on USD at exchange rate 1.60. In case that USD deviated for then 10%, USD authority amounts will be changed.</p> <p>** In the case of UBS PW these authorities are only available for the Securities Underwriting activity, typically in the area of Tax-Exempt Bonds.</p>
3.4.3.1. Corporates, brokers, investment banks, funds, insurance companies, public finance and structured transactions							
Rating C1 – C2		>8,000	8,000	7,200	1,200	1,500	
Rating C3		>6,000	6,000	5,600	800	1,000	
Rating C4		>5,500	5,500	4,800	800	1,000	
Rating C5		>4,000	4,000	3,200	400	500	
Rating C6		>3,000	3,000	2,400	400	500	
Rating C7 – C8		>2,500	2,500	1,600	200	250	
Rating C9		>2,000	2,000	1,200	200	250	
Rating D0		>1,500	1,500	640	75	100	
Rating D1		>1,000	1,000	480	75	100	
Rating D2		>750	750	320	25	50	
Rating D3		>750	750	240	25	50	
Rating D4		>750	750	160	25	50	

All amounts in CHF millions	BoD	Chairman's Office <sup>2</sup>	GEB <sup>3</sup>	CEO UBS Warburg	CEO UBS PaineWebber	CEO UBS Switzerland	Remarks
3.4.3.2. Regulated Savings and Commercial Banks (incl. Central Banks)				*	**		See remarks above
Rating C1 – C2		>8,000	8,000	7,200	500	500	
Rating C3		>6,500	6,500	5,600	250	250	
Rating C4		>5,500	5,500	4,800	250	250	
Rating C5		>3,000	3,000	2,500	100	100	
Rating C6		>3,000	3,000	2,000	100	100	
Rating C7 – C8		>1,500	1,500	1,000	25	0	
Rating C9		>1,000	1,000	750	0	0	
Rating D0		>500	500	250	0	0	
Rating D1		>500	500	200	0	0	
Rating D2		>250	250	150	0	0	
Rating D3		>200	200	100	0	0	
Rating D4		>200	200	50	0	0	
3.4.3.3. Principal Finance							Temporary exposures in PFCA applies to all exposures with an expected final hold period below 180 days (up to 10% of the PFCA temporary asset portfolio may be in the 180-270 day time bucket). Amounts apply to both individual as well as pooled assets.  Authorities subject to Principal Finance Credit Risk Policy and to market risk approval.
Rating C1 – C2		>8,000	8,000	7,200			
Rating C3		>6,000	6,000	5,600			
Rating C4		>5,500	5,500	4,800			
Rating C5		>4,000	4,000	3,200			
Rating C6		>3,000	3,000	2,400			
Rating C7 – C8		>2,500	2,500	1,600			
Rating C9		>2,000	2,000	1,200			
Rating D0		>1,500	1,500	640			
Rating D1		>1,000	1,000	480			
Rating D2		>750	750	320			
Rating D3		>750	750	240			
Rating D4		>750	750	160			

All amounts in CHF millions	BoD	Chairman's Office <sup>2</sup>	GEB <sup>3</sup>	CEO UBS Warburg	CEO UBS PaineWebber	CEO UBS Switzerland	Remarks
<b>3.4.4. Settlement Risk Tolerances</b>							
3.4.4.1. Corporates, brokers, investment banks, funds, insurance companies, public finance and structured transactions							
Rating C1 – C4		>3,000	3,000	1,500	750	750	* One-off authority is only applicable for individual intra-day and overnight excesses. If excesses occur for a counterparty on a regular basis the respective limit adjustment has to be submitted in accordance with the regular credit authority.
Rating C5 – C6		>2,000	2,000	1,000	500	500	
Rating C7		>1,000	1,000	500	100	100	
Rating C8		>500	500	250	50	50	
Rating C9		>300	300	150	25	25	
Rating D0 – D2		>200	200	50	0	0	
One-off approval *		na	unlimited	unlimited	unlimited	unlimited	
3.4.4.2. Regulated Savings and Commercial Banks (incl. Central Banks)							
Rating C1 – C4		>5,000	5,000	4,000	1,000	1,000	* one-off authority for Regulated Banks, Brokers and Licensed Deposit Takers is extended beyond Settlement Risk in line with separate instructions.
Rating C5 – C6		>3,000	3,000	2,500	750	750	
Rating C7		>1,000	1,000	750	200	200	
Rating C8		>500	500	250	50	50	
Rating C9		>300	300	150	0	0	
Rating D0 – D2		>200	200	100	0	0	
One-off approval *		na	unlimited	unlimited	unlimited	unlimited	

All amounts in CHF millions	BoD	Chairman's Office <sup>2</sup>	GEB <sup>3</sup>	CEO UBS Warburg	CEO UBS PaineWebber	CEO UBS Switzerland	Remarks
<b>3.4.5. Impaired Assets (Recovery portfolio)</b>							The PGEB and the Chairman's Office must be informed about important new recovery positions, including all which have substantial publicity risk
3.4.5.1. Valuation / provisioning *							
– Cumulative loan loss provision		>50	50	30	30	30	
– Cumulative provision for OREO (Other Real Estate Owned = Foreclosed properties)		>50	50	30	30	30	* The Business Group CCOs have the authority to approve incremental provisions of up to CHF 2 mio. (in aggregate per counterparty group), irrespective of the overall provision level.
3.4.5.2. New facilities (exposure increase)							
– Additional and / or new loans		>50	50	30	30	30	
– Loan purchase		>50	50	30	30	30	
3.4.5.3. Exposure extensions							
– Credit renewals			>3 years	3 years	3 years	3 years	
– Stand-still agreements			>3 years	3 years	3 years	3 years	
3.4.5.4. Investments							
Improvements in OREO		>30	30	20	20	20	** Includes possibility to swap from senior to subordinated and/or from secured to unsecured debt
3.4.5.5. Within approved and established financial provisions / allowances							
– Equity participation from restructuring		>50	50	30	20	20	
– Debt forgiveness **		>50	50	30	20	20	
– Write-offs ***		>75 Info	>30	30	30	30	*** Write-off authority only applies within existing Loan Loss Provisions.
3.4.5.6. Consent for rating downgrades to D2 and below (migration within classified portfolio, i.e. D2-D4 does not have to be reported)							Write-Offs above CHF 30 mio must be notified to the GCCO and beyond.
		>75 Info only	>40 authority	40	40	40	



All amounts in CHF millions	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>3.4.6. Country ceilings (nominal exposures)</b>  S0 – S2 S3 – S4 S5 – S7 S8 – S14  Definition of countries with no limits (below S2)		No limits >3,000 >2,000 >1,000  A	No limits 3,000 2,000 1,000  P	[GCCO]  No limits 1,000 750 500		Can not be delegated
<b>3.5. Funding and Liquidity Risk</b>						
3.5.1. Liquidity and funding risk limits and controlling process			A	P		
<b>3.6. Consequential Risk Management and Control</b>						Definition according to the guidelines to the risk management and control principles
3.6.1. Risk Controlling Process				X		
3.6.2. Transaction processing risk				X		
3.6.3. Legal, liability and compliance risk				X		
3.6.4. Corporate Security				X		
3.6.5. Environmental risk				X		

All amounts in CHF millions	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
3.6.6. Insurance coverage				X		
3.6.7. Tax Risk Management and Control – Corporate tax policy – Transaction review			A	P A	P	Transaction pre-approval for new businesses and products
3.6.8. Annual turnover limits for banknote trading with non-banks					UBS Warburg >50	Guidelines of Swiss Federal Banking Commission

## 4. Participations / Investments

All amounts in CHF millions	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Business Areas	Remarks
<b>4.1. Equity participations / financial investments</b>							
4.1.1. Policy for equity participations / financial investments	I		A	P			
4.1.2. Purchase, sale, increase, decrease of equity participations / financial investments as well as use of subscription rights		>500	500	50	10*		*only for real estate companies for bank purposes after project approval through Corporate Center (CRE)
<b>4.2. Private Equity <sup>5</sup></b>							
4.2.1. Overall limit	A		P				
4.2.2. Taking positions					<i>CEO UBSW</i>	<i>CEO UBS Capital</i>	
4.2.2.1. Underwriting		>500	500		400	300	*Information of GEB required in cases which are likely to provoke publicity
4.2.2.2. Final hold position		>400	400		250	150*	
4.2.3. Sales			I		I: UBSW	X	
4.2.4. Write-offs (specific to individual investments)		>50	50		25	20	

<sup>5</sup> In urgent cases, where GEB approval is required, the CEO of UBS Capital together with the PGEB and the CEO of UBS Warburg may act on behalf of the GEB. The GEB is to be informed at its next meeting.

All amounts in CHF millions	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>4.3. Real estate</b>						Approval of real estate transactions and investments will be on two levels: - annual budget (operational budget and investment budget) - individual release of transaction/project included in budget
4.3.1. Annual real estate budget	A		P			
4.3.2. Bank properties, investment properties and properties for sale <i>4.3.2.1. Projects included in budget</i> 4.3.2.1.1. Owned premises a) Base building (owner related) – Purchase, sale, construction of new and alterations to existing buildings – Divergence to project release b) Tenant fit-out – Construction of new and alterations to existing fit-out – Divergence to project release c) Valuation / provisioning 4.3.2.1.2. Leased premises a) Liabilities arising - New leases including relocations, liabilities arising from building rights contracts – Renewal of existing leases (increase of annual rental/total commitment over contract period) b) Tenant fit-out see 4.3.2.1.					* Corporate Center delegates specific authorities to Business Groups with respect to their function as Service Provider  ** of total approved annual investment budget on Group level  *** of approved annual Business Group real estate budget  **** max. liability arising from individual transaction over contract period	
		>20% **	>50 20% **	50 10% **	*	
		>20% ** >100	>50 20% ** 100	50 10% ** 50	10 CEO: 10% ***	
			>200 **** >15 p.a.	200 **** 15 p.a.  X	*	
					*	

All amounts in CHF millions	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
4.3.2.2. <i>Projects not included in budget</i>  Financial release (adding to the Group budget) <sup>oo</sup>		>20% **	20% **	10% **	10% °	° Tenant fit-out only Corporate Center to be informed  <sup>oo</sup> Each project has to be released with the same approval as for projects included in the budget.
4.3.3. Investments in, purchase of, merger with or disposal of Real estate companies for bank purposes			>50	50	*	Legal structure Committee to sign-off
<b>4.4. IT hardware and software</b>						
4.4.1. Annual investment budget	A		P			
4.4.2. Purchase and sale of IT and telecommunications equipment and software <i>not included in the budget</i>		>10%	10%	5%	CEO: 5%	Reporting required to the Head of the IT Committee
4.4.3. Liabilities relating to external IT and telecommunications assignments <i>not included in the budget</i>		>10%	10%	5%	CEO: 5%	Reporting required to the Head of the IT Committee

All amounts in CHF millions	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>4.5. Equipment and material</b>						
4.5.1. Annual budget for the purchase and sale of other equipment, fittings and movables	A		P			
4.5.2. Purchase and sale of other equipment, fittings and movables <i>not included in the budget</i>		>10%	10%	5%	5%	Percentage of approved budget

## 5. Group Companies (GCs)

(GCs are consolidated companies which are either wholly or majority, directly or indirectly owned or otherwise controlled by UBS AG)

All amounts in CHF millions	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>5.1. Strategy and Governance for GCs</b>						
5.1.1. Purchase, increase, decrease and sale of majority shareholdings in financial services firms; purchase and sale of businesses	> 500	500	250	25		
5.1.2. Formation of operative or non-operative GCs with equity of		> 500	500	100		
5.1.3. Establishment and closure of – branches and representative offices of the parent company outside Switzerland – branches in Switzerland			A	P A	P P X: PCC	
5.1.4. Change of external auditors for – GCs in Switzerland  – branches and GCs outside Switzerland	A: Audit Committee  A: Audit Committee		P  P			
5.1.5. Election of Boards and appointment of management of GCs				A	A	Details are governed by the Group directive "Management and supervision of UBS Group Companies"
5.1.6. Allocation of market and credit risk limits				X		

All amounts in CHF millions	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>5.2. Funding and financial management of GCs</b>						
5.2.1. Capital increase, individual or cumulative p.a. per company		>500	500	100		
5.2.2. Capital reduction and redemption, merger or liquidation of operative or non-operative GCs		>500	500	100		
5.2.3. Equity-like lendings to GCs		>500	500	100		
5.2.4. Credit limits for internal engagements			>2,500	2,500		
5.2.5. Parental support on behalf of GCs			>2,500	2,500		
5.2.6. Approval of annual financial statements including distribution of profit				X		



All amounts in CHF millions	BoD	Chairman's Office	GEB	Corporate Center	Business Groups	Remarks
<b>5.3. Special purpose entities (SPEs)</b>						
5.3.1. Setting rules governing the use of SPEs	I		A	P		
5.3.2. Functional management and monitoring of SPEs				X	X	
5.3.3. Formation, purchase, sale, liquidation or merger of non-consolidating SPEs					X	Legal Structure Committee sign-off required.

## UBS AG

Marcel Ospel  
Chairman of the Board of Directors

Alberto Togni  
Vice Chairman of the Board of Directors

## Exhibit 7. Statement regarding ratio of earnings to fixed charges.

The following table sets forth UBS AG's ratio of earnings to fixed charges, for the periods indicated.

	For the year ended				
	31.12.01	31.12.00	31.12.99	31.12.98	31.12.97
<b>IAS <sup>(1)</sup></b>					
Pre-tax earnings from continuing operations <sup>(2)</sup>	6,353	10,109	7,709	3,560	(851)
Add: Fixed Charges	45,090	44,251	30,246	32,958	17,273
Pre-tax earnings before fixed charges	51,443	54,360	37,955	36,518	16,422
Fixed charges:					
Interest	44,236	43,615	29,695	32,424	16,733
Other <sup>(3)</sup>	854	636	551	534	540
Total Fixed charges	45,090	44,251	30,246	32,958	17,273
<b>Ratio of earnings to fixed charges <sup>(4)</sup></b>	<b>1.14</b>	<b>1.23</b>	<b>1.25</b>	<b>1.11</b>	<b>0.95</b>
<b>US GAAP <sup>(1)</sup></b>					
Pre-tax earnings from continuing operations <sup>(2)</sup>	4,598	6,617	4,216	(5,319)	
Add: Fixed charges	45,032	44,220	30,211	26,307	
Pre-tax earnings before fixed charges	49,630	50,837	34,427	20,988	
Fixed charges:					
Interest	44,178	43,584	29,660	25,773	
Other <sup>(3)</sup>	854	538	551	534	
Total Fixed charges	45,032	44,220	30,211	26,307	
<b>Ratio of earnings to fixed charges <sup>(5)</sup></b>	<b>1.10</b>	<b>1.15</b>	<b>1.14</b>	<b>0.80</b>	

(1) The ratio is provided using both IAS and US GAAP values, as the ratio is materially different between the two accounting standards. No US GAAP information is provided for the year ended 31 December 1997 as a GAAP reconciliation was not required for that periods.

(2) Pre-tax earnings from continuing operations includes the elimination of subsidiary, associate and minority interest income and the addition of dividends received from associates.

(3) Other fixed charges is the interest component of rental expense.

(4) The deficiency in the coverage of fixed charges by earnings before fixed charges at 31 December 1997 was CHF 851 million.

(5) The deficiency in the coverage of fixed charges by earnings before fixed charges at 31 December 1998 was CHF 5,319 million.

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# Exhibit 10. Consent of Ernst & Young Ltd.

## CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in UBS AG's Registration Statements on Form S-8 (File Nos. 333-57878, 333-50320, 333-49216, 333-49214, 333-49212 and 333-49210) and Form F-3 (File Nos. 333-64844, 333-62488, 333-52832, 333-46930 and 333-46216) of our report dated 12 February 2002, with respect to the consolidated financial statements of UBS AG incorporated by reference in this Annual Report (Form 20-F) for the year ended 31 December 2001.

### Ernst & Young Ltd.

/s/ ROGER PERKIN  
Roger Perkin  
Chartered Accountant  
in charge of the audit

/s/ THOMAS SCHNEIDER  
Thomas Schneider  
Partner

Basel, Switzerland  
11 March 2002