



Invitation to the Extraordinary General Meeting of UBS AG

Thursday, 2 October 2008, 10:30 a.m.

(Doors open at 9:30 a.m.)

St. Jakobshalle

Brüglingerstrasse 21, Basel

Status Report of the Board of Directors

Agenda Item 1

Elections of New Members of the Board of Directors

- 1.1. Sally Bott
- 1.2. Rainer-Marc Frey
- 1.3. Bruno Gehrig
- 1.4. William G. Parrett

Agenda Item 2

Amendments to the Articles of Association

Adjustment to the new UBS corporate governance effective as of 1 July 2008 (Title of Article 20, Articles 20 para. 1, 21 para. 2, 24 lit. e, 29 and 30 of the Articles of Association)

Introduction

Requests for the Inclusion of Items on the Agenda

On 13 August 2008, UBS AG published a notice in the Swiss Official Commercial Gazette (Schweizerisches Handelsamtsblatt), various Swiss and international newspapers as well as on its website at www.ubs.com/shareholder-meeting. Qualifying shareholders were invited to submit their requests for the inclusion of individual items on the agenda by 29 August 2008. No requests were submitted.

Organizational Issues

Admission Cards for the Extraordinary General Meeting

Shareholders recorded in the Share Register of UBS AG *in Switzerland* may order their admission cards by sending the order form attached to this invitation to the following address until 25 September 2008: UBS AG, Shareholder Services, P.O. Box, CH-8098 Zurich.

Shareholders recorded in the Share Register *in the United States of America* may request their admission cards, in writing, at the following address until 25 September 2008: BNY Mellon Shareowner Services, Proxy Processing, P.O. Box 3510, S. Hackensack, NJ 07606-9210.

Previously issued admission cards will become invalid if the corresponding shares are sold prior to the Extraordinary General Meeting. These cards will be recalled if the Share Register is informed of the sale.

Total number of shares and voting rights

The total number of shares issued by UBS AG currently stands at 2,932,574,213. Each share carries one vote, meaning that 2,932,574,213 voting rights currently exist. Pursuant to Art. 659a para. 1 of the Swiss Code of Obligations, the voting rights of treasury shares and the rights associated therewith are suspended. The same applies to shares that have not been entered in the Share Register (dispo-shares) and shares that have been registered without voting rights. The total number of shares that entitle holders to attend and vote at the Extraordinary General Meeting is 1,617,965,602.

Representation at the Extraordinary General Meeting

Shareholders may be represented at the Extraordinary General Meeting by their legal representative or, with a written proxy, by their custodial bank or by any other shareholder entitled to vote at the Extraordinary General Meeting. In addition, every shareholder has the option of having his or her shares represented at the Extraordinary General Meeting, free of charge, by:

- UBS AG, P.O. Box, CH-8098 Zurich as a corporate or custody proxy
- Altorfer Duss & Beilstein AG (Dr. Urs Zeltner, Attorney and Notary)
P.O. Box, CH-8010 Zurich as an independent proxy.

Basel and Zurich, 8 September 2008

UBS AG
For the Board of Directors:

Peter Kurer, Chairman

Status Report of the Board of Directors

The Chairman of the Board of Directors will report on the following matters:

- (i) New corporate governance of UBS AG as of 1 July 2008
- (ii) Strategic repositioning of UBS AG including implementation
- (iii) Implementation of the remediation programme following the investigation of the Swiss Federal Banking Commission

The Board of Directors will make this status report for information purposes and outside of the agenda items of the Extraordinary General Meeting. No resolution will be adopted under this item.

Item 1

Election of New Members of the Board of Directors

The Board of Directors proposes that Sally Bott, Rainer-Marc Frey, Bruno Gehrig and William G. Parrett be elected to the Board of Directors for a term of office to expire at the 2009 Annual General Meeting.

1.1. Sally Bott

A. Motion

The Board of Directors proposes that Sally Bott be elected as an independent member of the Board of Directors.

B. Explanations

Sally Bott (1949) serves as Group Human Resources Director of BP plc, which she joined in early 2005, and is a member of its Group Executive Committee. Sally Bott spent most of her career in finance. Between 2000 and 2005 she was a Managing Director at Marsh & McLennan, a US based global risk and insurance services business, and Head of HR for Marsh, Inc. From 1994 to 1997, she served for Barclays plc in different Human Resources roles. In 1970, she joined Citibank as a Research Analyst, where she subsequently took her first HR role as Director and rose steadily working primarily across investment and wholesale banking with a range of geographic responsibilities until 1993.

In addition, Sally Bott is a member of the Board of the Royal College of Music in London. She has a Bachelor in Economics of the Manhattanville College, USA, and followed courses towards a Masters in Economics at the New York University. She is a US citizen.

Subject to her election, the Board of Directors intends to appoint Sally Bott as a member of the Human Resources and Compensation Committee.

1.2. Rainer-Marc Frey

A. Motion

The Board of Directors proposes that Rainer-Marc Frey be elected as an independent member of the Board of Directors.

B. Explanations

Rainer-Marc Frey (1963) is the founder and Chairman of Horizon21, a thematically based investment manager which takes long-term investment views on various industry sectors. In 1992 he founded RMF Investment Group (RMF), one of the first hedge fund groups in Europe, and became Chief Executive Officer. RMF was acquired by Man Group Plc in 2002. Between 2002 and 2004, he held a number

of senior roles within Man Group Plc and was the largest individual shareholder. From 1989 to 1992, prior to founding RMF, Rainer-Marc Frey served as a Director at Salomon Brothers Inc. in Zurich, Frankfurt and London, where he mainly was involved with equity derivatives. Between 1987 and 1989 he worked for Merrill Lynch Inc. covering equity, fixed income and swaps markets with the primary focus on equity derivatives.

In addition, Rainer-Marc Frey is a member of the Board of Directors of DKSH, Zurich, and a member of the Advisory Board of Invision Private Equity AG, Zug. He holds a degree in economics from the University of St. Gallen (Switzerland). He is a Swiss citizen.

Subject to his election, the Board of Directors intends to appoint Rainer-Marc Frey as a member of the Risk Committee and of the Strategy Committee.

1.3. Bruno Gehrig

A. Motion

The Board of Directors proposes that Bruno Gehrig be elected as an independent member of the Board of Directors.

B. Explanations

Bruno Gehrig (1946) has been Chairman of Swiss Life Holding since 2003. Between 1996 and 2003 he served at the Swiss National Bank starting as a member of the Governing Board and becoming Vice Chairman in 2000. From 1992 to 1996, he was a Professor at the University of St. Gallen and concurrently served as a member of the Swiss Federal Banking Commission. Between 1989 and 1991, he held the position of CEO at Cantrade Private Banking Group. Bruno Gehrig worked for the former Union Bank of Switzerland (UBS) between 1981 and 1989, where he started as Chief Economist before assuming responsibility for Securities Sales & Trading.

In addition, Bruno Gehrig is the Vice Chairman of the Board of Directors of Roche Holding AG, Basel, and the Chairman of the Swiss Luftfahrtstiftung, Zug. He studied Economics at the University of Berne (Switzerland), where he also did his PhD studies. He completed postgraduate studies at the University of Rochester, New York. He is a Swiss citizen.

Subject to his election, the Board of Directors intends to appoint Bruno Gehrig as a member of the Audit Committee.

1.4. William G. Parrett

A. Motion

The Board of Directors proposes that William G. Parrett be elected as an independent member of the Board of Directors.

B. Explanations

William G. Parrett (1945) served his entire career with Deloitte Touche Tohmatsu, a global organization of member firms that operates with 160,000 people in nearly 140 countries. He was Chief Executive Officer from 2003 until his retirement in 2007. Between 1999 and 2003, he was a Managing Partner of Deloitte & Touche USA LLP. William G. Parrett founded the U.S. National Financial Services Industry Group (1995) and the Global Financial Services Industry Group (1997) of Deloitte, both of which he led as Chairman. In his 40 years of experience in professional services, William G. Parrett served public, private, governmental, and state-owned clients worldwide with distinction in order to achieve superior financial performance and growth.

In addition, William G. Parrett is an independent director of Eastman Kodak Co., USA, Blackstone Group LP, USA, and Thermo Fisher Scientific Inc., USA. He also is the Chairman of the Boards of Directors of the United States Council for International Business and of United Way of America, a member of the Board of Trustees of Carnegie Hall, and a member of the Executive Committee of the International Chamber of Commerce. William G. Parrett has a Bachelor in accounting of the St. Francis College, New York, and is a certified public accountant. He is a US citizen.

Subject to his election, the Board of Directors intends to appoint William G. Parrett as a member of the Audit Committee.

Item 2

Amendments to the Articles of Association

Adjustment to the new UBS corporate governance effective as of 1 July 2008 (Title of Article 20, Articles 20 para. 1, 21 para. 2, 24 lit. e, 29 and 30 of the Articles of Association)

A. Motion

The Board of Directors proposes to adjust the Articles of Association to the new UBS corporate governance effective as of 1 July 2008 and that the title of Article 20, Articles 20 para. 1, 21 para. 2, 24 lit. e, 29 and 30 of the Articles of Association be replaced by the following:

<i>Current Version</i>	<i>Proposed New Version</i>
<i>Title of Article 20</i>	<i>Title of Article 20</i>
Organization, Chairman's Office	Organization
<i>Article 20 para. 1</i>	<i>Article 20 para. 1</i>
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.	¹ The Board of Directors shall elect a Chairman and at least one Vice Chairman from among its members.
<i>Article 21 para. 2</i>	<i>Article 21 para. 2</i>
...	...
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.	² The Board of Directors shall also be convened if one of its members or the Group Chief Executive Officer submits a written request to the Chairman to hold such a meeting.
<i>Article 24 lit. e</i>	<i>Article 24 lit. e</i>
...	...
e) Appointment and removal of the President and the members of the Group Executive Board and the head of Group Internal Audit	e) Appointment and removal of (i) the Group Chief Executive Officer, (ii) such other members of the Group Executive Board as the Organization Regulations require to be appointed by the Board of Directors, and (iii) the Head of Group Internal Audit
<i>Article 29</i>	<i>Article 29</i>
The Group Executive Board is composed of the President and at least three other members.	The Group Executive Board is composed of the Group Chief Executive Officer and at least three other members as further set forth in the Organization Regulations.

Article 30

¹The 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.

²The 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

³The 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.

Article 30

¹The Group Executive Board, acting under the leadership of the Group Chief Executive Officer, 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. It is responsible for the Group's results.

² The responsibilities and authorities of the Group Executive Board and other management units designated by the Board of Directors are defined by the Organization Regulations.

B. Explanations

As of 1 July 2008, the Board of Directors amended the governance structure of UBS AG and the new organization regulations of the company became effective as of the same date. The new model clarifies the separation of responsibilities between the Board and the Group Executive Board and abolishes the Chairman's Office.

As a result, the Articles of Association will have to be amended accordingly.



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