

*Invitation to the*  
*Annual General Meeting*  
*of UBS AG*

**Thursday, 28 April 2011, 10:30 a.m.**  
(Doors open at 9:30 a.m.)

**St. Jakobshalle**  
Brüglingerstrasse 21, Basel



## Dear shareholders

We are pleased to invite you to the Annual General Meeting of UBS AG. It will take place on Thursday, 28 April 2011, at 10:30 a.m., at the St. Jakobshalle, Brüglingerstrasse 21 in Basel. The doors open at 9:30 a.m.

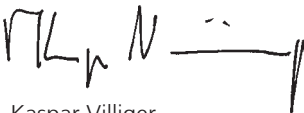
### Agenda

1. Annual report, Group and Parent Bank accounts for financial year 2010  
Reports of the statutory auditors
  - 1.1. Approval of annual report and Group and Parent Bank accounts
  - 1.2. Advisory vote on the compensation report 2010
2. Appropriation of retained earnings
3. Discharge of the members of the Board of Directors and the Group Executive Board for the financial year 2010
4. Elections
  - 4.1. Reelection of members of the Board of Directors
    - 4.1.1. Kaspar Villiger
    - 4.1.2. Michel Demaré
    - 4.1.3. David Sidwell
    - 4.1.4. Rainer-Marc Frey
    - 4.1.5. Bruno Gehrig
    - 4.1.6. Ann F. Godbehere
    - 4.1.7. Axel P. Lehmann
    - 4.1.8. Wolfgang Mayrhuber
    - 4.1.9. Helmut Panke
    - 4.1.10. William G. Parrett
  - 4.2. Election of Joseph Yam to the Board of Directors
  - 4.3. Reelection of the auditors, Ernst & Young Ltd., Basel

Zurich and Basel, 16 March 2011

Yours sincerely

UBS AG



Kaspar Villiger  
Chairman



Luzius Cameron  
Company Secretary

## *Organizational issues*

### **Requests for the inclusion of items on the agenda**

On 2 February 2011, UBS AG published a notice in the Swiss Official Commercial Gazette (Schweizerisches Handelsamtsblatt) and on its website at [www.ubs.com/agm](http://www.ubs.com/agm), inviting qualifying shareholders to submit their requests for the inclusion of individual items on the agenda by 18 February 2011. No requests were submitted in accordance with the Articles of Association of UBS AG.

### **Voting entitlement**

Shareholders recorded in the share register on 21 April 2011 at 5 p.m. CET (on 20 April 2011 at 4:30 p.m. EDT with the US transfer agent BNY Mellon) are shareholders with voting entitlement. Those shareholders are entitled to participate in the Annual General Meeting.

### **Admission cards for the Annual 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 21 April 2011:  
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 21 April 2011:

BNY Mellon Shareowner Services, Proxy Processing, P.O. Box 3671,  
S. Hackensack, NJ 07606-9371.

From 15 April 2011 onwards the cards will be sent out. Issued admission cards will become invalid if the corresponding shares are sold prior to the Annual General Meeting and 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 3,830,933,201. Each share carries one vote, meaning that 3,830,933,201 voting rights currently exist. Pursuant to Article 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 Annual General Meeting is 2,262,549,937.

## **Representation at the Annual General Meeting**

Shareholders may be represented at the Annual 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 Annual General Meeting. In addition, every shareholder has the option of having his or her shares represented at the Annual General Meeting, free of charge, by:

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

## **Broadcast on the Internet**

The Annual General Meeting will be broadcast in English and German on the Internet via [www.ubs.com/agm](http://www.ubs.com/agm).

## *Item 1*

### **Annual report, Group and Parent Bank accounts for financial year 2010 Reports of the statutory auditors**

#### **1.1. Approval of annual report and Group and Parent Bank accounts**

##### **A. Motion**

The Board of Directors proposes that the report on the financial year 2010 and the Group and Parent Bank accounts for 2010 be approved.

##### **B. Explanation**

The "Financial information" section of UBS's annual report 2010 contains the consolidated financial statements of UBS Group and the financial statements of UBS AG, the Parent Bank. Additional information on the strategy, organization and activities of the Group and the business divisions, as well as on risk management and control, may be found in the sections "Strategy, performance and responsibility," "UBS business divisions and Corporate Center" and "Risk and treasury management" of the annual report 2010. Information relating to corporate governance as required by the respective SIX Swiss Exchange Directive on Corporate Governance and the Swiss Code of Obligations can be found in the section "Corporate governance and compensation" of the annual report 2010. The annual report 2010 is also available on the Internet at [www.ubs.com/investors](http://www.ubs.com/investors). Shareholders registered in the share register in Switzerland will receive the abovementioned reporting as per their individual orders. Shareholders in the US who are registered with BNY Mellon Shareowner Services will receive a copy of the review 2010, which contains the most important information relating to UBS AG's performance in 2010.

The Group income statement shows total operating income of CHF 31,994 million and total operating expenses of CHF 24,539 million, resulting in an operating profit from continuing operations before tax of CHF 7,455 million and a net profit attributable to UBS shareholders of CHF 7,534 million. Total consolidated assets decreased by CHF 23.3 billion to reach a new total of CHF 1,317.2 billion on 31 December 2010. Equity attributable to UBS shareholders totaled CHF 46.8 billion.

Parent Bank profit for the period was CHF 6,123 million. Total operating income of CHF 19,402 million and total operating expenses of CHF 14,802 million resulted in an operating profit of CHF 4,601 million. Depreciation, write-offs and provisions amounted to CHF 2,232 million and extraordinary income to CHF 3,957 million. Extraordinary expenses totaled CHF 178 million and the tax expense amounted to CHF 25 million.

In their reports to the Annual General Meeting, Ernst & Young Ltd., Basel, as statutory auditors, recommended without qualification that the Group and Parent Bank accounts be approved. The statutory auditors confirm that, in their opinion, the Group financial statements accurately reflect the consolidated financial position of UBS AG and the consolidated results of operations and cash flows, in conformity with the International Financial Reporting Standards (IFRS), and that they comply with Swiss law. With respect to the Parent Bank, the statutory auditors confirm that the financial statements and the proposal of the Board of Directors relating to the proposed appropriation of results comply with Swiss law and with the Articles of Association of UBS AG.

## 1.2. Advisory vote on the compensation report 2010

### A. Motion

The Board of Directors proposes that the compensation report 2010 be ratified in a non-binding advisory vote.

### B. Explanation

The compensation report 2010 is a chapter in the annual report 2010. It explains the governance and principles behind the compensation structure at UBS AG, including the link between pay and performance and the changes implemented for 2010. It also sets out the compensation of the management and Board of Directors in accordance with all applicable laws and regulations and contains information on the total reward principles for all employees, which were re-affirmed on 15 September 2010 by the Board of Directors' Human Resources and Compensation Committee.

The vote on the compensation report 2010 of UBS AG is non-binding and advisory in nature.



## Item 2

### Appropriation of retained earnings

#### A. Motion

The Board of Directors proposes the following appropriation:

*CHF million*

Other reserves	402
Profit for the financial year 2010 as per the Parent Bank's income statement	6,123
<b>Total for appropriation</b>	<b>6,525</b>
Appropriation to other reserves	2,000
Appropriation to general statutory reserves (retained earnings)	4,525
<b>Total appropriation</b>	<b>6,525</b>

#### B. Explanation

The profit of the financial year 2010 will be attributed to other reserves and the general statutory reserves (retained earnings). The Board of Directors proposes no dividend for the financial year 2010.

## *Item 3*

### **Discharge of the members of the Board of Directors and the Group Executive Board for the financial year 2010**

#### **A. Motion**

The Board of Directors proposes that the discharge of the members of the Board of Directors and the Group Executive Board for the financial year 2010 be approved.

# *Item 4*

## **Elections**

### **4.1. Reelection of members of the Board of Directors**

The Board of Directors proposes that Kaspar Villiger, Michel Demaré, David Sidwell, Rainer-Marc Frey, Bruno Gehrig, Ann F. Godbehere, Axel P. Lehmann, Wolfgang Mayrhuber, Helmut Panke and William G. Parrett, each of whose term of office expires at the 2011 Annual General Meeting, be reelected for a one-year term of office.

#### *4.1.1. Kaspar Villiger*

##### **A. Motion**

The Board of Directors proposes that Kaspar Villiger be reelected for a one-year term of office.

##### **B. Explanation**

The term of office of Kaspar Villiger, Chairman of the Board of Directors, expires at the 2011 Annual General Meeting. He is prepared to stand for reelection.

Kaspar Villiger (1941) was elected to the Board of Directors at the 2009 Annual General Meeting and thereafter appointed as Chairman. He was Federal Councillor from 1989 to 2003, during which time he served as the Minister of Defense and Head of the Federal Military Department and later as Finance Minister and Head of the Federal Department of Finance.

Kaspar Villiger chairs the Corporate Responsibility Committee and the Governance and Nominating Committee.

#### *4.1.2. Michel Demaré*

##### **A. Motion**

The Board of Directors proposes that Michel Demaré be reelected for a one-year term of office.

##### **B. Explanation**

The term of office of Michel Demaré expires at the 2011 Annual General Meeting. He is prepared to stand for reelection.

Michel Demaré (1956) was elected to the Board of Directors at the 2009 Annual General Meeting and was appointed independent Vice Chairman at the 2010 Annual General Meeting. He joined ABB in 2005 as Chief Financial Officer (CFO) and as a member of its Group Executive Committee. Michel Demaré acted as interim Chief Executive Officer (CEO) of the company between February and September 2008 prior to adding the role of President of Global Markets, which he held until February 2011.

Michel Demaré is a member of the Audit Committee and the Governance and Nominating Committee.

#### *4.1.3. David Sidwell*

##### **A. Motion**

The Board of Directors proposes that David Sidwell be reelected for a one-year term of office.

##### **B. Explanation**

The term of office of David Sidwell expires at the 2011 Annual General Meeting. He is prepared to stand for reelection.

David Sidwell (1953) was elected to the Board of Directors at the 2008 Annual General Meeting and was appointed Senior Independent Director at the 2010 Annual General Meeting. He was Executive Vice President and CFO of Morgan Stanley in New York between March 2004 and October 2007 and retired at the end of 2007.

David Sidwell chairs the Risk Committee.

#### *4.1.4. Rainer-Marc Frey*

##### **A. Motion**

The Board of Directors proposes that Rainer-Marc Frey be reelected for a one-year term of office.

##### **B. Explanation**

The term of office of Rainer-Marc Frey expires at the 2011 Annual General Meeting. He is prepared to stand for reelection.

Rainer-Marc Frey (1963) was elected to the Board of Directors at the Extraordinary General Meeting in October 2008. He is the founder of the investment management company Horizon21. He is the Chairman of Horizon21 as well as of its related entities and subsidiaries.

Rainer-Marc Frey is a member of the Audit Committee and the Risk Committee.

#### *4.1.5. Bruno Gehrig*

##### **A. Motion**

The Board of Directors proposes that Bruno Gehrig be reelected for a one-year term of office.

##### **B. Explanation**

The term of office of Bruno Gehrig expires at the 2011 Annual General Meeting. He is prepared to stand for reelection.

Bruno Gehrig (1946) was elected to the Board of Directors at the Extraordinary General Meeting in October 2008. He is Chairman of Swiss International Air Lines' Board of Directors and was Chairman of Swiss Life Holding from 2003 to 2009. Between 1996 and 2003, he worked at the Swiss National Bank, starting as a member of the Governing Board and becoming Vice Chairman in 2000.

Bruno Gehrig is a member of the Governance and Nominating Committee and the Human Resources and Compensation Committee.

#### *4.1.6. Ann F. Godbehere*

##### **A. Motion**

The Board of Directors proposes that Ann F. Godbehere be reelected for a one-year term of office.

##### **B. Explanation**

The term of office of Ann F. Godbehere expires at the 2011 Annual General Meeting. She is prepared to stand for reelection.

Ann F. Godbehere (1955) was elected to the Board of Directors at the 2009 Annual General Meeting. She was appointed CFO and Executive Director of Northern Rock in February 2008, serving in these roles during the initial phase of the business' public ownership – she left at the end of January 2009. Prior to this role, she served as CFO of Swiss Re Group from 2003 to 2007.

Ann F. Godbehere is a member of the Audit Committee and the Corporate Responsibility Committee.

#### *4.1.7. Axel P. Lehmann*

##### **A. Motion**

The Board of Directors proposes that Axel P. Lehmann be reelected for a one-year term of office.

##### **B. Explanation**

The term of office of Axel P. Lehmann expires at the 2011 Annual General Meeting. He is prepared to stand for reelection.

Axel P. Lehmann (1959) was elected to the Board of Directors at the 2009 Annual General Meeting. He has been a member of the Group Executive Committee and, since 2008, Group Chief Risk Officer of Zurich Financial Services (Zurich). He joined Zurich in 1996.

Axel P. Lehmann is a member of the Risk Committee.

#### *4.1.8. Wolfgang Mayrhuber*

##### **A. Motion**

The Board of Directors proposes that Wolfgang Mayrhuber be reelected for a one-year term of office.

##### **B. Explanation**

The term of office of Wolfgang Mayrhuber expires at the 2011 Annual General Meeting. He is prepared to stand for reelection.

Wolfgang Mayrhuber (1947) was elected to the Board of Directors at the 2010 Annual General Meeting. He was Chairman of the Executive Board and CEO of Deutsche Lufthansa AG from 2003 to 2010.

Wolfgang Mayrhuber is a member of the Corporate Responsibility Committee and the Human Resources and Compensation Committee.

#### *4.1.9. Helmut Panke*

##### **A. Motion**

The Board of Directors proposes that Helmut Panke be reelected for a one-year term of office.

##### **B. Explanation**

The term of office of Helmut Panke expires at the 2011 Annual General Meeting. He is prepared to stand for reelection.

Helmut Panke (1946) was elected to the Board of Directors at the 2004 Annual General Meeting. He joined BMW in 1982 and was Chairman of its Board of Management between 2002 and 2006.

Helmut Panke is member of the Risk Committee and ad-interim Chairperson of the Human Resources and Compensation Committee.

#### 4.1.10. William G. Parrett

##### A. Motion

The Board of Directors proposes that William G. Parrett be reelected for a one-year term of office.

##### B. Explanation

The term of office of William G. Parrett expires at the 2011 Annual General Meeting. He is prepared to stand for reelection.

William G. Parrett (1945) was elected to the Board of Directors at the Extraordinary General Meeting in October 2008. He served his entire career with Deloitte Touche Tohmatsu and was CEO from 2003 until his retirement in 2007.

William G. Parrett chairs the Audit Committee.

More detailed CVs can be found in the section "Corporate governance and compensation" of the annual report 2010 as well as on the Internet at [www.ubs.com/boards](http://www.ubs.com/boards).



## 4.2. Election of Joseph Yam to the Board of Directors

### A. Motion

The Board of Directors proposes that Joseph Yam be elected as an independent member of the Board of Directors for a one-year term of office.

### B. Explanation

Joseph Yam (1948) is Executive Vice President of the China Society for Finance and Banking and in that capacity serves as an advisor to the People's Bank of China since 2009. He was instrumental in the establishment of the Hong Kong Monetary Authority and served as its Chief Executive from 1993 until his retirement in 2009. He began his career in Hong Kong as a statistician in 1971 and served the public for over 38 years. During his service he occupied several positions such as Director of the Office of the Exchange Fund in 1991, Deputy Secretary for Monetary Affairs in 1985 and Principal Assistant Secretary for Monetary Affairs in 1982.

Joseph Yam graduated from the University of Hong Kong in 1970 with first class honors in economics and statistics. He holds honorary doctorate degrees and professorships from a number of universities in Hong Kong and overseas. He is a Distinguished Research Fellow of the Institute of Global Economics and Finance at the Chinese University of Hong Kong. In recognition of his contributions to Hong Kong, Joseph Yam was awarded the highest honor of the Grand Bauhinia Medal by the Hong Kong Special Administrative Region Government in 2009. He is of Chinese nationality and a Hong Kong citizen.

Joseph Yam is Chairman of the board of Macroprudential Consultancy Limited and sits on the international advisory councils of a number of government and academic institutions. He is on the boards of China Construction Bank and Johnson Electric Holdings Limited.

### 4.3. Reelection of the auditors, Ernst & Young Ltd., Basel

#### A. Motion

The Board of Directors proposes that Ernst & Young Ltd., Basel, be reelected for a one-year term of office as auditors for the financial statements of UBS AG and the consolidated financial statements of the UBS Group.

#### B. Explanation

Upon the recommendation of the Audit Committee, the Board of Directors proposes that Ernst & Young Ltd., Basel, be reelected for a further one-year term of office as auditors. Ernst & Young Ltd., Basel, has confirmed to the Board of Directors' Audit Committee that it possesses the level of independence required to take on this role and that its independence will not be affected by additional mandates performed for UBS AG. Any such additional mandates will require pre-approval by the Audit Committee. Ernst & Young Ltd., Basel, further confirms that it did not provide any services for UBS AG prohibited by the US Securities and Exchange Commission (SEC) for a company's principal auditor in the period from 1 January to 31 December 2010.

Ernst & Young Ltd., Basel, has been responsible for auditing UBS AG since the latter's merger in 1998. Further information concerning the independence of UBS's auditors and the fees paid to them can be found in the section "Corporate governance and compensation" of the annual report 2010.



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