

# Invitation to the Annual General Meeting of UBS AG

**Wednesday, 16 April 2003, 2.30 p. m. (doors open 1.30 p. m.)  
Hallenstadion, Zurich-Oerlikon, Wallisellenstrasse 45**

## **Agenda**

1. Annual Report, Group and Parent Company Accounts for 2002  
Reports of the Group and Statutory Auditors
2. Appropriation of retained earnings  
Dividend for financial year 2002
3. Discharge of the members of the Board of Directors  
and the Group Executive Board
4. Amendment of the Articles of Association
  - 4.1. Adaptation of English version of the company name (Art. 1)
  - 4.2. Joint shareholdings/Entry in the share register (Art. 5 and 7)
  - 4.3. Placing of items on the agenda (Art. 12)
  - 4.4. Term of office of Board members (Art. 19)
  - 4.5. Appointment of members of the Group Managing Board (Art. 24)
5. Elections
  - 5.1. Re-election of Board members
    - 5.1.1. Peter Böckli
    - 5.1.2. Johannes A. de Gier
    - 5.1.3. Rolf A. Meyer
  - 5.2. Re-election of Group and Statutory Auditors: Ernst & Young Ltd., Basel
  - 5.3. Re-election of Special Auditors: Deloitte & Touche AG, Basel
6. Capital reduction
  - 6.1. Cancellation of shares repurchased under the 2002/2003 and 2002b share buyback programs and respective amendment of article 4 of the Articles of Association
  - 6.2. Approval of a new 2003/2004 share buyback program

## Introduction

### Requests for including items in the agenda

On 5 February 2003, UBS published a notice in various Swiss and international newspapers inviting qualifying shareholders to submit their request that individual items be included in the agenda in the form of actual motions by 25 February 2003. No requests were submitted.

### Call to register claims

The capital reduction to be achieved via cancellation of repurchased shares may only take place once the filing period for creditors to request satisfaction for or security of their claims has been terminated in accordance with article 733 of the Swiss Code of Obligations. The notice will be published in the Swiss Commercial Gazette after the General Meeting of Shareholders. Claims may be registered during a period of two months. For the capital reduction to become effective, a report by the Statutory Auditors, confirming that creditors' claims shall remain fully covered and the liquidity of the Bank assured even after the capital reduction is another precondition. The Statutory Auditors' report as of 31 December 2002 has been provided.

## Organizational issues

### Admission cards for the Annual General Meeting

Shareholders listed in the Share Register of UBS AG *in Switzerland* can order their admission card from the following address up to 11 April 2003, using the order form attached to this invitation:

UBS AG, Shareholder Services, P.O. Box, CH-8098 Zurich.

Shareholders listed in the Share Register *in the United States* can order their admission cards in writing up to 11 April 2003 from:

Mellon Investor Services, Proxy Processing, P.O. Box 3567, S.Hackensack, NJ 07606-9267.

Any admission cards already issued will lose their validity and will be recalled if the shares concerned are sold prior to the Annual General Meeting and the Share Register is notified of the sale.

### Representation at the Annual General Meeting

Shareholders may be represented at the General Meeting by their legal representative or, based on a written proxy, by any other shareholder entitled to vote at the Meeting, or by his/her custodian bank. In addition, every shareholder is entitled to have his/her shares represented at the General Meeting by

- UBS AG, P.O. Box, CH-8098 Zurich  
as a corporate proxy or a custody proxy
- Schweizerische Treuhandgesellschaft/  
Swiss Auditing and Fiduciary Company  
(Professor Carl Helbling)  
Talstrasse 11, CH-8022 Zurich  
as an independent proxy.

Zurich and Basel, 6 March 2003

UBS AG  
For the Board of Directors:

Marcel Ospel, Chairman  
Gertrud Erismann-Peyer, Company Secretary

# Item 1

## Annual Report, Group and Parent Company Accounts for 2002 Reports of the Group and Statutory Auditors

### A. Motion

The Board of Directors proposes that the report on the financial year 2002 and the Group and Parent Company Accounts for 2002 be approved.

### B. Explanations

The reports of the Board of Directors and the Group Executive Board are contained in the Financial Report. Additional information on strategy and organization of the Group, its activities and those of the Business Groups, on risk management and control as well as on corporate governance can be found in the "Handbook 2002/2003". This document also contains the comprehensive information relating to corporate governance as requested by the new SWX Swiss Exchange directive. Copies of both publications can be ordered by shareholders and are also available on the Internet at [www.ubs.com/investors](http://www.ubs.com/investors).

All shareholders registered in the share register automatically receive a copy of the Annual Review, which contains summary information with regard to our business performance in 2002.

The Group income statement shows total operating income of CHF 34,121 million and total operating expenses of CHF 29,577 million, resulting in pre-tax profit of CHF 4,544 million

and a net profit of CHF 3,535 million. At year-end, total consolidated assets amounted to CHF 1,181.1 billion, CHF 72.2 billion down from a year earlier, and shareholders' equity totaled CHF 39.0 billion.

Parent Company net profit was CHF 5,834 million. Total operating income of CHF 23,633 million and total operating expenses of CHF 13,295 million resulted in an operating profit of CHF 10,338 million. Depreciations, write-offs and provisions amounted to CHF 4,078 million and extraordinary income to CHF 265 million. Extraordinary expenses totaled CHF 7 million and taxes amounted to CHF 684 million.

Ernst & Young Ltd. as Group and Statutory Auditors recommend in unqualified reports to the Annual General Meeting that the Group and Parent Company Accounts be approved. The Group Auditors confirm that "the Group financial statements present fairly, in all material respects, the consolidated financial position of UBS AG as of 31 December 2002 and 2001, and the consolidated results of operations and cash flows for each of the three years in the period ended 31 December 2002, in conformity with International Financial Reporting Standards (IFRS), and they comply with the Swiss law". The Statutory Auditors express their opinion that "the accounting records and financial statements and the proposed appropriation of available earnings comply with the Swiss law and the company's articles of association".

## Item 2

### Appropriation of retained earnings Dividend for financial year 2002

#### A. Motion

The Board of Directors proposes that the Parent Company profit be appropriated as follows:

Profit for the financial year 2002 as per the income statement	CHF 5,834 million
Allocation to General statutory reserves	CHF 232 million
Proposed dividend	CHF 2,365 million
Allocation to Other reserves	CHF 3,237 million
<hr/> Total allocated	<hr/> CHF 5,834 million

The Board of Directors proposes to distribute a dividend of CHF 2 per share.

#### B. Explanations

Part of the distribution to shareholders for the financial year 2000 and the entire distribution for 2001 was made in the form of a repayment on the par value of each share. For 2002, the Board of Directors now proposes to pay a regular dividend of CHF 2 per share, in line with the payments made for prior years. The Board of Directors is committed to making consistent distributions to shareholders, if market conditions and the performance of the company allow it.

Upon approval of the proposal by the AGM, the distribution of CHF 1.30 per share (after deduction of 35% Swiss withholding tax) will be made on 23 April 2003 to shareholders on record as at 16 April 2003.

## Item 3

### Discharge of the members of the Board of Directors and the Group Executive Board

#### Motion

The Board of Directors proposes that discharge be granted to the members of the Board of Directors and the Group Executive Board for the financial year 2002.

## Item 4

### Amendment of the Articles of Association

#### 4.1. Adaptation of the English version of the company name

##### A. Motion

The Board of Directors proposes that article 1 of the Articles of Association be amended as follows:

Current version	Proposed new version ( <i>changes in italics</i> )
<b>Article 1</b> Name and registered office  A corporation limited by shares under the name of UBS AG/UBS SA/UBS Ltd. is established with a registered office in Zurich and Basel.	  A corporation limited by shares under the name of UBS AG/UBS SA/ <i>UBS Inc.</i> is established with a registered office in Zurich and Basel.

##### B. Explanations

The English translation “UBS Ltd.” was never used by the Parent Company, because a subsidiary in London has been carrying this name for some time before the UBS/SBC merger. In the context of the introduction of the single brand “UBS” and the elimination of the Warburg and PaineWebber sub-brands, there might

be additional need for using UBS Limited/UBS Ltd. for subsidiaries. In order to avoid confusion between these subsidiaries and the Parent Company, “UBS Inc.” shall be used as the English translation for UBS AG in the Articles of Association.

#### 4.2. Joint shareholdings/Entry in the share register

##### A. Motion

The Board of Directors proposes that article 5 and article 7 of the Articles of Association be amended as follows:

Current version	Proposed new version ( <i>changes in italics</i> )
<b>Article 5</b> Share register and nominees  1 A share register is maintained for the registered shares, in which owners' and usufructuaries' family and given names are entered, with their complete address and nationality (or registered office for legal entities). 2–6 unchanged	  1 A share register is maintained for the registered shares, in which owners' and usufructuaries' family and given names are entered, with their complete address and nationality (or registered office for legal entities). <i>Shares held in joint accounts may be registered jointly with voting rights, if all registered owners of the shares provide the declaration requested in paragraph 3 below.</i>

Current version	Proposed new version ( <i>changes in italics</i> )
<b>Article 7</b>	
Exercise of rights	
1	1
Shares are indivisible. The Corporation recognizes only one representative per share.	<i>(...) The Corporation recognizes only one representative per share.</i>
2	
unchanged	

## B. Explanations

### Article 5

Many of our US shareholders have joint accounts in which they hold their shares. In particular, many UBS shareholders that were shareholders of Paine Webber Group Inc. are accustomed to having the ability to represent their shares jointly. The proposed amendment to the Articles of Association will allow joint registrations in our share register. Joint registration will remain subject to the requirement that all joint owners of the shares provide a declaration that they acquired these shares in their own names and for their own account.

### Article 7

The first sentence states a fundamental principle of Swiss law. It is unnecessary to repeat it. The second sentence retains the important rule that only one person per share may exercise representation rights (primarily voting rights). Holders of jointly registered shares may, however, request that the total number of voting rights jointly registered be split for the AGM, so that all owners can exercise their respective part of the voting rights.

## 4.3. Placing of items on the agenda

### A. Motion

The Board of Directors proposes that article 12 of the Articles of Association be amended as follows:

Current version	Proposed new version ( <i>changes in italics</i> )
<b>Article 12</b>	
Placing of items on the agenda	
1	1
Shareholders representing shares with an aggregate par value of one million Swiss francs may submit proposals for matters to be placed on the agenda for consideration by the General Meeting, provided that their proposals are submitted in writing within the deadline published by the Corporation and include the actual motion(s) to be put forward.	Shareholders representing shares with an aggregate par value of <i>250,000 Swiss francs</i> may submit proposals for matters to be placed on the agenda for consideration by the General Meeting, provided that their proposals are submitted in writing within the deadline published by the Corporation and include the actual motion(s) to be put forward.
2	
unchanged	

## B. Explanations

As a consequence of the par value repayments over the past years the hurdle for shareholders to put items on the AGM agenda was significantly increased. Initially – taking the 3 for 1 split of 2001 into account – approximately 300,000 shares were required. The par value repayment of 2001 increased this num-

ber to 357,000 and the one in 2002 to 1.25 million. The proposed amendment to the Articles of Association brings the number of shares required for the exercise of this shareholders' right back to 312,500.

#### 4.4. Term of office of Board members

##### A. Motion

The Board of Directors proposes that article 19 of the Articles of Association be amended as follows:

Current version	Proposed new version ( <i>changes in italics</i> )
<p><b>Article 19</b> Term of office</p> <p>1 The term of office for members of the Board of Directors is four years, with the interval between two Annual General Meetings being deemed a year for this purpose. The initial term of office for each Director shall be fixed in such a way as to assure that about one fourth of all the members have to be newly elected or re-elected every year.</p> <p>2 unchanged</p>	<p>1 The term of office for members of the Board of Directors is <i>three</i> years, with the interval between two Annual General Meetings being deemed a year for this purpose. The initial term of office for each Director shall be fixed in such a way as to assure that about one <i>third</i> of all the members have to be newly elected or re-elected every year.</p>

##### B. Explanations

New corporate governance standards propose shorter terms of office for the members of the Board of Directors, allowing for quicker reaction to changing needs and changed qualification requirements for Board members. The reduction from four to

three years brings more flexibility, without unduly reducing the accumulated experience within the Board or jeopardizing the Board's consistency.

#### 4.5. Appointment of members of the Group Managing Board

##### A. Motion

The Board of Directors proposes that article 24 of the Articles of Association be amended as follows:

Current version	Proposed new version ( <i>changes in italics</i> )
<p><b>Article 24</b> Ultimate responsibility for the management of the Corporation</p> <p>Ultimate responsibility for the management of the Corporation comprises in particular:</p> <p>a)–d) unchanged</p> <p>e) Appointment and removal of the President and the members of the Group Executive Board, the members of the Group Managing Board and the head of Group Internal Audit</p> <p>f) unchanged</p>	<p>e) Appointment and removal of the President and the members of the Group Executive Board (...) and the head of Group Internal Audit.</p>

##### B. Explanations

The Articles currently provide that the Board of Directors appoint the members of the Group Managing Board. The President of the Group Executive Board shall have this authority going forward. For his own direct reports (GMB members within the Corporate Center) ratification of appointments by the

Chairman of the Board will be required. The members of the Group Managing Board are drawn from the Management Committees of the Business Groups and the Corporate Center. The selection of the Management Committee members falls within the responsibilities of the Business Group CEOs.

## Item 5

### Elections

#### 5.1. Re-election of Board members

##### A. Motion

The Board of Directors proposes that the following members of the Board be re-elected for a three-year term of office:

- 5.1.1. Peter Böckli
- 5.1.2. Johannes A. de Gier
- 5.1.3. Rolf A. Meyer

##### B. Explanations

The term of office of Peter Böckli, Johannes A. de Gier and Rolf A. Meyer expires at the 2003 AGM. All three gentlemen are prepared to stand for re-election:

###### 5.1.1.

Peter Böckli (1936) has been a member of the Board since the merger in 1998, after having served on the Board of Swiss Bank Corporation since 1985. He is non-executive, independent Vice Chairman of the Board and chairman of its Nominating Committee. Professor Böckli is a partner in the law office Böckli Bodmer & Partners in Basel and a Swiss citizen.

###### 5.1.2.

Johannes A. de Gier (1944) has been on the Board since 2001 and was one of the Executive Vice Chairmen until recently. After having taken responsibility as Chairman of the newly established holding company within the UBS Group, in which the five Private Label Banks and GAM, UBS' specialist asset management firm, are being integrated, he stepped down as Vice Chairman in February, but is prepared to stand for re-election as Board member. Johannes A. de Gier is a Dutch citizen.

###### 5.1.3.

Rolf A. Meyer (1943) has been a member of the Board since the merger in 1998, after having been a member of the Board of Union Bank of Switzerland since 1992. He is the chairman of the Compensation Committee and a member of the Audit Committee of the Board. Rolf A. Meyer holds a number of international Board mandates. He is a Swiss citizen.

Detailed CVs of the three gentlemen are published in the "Handbook 2002/2003" and are available on the Internet under [www.ubs.com/about](http://www.ubs.com/about).

#### 5.2. Re-election of Group and Statutory Auditors

##### A. Motion

The Board of Directors proposes to re-elect Ernst & Young Ltd., Basel, for a one-year term of office as Group and Statutory Auditors.

##### B. Explanations

Ernst & Young Ltd., Basel, upon proposal from the Audit Committee to the Board, is proposed for re-election for a further year in office as Group and Statutory Auditors. Ernst & Young have confirmed to the Audit Committee that it possesses the level of independence required to take on this role and that it satisfies the requirements in terms of independence imposed by the US Securities and Exchange Commission (SEC). Ernst & Young have been in charge of the UBS audit since the merger in 1998. The "Handbook 2002/2003" provides additional information on Ernst & Young's independence and the fees paid, as well as on the lead audit partners in charge.

#### 5.3. Re-election of Special Auditors

##### A. Motion

The Board of Directors proposes to re-elect Deloitte & Touche AG, Basel, for a three-year term of office as Special Auditors.

##### B. Explanations

Deloitte & Touche AG, Basel, upon proposal from the Audit Committee to the Board, is proposed for re-election for a further three-year term of office as Special Auditors. Special Auditors have to be appointed according to article 31 paragraph 3 of the Articles of Association for providing opinions legally required in the context of capital increases. The SEC prohibits, for reasons of independence, that the principal auditors provide such opinions.



## Item 6

### Capital reduction

#### 6.1. Cancellation of shares repurchased under the 2002/2003 and 2002 b share buyback programs and respective amendment of article 4 of the Articles of Association

##### A. Motion

The Board of Directors proposes that 67,700,000 shares repurchased under the buyback program approved by the 2002 AGM and 8,270,080 shares repurchased under an additional buyback program approved by the Board of Directors, therefore a total of 75,970,080 shares, be cancelled and the share capital of the Corporation accordingly reduced by CHF 60,776,064.

Article 4 of the Articles of Association shall be amended as follows:

Current version	Proposed new version ( <i>changes in italics</i> )
<b>Article 4</b> Share capital	
1 The share capital of the Corporation is CHF 1,005,038,142.40 (one billion, five million, thirty-eight thousand, one hundred and forty-two Swiss francs and forty centimes), divided into 1,256,297,678 registered shares with a par value of CHF 0.80 each. The share capital is fully paid up.	1 The share capital of the Corporation is <i>CHF 944,262,078.40 (nine hundred and forty-four million, two hundred and sixty-two thousand, seventy-eight Swiss francs and forty centimes)</i> , divided into <i>1,180,327,598</i> registered shares with a par value of CHF 0.80 each. The share capital is fully paid up.
2 unchanged	

##### B. Explanations

The AGM on 18 April 2002 authorized the Board of Directors to buy back UBS shares in a maximum amount of CHF 5 billion via a second trading line on the virt-x exchange and subsequently to cancel them. Until 8 October 2002 a total of 67,700,000 shares with an overall market value of CHF 4,999,258,226.95 were repurchased under this program. The average purchase price was CHF 73.84. On 27 September 2002, the Board of Directors decided to launch an additional buyback program. Until 5 March 2003 8,270,080 shares were purchased under this program via the second trading line on the virt-x exchange with an

aggregate value of CHF 529,878,075.05 and an average purchase price of CHF 64.07. The Board of Directors now proposes to the AGM to approve the cancellation of the 75,970,080 shares repurchased and to reduce the share capital in article 4 of the Articles of Association accordingly.

Ernst & Young as Statutory Auditors have confirmed in a special audit report on behalf of the AGM that as at 31 December 2002 the claims of creditors were fully covered even after the reduction in capital and that the Bank has adequate liquidity.

## 6.2. Approval of a new 2003 / 2004 share buyback program

### A. Motion

The Board of Directors proposes that the following resolution be approved:

“The Board of Directors shall be authorized to buy back a maximum amount of CHF 5 billion in UBS shares via a second trading line on the virt-x exchange. These shares are to be cancelled definitively and are not therefore regarded as own shares within the meaning of Article 659 of the Swiss Code of Obligations. The required amendment to the Articles of Association (reduction of share capital) will be submitted to the AGM in 2004 for approval.”

### B. Explanations

Shares shall be repurchased for cancellation if the firm's capitalization remains at its current high level. The Board of Directors

again requests the AGM to authorize the repurchase of a maximum amount of CHF 5 billion in UBS shares. The new buyback program 2003/2004 was announced on 6 March 2003.

The Board of Directors has again decided to proceed in two stages, with shareholders taking the decision in principle at the first AGM and deciding on the definitive cancellation of the shares at the next AGM. By obtaining shareholders' approval for the future cancellation of the repurchased shares, these shares no longer fall under the statutory limit of Swiss Company Law, which prohibits companies from holding more than 10% of their own shares. The proposed procedure provides greater flexibility, which UBS believes to be in the interests of efficient capital management and the ongoing trading activities of the Bank.

Ernst & Young Ltd. as Statutory Auditors have confirmed in a special audit report on behalf of the Board of Directors that the claims of creditors were fully covered even after this additional capital reduction and that the Bank has adequate liquidity.





UBS AG  
P.O. Box, CH-8098 Zurich  
P.O. Box, CH-4002 Basel

[www.ubs.com](http://www.ubs.com)