

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>)
Article 1 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>)
Article 5 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>)
Article 7	
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>)
Article 12	
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>Article 19 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>Article 24 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.