

# Minutes of the Annual General Meeting of UBS Group AG

29 April 2020, 10:30 a.m. at the Grüenhof, Zurich

Formalities

**Chair:** Axel A. Weber, Chairman of the Board of Directors

**Minutes:** Markus Baumann, Group Company Secretary

**Scrutineer:** BDO AG, Solothurn

**Independent Proxy:** ADB Altorfer Duss & Beilstein AG, Zurich

Ernst & Young Ltd, Basel, the statutory auditors, was also present on site.

The invitation to the Annual General Meeting (AGM) was published in the Swiss Official Gazette of Commerce and on UBS's website on 30 March 2020, with a revised version thereof published on 9 April 2020. In addition, printed copies of the invitation were sent to all shareholders listed in the share register. The AGM was held without the physical presence of shareholders because of the Coronavirus pandemic and the related regulatory measures. Voting rights could only be exercised through the independent proxy.

No requests for the inclusion of individual items on the agenda were submitted. The AGM was transmitted live on the Internet, in German and English.

## **Representation of voting rights:**

The Independent Proxy represented 2,102,773,866 voting rights (75.87% of all shares with voting rights). Because no shareholders could be physically present, the Independent Proxy represented all voting rights.

The Chairman first expressed his deepest sympathy to the relatives of Marcel Ospel, in particular Mr. Ospel's widow and six children.

In his speech, the Chairman firstly addressed the Coronavirus crisis. The Coronavirus pandemic was causing everybody to live through extraordinary times that presented everyone with challenges, both personal and professional. Protecting life and health was the top priority. He was pleased to tell the AGM that the financial sector was not the root of the problem and that banks could be an important part of the solution. The Chairman went on to say that, thanks to some relaxation of the restrictions on everyday life, one could now see a first glimmer of light on the horizon. However, the lock-down of the last few weeks had caused serious damage to the economy. According to the International Monetary Fund, the global economy would shrink by 3% in 2020 and the Swiss economy by as much as 6%. However, those forecasts were extremely uncertain and, among other things, assumed that the pandemic would subside in the second half of the year and that all the measures to contain it could gradually be reversed. If there were to be setbacks, the recession would be even deeper.

The Chairman promised the shareholders that UBS would do everything possible to ensure that those affected would be able to get through these difficult times in the best possible way. For example, the bank, together with the Swiss authorities, had developed a package of measures that gave large and small companies some financial breathing space. As Switzerland's largest bank, UBS cared most about the Swiss economy.

The Chairman explained that, due to its significant presence in Asia, the bank had been confronted with the effects of the Coronavirus crisis at an early stage and had taken swift action to protect its employees and customers. Some UBS employees had contracted the virus, and a few had even died. The thoughts and sympathies of all at UBS were with the families of those affected.

Next the Chairman expressed his gratitude to all employees at UBS who were there for their customers every day. Overcoming the crisis was a question of the common good. For UBS, the focus was on providing rapid and bureaucracy-free assistance – and not making a financial profit.



The Chairman then turned to sustainability, a topic he had talked about repeatedly in recent years. As a global asset manager, UBS wanted to be the preferred financial provider for clients who cared about sustainability, who supported the United Nations Sustainable Development Goals, and who wanted an orderly transition to a low-carbon economy. The foundations had already been laid: UBS's clients had increased their sustainable investments by more than 56% in 2019, to nearly USD 490 billion. UBS itself had halved its involvement with companies in the fossil fuel sector, reducing the respective engagements to less than 1% of its total lending business.

The Chairman explained that dealing with the Coronavirus crisis would further significantly broaden the idea of sustainable action in society, so that it included issues such as supply chains, security of supply and modern methods of working together. He stressed that the cautious, sustainable management at UBS had proved its worth in the crisis. It was the reason UBS had an extremely solid capital base. Among other things, UBS's bonds had one of the lowest risk premiums in the industry.

The Chairman then briefly addressed the previous financial year. UBS had achieved remarkable results in a challenging environment in 2019, generating a net profit attributable to shareholders of USD 4.3 billion. It was important that UBS had further strengthened the capital base and had far exceeded the requirements of the regulators.

The Chairman stressed that from this perspective there was no reason not to pay a dividend. However, extraordinary situations required extraordinary caution and there had also been a strong request from the supervisory authority to be extremely cautious with the payment of dividends. He explained that a complete cancellation in these financially difficult times would have been the wrong step for many shareholders. Therefore, the Board of Directors proposed to pay half of the planned dividend, 36.5 cents per share, on 7 May and for the shareholders to vote on a second payment of 36.5 cents per share at an extraordinary general meeting to be held on 19 November 2020 following the publication of third-quarter results. He went on to state that if the second tranche were to not be paid out, UBS would pay no cash component of the performance-related remuneration of the Group Executive Board for 2020.

In this context, the Chairman drew the shareholders' attention to the remuneration report for 2019. The Board of Directors had taken note of the shareholders' position regarding the remuneration of management and the Board of Directors in the past year and had, as a direct consequence, adjusted the remuneration model. UBS had also cut the bonus pool for group management and employees by 14% and reduced the remuneration for the Board of Directors and the Group Executive Board by 14%.

With regard to the UBS trial in France, which had given rise to a lot of discussion at the 2019 Annual General Meeting, the Chairman stated that this legacy matter was now before a court of appeals. On the basis of the evidence in the files, UBS remained convinced that it had acted in accordance with the law in force at the time. Details of this could be found in the special report which UBS had published on its website in January 2020. Due to the Coronavirus crisis it was unclear when the trial would take place, and it could well be that the judgement is received in 2021 only.

The Chairman stressed that 2020 was a year of change for UBS, and not only because of the Coronavirus crisis, as the Group CEO, Sergio Ermotti, would leave UBS in the autumn. The Chairman thanked him for everything he had done. Mr. Ermotti had taken over the bank at a difficult moment, had worked with the Group Executive Committee and the Board of Directors to define a clear strategy, which he then implemented consistently. The Chairman went on to express personal thanks to Mr. Ermotti for the many years of partnership and wished him every success in his new role.

The Chairman outlined the intensive search for Mr. Ermotti's successor, which had been based on a clearly defined profile and an evaluation of a wide range of internal and external candidates. At the end of this process, the Board of Directors had chosen Ralph Hamers as the new CEO. Mr. Hamers had been the CEO of the Netherlands-based global bank ING for the past six years and had an impressive track record, especially on the core issues of the future, such as technology, sustainability and agile management.

In conclusion, the Chairman stated that no-one knew exactly what the world would look like after the Coronavirus pandemic. However, the Board of Directors was doing everything possible to ensure that the bank would be as ready for the future as it possibly could be. He stressed that he personally was more convinced than ever that UBS would continue to play an important role in both the Swiss economy and the global financial industry.

The full speech by Axel A. Weber can be found on UBS's website, at [www.ubs.com/lagm](http://www.ubs.com/lagm).

Sergio P. Ermotti, the Group CEO, said in his opening remarks that the past few weeks and months had been an unprecedented challenge. UBS was working closely with the authorities. In that way, it had been possible to put together an aid package with the Swiss federal government in a very short period of time and to provide more than CHF 2.5 billion to more than 21,000 SMEs. But UBS was going even further. For example, in the United States, which was home to about 30% of the bank's employees, it was expected that USD 2 billion would be made available under Federal programs.



UBS had been clear right from the start that it did not want to earn anything from these aid programs and that any profits would go into an aid fund for people affected by the Coronavirus. In addition, UBS was providing a cost-neutral USD 30 million from its own funds for global and local aid projects. Furthermore, all members of the Group Executive Board would donate 50% of their salaries for six months to Coronavirus-related aid projects.

UBS had increased its lending volume by USD 15 billion in the first quarter, which was five times as much as the bank was lending under the various state aid packages.

The Group CEO noted that UBS was part of the solution to the crisis and that the banking system was much stronger than it had been in the past. He expressed his hope that businesses would soon be able to stand on their own feet again and that we would not all come to rely too much on the state. It was all the more important that UBS remained successful and profitable. The bank was one of the largest taxpayers in Switzerland, if not the largest; since the financial crisis it had paid CHF 5.4 billion in tax.

The Group CEO reminded the AGM that UBS had invested a great deal in technology, which meant that UBS was able to keep in contact with its clients at all times and that more than 95% of its employees were able to work from home during the crisis.

Mr. Ermotti was happy to say that, in the previous few months, UBS had not only been able to protect the health of its people but had also increased its market share. The crisis had been a test for the whole organization and UBS had been both efficient and profitable during the pandemic. That was shown by the first quarter profit of USD 1.6 billion and the return on CET 1 capital of almost 18%.

The Group CEO stressed that he was extremely proud of UBS's staff. They had all done a fantastic job everywhere. Such crises brought out the true character of a firm and its employees.

Mr. Ermotti reflected that, seen in the light of the Coronavirus pandemic and in retrospect, 2019 seemed to have been an easy year. But that impression was deceptive. It had actually been one of the most difficult years for the whole sector, especially the first six months. Despite all that, the firm's annual profit for 2019 was USD 4.3 billion, and the last quarter of the year had been the best since 2010. The return on CET 1 capital was 12.4%; more than USD 3 trillion of assets were managed worldwide. At the same time, UBS had made progress on strategic initiatives and cut its operating costs by 4%.

UBS was, the Group CEO noted, among the top five banks in the world in terms of the rate of return on regulatory common equity capital. That was important because it was a crucial benchmark, not only for compliance with regulatory requirements, but also because it indicated UBS's ability to grow and return capital to shareholders. Such solid returns had been achieved because UBS was built on a solid foundation, but also because the firm never stood still. In his very first speech as CEO at the AGM in 2012, Mr. Ermotti had said that UBS was capable of constantly renewing itself. Also in 2019, UBS had adapted to market needs and had even predicted them in advance. UBS had invested in a range of initiatives for growth and tomorrow's business. Cooperation was key to its integrated business model. The Group CEO stressed that the focus had to be on the sum of the individual parts, since none of UBS's divisions would be equally successful on their own.

At the same time, he observed, it was also beneficial to join forces with external partners. As examples he mentioned the cooperation with Banco do Brasil and Sumitomo Mitsui Trust in Japan. Thanks to those complementary partnerships, UBS was able offer its products to a larger number of clients, which would ultimately benefit the respective shareholders.

It was Mr. Ermotti's last AGM as CEO of UBS. He said that he looked back proudly at what he and his colleagues had achieved over the previous nine years. This success had been based on the three pillars he had identified in his speech in 2012: capital strength, cost management and risk management.

At the time, UBS had strengthened its balance sheet and reduced risks in anticipation of the future regulatory and macroeconomic environment. The firm had defined a clear strategy and implemented it in a disciplined and sustainable manner. The still huge potential in the Asian market had been seen early on by UBS and consequently the firm had invested even more there. UBS had been ahead of the game in the financial industry in this regard. Since 2011, UBS had generated USD 28 billion in capital, with USD 5 billion of that coming in 2019 alone. On the date of the AGM, the bank had more than USD 90 billion of loss-absorbing capital. Without asking shareholders for a single cent, UBS had spent USD 14 billion dollars on regulatory matters and legal cases. At the same time, it had returned USD 20 billion to shareholders in the form of dividends and share buybacks, i.e., more than USD 5 per share. The tangible book value per share had increased by over 6% per year including dividends, which was a highly competitive number by international standards.

Something Mr. Ermotti was particularly pleased about was that UBS's employees again felt proud to work for UBS, a fact confirmed by the 2019 staff survey. Satisfaction and employee commitment were above the average in comparison to the financial services sector. Clients once again valued UBS as a strong and reliable partner.

The Group CEO underlined that UBS was well-positioned, with all options open for a successful future. He noted that such a position of strength was a luxury nowadays and that this advantage should not be recklessly squandered for the sake of earning quick plaudits from a minority who made a lot of noise or thought only of the short term.

The position of CEO was a privilege for Mr. Ermotti and a dream job, even though times had not always been easy. He was delighted to be in charge for another six months and he would always carry the three UBS key principles in his heart.

He took a moment to thank all those who had supported him, his colleagues in the Group Executive Board, past and present, and the firm's employees in Switzerland and around the world.

Mr. Ermotti thanked the Board of Directors and the Chairman, Axel Weber, noting that it had been a pleasure to work with them. He also thanked the clients and, last but not least, the shareholders: without the confidence they gave, one could not run a business.

He closed his speech by wishing everyone good health.

The full speech by Sergio P. Ermotti can be found on UBS's website, at [www.ubs.com/agm](http://www.ubs.com/agm).

The Chairman then proceeded to item 1 on the agenda.

### Item 1

#### **Approval of the UBS Group AG management report and consolidated and standalone financial statements for the financial year 2019**

The Board of Directors proposed that the UBS Group AG management report and consolidated and standalone financial statements for 2019 be approved.

For this agenda item, questions on the topic of "climate strategy" and "compliance processes" were answered by the Chairman.

He reported that Ernst & Young Ltd, Basel, as statutory auditors, recommended that the consolidated and standalone financial statements of UBS Group AG should be approved. The corresponding reports did not contain any reservations.

The AGM approved the UBS Group AG management report and the consolidated and standalone financial statements for 2019, with the following voting result:

Yes	2,064,351,885	99.08%
No	13,012,313	0.62%
Abstentions	6,127,956	0.29%

### Item 2

#### **Advisory vote on the UBS Group AG Compensation Report 2019**

The Board of Directors proposed that the UBS Group AG Compensation Report 2019 be ratified in a non-binding advisory vote. In a brief overview, the Chairman outlined the remuneration concept for 2019.

The AGM endorsed the UBS Group AG Compensation Report 2019, with the following voting result:

Yes	1,763,147,535	84.63%
No	310,058,079	14.88%
Abstentions	10,271,619	0.49%

### Item 3

#### **Appropriation of total profit and distribution of ordinary dividend out of total profit and capital contribution reserve**

On a standalone basis, UBS Group AG recorded a net profit of USD 3,320 million (CHF 3,384 million) for 2019. The Board of Directors proposed to appropriate USD 1,911 million (CHF 2,020 million) to the voluntary earnings reserve.



The Board of Directors proposed an ordinary dividend distribution of USD 0.365 (gross) in cash per share of CHF 0.10 par value, with half thereof coming out of total profit and the other half out of the capital contribution reserve, as well as the appropriation of USD 0.365 (gross) in cash per share of CHF 0.10 par value to a special dividend reserve.

The AGM approved the proposal of the Board of Directors, with the following voting result:

Yes	1,995,594,043	95.78%
No	84,423,560	4.05%
Abstentions	3,455,737	0.17%

#### Item 4

#### Discharge of the members of the Board of Directors and the Group Executive Board for the financial year 2019

In the financial year 2019 the following persons were members of the Board of Directors of UBS Group AG: Axel A. Weber, Michel Demaré, David Sidwell, Jeremy Anderson, William C. Dudley, Reto Francioni, Ann F. Godbehere, Fred Hu, Julie G. Richardson, Isabelle Romy, Robert W. Scully, Beatrice Weder di Mauro, Dieter Wemmer and Jeanette Wong. In the financial year 2019 the following persons were member of the Group Executive Board of UBS Group AG: Sergio P. Ermotti, Martin Blessing, Christian Bluhm, Markus U. Diethelm, Kirt Gardner, Suni Harford, Robert Karofsky, Sabine Keller-Busse, Iqbal Khan, Edmund Koh, Ulrich Körner, Axel P. Lehmann, Tom Naratil, Piero Novelli and Markus Ronner.

Beat Kaiser from Bottmingen submitted a proposal for a separate discharge of Markus Diethelm. The Board of Directors proposed that this motion be rejected.

The AGM rejected the motion regarding a separate discharge of Markus Diethelm, with the following voting result:

Yes	1	0.00%
No	1,259,179,652	85.33%
Abstentions	216,525,803	14.67%

Beat Kaiser submitted an additional proposal for a separate discharge of the members of the Board of Directors. The Board of Directors proposed that this motion be rejected.

The AGM rejected the motion regarding a separate discharge of the members of the Board of Directors, with the following voting result:

Yes	1	0.00%
No	1,259,179,652	85.33%
Abstentions	216,525,803	14.67%

The Board of Directors then proposed that discharge be granted to the members of the Board of Directors and the Group Executive Board for the 2019 financial year, excluding all issues related to the French cross-border matter.

The AGM endorsed the discharge of the members of the Board of Directors and Group Executive Board with regard to financial year 2019, excluding all issues related to the French cross-border matter, with the following voting result:

Yes	1,942,521,452	93.65%
No	118,954,535	5.73%
Abstentions	12,789,106	0.62%

**Item 5**
**Re-election of members of the Board of Directors**

Before proceeding to the first election agenda item, the Chairman said farewell to David Sidwell, Isabelle Romy and Robert W. Scully, who did not stand for re-election at this year's AGM.

The Chairman briefly introduced the members of the Board of Directors standing for re-election.

The Board of Directors proposed that Axel A. Weber as Chairman, Jeremy Anderson, William C. Dudley, Reto Francioni, Fred Hu, Julie G. Richardson, Beatrice Weder di Mauro, Dieter Wemmer and Jeanette Wong, each of whose term of office expired at the 2020 AGM, be re-elected for a one-year term of office.

The AGM approved the re-election of the Board of Directors, with the following voting results:

**Axel A. Weber, as Chairman of the Board of Directors**

Yes	1,924,983,817	92.39%
No	149,142,807	7.16%
Abstentions	9,341,133	0.45%

**Jeremy Anderson**

Yes	2,051,851,235	98.48%
No	23,107,318	1.11%
Abstentions	8,514,488	0.41%

**William C. Dudley**

Yes	2,057,642,883	98.76%
No	17,539,624	0.84%
Abstentions	8,294,126	0.40%

**Reto Francioni**

Yes	2,049,549,762	98.37%
No	25,775,365	1.24%
Abstentions	8,128,567	0.39%

**Fred Hu**

Yes	1,858,971,706	89.22%
No	215,645,777	10.35%
Abstentions	8,852,616	0.42%

**Julie G. Richardson**

Yes	2,035,480,698	97.70%
No	40,453,286	1.94%
Abstentions	7,530,217	0.36%

**Beatrice Weder di Mauro**

Yes	2,062,513,450	98.99%
No	13,619,244	0.65%
Abstentions	7,331,553	0.35%

**Dieter Wemmer**

Yes	2,060,270,454	98.89%
No	14,919,370	0.72%
Abstentions	8,279,836	0.40%

**Jeanette Wong**

Yes	2,058,809,738	98.82%
No	17,017,777	0.82%
Abstentions	7,623,468	0.37%

The Chairman announced that all of the re-elected members of the Board of Directors had stated in advance of the AGM that they would accept their election in the event of a positive voting result.

**Item 6**  
**Election of new members to the Board of Directors**

The Chairman then proceeded to the election of Mark Hughes and Nathalie Rachou. Their biographies were briefly presented.

The Board of Directors proposed that Mark Hughes and Nathalie Rachou be elected as independent members of the Board of Directors for a one-year term of office.

The AGM elected the new members of the Board of Directors, with the following voting results:

**Mark Hughes**

Yes	2,057,161,088	98.74%
No	17,371,863	0.83%
Abstentions	8,904,746	0.43%

**Nathalie Rachou**

Yes	1,981,305,138	95.10%
No	94,003,987	4.51%
Abstentions	8,121,041	0.39%

The Chairman announced that both of the newly elected members of the Board of Directors, Mark Hughes and Nathalie Rachou, had stated in advance of the AGM that they would accept their election in the event of a positive voting result.

**Item 7**  
**Election of members of the Compensation Committee**

The Board of Directors proposed that Julie G. Richardson, Reto Francioni and Dieter Wemmer be re-elected and Jeanette Wong be elected for a one-year term of office as members of the Compensation Committee. In its constitutional meeting, the Board of Directors appointed Julie G. Richardson as Chairperson of the Compensation Committee.

The AGM approved the election of the members of the Compensation Committee, with the following voting results:

**Julie G. Richardson**

Yes	1,934,422,356	92.85%
No	139,824,318	6.71%
Abstentions	9,216,219	0.44%

**Reto Francioni**

Yes	1,954,303,926	93.80%
No	116,652,723	5.60%
Abstentions	12,416,036	0.60%

**Dieter Wemmer**

Yes	1,959,310,171	94.04%
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No	114,302,584	5.49%
Abstentions	9,850,889	0.47%

**Jeanette Wong**

Yes	2,035,640,093	97.70%
No	35,762,518	1.72%
Abstentions	12,065,892	0.58%

The Chairman announced that the elected members of the Compensation Committee had stated in advance of the AGM that they would accept their election in the event of a positive voting result.

**Item 8.1 – 8.3**
**Approval of compensation for the members of the Board of Directors and the Group Executive Board**
**8.1. Approval of the maximum aggregate amount of compensation for the members of the Board of Directors from the 2020 Annual General Meeting to the 2021 Annual General Meeting**

The Board of Directors proposed the approval of the maximum aggregate amount of compensation of CHF 13,000,000 for the members of the Board of Directors for the period from the 2020 AGM to the 2021 AGM.

**8.2. Approval of the aggregate amount of variable compensation for the members of the Group Executive Board for the financial year 2019**

The Board of Directors proposed the approval of the aggregate amount of variable compensation of CHF 70,250,000 for the members of the Group Executive Board for the financial year 2019.

**8.3. Approval of the maximum aggregate amount of fixed compensation for the members of the Group Executive Board for the financial year 2021**

The Board of Directors proposed to the approval of the maximum aggregate amount of fixed compensation of CHF 33,000,000 for the members of the Group Executive Board for the financial year 2021.

The AGM approved the proposals of the Board of Directors, with the following voting results:

**Vote 8.1.**

Yes	1,831,986,072	87.93%
No	239,556,170	11.50%
Abstentions	11,922,618	0.57%

**Vote 8.2.**

Yes	1,744,894,286	83.75%
No	316,834,690	15.21%
Abstentions	21,744,341	1.04%

**Vote 8.3.**

Yes	1,903,028,873	91.34%
No	168,613,616	8.09%
Abstentions	11,827,323	0.57%

**Item 9**
**Re-election of the independent proxy, ADB Altorfer Duss & Beilstein AG, Zurich**

The Board of Directors proposed that ADB Altorfer Duss & Beilstein AG, Zurich be elected as the Independent Proxy for a one-year term of office expiring after completion of the AGM in 2021.



The AGM elected ADB Altorfer Duss & Beilstein AG, Zurich as the independent proxy for a one-year term of office, with the following voting result:

Yes	2,059,013,204	98.83%
No	20,437,585	0.98%
Abstentions	4,009,142	0.19%

**Item 10**

**Re-election of the auditors, Ernst & Young Ltd, Basel**

The Board of Directors proposed that Ernst & Young Ltd, Basel be re-elected for a one-year term of office as auditors.

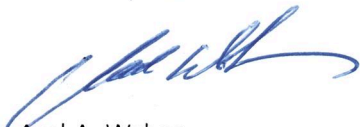
The AGM re-elected Ernst & Young Ltd, Basel as auditors, with the following voting result:

Yes	1,969,626,555	94.54%
No	109,655,444	5.26%
Abstentions	4,181,022	0.20%

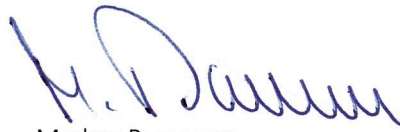
The AGM ended at 11:49 a.m.

Zurich, 14 May 2020

UBS Group AG



Axel A. Weber  
Chairman of the Board of Directors



Markus Baumann  
Group Company Secretary