

Invitation

to the Annual General Meeting of UBS AG

Tuesday, 18 April 2000, 2.30 p.m.
(doors open 1.30 p.m.)
St. Jakobshalle
Brüglingerstrasse 21, 4052 Basel

Agenda

1. Annual Report, Group and Parent Company Accounts for 1999
Reports of the Group and Parent Company Auditors
2. Appropriation of retained earnings
3. Discharge of the members of the Board of Directors and
the Group Executive Board
4. Elections
5. Partial amendment of the Articles of Association
6. Stock split
7. Capital reduction

Item 1

Annual Report, Group and Parent Company Accounts for 1999; Reports of the Group and Parent Company Auditors

A. Resolution

The Board of Directors proposes that the report on the financial year 1999 and the Group and Parent Company Accounts for 1999 be approved.

B. Explanations

The reports of the Board of Directors and the Group Executive Board are contained in the Financial Report, copies of which can be ordered by shareholders. All shareholders registered with the company will automatically receive a copy of the Annual Review, in which the most important information is summarized.

The Group income statement shows total operating income of CHF 28,621 million and total operating expenses of CHF 20,452 million, pre-tax profit of CHF 8,169 million and Group net profit of CHF 6,300 million. Group total assets increased by CHF 37.5 billion to CHF 981.6 billion. Shareholders' equity came to CHF 34.8 billion at year-end.

At the Parent Company net profit for the year was CHF 6,788 million. With total operating income of CHF 22,560 million and total operating expenses of CHF 14,332 million, operating profit came to CHF 8,228 million. Depreciation, write-offs and provisions amounted to CHF 2,238 million, extraordinary income to CHF 2,518 million, extraordinary expenses to CHF 411 million and taxes to CHF 1,309 million.

ATAG Ernst & Young Ltd. recommend in their reports to the General Meeting that the Group and Parent Company Accounts be approved. The Group Auditors confirm that the Group Accounts present a true and fair view of the Group's financial position, the results of operations and the cash flows.

Item 2

Appropriation of retained earnings

A. Resolution

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

Profit for the financial year 1999	CHF 6,788 million
Retained earnings from prior year	CHF 3 million
Available for appropriation	<u>CHF 6,791 million</u>
Appropriation to general	
statutory reserve	CHF 215 million
Appropriation to other reserves	CHF 4,200 million
Proposed dividends	CHF 2,364 million
Retained earnings carried forward	<u>CHF 12 million</u>

B. Explanations

The Board of Directors proposes that the General Meeting of Shareholders approve an increase in the dividend from CHF 10 to CHF 11 per share.

If the General Meeting approves the proposal, the dividend will be paid to shareholders or their depository banks on 26 April 2000 after deduction of 35% Swiss withholding tax.

Item 3

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

Resolution

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 1999.

Item 4

Elections

A. Resolution

The Board of Directors proposes that

- 4.1. Hans Peter Ming and Andreas Reinhart be re-elected for a four-year term of office;
- 4.2. ATAG Ernst & Young Ltd., Basel, be elected as Group and Parent Company Auditors for a one-year term of office.

B. Explanations

The terms of office of Hans Peter Ming, Chairman of the Board of Directors of Sika Finanz AG, Baar, and Andreas Reinhart, Chairman of the Board of Directors of Volkart Brothers Holding Ltd., Winterthur, expire with effect from the AGM 2000. Both directors are standing for re-election.

Item 5

Partial amendment of the Articles of Association Amendment of article 5 paragraphs 1–6, article 7 paragraph 2, article 11 paragraph 1, article 16 paragraph 3, article 18, article 21 paragraph 1, article 24 clauses f and g, article 25 clause b, article 29, article 30 paragraphs 2 clause d and 3, article 31 paragraph 3 (new) and article 32 paragraph 2

A. Resolution

The Board of Directors proposes the amendments to the Articles of Association as described on pages 4–7.

Current version

Share capital

Share register and nominees

Article 5

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). Persons entitled to voting rights but not ownership rights under the provisions of the law may request a notation to this effect in the share register (legal usufructuary, legal representative of minors, etc.).

2

Those who acquire registered shares shall be entered in the share register as shareholders with voting rights if they expressly declare that they acquired these registered shares in their own names and for their own account. If the party acquiring the shares is not prepared to provide such a declaration, the Board of Directors may refuse to allow the shares to be entered with voting rights. The Board of Directors shall draw up principles for the entry of fiduciaries and trustees/nominees in the share register.

3

The Board of Directors is authorized, after hearing the position of the registered shareholder or nominee affected, to strike the entry of a shareholder with voting rights from the share register retroactively with effect to the date of the entry if it was obtained under false pretences. The party affected must be informed of the action immediately.

4

The Board of Directors shall determine the ways and means of implementing these provisions and shall issue the necessary orders to ensure compliance therewith. It may also delegate its powers in this regard.

5

The restriction on registration under paragraph 2 above also applies to shares acquired by the exercise of pre-emptive, option or conversion rights.

6

If the mailing address of a shareholder changes, the new address must be communicated to the Corporation. As long as this has not been done, all written communications will be sent to the address entered in the share register, this being valid according to the requirements of the law.

4

Proposed new version

(Changes in italics)

Share register and nominees

Article 5

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 (current paragraph 6)

If the mailing address of a shareholder changes, the new address must be communicated to the Corporation. As long as this has not been done, all written communications will be sent to the address entered in the share register, this being valid according to the requirements of the law.

3 (current paragraph 2)

Those who acquire registered shares shall be entered in the share register as shareholders with voting rights if they expressly declare that they acquired these registered shares in their own names and for their own account. If the party acquiring the shares is not prepared to provide such a declaration, the Board of Directors may refuse to allow the shares to be entered with voting rights. (...)

4 (current paragraph 5)

The restriction on registration under paragraph 3 above also applies to shares acquired by the exercise of pre-emptive, option or conversion rights.

5 (current paragraph 3)

The Board of Directors is authorized, after hearing the position of the registered shareholder or nominee affected, to strike the entry of a shareholder with voting rights from the share register retroactively with effect to the date of the entry, if it was obtained under false pretences. The party affected must be informed of the action immediately.

6 (current paragraphs 2, last sentence, and 4)

The Board of Directors formulates general principles relating to the registration of fiduciaries/nominees and issues the necessary regulations to ensure compliance with the above provisions.

Exercise of rights

Article 7 paragraph 2

Voting rights and associated rights conveyed by a registered share may only be exercised in relation to the Corporation by a party entered or noted in the share register as having the right to vote.

Exercise of rights

Article 7 paragraph 2

Voting rights and associated rights (...) may only be exercised in relation to the Corporation by a party entered (...) in the share register as having the right to vote.

General Meeting of Shareholders

Convening

Article 11 paragraph 1

The General Meeting shall be called by the Board of Directors, or if need be by the Statutory Auditors, at least twenty days before the meeting is to take place. The meeting is called by publishing a single notice in the publication of record designated by the Corporation. Registered shareholders may also be notified in writing.

Convening

Article 11 paragraph 1

The General Meeting shall be called by the Board of Directors, or if need be by the Statutory Auditors, at least twenty days before the meeting is to take place. The meeting is called by publishing a single notice in the publication of record designated by the Corporation. *An invitation will be sent to all shareholders registered.*

Resolutions, elections

Article 16 paragraph 3

Voting on resolutions and elections shall take place with a show of hands, but a written ballot shall be adopted if requested by at least 3% of the votes represented or if the presiding Officer so orders.

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Article 16 paragraph 3

Voting on resolutions and elections shall take place with a show of hands, but a written ballot shall be adopted if requested by at least 3% of the votes represented or if the presiding Officer so orders. *A written ballot or election may also be conducted electronically.*

Board of Directors

Number of Board members

Article 18

The Board of Directors shall consist of at least eight and no more than twelve members.

Number of Board members

Article 18

The Board of Directors shall consist of at least *six* and no more than twelve members.

Convening, participation

Article 21 paragraph 1

The Chairman's Office shall convene the Board of Directors as often as business requires, but at least every two months.

Convening, participation

Article 21 paragraph 1

The *Chairman* shall convene the Board of Directors as often as business requires, but at least *six times a year*.

Ultimate direction of the Corporation

Article 24 clause f

The ultimate direction of the Corporation comprises in particular:

f) Appointment and removal of members of Senior Management

Supervision, control

Article 25 clause b

Supervision and control of the business management comprises in particular the following:

b) Acceptance of regular reports covering the course of business and the position of the Group and the individual business Divisions, the status and development of country, counter-party and market risks and the extent to which equity and risk capital are tied up due to business operations

Ultimate direction of the Corporation

Article 24 clause f

The ultimate direction of the Corporation comprises in particular:

f) *delete*
g) *new clause f)*

Supervision, control

Article 25 clause b

Supervision and control of the business management comprises in particular the following:

b) Acceptance of regular reports covering the course of business and the position of the Group (...), the status and development of country, counter-party and market risks and the extent to which equity and risk capital are tied up due to business operations

Group Executive Board

Organization

Article 29

The Group Executive Board is composed of the President (Group Chief Executive Officer), the heads of the Corporate Center functional areas and the heads of the Divisions.

Functions, authorities

Article 30 paragraph 2 clause d

The Group Executive Board has the following principal responsibilities:

d) Appointing and removing members of management; this authority may be delegated to the divisional managing boards.

Article 30 paragraph 3

The functions and authorities of the Group Executive Board, the heads of Corporate Center functional areas and the heads of the Divisions are to be defined by the Organization Regulations.

Organization

Article 29

The Group Executive Board is composed of the *Group Chief Executive Officer, the Chief Financial Officer and at least three other members with important group functions.*

Functions, authorities

Article 30 paragraph 2 clause d

The Group Executive Board has the following principal responsibilities:

d) *delete*

Article 30 paragraph 3

The functions and authorities of the Group Executive Board *and other management units designated by the Board of Directors* are to be defined by the Organization Regulations.

Statutory and Group Auditors

Term of office, authority and duties

Term of office, authority and duties

Article 31 paragraph 3 (new)

The General Meeting may appoint Special Auditors for a term of three years, who provide the attestations required for capital increases.

Financial statements and appropriation of profit, reserves

Financial year

Article 32 paragraph 2

As the result of the merger described in Art. 37 of these Articles of Association the following exceptional closing dates apply:

- 1997 parent company financial statements:
as of September 30, 1997
- 1997–98 parent company financial statements:
as of December 31, 1998 for the income statement covering the period beginning on October 1, 1997
- 1997–98 consolidated financial statements: as of December 31, 1998 for the income statement covering the period beginning on January 1, 1998 (the period from October 1, 1997 to December 31, 1997 shall be covered by the consolidated financial statements issued by Union Bank of Switzerland and Swiss Bank Corporation).

Financial year

Article 32 paragraph 2

delete

B. Explanations

The proposed amendments consist largely of adjustments to the Articles of Association which seem appropriate in the light of experience since the merger date. Some consist of terminological and editorial changes and some constitute a response to new requirements.

1. Changes in the organization and delegation of authorities

The proposed changes to the organization of UBS AG provide for greater flexibility. The minimum number of directors is to be reduced from eight to six (art. 18). The composition of the Group Executive Board is to be made more open to ensure greater flexibility in responding to new requirements in the future (art. 29). The proposed amendments to article 25 clause b and article 30 paragraph 3 are required by the recent changes to the Group's business structure. They are to be formulated in a more open fashion to facilitate future changes. The amendment to article 16 paragraph 3 of the Articles of Association will provide for voting to take place electronically. With a view to the planned listing of UBS shares on the New York Stock Exchange article 31 paragraph 3 is to be amended to incorporate the possibility of electing special auditors as required by the US Securities and Exchange Commission for special cases involving capital increases.

The proposed amendments to article 24 clause f and article 30 paragraph 2 clause d are an adjustment to the practical reality of our current situation. The requirement that all senior executives of the Bank worldwide be appointed by the Board of Directors is no longer practical given the size of the organization. The Federal Banking Commission has approved the proposed delegation of authorities.

2. Terminological and editorial changes

The obsolete term "Aktienbuch" will be replaced by "Aktienregister" in the German version. The restructuring of article 5 does not entail any material changes to the content. Its purpose is to render the text easier to understand and more in line with practical needs. Article 32 paragraph 2 can be deleted as it described the exceptional accounting dates made necessary by the merger.

Item 6**Stock split****A. Resolution**

The Board of Directors proposes that articles 4 paragraph 1 and 4a of the Articles of Association be rewritten as described on the next page.

B. Explanations

The proposed 2-for-1 stock split will reduce the par value of the shares to the minimum of CHF 10 permissible by law. A lighter share is desirable with a view to the planned listing of UBS AG shares on the New York Stock Exchange as our shares have a relatively high market price compared with US and European shares. Their tradability and resultant liquidity will be enhanced by the reduction in par value.

The number of shares will double as a result of the split, while the share capital remains unchanged.

Current version

Share capital

Share capital

Article 4 paragraph 1

The share capital of the Corporation is CHF 4,308,931,620 (four billion, three hundred and eight million, nine hundred and thirty-one thousand, six hundred and twenty Swiss francs), divided into 215,446,581 registered shares. Each share has a par value of CHF 20. The share capital is fully paid up.

Conditional capital

Article 4a

1 ...

The share capital will be increased, under exclusion of shareholders' preemptive rights, by a maximum of CHF 8,885,240 corresponding to a maximum of 444,262 registered shares of CHF 20 par value each (which must be fully paid up) through the exercise of warrants issued in connection with the 1996 optional dividend of the former Swiss Bank Corporation.

...

2 ...

The share capital will be increased, under exclusion of shareholders' preemptive rights, by a maximum of CHF 2,532,620 corresponding to a maximum of 126,631 registered shares of CHF 20 par value each (which must be fully paid up) through the exercise of subscription rights granted to employees of the former Swiss Bank Corporation as a means of participation in the Corporation.

...

Proposed new version

(Changes in italics)

Share capital

Article 4 paragraph 1

The share capital of the Corporation is CHF 4,308,931,620 (four billion, three hundred and eight million, nine hundred and thirty-one thousand, six hundred and twenty Swiss francs), divided into *430,893,162* registered shares with a par value of *CHF 10* each. The share capital is fully paid up.

Conditional capital

Article 4a

1 ...

The share capital will be increased, under exclusion of shareholders' preemptive rights, by a maximum of CHF 8,885,240, corresponding to *888,524* registered shares of *CHF 10* par value each (which must be fully paid up) through the exercise of warrants issued in connection with the 1996 optional dividend of the former Swiss Bank Corporation.

...

2 ...

The share capital will be increased, under exclusion of shareholders' preemptive rights, by a maximum of CHF 2,532,620, corresponding to a maximum of *253,262* registered shares of *CHF 10* par value each (which must be fully paid up) through the exercise of subscription rights granted to employees of the former Swiss Bank Corporation as a means of participation in the Corporation.

...

Item 7

Capital reduction

A. Resolution

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

The Board of Directors shall be authorized to buy back a total amount of no more than CHF 4 billion or 9,673,934 shares via a second trading line on the stock 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 2001 for approval.

B. Explanations

With the aim of reducing its share capital UBS AG set up a second trading line on the Swiss Exchange on 17 January 2000 for the purpose of buying back our own shares. The share buyback program will run until March 2001. Its aim is to eliminate capital which is no longer needed, this being in the interests of our shareholders, who will benefit from higher earnings per share.

The Board of Directors has decided to put the basic question of reducing capital to this year's Annual General Meeting. The definitive capital reduction cannot take place until the exact amount of the reduction is known, that is, when the buyback program is completed. A second resolution will therefore need to be approved at the AGM in 2001. By proceeding in two stages like this we have the advantage that by obtaining shareholders' approval for the elimination of a maximum amount of shares, these shares no longer fall under the statutory limit, which prohibits companies from holding more than 10% of their own shares. We thus gain greater flexibility which is in the interests of the Bank's trading activities.

The auditors ATAG Ernst & Young Ltd. have confirmed in a special audit report to the Board of Directors that the claims of creditors are fully covered even after the reduction in our capital and that the liquidity of the Bank is assured. The call to register claims was published in the Swiss Commercial Gazette on the 9th, 10th and 14th of February 2000.

Admission cards for the General Meeting

Shareholders can order their admission cards from the following address up to 12 April using the order form attached to this invitation: UBS AG, Shareholder Services, 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 Annual 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 18 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.

Zurich and Basel, 20 March 2000

UBS AG
For the Board of Directors
The Chairman: Alex Krauer
The Secretary: Gertrud Erismann-Peyer



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