

# Invitation

## to the 1<sup>st</sup> Ordinary General Meeting of Shareholders of UBS AG

Thursday, 22 April 1999, 2.30 p.m.  
in the Hallenstadion, Wallisellenstrasse 45, Zurich, Switzerland.  
Doors open at 1.30 p.m.

### **Agenda**

1. Annual Report, Group Accounts for 1998 and Parent Company Accounts for the period 1 October 1997 to 31 December 1998; Reports of the Group and Parent Company Auditors
2. Appropriation of Retained Earnings
3. Discharge of the Members of the Board of Directors and Group Executive Board
4. Elections

## Item 1

### Annual Report, Group Accounts for 1998 and Parent Company Accounts for the period 1 October 1997 to 31 December 1998; Reports of the Group and Parent Company Auditors

#### A. Proposal

The Board of Directors proposes that the report on the financial year 1998, the Group Accounts for the year ending 31 December 1998 and the Parent Company Accounts for the extended financial year from 1 October 1997 to 31 December 1998 be approved.

#### B. Explanations

The report on the financial year 1998 is contained in the Annual Review, a copy of which is sent to all registered shareholders. A more detailed version is published in the Financial Report, copies of which can be ordered by shareholders.

Operating income as per the Group Income Statement came to CHF 22,328 million with operating expenses of CHF 18,258 million; pre-tax profit was CHF 4,070 million and profit after taxes and minority interests was CHF 3,030 million. The Group's total assets were down 13% to CHF 944.1 billion.

The Parent Company Accounts cover the period from 1 October 1997 to 31 December 1998 in accordance with Art. 32 of the articles of association of UBS AG. They thus contain the merger-related restructuring provision of CHF 7 billion, which was charged to the 1997 Group Accounts. In the Parent Company Accounts, which cover a period of 15 months, operating income amounts to CHF 23,062 million and operating expenses to CHF 14,267 million, with an operating profit of CHF 8,795 million. After deducting depreciation and amortization, provisions, extraordinary income and expenses as well as taxes, net profit for the period came to CHF 650 million.

The auditors ATAG Ernst & Young Auditing Ltd. recommend in their reports to the General Meeting of Shareholders that the Group Accounts and the Parent Company Accounts be approved.

## Item 2

### Appropriation of Retained Earnings

#### A. Proposal

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

Profit for the extended financial year (1 October 1997–31 December 1998)	CHF	650 million
Release of Other reserves	CHF	1,690 million
<u>Retained earnings from previous year</u>	CHF	3 million
<u>Available for appropriation</u>	CHF	<u>2,343 million</u>
Appropriation to general statutory reserve	CHF	190 million
Proposed dividends	CHF	2,150 million
<u>Retained earnings carried forward</u>	CHF	<u>3 million</u>

#### B. Explanations

The Board of Directors proposes that the General Meeting of Shareholders approve payment of a dividend of CHF 10 per registered share. This corresponds to the amount paid by both predecessor banks last year.

Since the Parent Company Accounts show a profit of only CHF 650 million as a result of the restructuring charge, an amount of CHF 1,690 million is to be taken from Other reserves established in prior years. If the General Meeting approves the proposal, the dividend for the financial year 1998 will be paid on 27 April 1999, after deduction of 35% federal withholding tax, to the shareholders entered in the share register or their custodian banks.

## Item 3

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

#### A. Proposal

The Board of Directors proposes that discharge be granted to

- 3.1 the Members of the Board of Directors of the former Swiss Bank Corporation for the period from 1 October 1997 to 26 June 1998
- 3.2 the Members of the Board of Directors and Group Executive Board of the former Union Bank of Switzerland for the period from 1 October 1997 to 29 June 1998
- 3.3 the Members of the Board of Directors and Group Executive Board of UBS AG for the financial year 1998

#### B. Explanations

Until the legal completion of the merger the corporate bodies of the two predecessor banks were responsible for the progress of business. It is therefore necessary for separate resolutions to be passed granting discharge. The merger of Swiss Bank Corporation (SBC) into the new UBS AG was formally completed on 26 June 1998, that of Union Bank of Switzerland (UBS) on 29 June 1998. Whereas the articles of association of SBC provided merely for the discharge of the Board of Directors, in the case of UBS discharge was required to be granted to both the Board of Directors and the Group Executive Board.

The corporate bodies of UBS AG assumed responsibility for the new company with their entry in the commercial register (Board of Directors on 20 February 1998; Group Executive Board on 22 June 1998). The resolution granting discharge therefore applies in the case of the Board of Directors to the period from 20 February to 31 December 1998 and in the case of the Group Executive Board to the period from 22 June to 31 December 1998.

## Item 4

### Elections

#### A. Proposal

The Board of Directors proposes that

- 4.1 a) Alex Krauer be re-elected for the period up to the General Meeting of Shareholders 2002 and Peter Bökli and Rolf A. Meyer for a four-year term of office;
- b) Eric Honegger, Thalwil, be newly elected for a four-year term of office;
- 4.2 ATAG Ernst & Young Ltd., Basle, be elected as Group and Parent Company Auditors for a one-year term of office.

#### B. Explanations

Alex Krauer, whose term of office would normally expire as of the General Meeting 2000, has assumed the office of Chairman of the Board of Directors. He is therefore seeking confirmation of his mandate at the General Meeting. He intends to perform these duties up to the General Meeting 2002, at which point he will reach the age of retirement as provided by the articles of association.

Peter Bökli and Rolf A. Meyer, whose terms of office are due to expire, are standing for re-election.

Eric Honegger, Thalwil, has been nominated as a new member of the Board of Directors. He will be standing down from the Government of Canton Zurich at the end of May, having been the director of building works on the government for four years and the director of finance for the last eight years. He is chairman designate of the Board of Directors of the SAirGroup.

## **Admission cards for the General Meeting**

Shareholders can order their admission cards from the following address up to 16 April using the order form attached to this invitation: UBS AG, Share Register, P.O. Box, CH-8098 Zurich.

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

## **Representation at the General Meeting**

Shareholders may be represented at the General Meeting by their legal representative or by any other shareholder who is entitled to vote at the Meeting, a written proxy being required in the latter case. In addition, every shareholder is entitled to have his shares represented at the General Meeting by

- his bank as a custody proxy (i.e. for shares held in its custody)
- UBS AG as a corporate proxy or a custody proxy
- Schweizerische Treuhandgesellschaft/Swiss Auditing and Fiduciary Company (Professor Carl Helbling), P.O. Box, 8035 Zurich, as an independent proxy.

Custody proxies in accordance with Art. 689d of the Swiss Code of Obligations are requested to report as early as possible, but at the latest on 22 April during the admission check, the number of the shares they are representing. Custody proxies are those institutions governed by the Federal Law of 8 November 1934 Relating to Banks and Savings Banks, as well as professional asset managers.

## **Resolutions of the General Meeting**

The resolutions passed at the Ordinary General Meeting on 22 April will be available for inspection at our head offices in Zurich and Basle from 23 April.

Zurich and Basle, 22 March 1999

UBS AG

For the Board of Directors

The Chairman: Alex Krauer

The Secretary: Gertrud Erismann-Peyer