

Say-on-pay

Shareholder information on compensation votes at the
[UBS Group AG Annual General Meeting 2023](#)

Page 2–7

Say-on-non- financial-reporting

Shareholder information on the sustainability vote at the
[UBS Group AG Annual General Meeting 2023](#)

Page 8–11



Say-on-pay

Shareholder information on compensation votes at the
UBS Group AG Annual General Meeting 2023

Dear Shareholder,

In 2022, the macroeconomic and geopolitical environment became increasingly challenging. Our globally diversified business and the disciplined execution of our strategy enabled us to deliver value for both our clients and you, our shareholders. We have outstanding client franchises underpinned by a balance sheet for all seasons, a strong risk culture and an intense focus on costs. We delivered good results in 2022 and achieved our Group financial targets for the full year. We enter 2023 in a position of strength and continue to execute on our proven strategy, enabling us to invest into growth and deliver attractive and sustainable returns to shareholders.

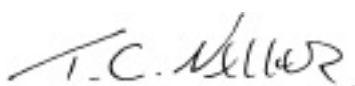
As part of our ongoing engagement with shareholders during 2022, we received positive feedback on our compensation framework. We believe it is well suited to support our ambitions for the Group and provides strong alignment with shareholders. It supports pay-for-performance through business cycles, incentivizes both annual and longer-term performance, and reinforces our attractiveness in the increasing competition for the best talents. Furthermore, Environmental, Social and Governance objectives linked to our sustainability priorities are considered across the compensation determination process.

This publication provides you with information on the compensation proposals submitted to this year's Annual General Meeting (the AGM). More information regarding our compensation framework for the Group Executive Board (the GEB) and the Board of Directors (the BoD), including related governance and policies, is provided in our Annual Report. The report is available at ubs.com/annualreport.

At the upcoming 2023 AGM, we ask our shareholders to vote on the compensation for the BoD from the 2023 AGM to the 2024 AGM, the variable compensation for the GEB for 2022 and the fixed compensation for the GEB for 2024. In addition, we also ask our shareholders for an advisory vote on our Compensation Report, which describes our compensation framework, including our principles, governance and approach.

We are grateful for your participation and respectfully ask for your continued support.

Sincerely,



Colm Kelleher
Chairman of the Board of Directors

At the 2023 AGM, UBS Group AG shareholders are invited to vote on the following compensation-related items. The binding votes on compensation and the advisory vote on the compensation report reflect our commitment to our shareholders having their say on pay.

Agenda item 2. Advisory vote on the UBS Group AG Compensation Report 2022

The Board of Directors proposes that the UBS Group AG Compensation Report 2022 be ratified in an advisory vote.

Our unchanged compensation approach continues to encourage employees to focus on client centricity, connectivity and sustainable impact in everything we do. It further supports our growth ambitions as well as our focus on capital strength, risk management and simplification and efficiency. Moreover, we reward behaviors that help build and protect the firm's reputation, specifically accountability with integrity, collaboration and innovation.

Our Total Reward approach

At UBS, we apply a holistic Total Reward approach, generally consisting of fixed compensation (base salary and role-based allowances, if applicable), performance awards, pension contributions and benefits. For employees whose total compensation exceeds certain levels, performance awards are delivered in a combination of cash, deferred contingent capital awards and deferred share-based awards.

A substantial portion of performance awards is deferred and vests over a five-year period (or longer for certain regulated employees). This deferral approach supports alignment of employee and investor interests, our capital base and the creation of sustainable shareholder value. We believe our deferral regime has one of the longest vesting periods in the industry.

To further promote sustainable performance, all of our deferred compensation plans include employment conditions and malus conditions. These enable the firm to reduce or fully forfeit unvested deferred awards under certain circumstances, pursuant to performance and harmful acts provisions.

Our focus on Sustainability

Environmental, Social and Governance (ESG) objectives are considered in the compensation determination process in objective setting, performance award pool funding, performance evaluation and compensation decisions. We continue to consider explicit sustainability objectives in the non-financial

goal category of the Group CEO and Group Executive Board (GEB) scorecards that are linked to our sustainability priorities, including climate-related goals. Sustainability objectives are individually assessed for each GEB member, and consequently directly impact their performance assessments and compensation decisions.

In addition, ESG is also reflected in the performance award pool funding across the Group through an assessment of progress made against targets linked to our focus areas of Planet, People (including progress made against our diversity ambitions), and Partnerships, alongside other key dimensions. Refer to the Say-on-non-financial-reporting brochure for more information about our focus areas.

Paying our people fairly and equitably

Fair and consistent pay practices are designed to ensure that employees are appropriately rewarded for their contribution. We pay for performance, and we take pay equity seriously. We've embedded clear commitments in our global compensation policies and practices, and we regularly conduct internal reviews and external audits as quality checks. Since 2020, we have been certified under the EQUAL-SALARY Foundation standards for our human resources practices in Switzerland, the US, the UK, the Hong Kong SAR and Singapore, covering more than two-thirds of our global employee population. Our processes are global and we apply the same standards across all our locations.

Competition for talent

We continue to be successful in hiring the talent we need to grow our businesses, who are increasingly interested in operating digitally, and they value diverse experiences, which requires flexibility and agility. That's one reason why we support hybrid working arrangements wherever possible as these benefit employees and improve client service while attracting a wider range of candidates and making us a stronger, more dynamic company. In 2022, we also further expanded our employee health and well-being offering. Ultimately, we strongly reflect pay-for-performance and carefully consider our competitive market position in our compensation decision-making.

Agenda item 9.1. Approval of the maximum aggregate amount of compensation for the members of the Board of Directors from the 2023 AGM to the 2024 AGM

The Board of Directors proposes that the maximum aggregate amount of compensation of CHF 13,000,000 for the members of the Board of Directors for the period from the 2023 AGM to the 2024 AGM be approved.

The Compensation Committee regularly reviews the remuneration framework for BoD members, taking into account shareholder feedback, to confirm it remains competitive and appropriately reflects their work on the BoD of UBS. In our regular review of the BoD fee structure, we concluded that our overall approach for BoD member compensation remains appropriate and thus unchanged.

Chairman of the BoD

At the 2022 AGM, Colm Kelleher was elected Chairman of the BoD. Under his leadership, the BoD determines the strategy for the Group, based on recommendation by the Group CEO, exercises ultimate supervision over management and appoints all GEB members. The Chairman leads all general meetings and BoD meetings and works with the committee Chairpersons to coordinate the work of all BoD committees. Together with the Group CEO, the Chairman is responsible for effective communication with shareholders and stakeholders, including clients, government officials, regulators and public organizations.

As an independent director, the Chairman's total compensation for the period from the 2022 AGM to the 2023 AGM consists of a fixed fee of CHF 4.7m, delivered 50% in cash and 50% in shares (blocked for four years). The share component aligns the Chairman's pay with the Group's long-term performance. The Chairman does not receive performance awards, severance payments or pension contributions in addition to his fixed fee, but given the full-time nature of his role, he is eligible for employee conditions on UBS products and services. As communicated last year, his total compensation for the current period is approximately 8% lower compared with the previous Chairman.

Vice Chairman of the BoD

At the 2022 AGM, Lukas Gähwiler was elected as member of the BoD and thereafter appointed as Vice Chairman. In this newly defined full-time role, he leads the BoD in the absence of the Chairman and provides support and advice to the Chairman. In particular, he represents UBS across a broad range of associations and industry bodies in Switzerland. Together with the Senior Independent Director, he also supports the Chairman in all aspects of corporate governance and oversight across the Group.

As a non-independent director, the Vice Chairman's total compensation for the period from the 2022 AGM to the 2023 AGM consists of a fixed fee of CHF 1.5m, delivered 50% in cash and 50% in shares (blocked for four years).

The Vice Chairman does not receive performance awards or severance payments, but as a non-independent director, he is entitled to pension fund contributions and benefits, consistent with all UBS employees and aligned with local market practice.

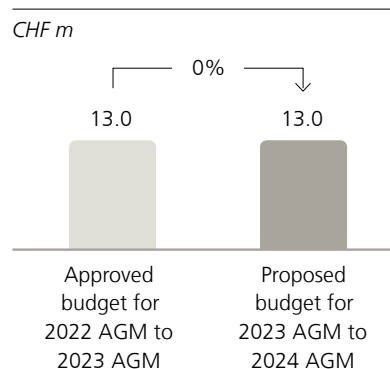
The fee for the new full-time Vice Chairman was absorbed within the existing budget and does not result in an increase of the proposed maximum aggregate amount for BoD compensation.

Other BoD members

All other BoD members receive unchanged fixed fees for their services on the BoD and its committees. They do not receive performance awards, severance payments, benefits or pension contributions, and they must use a minimum of 50% of their fees to purchase UBS shares which are blocked for four years.

AGM 2023 to AGM 2024 proposed BoD compensation

The proposed amount is unchanged compared with the previous period and includes the total compensation of the Chairman and Vice Chairman.



Note: Excludes UBS's portion related to the legally required social security contributions, which can vary depending on BoD composition as well as the prevailing tax and employment jurisdictions of the BoD members. For the period from the 2023 AGM to the 2024 AGM, the corresponding amount is estimated at CHF 0.8m. The proposed amount includes benefits for the Chairman and Vice Chairman.

Agenda item 9.2. Approval of the aggregate amount of variable compensation for the members of the Group Executive Board for the 2022 financial year

The Board of Directors proposes that the aggregate amount of variable compensation of CHF 81,100,000 for the members of the Group Executive Board for the 2022 financial year be approved.

We assess each GEB member’s performance against a set of Group financial targets, non-financial objectives and behaviors. Under the non-financial objectives, we maintained the categories introduced in 2021: Core Job (which covers job-specific, risk and people objectives) and Strategic & Growth (which covers strategy, digital and ESG objectives). This approach continues to foster a strong focus on GEB priorities and the success of the Group overall among all GEB members, and strengthens the collaboration within and across the GEB. At the same time, it promotes strong individual accountability and our focus on core activities.

Financial performance

We delivered good results in 2022, with USD 9.6bn profit before tax and 17.0% RoCET1 in a challenging environment, achieving our Group targets on a reported and underlying basis. This result was supported by strong momentum with our clients, who turned to us for advice, resulting in USD 60bn of net new fee-generating assets. We also demonstrated continued cost discipline despite the backdrop of rising inflation, resulting in a cost-income ratio of 72.1%. We are well positioned to continue executing our growth strategy and delivering strong capital returns, while weathering the challenges of the current macroeconomic environment.

Commitment to return capital to shareholders

We remain committed to returning excess capital to our shareholders. We repurchased USD 5.6bn of shares in 2022. Looking ahead, we intend to continue repurchasing shares and accruing for a progressive dividend. The BoD is proposing a dividend of USD 0.55 per share for 2022 (which represents an increase of 10% compared with the previous year) for approval at the AGM in 2023.

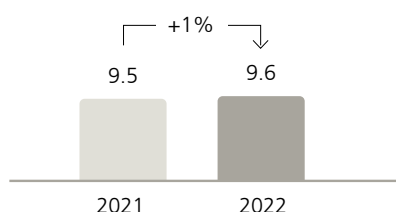
2022 variable compensation for GEB members

The proposed 2022 GEB performance award pool is CHF 81.1m. This proposal reflects the solid performance of the GEB as demonstrated in the strength of our share price relative to our peers and the good performance of the Group in a challenging market environment, achieving our Group targets on a reported basis while also considering our underlying results.

While the 2022 GEB pool percentage change appears more favorable than the overall Group pool, this year’s GEB comparison is impacted by the significant reduction made in 2021 to reflect the loss resulting from the default of a US client in our prime brokerage business. For 2022, we consider a GEB pool excluding the impact of the 2021 loss event to support competitive pay for competitive performance and not to carry forward the 2021 impact over multiple years. In addition, the 2022 GEB pool reflects changes in both foreign exchange rates and GEB composition. Adjusted for the direct impact of the 2021 loss event on specific GEB members, the 2022 GEB pool is down approximately 5% in Swiss franc terms or a decrease of 10% in US dollar terms, which is aligned with the Group pool development.

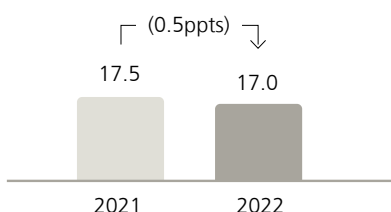
Group profit before tax

USD bn



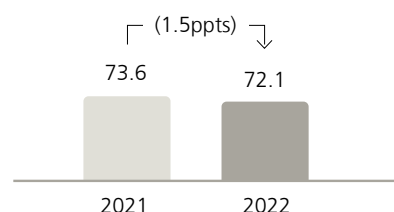
Return on CET1 capital

in %



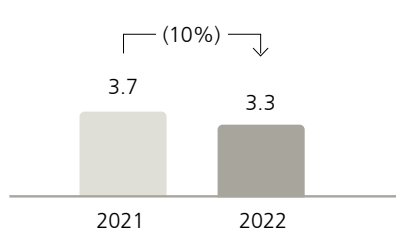
Cost/income ratio

in %



Group performance award pool

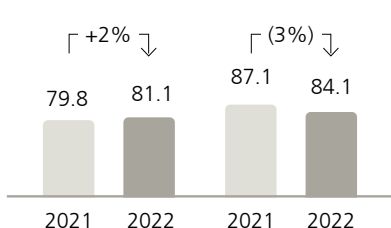
USD bn



GEB performance award pool

CHF m

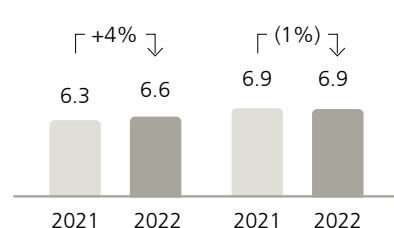
USD m



Per capita GEB performance award pool

CHF m

USD m



Note: As the compensation-related AGM agenda items are in Swiss franc terms, we show the total and per capita GEB performance award pool in Swiss francs and US dollars for comparability with our financial results.

Agenda item 9.3. Approval of the maximum aggregate amount of fixed compensation for the members of the Group Executive Board for the 2024 financial year

The Board of Directors proposes that the maximum aggregate amount of fixed compensation of CHF 33,000,000 for the members of the Group Executive Board for the 2024 financial year be approved.

GEB fixed compensation

Each GEB member receives a fixed base salary, which is reviewed annually by the Compensation Committee. The 2022 annual base salary for the Group CEO role was CHF 2.5m and has remained unchanged since 2011. All other GEB members received a base salary of CHF 1.5m each (or local currency equivalent), also unchanged since 2011.

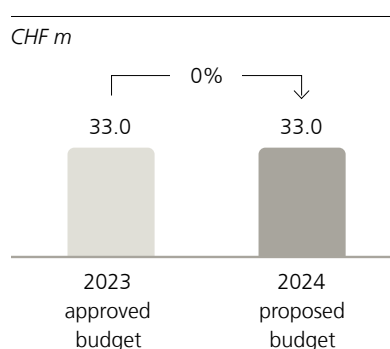
Over the course of 2022, one GEB member held a UK Senior Management Function role for one of our UK entities. In addition to base salary, a role-based allowance was part of the fixed compensation. This allowance is a shift in the compensation mix between fixed and variable compensation, not an increase in total compensation.

We offer certain benefits for all employees including GEB members, such as health insurance and retirement benefits. GEB members' pension contributions and benefits are in line with local practices for other employees. There are no enhanced or supplementary pension contributions for the GEB.

2024 proposed GEB fixed compensation budget

We take note of the increased impact of inflationary pressures on the broad-based employee population. At a Group level, we have carefully monitored and adjusted compensation levels where appropriate to address increased competition for talent in certain markets. For the GEB, we continue with the same salary level instituted in 2011 and propose no increase to our 2024 GEB fixed compensation budget.

Besides the base salaries, the proposed amount includes also role-based allowances in response to EU Capital Requirements Directive V, estimated standard contributions to retirement benefit plans, as well as other benefits. The proposed amount also includes a reserve which provides flexibility in light of potential changes of GEB composition or roles, competitive considerations where potential additional role-based allowances may be required as well as other factors (e.g., changes in FX rates or benefits).



Note: The fixed compensation excludes the portion related to the legally required employer's social security contributions for the 2024 financial year (estimated at CHF 1.3m), which are not considered compensation.



Say-on-non- financial-reporting

Shareholder information on the sustainability vote at the
UBS Group AG Annual General Meeting 2023

Dear Shareholder,

During 2022, geopolitical events brought the fossil fuel debate into center stage. Heightened energy security concerns around the world highlighted the ongoing need for fossil fuel production while the transition to viable alternative solutions remains under way. Despite the current uncertainties, we firmly believe that, in the long term, there is no conflict between energy security and energy transformation. We also saw legislators across many jurisdictions drive standardization. The increased sophistication among constituencies helped to shift the focus on how to best measure sustainability and climate risks, and how to capture the opportunities inherent in the transition to a low-carbon world.

We remain convinced that the transition to net zero will prove to be one of the most consequential trends in coming years. According to a major study commissioned by the United Nations (UN) High-Level Climate Action Champions in 2021, over USD 125 trillion of capital is needed for the world to achieve net zero by 2050. Technological advances, the need for new infrastructure and new products in carbon markets are just a few examples of the opportunities ahead. Blended finance vehicles that leverage philanthropic capital are also set to amplify opportunities.

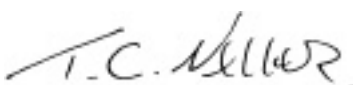
In 2022, we made good progress on the execution of our sustainability strategy, as outlined in our Sustainability Report. Despite financial markets contracting across asset classes during 2022, the long-term trajectory for sustainable investing (SI) remains one of growth, demonstrated by continuous quarterly inflows into SI products. In line with these global market developments, we continued to grow SI assets under management (AuM) as a share of total AuM, reaching 6.8% by the end of 2022, up from 5.5% at the end of 2021. Key ESG (environmental, social, governance) ratings reconfirmed that UBS is among the leading firms when it comes to their approach to sustainability. We are, in fact, among the industry leaders in MSCI ESG, S&P Global's Dow Jones Sustainability Index (DJSI), Sustainalytics, and in CDP.

This publication provides you with a summary on key non-financial matters including environmental matters, in particular climate-related ("Our actions on climate"), social concerns ("Our focus on social impact"), employee-related issues ("Our commitment to our employees"), the respect for human rights ("Our management of sustainability [including human rights] and climate risks"), and anti-corruption measures ("Our measures to prevent money laundering and corruption"). More details on our entire approach to sustainability, including our compliance with Directive 2014/95/EU, the Non-financial Reporting Directive (the NFRD), are provided in the UBS Group AG Sustainability Report 2022. The report is available at ubs.com/annualreport.

At the 2023 AGM, we ask our shareholders for a voluntary advisory vote on our Sustainability Report, which describes our sustainability strategy and ambitions, governance, achievements, and our activities pertaining to key non-financial matters in 2022. Beginning with the AGM 2024, a vote on reporting for non-financial matters as currently set out in the Swiss Code of Obligations Art. 964a et. seq. will be required.

We are grateful for your participation and respectfully ask for your continued support.

Sincerely,



Colm Kelleher
Chairman of the Board of Directors

At the 2023 AGM, UBS Group AG shareholders are invited to vote on the following item. The advisory vote on the sustainability report reflects our commitment to our shareholders having their say on our firm’s activities in 2022.

Agenda item 3. Advisory vote on the UBS Group AG Sustainability Report 2022

The Board of Directors proposes that the UBS Group AG Sustainability Report 2022 be ratified in an advisory vote.

We want to be the financial provider of choice for clients that wish to mobilize capital toward the achievement of the UN’s 17 Sustainable Development Goals (the SDGs) and the orderly transition to a low-carbon economy.

Our actions on climate

We support the goals of the Paris Agreement and follow a dedicated climate roadmap. In 2022, shareholders of UBS Group AG supported our climate roadmap in an advisory vote. Our key implementation steps are set out in a climate action plan, which considers how our own operations and business activities can contribute to the reduction of carbon emissions in the real economy. We are also focused on managing

the risks related to climate, natural capital, and biodiversity to protect our clients’ assets and those of our firm from the impact of climate change. In 2022, we made progress against our net-zero aspirational goals, including, as set out in the table below, all our sectorial decarbonization targets.

Our focus on social impact

We continue to build a strong social impact and philanthropy platform. We seek to grow our reach and maximize our impact on a local, national and global scale. Our vision is to develop and scale both our impact and our commercial contribution by connecting people for a better, fairer and more prosperous world. In doing so, we have continued to sharpen the focus of our philanthropy and community activities on health, education, and climate and environment. In 2022, we made progress against our key social impact goals, including achieving a UBS Optimus Foundation network donation volume of USD 274 million (including UBS matching contributions) and reaching 5.9 million beneficiaries.

Decarbonization targets for 2030 for financing of the real estate, fossil fuels, power generation and cement sectors (from 2020 levels):

- reduce emissions intensity of UBS’s residential real estate lending portfolio by 42%;
- reduce emissions intensity of UBS’s commercial real estate lending portfolio by 44%;
- reduce absolute financed emissions associated with UBS loans to fossil fuel companies by 71%;
- reduce emissions intensity associated with UBS loans to power generation companies by 49%; and
- reduce emissions intensity associated with UBS loans to cement companies by 15%.

Calculated progress against pathways for the real estate (commercial and residential), fossil fuel and power generation sectors (end of 2021 vs. 2020 baseline):¹

- reduced emissions intensity of UBS’s residential real estate lending portfolio by 8%;
- reduced emissions intensity of UBS’s commercial real estate lending portfolio by 7%;
- reduced absolute financed emissions associated with UBS loans to fossil fuel companies by 42%; and
- reduced emissions intensity associated with UBS loans to power generation companies by 12%.

Introduction of an additional decarbonization target for the cement sector, as well as an estimation of the overall financed emissions.

¹ The inherent one-year time lag between the as-of-date of our lending exposure and the as-of-date of emissions can be explained twofold: Corporates disclose their emissions in annual reporting only a few months after the end of a financial year; and specialized third-party data providers take up to nine months to collect disclosed data and make it available to consumers. Consequently, our net-zero ambitions baselines are based on year-end 2020 lending exposure and 2019 emissions data. Our 2021* actuals are based on year-end 2021* lending exposure and 2020* emissions data. (*these years were rectified on 2 March 2023)

Our commitment to our employees

We are dedicated to being a world-class employer for talented individuals across all our markets and a place where people can unlock their full potential. UBS employees execute our business strategy and deliver on our client promise. We therefore aim to hire and effectively manage a diverse range of talented people who have the capabilities, potential and mindset to help us achieve our goals. In 2022, we made progress against key employee-related goals. Women represented more than 40% of our workforce and 27.8% of our director-level and above population. At the same time, 42% of our Group Executive Board (GEB) members are female, as are 29.4% of senior managers who report directly to the GEB.

Our management of sustainability (including human rights) and climate risks

Our management of sustainability and climate risks (SCR) is based on our SCR Policy Framework, which is applied firm-wide to relevant activities. We identify and manage sustainability and climate risks in our operations, balance sheet, our clients' assets, and our supply chain. This includes the identification and management of actual and potential adverse impacts to human rights that our clients' assets and our own assets are exposed to. We aim to identify, mitigate or prevent actual and potential contributions to human rights abuses. In 2022, we continued to methodologically integrate sustainability and climate-related risk considerations into the firm-wide risk management framework.

Our measures to prevent money laundering and corruption

We comply with applicable laws and regulations and are committed to meeting industry standards regarding the effective prevention of money laundering and financing of terrorism. We take comprehensive measures to prevent and detect non-compliance with laws and regulations and do not tolerate or facilitate criminal activity or breaches of the letter or spirit of applicable laws, regulations, rules and policies designed to prevent such activities. UBS does not engage in business activities that pose unacceptably high levels of money laundering, fraud, sanctions or corruption risk. In 2022, we conducted our annual assessment of the money laundering, fraud, sanctions, bribery and corruption risks associated with our business operations against our control framework and took action where appropriate to further mitigate these risks.

Our key sustainability reporting frameworks

We use the Global Reporting Initiative (the GRI) as the basis for our Sustainability Report and apply a careful process weighing up the materiality and relevance of the information reported and the expectations of our stakeholders. The report has been reviewed by Ernst & Young Ltd, Basel. Our climate disclosures follow the recommendations of the Task Force on Climate-Related Financial Disclosures (the TCFD).

We have included references in the UBS Group AG Sustainability Report to pertinent content in the UBS Group AG Annual Report 2022, where necessary. Such content includes a description of our firm's business model and its financial results in 2022. The UBS Group AG Annual Report 2022 also includes a succinct summary of our approach to sustainability and key activities in 2022.

UBS Group AG
P.O. Box
CH-8098 Zurich

ubs.com



© UBS 2023. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved. Printed in Switzerland on chlorine-free paper with mineral oil-reduced inks. Paper production from socially responsible and ecologically sound forestry practices. 650139