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Years

*Invitation to the
Annual General Meeting
of UBS AG*

Thursday, 3 May 2012, 10:30 a.m.
(Doors open at 9:30 a.m.)

Hallenstadion Zurich-Oerlikon
Wallisellenstrasse 45, Zurich

Dear shareholders

We are pleased to invite you to the Annual General Meeting of UBS AG. It will take place on Thursday, 3 May 2012, at 10:30 a.m., at the Hallenstadion, Wallisellenstrasse 45 in Zurich. The doors open at 9:30 a.m.

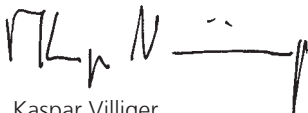
Agenda

1. Annual report, Group and Parent Bank accounts for financial year 2011
Reports of the auditors
 - 1.1. Approval of annual report and Group and Parent Bank accounts
 - 1.2. Advisory vote on the compensation report 2011
2. Appropriation of retained earnings and distribution
3. Discharge of the members of the Board of Directors and the Group Executive Board for the financial year 2011
4. Elections
 - 4.1. Reelection of members of the Board of Directors
 - 4.1.1. Michel Demaré
 - 4.1.2. David Sidwell
 - 4.1.3. Rainer-Marc Frey
 - 4.1.4. Ann F. Godbehere
 - 4.1.5. Axel P. Lehmann
 - 4.1.6. Wolfgang Mayrhuber
 - 4.1.7. Helmut Panke
 - 4.1.8. William G. Parrett
 - 4.1.9. Joseph Yam
 - 4.2. Election of new candidates for the Board of Directors
 - 4.2.1. Isabelle Romy
 - 4.2.2. Beatrice Weder di Mauro
 - 4.2.3. Axel A. Weber
 - 4.3. Reelection of the auditors, Ernst & Young Ltd., Basel
 - 4.4. Reelection of the special auditors, BDO AG, Zurich
5. Increase of conditional capital and approval of amended Article 4a para. 1 of the Articles of Association
6. Amendments of the Articles of Association
 - 6.1. Deletion of Article 37 of the Articles of Association
 - 6.2. Deletion of Article 38 of the Articles of Association

Zurich and Basel, 20 March 2012

Yours sincerely

UBS AG



Kaspar Villiger
Chairman



Luzius Cameron
Company Secretary

Organizational issues

Requests for the inclusion of items on the agenda

On 8 February 2012, UBS AG published a notice in the Swiss Official Commercial Gazette (Schweizerisches Handelsamtsblatt) and on its website at www.ubs.com/agm, inviting qualifying shareholders to submit their requests for the inclusion of individual items on the agenda by 5 March 2012. No requests were submitted.

Voting entitlement

Shareholders recorded in the share register on 27 April 2012 at 5 p.m. CET (on 25 April 2012 at 4:30 p.m. EDT with the US transfer agent Computershare) are entitled to vote at 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 by 25 April 2012:
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 by 25 April 2012:
BNY Mellon Shareowner Services, P.O. Box 3671, S. Hackensack, NJ 07606-9371.

The admission cards will be sent out from 20 April 2012. Issued admission cards will be invalidated if the corresponding shares are sold prior to the Annual General Meeting and if notice of such sale is recorded in the share register.

Total number of shares and voting rights

The total number of shares issued by UBS AG currently stands at 3,832,218,903. Each share carries one vote, meaning that 3,832,218,903 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 currently 2,196,028,099.

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 (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.

Item 1

Annual report, Group and Parent Bank accounts for financial year 2011 Reports of the 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 2011 and the Group and Parent Bank accounts for 2011 be approved.

B. Explanation

The "Financial information" section of UBS's annual report 2011 contains the consolidated financial statements of the 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 "Operating environment and strategy," "Financial and operating performance" and "Risk, treasury and capital management" of the annual report 2011. Information relating to corporate governance as required by the applicable Swiss laws and regulations, in particular the SIX Swiss Exchange's Directive on Information Relating to Corporate Governance and the Swiss Code of Obligations, can be found in the section "Corporate governance, responsibility and compensation" of the annual report 2011. The annual report 2011 is also available on the Internet at 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 Computershare will receive a copy of the review 2011, which contains the most important information relating to UBS AG's performance in 2011.

The Group income statement shows total operating income of CHF 27,788 million and total operating expenses of CHF 22,439 million, resulting in an operating profit from continuing operations before tax of CHF 5,350 million and a net profit attributable to UBS shareholders of CHF 4,159 million. Total consolidated assets stood at CHF 1,419.2 billion on 31 December 2011. Equity attributable to UBS shareholders increased by CHF 6.6 billion to CHF 53.4 billion in 2011.

Parent Bank profit for the period was CHF 5,440 million. Total operating income of CHF 18,023 million and total operating expenses of CHF 12,690 million resulted in an operating profit of CHF 5,333 million. Impairment, depreciation, provisions and losses amounted to CHF 899 million, while extraordinary income was CHF 1,888 million. Extraordinary expenses totaled CHF 649 million and the tax expense amounted to CHF 232 million.

In their reports to the Annual General Meeting, Ernst & Young Ltd., Basel, as auditors, recommended without qualification that the Group and Parent Bank accounts be approved. The 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 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 2011

A. Motion

The Board of Directors proposes that the compensation report 2011 be ratified in a non-binding advisory vote.

B. Explanation

The compensation report 2011 is a chapter in the annual report 2011. It explains the governance and principles behind the compensation structure at UBS AG, including the link between pay and performance. It contains information on the total reward principles for all employees, which were re-affirmed on 19 October 2011 by the Board of Directors' Human Resources and Compensation Committee and approved on 1 December 2011 by the Board of Directors. The compensation report also sets out the compensation of the management and Board of Directors in accordance with all applicable laws and regulations.

The vote on the compensation report 2011 of UBS AG is advisory in nature.

Item 2

Appropriation of retained earnings and distribution

A. Proposed appropriation of retained earnings and distribution of capital contribution reserves

The Board of Directors proposes the following appropriation:

<i>CHF million</i>	31 December 2011
Profit for the period	5,440
Total available for appropriation	5,440
Appropriation to other reserves	5,440
Total appropriation	5,440

The Board of Directors proposes the payout of CHF 0.10 per share of CHF 0.10 par value out of capital contribution reserves.

<i>CHF million, except where indicated</i>	31 December 2011
Total capital contribution reserves before proposed distribution	42,537^{1, 2}
Proposed distribution of capital contribution reserves within general statutory reserves: CHF 0.10 per dividend-bearing share ³	(383)
Total capital contribution reserves after proposed distribution	42,154

¹ As presented on the balance sheet, the capital contribution reserves of CHF 42,537 million are a component of the general statutory reserves of CHF 32,350 million, after taking into account negative retained earnings of CHF 10,187 million. ² Effective 1 January 2011, the Swiss withholding tax law provides that payments out of capital contribution reserves are not subject to withholding tax. The new law has led to interpretational differences between the Swiss Federal Tax Authorities and companies about the qualifying amounts of capital contribution reserves and the disclosure in the financial statements. In view of this, the Swiss Federal Tax Authorities have confirmed that UBS would be able to repay to shareholders CHF 27.4 billion of disclosed capital contribution reserves without being subject to the withholding tax deduction that applies to dividends paid out of retained earnings. The decision about the remaining amount has been deferred to a future point in time. ³ Dividend-bearing shares are all shares issued except for treasury shares held by UBS AG on the record date 9 May 2012.

B. Explanation

The profit of the financial year 2011 will be attributed to other reserves.

Provided that the proposed distribution of capital contribution reserves is approved, the payment of CHF 0.10 per share would be made on 10 May 2012 to holders of shares on the record date 9 May 2012. The shares will be traded ex-dividend as of 7 May 2012, and accordingly the last day on which the shares may be traded with entitlement to receive a payout will be 4 May 2012.

Item 3

Discharge of the members of the Board of Directors and the Group Executive Board for the financial year 2011

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 2011 be approved.

Item 4

Elections

4.1. Reelection of members of the Board of Directors

The Board of Directors proposes that Michel Demaré, David Sidwell, Rainer-Marc Frey, Ann F. Godbehere, Axel P. Lehmann, Wolfgang Mayrhuber, Helmut Panke, William G. Parrett and Joseph Yam, each of whose term of office expires at the 2012 Annual General Meeting, be reelected for a one-year term of office.

4.1.1. Michel Demaré

A. Motion

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

B. Explanation

Michel Demaré's term of office expires at the 2012 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 appointed independent Vice Chairman by the Board of Directors in April 2010. He joined ABB in 2005 as Chief Financial Officer (CFO) and as a member of the Group Executive Committee. Between February and September 2008, he acted as the interim CEO of ABB. From September 2008 to March 2011, he combined the CFO responsibility with the role of President of Global Markets.

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

4.1.2. David Sidwell

A. Motion

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

B. Explanation

David Sidwell's term of office expires at the 2012 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 appointed Senior Independent Director by the Board of Directors in April 2010. He was Executive Vice President and CFO of Morgan Stanley in New York between 2004 and 2007 and retired at the end of 2007.

David Sidwell chairs the Risk Committee and is a member of the Governance and Nominating Committee.

4.1.3. 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

Rainer-Marc Frey's term of office expires at the 2012 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 AG. He is the Chairman of Horizon21 AG as well as of its holding company and related entities and subsidiaries.

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

4.1.4. 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

Ann F. Godbehere's term of office expires at the 2012 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 chairs the Human Resources and Compensation Committee and is a member of the Audit Committee and the Corporate Responsibility Committee.

4.1.5. 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

Axel P. Lehmann's term of office expires at the 2012 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). In addition, he was made Zurich's Regional Chairman Europe as well as Chairman of the Board of Farmers Group Inc. in 2011. He joined Zurich in 1996.

Axel P. Lehmann is a member of the Governance and Nominating Committee and the Risk Committee.

4.1.6. Wolfgang Mayrhuber

A. Motion

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

B. Explanation

Wolfgang Mayrhuber's term of office expires at the 2012 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. Since 2010 he has been the Chairman of the Supervisory Board of Infineon Technologies AG.

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

4.1.7. Helmut Panke

A. Motion

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

B. Explanation

Helmut Panke's term of office expires at the 2012 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 a member of the Human Resources and Compensation Committee and the Risk Committee.

4.1.8. 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

William G. Parrett's term of office expires at the 2012 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.

4.1.9. Joseph Yam

A. Motion

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

B. Explanation

Joseph Yam's term of office expires at the 2012 Annual General Meeting. He is prepared to stand for reelection.

Joseph Yam (1948) is Executive Vice President of the China Society for Finance and Banking and in that capacity has served 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.

Joseph Yam is a member of the Corporate Responsibility Committee and the Risk Committee.

More detailed CVs can be found in the section "Corporate governance, responsibility and compensation" of the annual report 2011 as well as on the Internet at www.ubs.com/boards.

4.2. Election of new candidates for the Board of Directors

4.2.1. Isabelle Romy

A. Motion

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

B. Explanation

Isabelle Romy (1965) is a partner at the Swiss law firm Niederer Kraft & Frey (NKF), which is based in Zurich and active internationally. From 1995 to 2003 she was an associate at NKF. She specializes in international litigation and arbitration. In addition, she has been an associate professor at the University of Fribourg and at the Federal Institute of Technology in Lausanne (EPFL) since 1996. Between 2003 and 2008, Isabelle Romy served as a deputy judge at the Swiss Federal Supreme Court. She completed her PhD (Dr. iur.) at the University of Lausanne in 1989 and has been a qualified attorney-at-law admitted to the bar of the canton of Vaud since 1991. From 1992 to 1994 she was a visiting scholar at Boalt Hall School of Law, University of California, Berkeley, and completed her professorial thesis at the University of Fribourg in 1996.

Isabelle Romy has been the Vice Chairman of the Sanction Commission of the SIX Swiss Exchange since 2008, where she has been a member since 2002. From 1999 to 2006 she was a member of the Ethics Commission at the EPFL. She is a Swiss citizen.

4.2.2. Beatrice Weder di Mauro

A. Motion

The Board of Directors proposes that Beatrice Weder di Mauro be elected as an independent member of the Board of Directors for a one-year term of office.

B. Explanation

Beatrice Weder di Mauro (1965) has been a professor of economics, economic policy and international macroeconomics at the Johannes Gutenberg University of Mainz since 2001. She was a member of the German Council of Economic Experts from 2004 to 2012. In 2010 she was a resident scholar at the International Monetary Fund (IMF) in Washington, D.C., and in 2006 a visiting scholar at the National Bureau of Economic Research, Cambridge, MA. Since 2003, Beatrice Weder di Mauro has been a research fellow of the Center for Economic Policy Research in London. She was an associate professor of economics at the University of Basel between 1998 and 2001 and, from 1997 to 1998, a research fellow at the United Nations University in Tokyo. Prior to this she worked as an economist for the World Bank and the IMF in Washington, D.C. She completed her PhD in economics at the University of Basel in 1993 and received her habilitation at the same university in 1999.

Beatrice Weder di Mauro is on the board of Roche Holding Ltd., Basel, and on the Supervisory Board of ThyssenKrupp AG, Essen, and of the Deutsche Investitions- und Entwicklungsgesellschaft, Köln. She is a Swiss and Italian citizen.

4.2.3. Axel A. Weber

A. Motion

The Board of Directors proposes that Axel A. Weber be elected as a non-independent member of the Board of Directors for a one-year term of office. In case of his election, the Board of Directors will appoint Axel A. Weber as its Chairman.

B. Explanation

Axel A. Weber (1957) was president of the German Bundesbank between 2004 and 2011, during which time he also served in the following positions: as a member of the Governing Council of the European Central Bank; as a member of the Board of Directors of the Bank for International Settlements; as German governor of the International Monetary Fund; as a member of the Steering Committees of the European Systemic Risk Board and Financial Stability Board; and as a member of the G7 and G20 Ministers and Governors. Currently on leave from the University of Cologne, he is a visiting professor at the University of Chicago Booth School of Business. From 2002 to 2004, Axel A. Weber served as a member of the German Council of Economic Experts. He was a professor for international economics and Director of the Center for Financial Research at the University of Cologne from 2001 to 2004, and a professor for monetary economics and Director of the Center for Financial Studies at the Goethe University in Frankfurt/Main from 1998 to 2001. Prior to this he taught economic theory at the University of Bonn.

He is a member of the Group of Thirty, Washington, D.C., a research fellow at the Center for Economic Policy Research in London and at the Center for Financial Research in Cologne. Axel A. Weber is also a senior research fellow at the Center for Financial Studies in Frankfurt/Main and a member of the European Money and Finance Forum. In addition, he is a member of the Monetary Economics and International Economics Councils of the leading association of German-speaking economists, the Verein für Socialpolitik, a member of the Advisory Board of the German Market Economy Foundation, and a member of the Advisory Council (Hochschulrat) of the Goethe University in Frankfurt/Main.

Axel A. Weber holds a PhD in economics from the University of Siegen, where he also received his habilitation. He graduated with a master's degree (Diplom) in economics at the University of Constance. He also holds honorary doctorate degrees from the universities of Duisburg-Essen and Constance. Axel A. Weber is a German citizen.

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 (the Parent Bank) 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 2011.

Ernst & Young Ltd., Basel, has been responsible for auditing UBS AG since 1998. Further information concerning the independence of UBS's auditors and the fees paid to them can be found in the section "Corporate governance, responsibility and compensation" of the annual report 2011.

4.4. Reelection of the special auditors, BDO AG, Zurich

A. Motion

The Board of Directors proposes that BDO AG, Zurich, be reelected for a three-year term of office as special auditors.

B. Explanations

Upon the recommendation of the Audit Committee, the Board of Directors proposes that BDO AG, Zurich, be reelected for a three-year term of office as special auditors. In accordance with Article 31 para. 3 of the Articles of Association, special auditors are responsible for providing the legally required opinions in cases of capital increases.

Item 5

Increase of conditional capital and approval of amended Article 4a para. 1 of the Articles of Association

A. Motion

The Board of Directors proposes to increase the size of the conditional capital under Article 4a para. 1 of the Articles of Association from CHF 14,863,932.60 to CHF 30,000,000 and to amend the current wording of Article 4a para. 1 of the Articles of Association to permit the delivery of shares out of the conditional capital to satisfy awards granted under employee share plans as follows:

Article 4a para. 1 (amended)

¹The share capital may be increased by a maximum of CHF ~~14,863,932.60~~ *30,000,000* through the issuance of a maximum of ~~148,639,326~~ *300,000,000* fully paid registered shares with a par value of CHF 0.10 each ~~upon~~ *to satisfy awards granted under the UBS option and other share based compensation plans* exercise of employee options issued to employees and members of the management and of the Board of Directors of the Corporation and its subsidiaries. The pre-emptive rights and the advance subscription rights of the shareholders shall be excluded. The *grant* issuance of these *awards* options to employees and members of the management and of the Board of Directors of the Corporation and its subsidiaries *is made* will take place in accordance with the plan rules *approved* issued by the Board of Directors and its *Human Resources and Compensation* Committee. The acquisition of shares *under awards* through the exercise of option rights as well as every subsequent transfer of these shares shall be subject to the registration requirements set forth in Article 5 of the Articles of Association.

B. Explanation

Share awards are being granted under UBS option and share based compensation plans as a means of aligning the interests of employees and management with the interests of shareholders.

To align reward with sustainable performance, UBS pays a significant part of variable compensation in the form of UBS shares that are deferred over several years, in line with regulatory requirements. Until now, those share awards were satisfied with treasury shares, thereby leading to a reduction in the capital ratio.

Under its current wording, the conditional capital pursuant to Article 4a para. 1 of the Articles of Association may only be used to satisfy entitlements existing upon exercise of options. Options have, however, not been issued since 2009. As UBS will continue to use share awards as part of variable compensation, the permitted use of the conditional capital shall be extended to include entitlements under share plans, in addition to option plans. The conditional capital shall be used to satisfy entitlements under existing and future share and option plans.

In order to allow for flexibility to manage UBS's capital and to support its efforts to meet the capital build-up target under the new regulatory framework, it is also proposed to approve a limited increase in the number of shares available under the conditional capital to satisfy share awards. As a rule, the use of conditional capital to satisfy awards granted under option and share plans is the responsibility of the Board of Directors.

Item 6

Amendments of the Articles of Association

6.1. Deletion of Article 37 of the Articles of Association

A. Motion

The Board of Directors proposes to delete Article 37 of the Articles of Association.

Article 37

Non-cash considerations

¹The 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.

²The 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.

B. Explanation

Pursuant to Article 628 para. 4 of the Swiss Code of Obligations, provisions in the Articles of Association concerning contributions in kind or acquisitions of assets may be repealed by resolution of the annual general meeting after 10 years. Article 37 was entered into the Articles of Association in June 1998.

6.2. Deletion of Article 38 of the Articles of Association

A. Motion

The Board of Directors proposes to delete Article 38 of the Articles of Association.

Article 38

Contribution in kind

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.

B. Explanation

Pursuant to Article 628 para. 4 of the Swiss Code of Obligations, provisions in the Articles of Association concerning contributions in kind or acquisitions of assets may be repealed by resolution of the annual general meeting after 10 years. Article 38 of the Articles of Association was approved by the Extraordinary General Meeting in September 2000 and entered into the Articles of Association based on the respective resolution by the Board of Directors on 30 October 2000.

Notice to US persons:

The issuer may file a registration statement (including a prospectus) with the SEC for any offering of securities pursuant to the capital increases described herein. Before you invest in any such securities, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and such offering. You may get these documents, once filed, for free by visiting EDGAR on the SEC website at www.sec.gov. Our investor relations department would be happy to address any questions you may have. You may reach them at +41-44-234 4100 or, if you are calling from the United States of America, at +1-212-882 5734.

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