Our compensation in 2010
Contents

2 2010 compensation at a glance
4 Letter from the Human Resources and Compensation Committee of the Board of Directors
6 Compensation governance
8 Total Reward Principles
11 Overview of our compensation model
16 Deferred variable compensation plans
21 Compensation funding and expenses
24 2010 compensation for the Group Executive Board and Board of Directors

35 List of key terms in the compensation report
36 Information sources
2010 compensation at a glance

– Our foremost priority is to encourage and reward behavior that contributes to sustainable profitability and therefore the long-term success of our firm.

– In order to align employee incentives with the interests of our shareholders, we pay a significant part of our employees’ variable compensation in the form of deferred awards, mostly in UBS shares, which are subject to strict forfeiture rules.

Bonuses granted for 2010

In making UBS’s compensation decisions for 2010, the Board of Directors (BoD) and the Group Executive Board (GEB) have carefully balanced all the relevant factors such as our improved business performance, industry compensation trends and regulatory requirements. From a shareholder’s perspective, it is essential to weigh the short-term potential for raising profitability against the long-term requirement to retain and attract key staff. Although our financial performance in 2010 was markedly better than in 2009, with an increase in profitability of CHF 10 billion, given the considerations outlined above, the bonus pool for 2010 was set at CHF 4,245 million, 11% lower than it was last year.

Business performance

UBS achieved a profit before tax of CHF 7,455 million in 2010, compared with a loss of CHF 2,561 million in 2009. The Investment Bank returned to profitability and contributed CHF 8,278 million to the CHF 10 billion improvement in UBS’s operating profit. UBS ended 2010 with an industry-leading BIS tier 1 capital ratio of 17.8%. Client confidence in our business is growing, as demonstrated by increased business volumes as well as improvements in net new money. We also continued to control our costs and achieved our CHF 20 billion fixed costs target for the year.
High levels of deferred bonuses for Group Executive Board members

At least 76% of a GEB member’s bonus, including 60% in equity (under the Performance Equity Plan [PEP] and the Senior Executive Equity Ownership Plan [SEEOP]), is deferred and at risk of forfeiture for periods of up to five years. Moreover, the vesting of these awards is subject to the fulfillment of specific performance conditions. A maximum of 24% in cash (under the Cash Balance Plan [CBP]) is paid out immediately, subject to a cap of CHF/USD 2 million.

<table>
<thead>
<tr>
<th>CHF, except where indicated</th>
<th>Base salary</th>
<th>Variable cash compensation under CBP</th>
<th>Annual bonus in equity under SEEOP &amp; PEP</th>
<th>Effective deferrals in % of bonus for 2010</th>
<th>Benefits in kind</th>
<th>Contributions to retirement benefits plans</th>
<th>Total compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group CEO Oswald J. Grübel</td>
<td>3,000,000</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>25,600</td>
<td>0</td>
<td>3,025,600</td>
</tr>
<tr>
<td>Highest paid GEB-member: Carsten Kengeter</td>
<td>874,626</td>
<td>1,002,496</td>
<td>2,339,158</td>
<td>88%</td>
<td>92,547</td>
<td>0</td>
<td>9,321,308</td>
</tr>
<tr>
<td>GEB aggregate pay</td>
<td>14,705,894</td>
<td>15,588,145</td>
<td>14,451,756</td>
<td>79%</td>
<td>381,851</td>
<td>843,402</td>
<td>91,030,900</td>
</tr>
</tbody>
</table>

As in 2009, the Group CEO has decided to waive the bonus.

The highest paid GEB member in 2010 was Carsten Kengeter, with a total compensation of CHF 9.3 million: 88% of his bonus was deferred, with 28% in deferred cash and 60% in deferred equity vesting over three to five years.

In total, the compensation for GEB members in office on 31 December 2010 was CHF 91.0 million, compared with a total of CHF 68.7 million in 2009.

Key aspects of our compensation model 2010 for senior employees

Sixty percent bonus deferrals – Above a total compensation (that is, base salary and bonus) of CHF/USD 250,000, all employees receive at least 60% of their bonus in shares deferred over three years under the Equity Ownership Plan (EOP). In addition, a number of employees in the Investment Bank are subject to additional cash deferrals under the Deferred Cash Plan (DCP). All deferred awards are subject to strict provisions that enable the bank to reduce or forfeit awards if an employee behaves in a way that contributes or leads to financial, reputational or other harm to UBS.

Performance condition for equity awards – Like the vesting of equity awards to GEB members, the vesting of equity awards to certain categories of employees is subject to the fulfilment of specific performance conditions. This group comprises key risk-takers and controllers, around 200 individuals who can materially commit or control the bank’s resources and/or exert significant influence over its risk profile. Group Managing Directors and employees with total annual bonuses exceeding CHF/USD 2 million are also subject to this requirement. Deferred awards granted to employees in these categories will only vest in full if the employee’s business division is profitable. In the case of Corporate Center employees, they will only vest in full if the Group as a whole is profitable.

Reduction of leverage – The use of leverage in equity awards has been significantly reduced for all GEB members, and eliminated for all remaining employees, with the discontinuation of the Incentive Performance Plan (IPP), a one-time equity plan.

Shareholders’ advisory vote – UBS shareholders will once again have the opportunity to express their views on UBS’s compensation decisions in a non-binding vote on the Compensation Report at UBS’s Annual General Meeting in April 2011.

PEP – Performance Equity Plan
SEEOP – Senior Executive Equity Ownership Plan
CBP – Cash Balance Plan
EOP – Equity Ownership Plan
DCP – Deferred Cash Plan
Dear shareholders,

In recent years, UBS has fundamentally re-shaped its approach to compensation. Our priority remains to attract and retain talented professionals to enable us to further develop our business. At the same time, it is critical to encourage and reward behavior that contributes to sustainable profits. This is a fundamental prerequisite for the long-term success of our firm, which is in the best interests of our shareholders and other stakeholders.

During 2010, in collaboration with our regulators, we introduced measures to meet our main compensation objectives of better integrating risk within the compensation process and further aligning financial incentives with the long-term profitability of the firm. These measures include identifying our key risk-takers and controllers, individuals in our organization, who by the nature of their role, can materially commit or control the firm’s resources, and/or exert influence over the firm’s risk profile, and adopting appropriate measures regarding their compensation. We also made refinements to deferred compensation for certain other categories of employees.

Furthermore, in response to your concerns last year, we not only made a number of adjustments to our compensation model, outlined in detail below, but also worked to improve the related disclosure. This year’s report provides greater transparency, especially with regard to our compensation structure and plans.

**Focus on long-term profitability**

To align employee incentives with the long-term profitability of the firm, we pay a significant part of compensation in the form of deferred equity that can be forfeited or reduced if employees violate internal and external regulations or guidelines or behave in a way that causes financial and reputational harm. This is a central pillar of our compensation system.

For 2010, we raised the proportion of a Group Executive Board (GEB) member’s bonus paid in deferred equity from 50% to 60%, while at the same time reducing the portion of cash paid out immediately to a GEB member from 30% to 24%. As a result, at least 76% of a GEB member’s bonus, including part of the cash bonus, is deferred and at risk of forfeiture for up to five years. Apart from GEB members, approximately 8,000 employees across all of UBS’s business divisions receive bonuses in the form of deferred equity under the Equity Ownership Plan (EOP). Under this plan, 60% of their bonus is deferred as UBS shares over three years. For 2010, the vesting of EOP awards for very senior and high-earning employees was made dependent on the profitability of the employee’s business division over the vesting period, or, in the case of Corporate Center employees, on the profitability of the UBS Group (Group) as a whole. We also introduced cash deferrals (for periods of up to three years) for Investment Bank employees whose total compensation exceeds CHF 1 million. Furthermore, we have reduced the use of leverage in our compensation plans.

**Addressing risk in compensation decisions**

While acknowledging that risk is a necessary and inherent part of our business, we are committed to ensuring that inappropriate risk-taking is not rewarded. The risks we take, along with those that emerge during the course of business, must be promptly recognized, measured, and effectively managed. Risk is a crucial consideration at every stage in the compensation process. Risk awareness, assessment and management are an important basis both for determining the overall bonus pool and
for allocating individual bonuses. To fully consider all risk-related issues with regard to compensation, the Human Resources and Compensation Committee (HRCC) has held two joint meetings over the last year with the Board of Directors’ (BoD) Risk Committee.

In a significant step toward strengthening our risk culture, and in line with regulatory guidance, we adopted stringent measures with regard to the performance assessment and compensation for risk-takers and controllers. Risk-takers are subject to an additional performance evaluation by the control functions, 60% of their bonus is deferred over three years and the vesting of their equity awards is subject to financial performance conditions.

**Striking the right balance**

In making UBS’s compensation decisions for 2010, the BoD and the GEB have carefully balanced all the relevant factors such as our improved business performance, industry compensation trends and regulatory requirements. From a shareholder’s perspective, it is essential to weigh the short-term potential for raising profitability against the long-term requirement to retain and attract key staff. Although our financial performance in 2010 was markedly better than in 2009, with an increase in profitability of CHF 10 billion, given the considerations outlined above, the bonus pool for 2010 was set at CHF 4,245 million, 11% lower than it was last year.

While we believe that our current compensation system strikes the balance we seek, and are confident that the approach we have established is the right one, going forward we will continue adapting it to meet our requirements and those of our stakeholders, including ensuring that it complies with all applicable rules and regulations. By maintaining a focus on risk management throughout our business and encouraging sustainable business conduct, we are convinced that we are well-placed to execute our business strategy and achieve our goals.

Helmut Panke
Ad-interim Chairman of the Human Resources and Compensation Committee of the Board of Directors
Compensation governance

Our compensation governance principles include appropriate checks and balances and are designed to support long-term value creation. They have great strategic importance in shaping the direction and success of the firm, supporting its ability to attract and retain the best talent.

UBS’s corporate governance model complies with the applicable laws, rules and regulations, including the FINMA Circular 2010/1 that sets minimum standards for the design, implementation and disclosure of remuneration schemes at financial firms.

The BoD has the ultimate responsibility for approving the compensation strategy proposed by the HRCC, including compensation for GEB members. The HRCC is a separate BoD committee that determines the appropriate level of resources for compensation matters.

Human Resources and Compensation Committee

The HRCC is composed of four independent BoD members. On 31 December 2010, the members were Sally Bott, who chaired the committee, Bruno Gehrig, Wolfgang Mayrhuber and Helmut Panke. The committee held 10 meetings in 2010. Upon Sally Bott’s resignation from the BoD, effective 11 February 2011, Helmut Panke was appointed ad-interim Chairperson of the HRCC.

During the year, the HRCC received independent external advice from Hostettler, Kramarsch & Partner AG. Furthermore, market data was considered from Towers Watson and, in relation to the Performance Equity Plan, from PricewaterhouseCoopers.

Responsibilities and authorities of the HRCC

The HRCC reviews the Total Reward Principles annually and submits any amendments to the BoD for final approval. In addition, the HRCC:

- reviews and approves the design of the total compensation framework, including compensation strategy, programs and plans on behalf of the BoD;
- reviews variable compensation funding throughout the year on behalf of the BoD and proposes the final bonus pool to the BoD for approval; and
- together with the Group CEO, proposes base salaries and annual bonuses for GEB members to the BoD, which approves the total compensation of the GEB.

Compensation authorities

The BoD has the ultimate responsibility for approving the compensation strategy proposed by the HRCC, a separate committee that determines the appropriate level of resources for compensation matters.

### Recipients

<table>
<thead>
<tr>
<th>Recipients</th>
<th>Compensation recommendations developed by</th>
<th>Approved by</th>
<th>Communicated by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman of the BoD</td>
<td>Chairperson of the HRCC</td>
<td>HRCC</td>
<td>HRCC</td>
</tr>
<tr>
<td>Group CEO</td>
<td>Chairman of the BoD/HRCC</td>
<td>BoD</td>
<td>Chairman of the BoD</td>
</tr>
<tr>
<td>GEB members</td>
<td>HRCC and Group CEO</td>
<td>BoD</td>
<td>Group CEO</td>
</tr>
<tr>
<td>Risk-takers and controllers (excl. GEB)</td>
<td>Responsible GEB member together with functional management team</td>
<td>Divisional pools: HRCC Overall: BoD</td>
<td>Line manager</td>
</tr>
<tr>
<td>Independent BoD members (remuneration system and fees)</td>
<td>Chairman of the BoD/HRCC</td>
<td>BoD</td>
<td>Chairman of the BoD</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recipients</th>
<th>Variable compensation recommendations developed by</th>
<th>Approved by</th>
<th>Communicated by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees (excluding GEB members)</td>
<td>Responsible GEB member together with functional management team</td>
<td>Divisional pools: HRCC Overall: BoD</td>
<td>Line manager</td>
</tr>
</tbody>
</table>

1 Additional performance condition applies.
The responsibilities and authorities for compensation-related decisions, illustrated in the table, are set out in “Annex B – Responsibilities and authorities,” and “Annex C – Charter of the Committees of the Board of Directors of UBS AG” of the Organization Regulations of UBS AG (Organizational Regulations).

Inclusion of the Risk Committee

Compensation plans can have considerable influence in ensuring prudent and controlled risk-taking at financial institutions. In recognition of this fact, a key principle in the FINMA Circular 2010/1 is that a firm’s risk control functions and experts must be involved in designing and implementing compensation plans.

In line with this principle, the RC assumes an essential role in supporting the BoD to ensure that compensation plans are aligned with UBS’s business strategy, and that policies are designed to enhance risk awareness. The RC supervises and sets appropriate risk management and control principles, including those relating to credit, market, country, and operational risk; treasury and capital management; and balance sheet management. In doing so, it also examines the possibility of reputational risk.

The RC held two meetings with the HRCC in 2010. Helmut Panke also sits on the RC, thereby providing a valuable risk perspective in considering compensation-related issues.

Further changes to the Organizational Regulations have been approved regarding the RC mandate. This will expand the committee’s involvement with compensation issues to include receiving briefings from management regarding how risk has been factored into the compensation process and reviewing whether the risk-related aspects of the compensation process have been adhered to.

Decision-making process for Group Executive Board member compensation

One of the HRCC’s main responsibilities is to make recommendations for the actual amount of variable cash and equity compensation awarded to each GEB member for the 2010 performance year. These recommendations are submitted to the BoD for approval. This process relies on a detailed and balanced review, not only of the performance of the Group, but of the relevant business division and the impact of specific individuals. It considers Group and divisional performance information, including risk-adjusted profitability and other financial and non-financial factors such as leadership effectiveness, strategy execution and reputational impact. It also takes into account performance information from the businesses, initial compensation recommendations from the Group CEO, employment contract terms, and relevant laws and regulations, together with relevant market data, such as that relating to industry compensation trends.

Shareholders’ advisory vote

We value the opinions of our shareholders. As such, we will provide, as we have done the past two years, an opportunity for shareholders to express their views through an advisory vote on this compensation report at the AGM in April 2011. While such a vote is advisory in nature and not legally binding, we encourage our shareholders to participate in the vote as we regard it as a meaningful way of involving them in the compensation discussion and take its outcome seriously. Shareholders also have the opportunity to raise questions at the AGM, and can address their questions about compensation or related issues at any time to BoD members by contacting the Company Secretary. Contact details are provided at the end of this report.

In addition to the advisory vote held at our AGM, UBS also holds separate meetings with key investors and proxy advisors on a regular basis to respond to questions that they might have, including those relating to compensation issues.
Total Reward Principles

Our approach to compensation is underpinned by what we call our “Total Reward Principles.” They establish a framework for integrating risk control and managing performance. At the same time, they specify how we structure compensation and the necessary bonus pool funding, that is, the amount of funds available in a given year for the payment of bonuses. They reflect our long-standing focus on pay for performance, sustained profitability, sound governance and strong risk awareness, and build on the UBS strategy of enhancing the firm’s reputation, increasing client focus and teamwork, and improving integration and execution. At the same time, they give full effect to the relevant regulatory requirements.

The Total Reward Principles were broadly revised in September 2009 to support our new business strategy and to reflect new regulatory developments. We remain fully committed to these principles. As such, they were reaffirmed by the HRCC in September 2010. Over the course of the year, we took further measures to implement these principles to ensure that our main performance and compensation objectives are achieved and that the governance and processes with respect to compensation are firmly in place.

Align reward with sustainable performance

Throughout UBS, sustainable performance is a key factor in determining compensation. Our assessment of performance goes beyond whether financial objectives have been achieved and takes into account the long-term risk impact of employee actions.

Variable compensation funding is primarily based on risk-adjusted profitability, that is, a measure of profitability adjusted to consider risk associated with particular transactions. This performance metric, which takes into account the cost of capital, not only supports our own internal objectives and business strategy, but also meets regulatory standards.

Our framework is flexible and enables members of management to apply their individual judgment and discretion. Adjustments may be made based on considerations relating to risk, quality and reliability of earnings, relative industry performance, future strategic plans, and market competitiveness. Progress against business performance targets and the foregoing considerations that affect annual variable compensation funding is regularly reviewed and monitored by the divisional Chief Executive Officers, the Group CEO and the HRCC. The proposed bonus pool is approved by the BoD. Risk control functions are also involved in the reviews of certain senior employees to ensure that any related-risk issues are fully considered.

Support appropriate and controlled risk-taking

Our compensation system provides incentives that take specific account of risk. Our performance reviews recognize that different businesses have different risk profiles, and that additional factors should be considered, including the fact that earnings may vary in quality over time. All employees are expected to demonstrate an appropriate understanding of the nature of their business and its associated risks, to consider their actions in light of UBS’s reputation and risk appetite, and to accept responsibility for all risks that arise, which includes taking steps to manage and mitigate them.

To keep our employees focused on the long-term profitability of the firm, we require that a significant part of an employee’s bonus be deferred for up to three years if his or her total compensation exceeds a certain threshold. In the case of GEB members, we re-
quire deferral of up to five years. The deferred portion will be forfeited in certain cases, including if an employee acts contrary to the firm’s interests during the deferral period by contributing to significant financial losses or restatements, causing reputational harm, or breaching risk policy, legal or regulatory requirements, all of which constitute “harmful acts”.

To monitor risk effectively, control functions, primarily Legal & Compliance, Risk Control, Finance and Operational Risk, must be able to carry out their work independently. As such, compensation for these functions is determined independently from the revenue producers that they oversee, supervise or support.

As previously mentioned, in 2010 we took a significant step forward in strengthening our risk culture by identifying the risk-takers and controllers (risk-takers) in our organization, based on specific regulatory guidance, and adopting specific measures regarding their compensation. Risk-takers are the most senior members of management, together with selected individuals who, by the nature of their role, have been determined to be able to materially commit or control the firm’s resources and/or exert significant influence over its risk profile, whether they are in front office, control or logistics functions (e.g. Supply and Demand Management, IT and Human Resources). The deferral rate of 60% under the Equity Ownership Plan is applied to their annual bonus, with this portion being deferred over three years. Moreover, the vesting of this deferred portion of their bonus is contingent on the profitability of the business division in which they work, or, in the case of Corporate Center employees, on the profitability of the Group as a whole. Due to the significant influence they exert, risk-takers are subject to an additional evaluation by the relevant control functions.

**Foster effective individual performance management and communication**

We evaluate performance rigorously to ensure that compensation is fairly and appropriately allocated. We base it not only on the contribution employees make to UBS’s business results, but also on whether they:

- observe our corporate values and principles;
- implement our strategy of enhancing reputation and improving integration and execution;
- demonstrate leadership when it comes to our clients, business, people and change;
- lead or support effective collaboration and teamwork;
- operate with a high level of integrity and in compliance with UBS policies;
- actively manage risk and strike an appropriate balance between risk and reward; and
- exhibit professional and ethical behavior.

To further reinforce the link between performance and pay, we adjusted how we assess and compensate our employees for 2010. They are now assessed not just absolutely against defined objectives, but also on a relative basis against their peers within UBS. This enables us to further differentiate performance, and consequently compensation, in a more objective, transparent and disciplined manner.

**Attract and engage a diverse, talented workforce**

Our need to attract and retain talented, competent employees underpins our compensation policies. We offer market-competitive compensation that strikes an appropriate balance between fixed and variable elements. Base salaries must be high enough to allow for a flexible policy when it comes to variable compensation. Our variable compensation encourages employees to perform and to be entrepreneurial, while at the same time placing an emphasis on strong risk awareness and measured risk-taking.

→ Refer to the “Overview of our compensation model” section of this report for more information about our compensation system
Benchmarking against peers

We benchmark our compensation and benefit levels against those of our peers. With respect to compensation for GEB members, we refer to a peer group of companies that are selected based on the comparability of their size, geographic and product and services scope, and staffing and pay strategy, among other factors. These companies, which are large European and US banks operating internationally, are our main competitors when it comes to hiring. They are: Bank of America, Barclays, Citigroup, Credit Suisse, Deutsche Bank, HSBC, JP Morgan Chase and Morgan Stanley.

In the view of the HRCC, our executive compensation structure is appropriate relative to our peer group. We review the peer group regularly to ensure that the firms that constitute it remain relevant benchmarks for our purposes.

As for compensation for other employees, given the diversity of our businesses, the companies we use as benchmarks vary with and are dependent on the relevant business divisions and locations, as well as the nature of the positions involved. For certain businesses or positions, we may take into account other major international banks, the large Swiss private banks, private equity firms, hedge funds and non-financial firms. Furthermore, we also benchmark employee compensation internally for comparable roles within and across business divisions and locations.

Comparability assessment against main peers

Benchmarking ensures that our executive compensation is appropriate relative to our peer group. The key benchmarking criteria are summarized in the following table.

<table>
<thead>
<tr>
<th></th>
<th>Size¹</th>
<th>Product and services scope³</th>
<th>Geographic scope³</th>
<th>Headquarters location⁴</th>
<th>Competitors for talent⁵</th>
<th>Regulatory/political environment⁷</th>
<th>Staffing and pay strategy⁸</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of America</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Barclays</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Citigroup</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Credit Suisse</td>
<td>○</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Deutsche Bank</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>HSBC</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>JP Morgan Chase</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Morgan Stanley</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
</tbody>
</table>

¹ Comparable  ● Moderately comparable ○ Less comparable

1 Source: Towers Watson. ² Size: impacts management complexity regardless of product and geographic scope. Expressed in terms of revenue, profitability, assets and employee base. ³ Product and services scope: impacts pay strategy, pay levels/approach and importantly, risk profile. ⁴ Geographic scope: impacts the definition of executive roles and management complexity. ⁵ Headquarters location: is a key factor in determining peer group choices. ⁶ Competitors for talent: influences decisions relating to competitive requirements for pay structure and levels. ⁷ Regulatory environment: increasingly impacts pay structures (including deferral requirements) for executives. ⁸ Staffing and pay strategy: to identify peers with similar pay and staffing strategies.
Overview of our compensation model

Our compensation model is consistent with and supports our Total Reward Principles. It rewards appropriate risk-taking and behavior that produces sustainable results. To encourage employees to act with the long-term interests of the firm in mind, which also serves the best interests of our shareholders, we pay a significant part of our variable compensation in the form of equity that is deferred over several years.

All UBS employees

The total compensation employees receive has two elements: a fixed element, which is generally the base salary, and a discretionary variable element, which is the bonus. In determining employees’ pay, and in benchmarking pay both internally and externally, we focus on total compensation, rather than its individual elements, as it presents a more comprehensive picture of an employee’s pay.

The amount of bonus that an employee receives depends on various factors, including our overall performance, the performance of the employee’s business division, and his or her individual performance both in absolute terms as well as relative to his or her peers.

We do not impose an absolute cap on total compensation or set a maximum multiple between the lowest and highest total compensation levels in our organization. To do so would undermine our commitment to providing market-competitive compensation. By not capping total compensation, we have the flexibility required to respond to different circumstances, such as changing business and market conditions or retention needs.

Base salary

The base salary reflects an employee’s particular skill set, role and experience while taking market practices into consideration. Base salaries are fixed amounts of cash, typically paid monthly or semi-monthly. We review base salaries annually to ensure they remain competitive, comparing them with the relevant internal and external benchmarks.

Adjustments are made when there is a significant change in job responsibility. Furthermore, we make annual adjustments to base salaries that reflect performance and respond to movements in the marketplace.

Following our annual salary review, we have decided to increase base salaries for 2011, with effect from March 2011, by a total of CHF 350 million or 5% over the previous year. This compares with a base salary increase made for 2010 of approximately 4%. The increases for 2011 apply to employees whose responsibilities increased, who demonstrated strong performance and whose base salary fell short of the market standard. The increase also reflects a regulatory trend favoring a change in the industry compensation mix.

Compensation overview

A balanced mix of base and variable compensation rewards appropriate risk-taking and behavior that produces sustainable business results. A significant part of our compensation is paid in the form of deferred equity.

<table>
<thead>
<tr>
<th></th>
<th>Chairman of the BoD¹</th>
<th>Board of Directors</th>
<th>Group Executive Board</th>
<th>Risk-takers and controllers²</th>
<th>Other employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base salary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash bonus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Balance Plan (CBP)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Equity Plan (PEP)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Executive Equity Ownership Plan (SEEOP)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Ownership Plan (EOP)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Cash Plan (DCP)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>⁴ ⁵</td>
</tr>
<tr>
<td>Base fee and committee retainer(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>⁶</td>
</tr>
</tbody>
</table>

¹ The base salary of the Chairman of the BoD consists of cash and the right to receive a fixed number of shares. ² Bonuses granted to risk-takers and controllers are also based on an additional evaluation of these employees’ performance, in which their risk-taking activities are specifically considered. ³ All employees with a total compensation of CHF/USD 250,000 or more are eligible. ⁴ Additional profitability performance condition for risk-takers and controllers, Group Managing Directors and other employees with total bonus > CHF/USD 2 million. ⁵ DCP replaces a part of the cash bonus for certain Investment Bank employees with additional cash deferrals. ⁶ At least 50% of their base fee is paid in blocked UBS shares.
Bonus
At UBS, bonuses are strongly tied to performance. We have reinforced the principle of “pay for performance” by introducing key changes in 2010 to our Core Cycle process, through which we manage performance and reward our employees. In principle, the majority of permanent employees may be considered for an annual discretionary bonus. The amount of bonus awarded depends on an individual’s performance and role, as well as the performance of the Group and the relevant business division. Hence, bonus levels can fluctuate significantly from year to year, such that it is possible that an individual receives no bonus in a given year.

→ Refer to the “Our employees” section of the Annual Report 2010 for more information on the Core Cycle process

While employees have specific key performance indicators against which they are assessed that are relevant for the determination of bonuses, we do not assign weightings to specific performance indicators in determining an individual’s bonus.

At UBS, it is well-established practice to award part of the bonus in UBS shares deferred for up to three, or in the case of GEB members, five years. Over the deferral period, these deferred amounts are forfeited if employees commit harmful acts. For 2010, our deferral threshold remained unchanged: bonuses awarded to employees with a total compensation, that is, a base salary and bonus, of CHF 250,000 or more, are partially deferred. Above this level, employees receive a portion of their annual bonus in shares granted under the Equity Ownership Plan (EOP). Furthermore, we place a cap of CHF/USD 2 million on the amount that can be paid out immediately in cash.

For 2010, for employees across all business divisions and locations, the bonus was, on average, approximately 59% of the base salary. Among GEB members, it was, on average, 510% of a GEB member’s salary. As stated, bonuses are fully discretionary and we do not set a fixed ratio between the bonus and base salary. The ratios stated above are based on the size of the bonus pool for 2010.

→ Refer to the discussion in the “Deferred variable compensation plans” section of this report for more information

Compensation for financial advisors in Wealth Management Americas
In line with the market practice in the US for brokerage, the compensation system for financial advisors in Wealth Management Americas is based on commissions. The commissions, paid monthly, are based on revenue and other strategic performance measures and objectives. We adjust payout rates if financial advisors make repeated or significant client account or transaction errors. In addition to these commissions, advisors may also qualify for year-end awards, most of which are deferred over either a six- or ten-year period. The size of these awards may be based on length of service, the amount of net new money brought in, or the amount of revenue generated from Wealth Management-based services or products. For 2010, we paid a total of CHF 2,667 million in compensation to financial advisors in Wealth Management Americas.

Other variable compensation
In a few cases, we may offer additional incentives to support hiring or retention, particularly at senior levels. These include replacement payments to compensate employees for deferred awards forfeited as a result of joining UBS; guarantees, which are fixed incentives, either in cash or in equity awarded under a plan, paid regardless of future events, though in most cases tied to one or more performance conditions and limited to one year; sign-on payments, offered to important top-level candidates to increase the chances of their accepting an offer; and retention payments, made to key senior employees to induce them to stay, particularly during critical periods for the firm.

Employment contracts for those holding the rank of Director and above generally contain a notice period of between two and six months, depending on the location, which such employees must serve and during which time they are paid their base salary. We provide for severance payments in redundancy cases when employees are asked to leave as part of a retrenchment program or reduction in force. These are governed by location-specific severance policies. In the very exceptional cases that special pay-

Severance and sign-on payments

These payments were made to certain GEB members, Group Managing Directors (replacing the former Group Managing Board in February 2010), and to certain key risk-takers and controllers in 2010.

<table>
<thead>
<tr>
<th>31.12.10</th>
<th>Of which expenses recognized in 2010</th>
<th>Of which expenses to be recognized in 2011 and later</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sum of all sign-on payments, in CHF million</strong></td>
<td>95</td>
<td>55</td>
</tr>
<tr>
<td>of which related to replacement awards and guarantees for the first year, in CHF million</td>
<td>82</td>
<td>46</td>
</tr>
<tr>
<td>Number of beneficiaries</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td><strong>Sum of all severance payments, in CHF million</strong></td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Number of beneficiaries</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Number of departing managers</td>
<td>18</td>
<td></td>
</tr>
</tbody>
</table>

1 For the purpose of this table we consider replacement awards and guarantees as sign-on payments. 2 Includes sign-on payments agreed in 2010 and awards granted in 2010. Awards granted are included with their fair value at the date of grant.
ments are made outside the circumstances described, or where substantial severance payments are made, a further stringent approval process applies.

With the exception of severance payments made in redundancy cases, all the payments described above, though typical in our industry, are only offered in exceptional circumstances. They are highly restricted, take into account the specific circumstances of each case and are normally one-time payments with substantial deferral. They require the approval of the divisional Chief Executive Officers and HR heads, and, in certain circumstances, the Group Head of HR, Group CEO or the HRCC. Furthermore, such payments may be forfeited should an employee subsequently act in a manner detrimental to the interests of the firm.

Pensions and benefits
The main aim of pensions is to give employees and their dependents a level of security after their retirement or in the event of disability or death. While pension plans may vary across locations in accordance with local requirements, pension plan rules in any one location are generally the same for all employees in that location, including management.

→ Refer to “Note 30 Pension and other post-employment benefit plans” in the “Financial Information” section of the Annual Report 2010 for more information

As part of our efforts to attract and retain the best employees, our total compensation includes, in addition to a base salary and bonus, certain benefits such as health insurance and retirement benefits. These benefits vary depending on the location, but are competitive within each of the markets in which we operate.

Employee share purchase program
To enable our employees to invest in UBS and have a personal stake in the success of the firm, our employee share purchase program, the Equity Plus Plan, allows employees to contribute between 1%–30% of their base salary and/or 1%–35% of their bonus toward the purchase of UBS shares. All employees except those holding the rank of Managing Director and above are eligible to participate. Employees purchase UBS shares at market price, but receive one share for free for every three shares purchased through the program. These free shares vest after three years, with vesting subject to continued employment at UBS.

Risk-takers and controllers
Our risk-takers and controllers are a group of around 200 individuals who, by the nature of their role, have been determined to be able to materially commit or control the firm’s resources and/or exert significant influence over its risk profile, whether they are in the front office, logistics or control functions. Risk-taker activities are closely monitored, and risk-takers are subject to an additional level of performance evaluation by the control functions. Additionally, their compensation is adjusted to reflect the individual risks that they take, and a deferral rate of 60% is applied to their annual bonus granted under the applicable plans. Furthermore, the vesting of their deferred awards is contingent on the profitability of the business division in which they work, or, in the case of Corporate Center employees, on the profitability of the Group as a whole. Like all other employees, risk-takers also face forfeiture or reduction of the deferred portion of their compensation if they commit harmful acts.

→ Refer to the discussion “Support appropriate and controlled risk-taking” in the “Total Reward Principles” section of this report for more information

While we comply with the relevant Swiss Financial Market Supervisory Authority (FINMA) requirements regarding risk-takers, we are currently seeking guidance from regulators across the European Union regarding the implementation of the Capital Requirements Directive issued by the European Commission, which contains some rules relating to compensation. In the UK, for instance, the Financial Services Authority (FSA) has already issued a revised remuneration code. In line with guidance from the FSA, we have identified senior management and employees whose professional activities could have a material impact on the firm’s risk profile in the UK, so-called “Code staff”. Of the approximately 100 Code staff, about half are also part of our wider population of risk-takers and controllers. Code staff compensation is generally similar to those of risk-takers. However, due to specific FSA requirements, 50% of Code staff bonuses that are paid out immediately are delivered in shares. Furthermore, any shares granted to Code staff under the EOP for their performance in 2010 will be subject to an additional six-month blocking period upon vesting.

Group Executive Board

Bonus
GEB members receive a fixed salary. In addition, they are eligible to receive a bonus. While GEB bonuses are at the discretion of the BoD, they are strongly tied to the overall performance of the Group and dependent on the available bonus pool funding.

→ Refer to the discussion in the “Compensation funding and expenses” section of this report for more information

At least 76% of a GEB member’s bonus is deferred. Of the annual bonus, 40% is awarded in cash under the Cash Balance Plan (CBP): a maximum of 24% is paid out immediately, subject to a cash cap of CHF/USD 2 million. Vesting of the deferred cash portion is in equal installments over the following two years, with the amount vesting dependent on the return on equity achieved by the Group (Group RoE) in the financial year prior to vesting. The remaining 60% of a GEB member’s bonus is paid in equity, with 20% delivered under the Performance Equity Plan (PEP) and 40% under the Senior Executive Equity Ownership Plan (SEEOP). CBP awards vest over two years, PEP awards after three years, and
2010 compensation framework for GEB members

Illustrative example

GEB member’s bonus is deferred. Of the annual bonus, 40% is paid in cash and 60% in equity; and 76% of a member’s bonus is deferred.

Subject to possible change, dependent on plan rules.

See the “Deferred Variable Compensation Plans” section for more information.

Share retention

To further align their interests with those of our shareholders, GEB members are required to retain long-term ownership of UBS shares. Each must hold a minimum of 200,000 shares, while the Group CEO is required to hold 300,000 shares. These shareholdings are to be built up within a maximum period of five years from the date a GEB member is appointed and must be retained for as long as he or she remains in office. The number of UBS shares held by each GEB member is determined by adding any vested or unvested shares to privately held shares.
Employment contract terms
Employment contracts for GEB members do not provide for “golden parachutes”, that is, special severance terms, including supplementary contributions to pension plans. The notice period in employment contracts for new GEB members was reduced in 2009 from 12 to six months to reflect changing industry practice, thereby reducing UBS’s contractual obligations to GEB members who leave, including our obligations with regard to their compensation. Under employment contracts for GEB members, any bonus paid up to the date of termination is fully discretionary, and based on Group, business division and personal performance during the period of employment. Any discretionary cash bonus will generally be awarded under the CBP. Vesting of deferred bonuses to GEB members is not accelerated when they leave the firm, although exceptions may be made in cases of death or disability.

Benefits
Benefits for GEB members are in line with local practices for all other employees.

Board of Directors

Chairman of the BoD
Since 2009, the Chairman of the BoD has received a fixed salary that consists of cash and the right to receive a fixed number of UBS shares that are blocked for four years. There is no variable or performance-related component in the Chairman’s compensation package. However, the share component ensures that his pay is aligned with the long-term performance of the firm. The Chairman’s employment contract does not provide for special severance terms, including supplementary contributions to pension plans.

The Chairman’s compensation is at the discretion of the HRCC, which conducts an annual assessment and takes into consideration pay levels for comparable roles outside of UBS.

Independent BoD members
Independent BoD members receive fixed base fees for their services in line with those of our peers globally, with 50% of their fees in cash and the other 50% in blocked UBS shares that are granted with a 15% discount and restricted from sale for four years. Alternatively, they may choose to have 100% of their compensation paid in blocked UBS shares. In addition, independent BoD members receive fees known as committee retainers dependent on their workload in serving on the firm’s various board committees. The Senior Independent Director and the Vice Chairman of the BoD receive an additional payment of CHF 250,000. In accordance with their role, independent BoD members do not receive bonuses or benefits.

Base fees received by independent BoD members are subject to an annual review: a proposal is submitted by the Chairman of the BoD to the HRCC, which then submits a recommendation to the full BoD.

→ Refer to the “2010 compensation for the Group Executive Board and the Board of Directors” section of this report for more information
Deferred variable compensation plans

Apart from the need to attract talented and motivated professionals, the key focus in designing our variable compensation plans has been and continues to be on maintaining a close link between pay and long-term sustainable performance.

Under our present compensation model, all of our variable compensation plans feature malus (forfeiture) provisions. These provisions, which UBS was among the first in the industry to incorporate in its compensation system, require that a significant part of an employee’s bonus be deferred over several years and enable the firm to forfeit the deferred portion if an employee commits certain harmful acts. As such, the firm maintains the right not to pay deferred awards, which allows us to meet our overriding objective of rewarding behavior that contributes to sustainable profitability and, conversely, to withdraw incentives in cases when employees act against the interests of the firm.

In 2010, we made a number of adjustments to keep pace with industry compensation trends. Significantly, 60% of the bonus that a GEB member receives is now in the form of deferred equity, compared with 50% last year. In the case of certain categories of employees, including GEB members, risk-takers and employees whose total bonus exceeds CHF/USD 2 million, the vesting of their deferred awards was made contingent on the profitability of the business division in which they work. This serves to ensure a direct connection between their pay and the long-term performance of their business. Besides this, employees in the Investment Bank whose compensation exceeds CHF 1 million are subject to cash deferrals (for up to three years), leading to a reduction in their immediate cash payout. We have also reduced the use of leverage with the discontinuation of the Incentive Performance Plan (IPP).

Overview of variable compensation plans

Compensation is closely linked to long-term sustainable performance. All of our variable compensation plans feature malus provisions. A substantial part of variable compensation is deferred and at risk of forfeiture for several years.

<table>
<thead>
<tr>
<th>Beneficiaries</th>
<th>Cash Balance Plan</th>
<th>Performance Equity Plan</th>
<th>Senior Executive Equity Ownership Plan</th>
<th>Equity Ownership Plan</th>
<th>Deferred Cash Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEB</td>
<td>GEB</td>
<td>GEB</td>
<td>Risk-takers and controllers,</td>
<td>Other employees with</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Group Managing Directors, and</td>
<td>total compensation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>employees with total bonus greater</td>
<td>greater than CHF/USD</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>than CHF/USD 2 million</td>
<td>250,000</td>
<td></td>
</tr>
<tr>
<td>Vesting schedule</td>
<td>Immediate vesting of 60%, remainder in installments of 20% each over following two years</td>
<td>Vesting after three years. Number of shares vesting subject to fulfillment of performance conditions</td>
<td>Vesting in equal installments over five years</td>
<td>Vesting in equal installments over three years</td>
<td>Vesting in equal installments over three years</td>
</tr>
<tr>
<td>Share price</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>forfeit clauses</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Performance/malus conditions</td>
<td>Amount of cash delivered at vesting depends on the return on equity achieved by the Group during the vesting period</td>
<td>The number of performance shares granted initially are subject to the achievement of economic profit and total shareholder return profits. The ultimate number may vary between zero and two times.</td>
<td>- Exposure to share price development - Vesting of awards is contingent on the profitability of a GEB member’s business division, or on the profitability of the Group as a whole, if the GEB member in question does not head a division</td>
<td>Only vests in full if employee’s business division is profitable (or the Group as a whole in the case of Corporate Center employees)</td>
<td>Exposure to share price development</td>
</tr>
<tr>
<td>Profitability as funding driver</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Payout instrument</td>
<td>Cash</td>
<td>UBS shares</td>
<td>UBS shares</td>
<td>UBS shares</td>
<td>Cash</td>
</tr>
</tbody>
</table>
Variable compensation plans 2010

Cash Balance Plan (CBP)

Plan type – Deferred cash plans

Eligible employees: CBP awards are granted annually to GEB members.

Description: Generally, 40% of a GEB member’s annual bonus consists of cash awarded under the CBP. A maximum of 24% of the total bonus is paid out immediately, subject to a cap of CHF/USD 2 million. The balance is deferred and paid out in two equal installments over two years, subject to the performance condition described below.

The amount of cash delivered on vesting depends on the return on equity achieved by the Group during the vesting period. If the Group RoE is below 6%, no adjustment will be made to the amount of cash delivered upon vesting. If the Group RoE exceeds 6%, the unvested amount will be increased in line with the RoE achieved, though any such increase may not exceed 20%. If the Group RoE is negative, the unvested amount will be decreased accordingly, up to a maximum of 100%, and no vesting will occur in that given year.

Restrictions: The CBP contains malus provisions so that the deferred amount is partially or fully forfeited if a harmful act is committed. Even after a GEB member has left the firm, the deferred portion of the CBP award continues to be at risk of forfeiture. In addition, the award is forfeited if a GEB member voluntarily terminates his or her employment and joins another financial services organization.

Changes in 2010: The cap on the amount of cash that can be paid out immediately is set at CHF/USD 2 million. This was raised from the previous level of CHF/USD 1 million in line with industry practice.

Senior Executive Equity Ownership Plan (SEEOP)

Plan type – UBS share plans

Eligible employees: SEEOP awards are granted annually to GEB members.

Description: SEEOP awards are in the form of UBS shares that vest in equal installments over five years. The SEEOP is similar to the EOP, described below, but has a longer vesting period to reflect the additional level of commitment and long-term performance expected of GEB members.

Restrictions: SEEOP awards are subject to forfeiture in the event of a harmful act, if the business division to which a GEB member belongs makes a loss or if his or her employment is terminated voluntarily or for cause.

Changes in 2010: We introduced a performance condition for SEEOP awards, making the vesting of such awards contingent on the profitability of a GEB member’s business division, or, if the GEB member in question does not head a division, on the profitability of the Group as a whole. If the business division (or Group) suffers a loss in a given performance year, then the portion of the SEEOP award due to vest the following year will generally be reduced by 10%–50%, depending on the extent of the loss.

The amount of cash delivered on vesting was made dependent on the Group RoE achieved during the vesting period. In addition to the existing forfeiture provisions, awards granted from 2011 onward are now also forfeited if a GEB member voluntarily terminates his or her employment and joins another financial services organization.
Performance Equity Plan (PEP)

**Plan type – UBS share plans**

**Eligible employees:** PEP awards are granted annually to GEB members.

**Description:** At the beginning of the three-year performance period, GEB members are granted a certain number of restricted performance shares. The actual number of UBS shares delivered at the end of the period can be between zero and two times the number of performance shares granted initially, depending on whether performance targets relating to economic profit (EP) and relative total shareholder return (TSR) have been achieved. EP is a measure of risk-adjusted profit that takes into account the cost of risk capital and is only realized when the entire return on capital that is achieved is higher than the firm’s cost of capital. TSR measures the total return of a share to an investor, that is, both capital appreciation of the share price and the dividend yield. We measure our TSR over a three-year period relative to the companies in the Dow Jones Bank Titans 30 Index, an index representing 30 leading companies in the global banks sector.

To determine the number of UBS shares delivered upon vesting, it is necessary to first determine the EP multiplier to be used, as well as the TSR multiplier. The EP multiplier changes in line with the level of three-year cumulative EP achieved. The TSR multiplier used depends on the relative ranking achieved by UBS among the companies in the Dow Jones Banks Titans 30 Index at the time of vesting. As was the case last year, a 100% multiplier will be applied if UBS is ranked 15th among the companies in the index. The EP multiplier may range from 50%–150% and the TSR multiplier may range from 50%–133%, but if both measures are below the lowest threshold no shares will vest.

Once the EP and TSR multipliers have been established, to calculate the number of shares delivered upon vesting:

- the EP multiplier is multiplied with the TSR multiplier; and
- the resulting figure is then multiplied with the number of performance shares granted initially.

**Restrictions:** PEP awards are subject to forfeiture in the event of a harmful act or if employment has been terminated voluntarily or for cause.

**Changes in 2010:** No changes were made to the plan’s design. Performance targets are set annually.
**Equity Ownership Plan (EOP)**

**Plan type – UBS share plans / Equity Ownership Plan – fund linked**

**Eligible employees:** The EOP is a mandatory bonus deferral plan for all employees with a total compensation of CHF/USD 250,000 or more. In 2010, around 8,000 employees received EOP awards. These employees include risk-takers, Group Managing Directors (GMD) and employees whose total bonus exceeds CHF/USD 2 million. EOP awards are granted annually.

**Description:** Employees with a total compensation (that is, base salary and bonus) of CHF/USD 250,000 or more receive 60% of their bonus above that level in UBS shares that are deferred over three years under the EOP. To align their compensation with the performance of the funds that they manage, Global Asset Management employees receive their EOP awards in the form of cash, the amount of which is dependent on the value of the relevant underlying Global Asset Management funds at the time of vesting. The vesting and forfeiture provisions of these awards are the same as for EOP awards made in the form of UBS shares.

**Restrictions:** EOP awards are subject to forfeiture in the event of a harmful act or if employment is terminated voluntarily or for cause.

EOP awards made to risk-takers, GMD and employees whose total bonus exceeds CHF/USD 2 million will only vest in full if the business division to which the employee belongs is profitable. If the business division incurs an operating loss in a given year, then the deferred portion of the EOP award due to vest in the following year will be partially forfeited. The amount forfeited depends on the extent of the loss and generally ranges from 10%–50% of the award portion due to vest. In the case of Corporate Center employees, their awards are conditional on the profitability of the Group as a whole.

**Changes in 2010:** We introduced a performance condition for awards granted to risk-takers, GMD and employees whose total bonus exceeds CHF/USD 2 million, making the vesting of their deferred awards contingent on the profitability of their respective business division, or, if such employees belong to the Corporate Center, on the profitability of the Group as a whole.

**Illustrative example for bonus of CHF 100 awarded under the EOP**

<table>
<thead>
<tr>
<th>Year</th>
<th>CHF 100 Bonus in UBS shares for the performance year 2010, granted under EOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2011</td>
<td>0–33% vests with employee</td>
</tr>
<tr>
<td>March 2011</td>
<td>0–33% vests with employee</td>
</tr>
<tr>
<td>March 2012</td>
<td>0–33% vests with employee</td>
</tr>
<tr>
<td>March 2013</td>
<td>0–33% vests with employee</td>
</tr>
<tr>
<td>March 2014</td>
<td>0–33% vests with employee</td>
</tr>
</tbody>
</table>

Shares vest equally over three years and are subject to forfeiture. Payout value depends on share price.

---

**Deferred Cash Plan (DCP)**

**Plan type – Deferred cash plans**

**Eligible employees:** DCP awards were granted to Investment Bank employees whose total compensation exceeds CHF 1 million.

**Description:** Although the mandatory bonus deferral plan (for total compensation above CHF/USD 250,000) or more applies to all employees, certain Investment Bank employees are subject to additional cash deferrals on the 40% cash component of their bonus. The DCP is a cash award denominated either in USD or CHF. It vests in equal installments over the three subsequent years following its grant. The CHF/USD 2 million cap on the amount of cash that can be paid out immediately applies.

**Restrictions:** DCP awards are subject to forfeiture in the event of a harmful act or if employment is terminated voluntarily or for cause.

**Illustrative example for bonus of CHF 100 awarded under the DCP**

<table>
<thead>
<tr>
<th>Year</th>
<th>CHF 100 Bonus in cash for the performance year 2010, granted under DCP</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2011</td>
<td>0–33% vests with employee</td>
</tr>
<tr>
<td>March 2011</td>
<td>0–33% vests with employee</td>
</tr>
<tr>
<td>March 2012</td>
<td>0–33% vests with employee</td>
</tr>
<tr>
<td>March 2013</td>
<td>0–33% vests with employee</td>
</tr>
<tr>
<td>March 2014</td>
<td>0–33% vests with employee</td>
</tr>
</tbody>
</table>

Cash deferred over three years and subject to forfeiture.
Discontinued deferred compensation plans

The following table sets out the details of discontinued compensation plans, including those under which stock options, stock appreciation rights and other instruments were granted in the past. UBS has not granted any options since 2009. The strike price for stock options awarded under prior compensation plans has not been reset.

Refer to Note 31 “Equity participation and other compensation plans” in the “Financial Information” section of the Annual Report 2010 for more information.

<table>
<thead>
<tr>
<th>Plan</th>
<th>Year granted</th>
<th>Eligible employees</th>
<th>Instrument</th>
<th>Performance conditions</th>
<th>Restrictions / other conditions</th>
<th>Time frame and vesting terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentive Performance Plan (IPP)</td>
<td>2010 only</td>
<td>GEB members and other senior employees (approximately 900 employees)</td>
<td>Performance shares</td>
<td>Dependent on share price at the end of the five-year period</td>
<td>Subject to continued employment and harmful act provisions.</td>
<td>Vests in full at the end of five years. Number of shares that vest can be between one and three times the number of performance shares initially granted.</td>
</tr>
<tr>
<td>Conditional Variable Compensation Plan (CVCP)</td>
<td>2009 only</td>
<td>Selected employees (approximately 9,500 employees), excluding GEB members</td>
<td>Cash</td>
<td>No financial loss incurred and no need for additional capital injection by government</td>
<td>Subject to continued employment and harmful act provisions.</td>
<td>Vests in one-third installments over a three-year period.</td>
</tr>
<tr>
<td>Key Employee Stock Appreciation Rights Plan (KESAP) and Key Employee Stock Option Plan (KESOP)</td>
<td>2002–2009</td>
<td>Selected employees (approximately 17,000 employees between 2002 and 2009)</td>
<td>Share-settled stock appreciation rights (SARs) or stock options with a strike price not less than the fair market value of a UBS share on the date of grant</td>
<td>None</td>
<td>Subject to continued employment, non-solicitation of clients and employees and non-disclosure of proprietary information.</td>
<td>Vests in full at the end of the three-year period. SARs and options expire 10 years from the date of grant. Awards are settled by the delivery of UBS shares, except in countries where this is not permitted by law.</td>
</tr>
<tr>
<td>Senior Executive Stock Appreciation Rights Plan (SESAP) and Senior Executive Stock Option Plan (SESOP)</td>
<td>2002–2009</td>
<td>GEB members and Group Managing Board</td>
<td>SARs or stock options with a strike price not less than 110% of the fair market value of a UBS share on the date of grant</td>
<td>None</td>
<td>Subject to continued employment, non-solicitation of clients and employees and non-disclosure of proprietary information.</td>
<td>Vests in full at the end of the three-year period. SARs and options expire 10 years from the date of grant. Awards are settled by the delivery of UBS shares, except in countries where this is not permitted by law.</td>
</tr>
</tbody>
</table>
Compensation funding and expenses

How we determine our bonus pool

Each business division plans its bonus pool annually based on the funding framework and process that has been agreed by the HRCC. The “management pool” is the amount that a business division proposes to award its employees for their performance in a given performance year after consideration of all relevant factors. These proposed pools are submitted to the Group CEO and the HRCC for review, and approved by the full BoD. A detailed description of this process is provided below. By comparison, the expenses charged to the profit and loss account for any given year include compensation expense, that is, accruals, for bonuses awarded for the latest performance year recognized in the current year, as well as amortization of deferred awards granted in prior years, that is, prior awards that have not yet vested.

Profitability

Profitability is the main basis of our compensation funding framework. At business division level, this is measured as profit before tax and before bonus, adjusted for a cost of capital charge, thereby taking into consideration the cost of equity allocated to that business.

Bonus pool funding based on risk-adjusted profit supports the firm’s overall objective of sustainable profitability. At the same time, it is consistent with the regulatory requirements established by FINMA, the FSB and our other regulators.

Funding rates and initial bonus pools

We derive the initial divisional bonus pools by multiplying the so-called divisional compensation funding rate with the divisional adjusted contribution before bonus. In 2010, we introduced funding rates that are directly linked to the level of profitability in each division. As profits within a business division increase, the proportion of profits allocated for the payment of bonuses is lowered.

Our funding rate model or approach allows us to protect the firm in years of downturn or recovery by retaining key employees, while providing additional shareholder return in good years by preventing excessive capital usage for compensation. As such, we optimize shareholder return in the longer term by adapting our compensation funding in line with the profitability situation of our businesses.

Management discretion

While profitability is the main factor in determining the size of our bonus pool, and while we apply funding rates that provide an initial basis for determining divisional bonus pools, management may still apply its discretion and make adjustments to further assess the overall quality of earnings by looking at relevant key performance indicators and other qualitative measures, including risk factors. Furthermore, we recognize the strategic importance of maintaining a competitive position in the labor market, and may also make adjustments to variable compensation funding determined by competitive benchmarking. This involves studying our market position, both from a performance and a compensation perspective, together with industry compensation trends, including at senior management levels, based on a comparison among peer groups and across regions. Such management discretion is an important element of the funding framework, enabling us to achieve a balanced outcome that considers all the relevant factors.

Corporate Center employees are rewarded based on their individual performance, along with the performance and profitability of the Group as a whole. Compensation for control and logistics functions is determined independently. It is not based on the performance of the revenue producers these functions support, and is contained within the costs allocated to the business divisions.

Review and approval process

The proposed divisional bonus pools and the underlying contribution before bonus, together with other relevant performance indicators and input from Group Risk, are reported to the Group CEO. The HRCC reviews the rationale behind the divisional bonus pools.

Sustainable profitability is key to compensation funding

Primary basis for funding across UBS is profitability. The following describes the process by which we determine our bonus pools.
Business performance over the last two years

Our performance reflected an improvement of CHF 10 billion, with 2010 profit before tax of CHF 7,455 million compared with a loss of CHF 2,561 million in 2009.

UBS achieved a profit before tax of CHF 7,455 million in 2010, compared with a loss of CHF 2,561 million in 2009. The Investment Bank returned to profitability and contributed CHF 8,278 million to the CHF 10 billion improvement in UBS’s operating profit. UBS ended 2010 with an industry-leading BIS tier 1 capital ratio of 17.8%. Client confidence in our business is growing, as demonstrated by increased business volumes as well as improvements in net new money. We also continued to control our costs and achieved our CHF 20 billion fixed costs target for the year.

Operating profit from continuing operations before tax
CHF million

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wealth Management &amp; Swiss Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wealth Management Americas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Asset Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury activities and other corporate items</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-8,000</td>
<td>0</td>
</tr>
</tbody>
</table>

Refer to the “UBS business divisions and Corporate Center” section of the Annual Report 2010 for more information on 2010 business division financial performance.

It also considers performance indicators and risk factors specific to each business division when assessing performance and earnings quality, before recommending the size of the final bonus pool to the BoD.

At a business division level, each CEO proposes funding and allocation to the Group CEO, taking into account input from Group Risk. Performance against agreed indicators, both qualitative and quantitative, as well as risk factors specific to each business division, are considered when assessing performance and earnings quality.

Bonuses granted in 2010

Despite our improved performance in 2010, our bonus pool of CHF 4,245 million for 2010 is 11% lower than that for 2009, reflecting factors such as the market environment, our need to further improve our profitability, and our performance relative to the rest of the industry.

The following table shows the amount of bonus awarded to employees for the performance year 2010, together with the number of beneficiaries for each type of award granted. In the

<table>
<thead>
<tr>
<th>Total bonus pool¹</th>
<th>Expenses</th>
<th>Expenses deferred to 2011 and later</th>
<th>Accounting adjustment</th>
<th>Total</th>
<th>Number of beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash discretionary bonus</td>
<td>2,079</td>
<td>2,245</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Deferred cash plans</td>
<td>64</td>
<td>44</td>
<td>236</td>
<td>127</td>
<td>45</td>
</tr>
<tr>
<td>UBS share plans</td>
<td>440</td>
<td>276</td>
<td>1,271</td>
<td>1,827</td>
<td>60</td>
</tr>
<tr>
<td>UBS share option plans</td>
<td>0</td>
<td>33</td>
<td>0</td>
<td>34</td>
<td>0</td>
</tr>
<tr>
<td>Equity Ownership Plan – fund-linked</td>
<td>28</td>
<td>34</td>
<td>67</td>
<td>134</td>
<td>0</td>
</tr>
<tr>
<td>Total discretionary bonus</td>
<td>2,611</td>
<td>2,632</td>
<td>2,174</td>
<td>2,040</td>
<td>60</td>
</tr>
</tbody>
</table>

¹ Refer to “Note 31 Equity participation and other compensation plans” in the “Financial information” section of the Annual Report 2010 for more information.
case of deferred cash and share awards, the final amount paid to an employee is influenced by forfeiture provisions and any performance conditions to which these awards are subject. The deferred share award amount is based on the fair value of these awards at the date of grant.

The accounting adjustment column in the table shows the difference between the bonus amount granted to employees and the expensed fair value amount according to the IFRS 2 accounting standard. The relevant accounting rule provides for a discount to reflect that the fair value of shares that have vested for accounting purposes, but are still subject to sale or transfer restrictions, is lower than the market value of unregistered shares. For example, an EOP award vests for accounting purposes immediately when an employee retires, while the shares remain blocked over the original vesting period. In this case, the expensed fair value of the blocked EOP award is lower than the current market value. Where a performance condition under the EOP applies, the expensed fair value also includes a discount reflecting the probability of forfeiture as a result of failing to meet the performance condition.

**Total personnel expenses for 2010**

The following table shows our total personnel expense for 2010, and includes salaries, pension and other personnel costs, social security contributions and variable compensation. Variable compensation includes discretionary cash bonuses paid in 2011 for the performance year 2010, the amortization of unvested deferred awards granted in previous years and the cost of deferred awards granted to employees who are eligible for retirement at the date of grant.

The bonus pool reflects the value of discretionary bonuses granted relating to the 2010 performance year, including awards that are paid out immediately and those that are deferred. To determine our variable compensation expense, several adjustments are required in order to reconcile the bonus pool to the accounting costs recognized in the Group’s financial statements prepared under IFRS:

- reduction for the unrecognized future amortization of unvested deferred awards granted in 2011 for the performance year 2010; and
- addition for the amortization of unvested deferred awards granted in previous years.

As an increasingly large part of compensation consists of deferred awards, the amortization of unvested deferred awards granted in previous years became a more significant part of the 2010 accounting costs, and will increase in 2011.

→ Refer to “Note 31 Equity participation and other compensation plans” in the “Financial information” section of the Annual Report 2010 for more information.

### Personnel expenses

<table>
<thead>
<tr>
<th>CHF million</th>
<th>31.12.10</th>
<th>31.12.09</th>
<th>31.12.08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>7,033</td>
<td>7,383</td>
<td>7,775</td>
</tr>
<tr>
<td>Variable compensation – discretionary bonus expense</td>
<td>4,022</td>
<td>2,809</td>
<td>1,674</td>
</tr>
<tr>
<td>Variable compensation – other</td>
<td>310</td>
<td>830</td>
<td>1,025</td>
</tr>
<tr>
<td>Contractors</td>
<td>232</td>
<td>275</td>
<td>423</td>
</tr>
<tr>
<td>Social security</td>
<td>826</td>
<td>804</td>
<td>660</td>
</tr>
<tr>
<td>Pension and other post-employment benefit plans</td>
<td>724</td>
<td>988</td>
<td>972</td>
</tr>
<tr>
<td>Wealth Management Americas: financial advisor compensation</td>
<td>2,667</td>
<td>2,426</td>
<td>2,435</td>
</tr>
<tr>
<td>Other personnel expenses</td>
<td>1,047</td>
<td>1,027</td>
<td>1,298</td>
</tr>
<tr>
<td><strong>Total personnel expenses</strong></td>
<td><strong>16,920</strong></td>
<td><strong>16,543</strong></td>
<td><strong>16,262</strong></td>
</tr>
</tbody>
</table>

1 Includes expensing of current year bonuses of CHF 2,611 million and expensing of deferred awards of CHF 1,471 million relating to bonuses for previous years. 2 Includes replacement awards of CHF 107 million, forfeitures of CHF (167) million, guaranteed bonuses of CHF 135 million, severance payments of CHF 69 million and UBS’s Equity Plus Plan of CHF 80 million. 3 Consists of grid-based compensation linked directly to compensable revenues generated by financial advisors, and supplemental compensation calculated based on financial advisor productivity, firm tenure, assets and other variables. Also includes costs related to compensation commitments and advances granted to financial advisors at the time of recruitment, which are subject to vesting requirements. 4 Includes employee mandatory insurance programs and family allowances, recruitment, training and related travel costs, the cost of employee anniversary awards, the costs of international assignees, and relocation costs. 5 Personnel expenses (including fixed and variable compensation) recognized in the profit and loss statement 2010 of CHF 16,920 million (less charges and credits that derive from remuneration for previous financial years of CHF 2,069 million plus expenses deferred to 2011 and later from the profit 2010 of CHF 2,609 million) amount to CHF 17,460 million.
2010 compensation for the Group Executive Board and Board of Directors

Group Executive Board compensation

In 2010, total compensation for GEB members reflected the individual performance of each executive in the context of each business division’s improved operating performance, overall Group progress toward our medium-term strategic goals and the significant turnaround in the Group’s profitability. In setting compensation levels, the HRCC and the BoD also considered the collective achievements of the GEB in advancing our strategy, the relevant external competitive market and the firm’s relative performance.

In total, the compensation for GEB members in office on December 2010 was CHF 91.0 million, compared with a total of CHF 68.7 million in 2009. There were 13 GEB members on 31 December 2010, the same number as at the end of 2009. Aggregate compensation made to GEB members who stepped down in 2010 was CHF 3.3 million, compared with CHF 41.3 million in 2009. It should be noted that GEB employment contracts were revised between 2009 and 2010 to further limit USB’s contractual obligations to GEB members who leave. The changes include reducing the notice period for new GEB members from 12 to six months, as well as making any bonus payments for the year in which a GEB member leaves on a fully discretionary, rather than pro rata, basis.

The highest paid GEB member in 2010 was Carsten Kengeter, with a total compensation of CHF 9.3 million. As shown in the table “Total compensation for all GEB members”, 88% of his bonus was deferred, with 28% in deferred cash and 60% in deferred equity vesting over three to five years.

Carsten Kengeter was appointed sole CEO of the Investment Bank in November 2010, having previously held this position jointly with Alexander Wilmot-Sitwell from January to October 2010. In 2010, the Investment Bank returned to profitability with a full-year profit before tax of CHF 2.2 billion, an improvement of CHF 8.3 billion as compared with 2009. Significant progress was made in positioning the Investment Bank for the future through rebuilding selected businesses in the Fixed Income Currencies and Commodities (FICC) business area, increasing the alignment between FICC and the leading Equities franchise, increasing market share in the advisory and capital markets activities and implementing an integrated, flow- and advisory-based client-centric business model. During 2010 residual risk positions were actively managed and reduced.

In 2010, the Group CEO, Oswald J. Grübel, was contractually entitled to a bonus, given the level of Group profitability achieved, the improvement in results over the previous year and the significant progress towards the Group’s medium-term strategic goals. As in 2009, the Group CEO decided to waive the bonus. His decision is based on what he believes is appropriate for the firm at this point in light of the further progress still required to reach the long-term goals set out in the firm’s overall strategy. His decision has been gratefully accepted and agreed to by the HRCC and the BoD.

Base salary

Base salaries are fixed for all GEB members and reviewed annually by the HRCC. Any adjustments are limited to significant changes in market rates or to movements in the foreign exchange (FX) rates relative to the Swiss franc. The HRCC decided not to change the Swiss franc amount for 2010, but adjusted the salary for GEB members who are paid in other currencies due to movements in FX rates.

Benefits

GEB benefits are in line with previous years.

➔ Refer to “Note 30 Pension and other post-employment benefits” in the “Financial Information” section of the Annual Report 2010 for details on the various post-employment benefit plans established in Switzerland and other major markets

➔ Refer to the “Compensation funding and expenses” and “Overview of our compensation model” sections for information concerning the committee’s determination of the discretionary bonus for 2010, and to the “Deferred variable compensation plans” section for details of the compensation plans awarded to GEB members

Board of Directors compensation

Chairman of the Board of Directors

For 2010, the total compensation awarded to the Chairman of the BoD, Kaspar Villiger, was CHF 1,491,308. Our compensation framework provides for the Chairman to receive a base salary, 200,000 UBS shares, blocked for four years, as well as benefits in kind. Such shares are not designed or intended as variable compensation. Kaspar Villiger chose to waive a substantial part of the share award and instead to accept a limited number of 26,940 UBS shares with a fair value of CHF 500,000. In addition, he decided to maintain the voluntary reduction in his annual base salary from CHF 2 million to CHF 850,000. The HRCC gratefully accepted and agreed with Kaspar Villiger’s decision.

Highest paid BoD member

The Chairman of the BoD, Kaspar Villiger, is the highest paid BoD member, with total compensation of CHF 1,491,308.

Independent BoD members

The table “Remuneration details and additional information for independent BoD members” shows the compensation received
by independent BoD members between the 2010 and 2011 AGM. Fees for 2010 to 2011 remained unchanged.

**Compensation for former BoD and GEB members**

Compensation and benefits in kind paid to former BoD and GEB members amounted to CHF 77,722 for 2010 and reflect legacy agreements still honored by UBS. These benefits have been discontinued for any BoD and GEB member who stepped down after 1 January 2008.

**Transactions in 2010**

In accordance with the applicable rules and regulations, management transactions in UBS shares by BoD and GEB members are publicly disclosed. Transactions which require reporting are those involving all types of financial instruments whose price is primarily influenced by the price of UBS shares.

From 1 January until 31 December 2010, one share purchase was disclosed with a total value of CHF 1,501,830. Swiss stock exchange rules do not require disclosure of individual names of GEB or BoD members making such transactions.

UBS executives receive a substantial portion of their compensation in UBS equity-based awards. For this reason, management transactions generally see sales outweighing purchases. Blackout periods and synchronized dates for unblocking or vesting of shares or options granted as compensation may lead to transactions being concentrated in short time periods.

In addition, three BoD members chose to receive their full pay in UBS shares. These shares, representing a value of CHF 1,062,500, will be allocated in March 2011.

**Loans**

BoD and GEB members are granted loans, fixed advances and mortgages. Such loans were made in the ordinary course of business, on substantially the same terms as those granted to other employees, including interest rates and collateral, and did not involve more than the normal risk of collectability or contain other unfavorable features.

Refer to “Note 32 Related parties” in the “Financial information” section of the Annual Report 2010 for information concerning loans granted to current and former executives.

---

**List of tables**

<table>
<thead>
<tr>
<th>Table Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total compensation for all GEB members</td>
<td>26</td>
</tr>
<tr>
<td>Share and option ownership of GEB members on 31 December 2009/2010</td>
<td>27</td>
</tr>
<tr>
<td>Compensation details and additional information for non-independent BoD members</td>
<td>28</td>
</tr>
<tr>
<td>Remuneration details and additional information for independent BoD members</td>
<td>28</td>
</tr>
<tr>
<td>Total payments for all BoD members</td>
<td>29</td>
</tr>
<tr>
<td>Share holdings of BoD members on 31 December 2009/2010</td>
<td>29</td>
</tr>
<tr>
<td>Compensation paid to former BoD and GEB members</td>
<td>30</td>
</tr>
<tr>
<td>Total of all vested and unvested shares held by GEB members and non-independent BoD members</td>
<td>30</td>
</tr>
<tr>
<td>Total of all blocked and unblocked shares held by independent BoD members</td>
<td>30</td>
</tr>
<tr>
<td>Vested and unvested options held by GEB members on 31 December 2009/2010</td>
<td>31</td>
</tr>
<tr>
<td>Loans granted to GEB members on 31 December 2009/2010</td>
<td>34</td>
</tr>
<tr>
<td>Loans granted to BoD members on 31 December 2009/2010</td>
<td>34</td>
</tr>
</tbody>
</table>
### Total compensation for all GEB members

<table>
<thead>
<tr>
<th>Name, function</th>
<th>For the year ended</th>
<th>Base salary</th>
<th>Immediate cash</th>
<th>Deferred cash¹/²</th>
<th>Annual bonus under PEP¹</th>
<th>Annual bonus under SEEOP¹</th>
<th>Annual bonus under IPP¹</th>
<th>Benefits in kind¹</th>
<th>Contributions to retirement benefits plans¹</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oswald J. Grübel, Group CEO</td>
<td>2010</td>
<td>3,000,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>25,600</td>
<td>0</td>
<td>3,025,600</td>
</tr>
<tr>
<td>Carsten Kengeter, CEO Investment Bank (highest-paid)</td>
<td>2010</td>
<td>874,626</td>
<td>1,002,496</td>
<td>2,339,158</td>
<td>1,670,827</td>
<td>3,341,654</td>
<td>–</td>
<td>92,547</td>
<td>0</td>
<td>9,321,308</td>
</tr>
<tr>
<td>Carsten Kengeter, CEO Investment Bank (highest-paid)</td>
<td>2009</td>
<td>669,092</td>
<td>3,002,082</td>
<td>2,001,388</td>
<td>6,155,869</td>
<td>–</td>
<td>1,349,336</td>
<td>0</td>
<td>12,545</td>
<td>13,190,112</td>
</tr>
<tr>
<td>Aggregate of all GEB members who were in office on 31 December 2010³</td>
<td>2010</td>
<td>14,705,894</td>
<td>15,588,145</td>
<td>14,451,756</td>
<td>15,019,951</td>
<td>30,039,901</td>
<td>–</td>
<td>381,851</td>
<td>843,402</td>
<td>91,030,900</td>
</tr>
<tr>
<td>Aggregate of all GEB members who were in office on 31 December 2009⁴</td>
<td>2009</td>
<td>12,000,055</td>
<td>15,440,827</td>
<td>10,293,884</td>
<td>13,453,424</td>
<td>–</td>
<td>15,696,333</td>
<td>270,971</td>
<td>1,551,068</td>
<td>68,706,566</td>
</tr>
<tr>
<td>Aggregate of all GEB members who stepped down during 2010⁵</td>
<td>2010</td>
<td>755,950</td>
<td>1,380,000</td>
<td>920,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>78,817</td>
<td>118,334</td>
<td>3,253,101</td>
</tr>
<tr>
<td>Aggregate of all GEB members who stepped down during 2009⁶</td>
<td>2009</td>
<td>2,447,544</td>
<td>23,065,858</td>
<td>15,377,239</td>
<td>–</td>
<td>0</td>
<td>0</td>
<td>215,151</td>
<td>171,122</td>
<td>41,276,914</td>
</tr>
</tbody>
</table>

¹ Number and distribution of GEB members: 13 GEB members in office on 31 December 2010 and on 31 December 2009 respectively. ² Number and distribution of former GEB members for 2010 includes Francesco Morl (three months in office, including a notice period of six months), and 2009 includes Marcel Rohner (two months in office), Walter H. Stützinger and Rasul Wel (three months in office), Jerker Johannson (four months in office), Remy Rape (six months in office) and Marlene Hoekstra (10 months in office). ³ In 2010, for John Crean, Carsten Kengeter and Alexander Wilmot-Sitwell, deferred cash includes blocked shares. ⁴ Included in the share awards are SEEOP awards at a fair value of GBP 4,655,950 and EOP awards at a fair value of GBP 1,594,250.

### Explanation of the tables outlining compensation details for GEB members and non-independent BoD members

a. Local currencies are converted into CHF using the exchange rates as detailed in Note 39 “Currency translation rates” in the “Financial information” section of the Annual Report 2010.

b. Of the cash award, 60% is paid out immediately (representing 24% of a GEB member’s total annual bonus). The balance is paid out in equal installments over 20%, each over the subsequent two years, and is subject to forfeiture.

c. Value of each performance share grant: CHF 18.70 for PEP awards granted in 2011 relating to the performance year 2010; CHF 16.30 for PEP awards granted in 2010 relating to the performance year 2009; and CHF 22.20 for IPP awards granted in 2010 relating to the performance year 2009. These values are based on valuations for accounting purposes which take into account the performance conditions and the range of possible outcomes for these conditions.

d. SEEOP is a pre-existing compensation plan that has been updated and re-introduced. SEEOP awards vest in equal installments over five years and are subject to forfeiture. The grant date accounting value per share granted under SEEOP in 2011 relating to the performance year 2010 at grant is CHF 18.43 or USD 19.94 (actual shares) and CHF 18.30 or USD 19.80 (notional shares).

e. Benefits in kind are all valued at market price, for example, health and welfare benefits and general expense allowances.

f. Swiss executives participate in the same pension plan as all other employees. Under this plan, UBS makes contributions to the plan, which covers compensation of up to CHF 820,800. The retirement benefits consist of a pension, a bridging pension and a one-off payout of accumulated capital. Employees must also contribute to the plan. This figure excludes the mandatory employer’s social security contributions (AHV, ALV), but includes the portion attributed to the employer’s portion of the legal BVG requirement. The employee contribution is included in the base salary and annual incentive award components.

In both the US and the UK, senior management participates in the same pension plans as all other employees. In the US, there are separate pension plans for Wealth Management Americas compared with the other business divisions. There are generally two different types of pension plans. The grandfathered plans, which are no longer open to new hires, operate (depending on the abovementioned distinction by business division) either on a cash balance basis or a career average salary basis. Participants accrue a pension based on their annual compensation limited to USD 250,000 (or USD 150,000 for Wealth Management Americas employees). The principal plans for new hires are defined contribution plans. In the defined contribution plans, UBS makes contributions to the plan based on compensation and limited to USD 245,000. US management may also participate in a 401(k) defined contribution plan (open to all employees), which provides a limited company matching contribution for employee contributions. In the UK, management participates in either the principal pension plan, which operates on a defined contribution basis and is limited to an earnings cap of GBP 100,000, or a grandfathered defined benefit plan which provides a pension upon retirement based on career average base salary (individual caps introduced as of 1 July 2010).
## Share and option ownership of GEB members on 31 December 2009 / 2010

<table>
<thead>
<tr>
<th>Name, function1</th>
<th>For the year ended</th>
<th>Number of unvested shares / at risk2</th>
<th>Number of vested shares</th>
<th>Total number of shares</th>
<th>Potentially conferred voting rights in %</th>
<th>Number of options held3</th>
<th>Potentially conferred voting rights in %4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oswald J. Grübel, Group Chief Executive Officer</td>
<td>2010</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.000</td>
<td>4,000,000</td>
<td>0.181</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
<td>0</td>
<td>0.000</td>
<td>4,000,000</td>
<td>0.217</td>
</tr>
<tr>
<td>John Cryan, Group Chief Financial Officer</td>
<td>2010</td>
<td>221,879</td>
<td>185,975</td>
<td>407,854</td>
<td>0.018</td>
<td>382,673</td>
<td>0.017</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
<td>235,929</td>
<td>0.013</td>
<td>382,673</td>
<td>0.021</td>
</tr>
<tr>
<td>Markus U. Diethelm, Group General Counsel</td>
<td>2010</td>
<td>178,619</td>
<td>75,700</td>
<td>254,319</td>
<td>0.012</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
<td>112,245</td>
<td>0.006</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>John A. Fraser, Chairman and CEO Global Asset Management</td>
<td>2010</td>
<td>326,702</td>
<td>316,541</td>
<td>643,243</td>
<td>0.029</td>
<td>1,088,795</td>
<td>0.049</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
<td>480,464</td>
<td>0.026</td>
<td>1,088,795</td>
<td>0.059</td>
</tr>
<tr>
<td>Lukas Gähwiler, CEO UBS Switzerland and co-CEO Wealth Management &amp; Swiss Bank</td>
<td>2010</td>
<td>110,000</td>
<td>850</td>
<td>110,850</td>
<td>0.005</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Carsten Kengeter, CEO Investment Bank</td>
<td>2010</td>
<td>916,201</td>
<td>363,047</td>
<td>1,279,248</td>
<td>0.058</td>
<td>905,000</td>
<td>0.041</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
<td>510,900</td>
<td>0.028</td>
<td>905,000</td>
<td>0.049</td>
</tr>
<tr>
<td>Ulrich Körner, Group Chief Operating Officer and CEO Corporate Center</td>
<td>2010</td>
<td>177,592</td>
<td>95,597</td>
<td>273,190</td>
<td>0.012</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
<td>0</td>
<td>0.000</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>Philip J. Lofts, Group Chief Risk Officer</td>
<td>2010</td>
<td>200,009</td>
<td>144,603</td>
<td>344,612</td>
<td>0.016</td>
<td>577,723</td>
<td>0.026</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
<td>179,234</td>
<td>0.010</td>
<td>577,723</td>
<td>0.031</td>
</tr>
<tr>
<td>Robert J. McCann, CEO Wealth Management Americas</td>
<td>2010</td>
<td>128,598</td>
<td>540,866</td>
<td>679,464</td>
<td>0.031</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
<td>602,481</td>
<td>0.033</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>Francesco Morra, former CEO UBS Switzerland5</td>
<td>2010</td>
<td>–</td>
<td>–</td>
<td>163,860</td>
<td>0.008</td>
<td>325,086</td>
<td>0.018</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Alexander Wilmot-Sitwell, co-Chairman and co-CEO Group Asia Pacific</td>
<td>2010</td>
<td>274,739</td>
<td>213,613</td>
<td>488,352</td>
<td>0.022</td>
<td>353,807</td>
<td>0.016</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
<td>286,767</td>
<td>0.016</td>
<td>353,807</td>
<td>0.019</td>
</tr>
<tr>
<td>Robert Wolf, Chairman and CEO, UBS Group Americas / President Investment Bank</td>
<td>2010</td>
<td>242,805</td>
<td>635,382</td>
<td>878,187</td>
<td>0.040</td>
<td>948,473</td>
<td>0.043</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
<td>785,631</td>
<td>0.043</td>
<td>948,473</td>
<td>0.051</td>
</tr>
<tr>
<td>Chi-Won Yoon, co-Chairman and co-CEO Group Asia Pacific</td>
<td>2010</td>
<td>184,858</td>
<td>318,332</td>
<td>503,190</td>
<td>0.023</td>
<td>623,253</td>
<td>0.028</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
<td>367,573</td>
<td>0.020</td>
<td>623,253</td>
<td>0.034</td>
</tr>
<tr>
<td>Jürg Zeltner, CEO UBS Wealth Management and co-CEO Wealth Management &amp; Swiss Bank</td>
<td>2010</td>
<td>113,609</td>
<td>9,405</td>
<td>123,014</td>
<td>0.006</td>
<td>205,470</td>
<td>0.009</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
<td>16,502</td>
<td>0.001</td>
<td>205,470</td>
<td>0.011</td>
</tr>
</tbody>
</table>

1 This table includes vested and unvested shares and options held by GEB members, including related parties.  
2 Includes shares granted under PEP and IPP. The actual number of shares vesting in the future will be calculated under the terms of the plans. Refer to “Deferred variable compensation plans” in this section for more information on both plans.  
3 Refer to “Note 31 Equity participation and other compensation plans” in the “Financial information” section of the Annual Report 2010 for more information.  
4 No conversion rights are outstanding.  
5 GEB member who stepped down during 2010.
Compensation report 2010

Compensation details and additional information for non-independent BoD members

CHF, except where indicated

<table>
<thead>
<tr>
<th>Name, function</th>
<th>For the year ended</th>
<th>Base salary</th>
<th>Annual bonus (cash)</th>
<th>Annual share award</th>
<th>Benefits in kind</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaspar Villiger, Chairman</td>
<td>2010</td>
<td>850,000</td>
<td>0</td>
<td>500,000&lt;sup&gt;1&lt;/sup&gt;</td>
<td>141,308&lt;sup&gt;5&lt;/sup&gt;</td>
<td>1,491,308&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>602,083</td>
<td>0</td>
<td>0</td>
<td>74,488</td>
<td>676,571</td>
</tr>
<tr>
<td>Peter Kurer, former Chairman</td>
<td>2010</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>666,667</td>
<td>0</td>
<td>0</td>
<td>37,561</td>
<td>89,780</td>
</tr>
</tbody>
</table>

1 2010: Kaspar Villiger was the only non-independent member in office on 31 December 2010 and 31 December 2009, respectively. Peter Kurer did not stand for reelection at the AGM on 15 April 2009.
2 These shares are blocked for four years.

Remuneration details and additional information for independent BoD members

CHF, except where indicated

<table>
<thead>
<tr>
<th>Name, function</th>
<th>Audit Committee</th>
<th>Human Resources &amp; Compensation Committee</th>
<th>Governance &amp; Nominating Committee</th>
<th>Corporate Social Responsibility Committee</th>
<th>Risk Committee</th>
<th>For the period AGM to AGM</th>
<th>Base fee</th>
<th>Committee retainer(s)</th>
<th>Benefits in kind</th>
<th>Additional payments</th>
<th>Total</th>
<th>Share percentage</th>
<th>Number of shares&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michel Demaré, Vice Chairman</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>2010/2011</td>
<td>325,000</td>
<td>300,000</td>
<td>250,000&lt;sup&gt;5&lt;/sup&gt;</td>
<td>875,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>100</td>
<td>52,631</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2009/2010</td>
<td>325,000</td>
<td>200,000</td>
<td>0</td>
<td>0</td>
<td>525,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>50</td>
<td>21,203</td>
</tr>
<tr>
<td>David Sidwell, Senior Independent Director</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>2010/2011</td>
<td>325,000</td>
<td>400,000</td>
<td>250,000&lt;sup&gt;5&lt;/sup&gt;</td>
<td>975,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>50</td>
<td>30,993</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2009/2010</td>
<td>325,000</td>
<td>400,000</td>
<td>0</td>
<td>0</td>
<td>725,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>50</td>
<td>29,281</td>
</tr>
<tr>
<td>Sally Bott, member</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>2010/2011</td>
<td>325,000</td>
<td>450,000</td>
<td>0</td>
<td>0</td>
<td>775,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>50</td>
<td>24,556</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2009/2010</td>
<td>325,000</td>
<td>350,000</td>
<td>0</td>
<td>0</td>
<td>675,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>50</td>
<td>27,261</td>
</tr>
<tr>
<td>Rainer-Marc Frey, member</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>2010/2011</td>
<td>325,000</td>
<td>400,000</td>
<td>0</td>
<td>0</td>
<td>725,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>100</td>
<td>43,583</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2009/2010</td>
<td>325,000</td>
<td>200,000</td>
<td>0</td>
<td>0</td>
<td>525,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>100</td>
<td>40,301</td>
</tr>
<tr>
<td>Bruno Gehrig, member</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>2010/2011</td>
<td>325,000</td>
<td>200,000</td>
<td>0</td>
<td>0</td>
<td>525,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>50</td>
<td>16,634</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2009/2010</td>
<td>325,000</td>
<td>200,000</td>
<td>0</td>
<td>0</td>
<td>525,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>50</td>
<td>21,203</td>
</tr>
<tr>
<td>Ann F. Godbehere, member</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>2010/2011</td>
<td>325,000</td>
<td>250,000</td>
<td>0</td>
<td>0</td>
<td>575,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>50</td>
<td>18,219</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2009/2010</td>
<td>325,000</td>
<td>250,000</td>
<td>0</td>
<td>0</td>
<td>575,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>50</td>
<td>23,222</td>
</tr>
<tr>
<td>Axel P. Lehmann, member</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>2010/2011</td>
<td>325,000</td>
<td>200,000</td>
<td>0</td>
<td>0</td>
<td>525,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>100</td>
<td>31,519</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2009/2010</td>
<td>325,000</td>
<td>200,000</td>
<td>0</td>
<td>0</td>
<td>525,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>100</td>
<td>40,301</td>
</tr>
<tr>
<td>Sergio Marchionne, former Senior Independent Director, former Vice Chairman</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>2010/2011</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wolfgang Mayrhuber, member</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>2010/2011</td>
<td>325,000</td>
<td>150,000</td>
<td>0</td>
<td>0</td>
<td>475,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>50</td>
<td>15,050</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2009/2010</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helmut Panke, member</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>2010/2011</td>
<td>325,000</td>
<td>300,000</td>
<td>0</td>
<td>0</td>
<td>625,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>50</td>
<td>19,803</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2009/2010</td>
<td>325,000</td>
<td>300,000</td>
<td>0</td>
<td>0</td>
<td>625,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>50</td>
<td>25,242</td>
</tr>
<tr>
<td>William G. Parrett, member</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>2010/2011</td>
<td>325,000</td>
<td>300,000</td>
<td>0</td>
<td>0</td>
<td>625,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>50</td>
<td>19,803</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2009/2010</td>
<td>325,000</td>
<td>300,000</td>
<td>0</td>
<td>0</td>
<td>625,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>50</td>
<td>25,242</td>
</tr>
<tr>
<td>Peter R. Voser, former member</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>2010/2011</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2009/2010</td>
<td>325,000</td>
<td>100,000</td>
<td>0</td>
<td>0</td>
<td>425,000&lt;sup&gt;2&lt;/sup&gt;</td>
<td>50</td>
<td>17,164</td>
</tr>
</tbody>
</table>

Total 2010: 6,700,000

Total 2009: 6,420,000

Legend: *C* = Chairperson of the respective Committee; *M* = Member of the respective Committee

1 There were 10 independent BoD members in office on 31 December 2010. Wolfgang Mayrhuber was appointed at the AGM on 14 April 2010 and Sergio Marchionne and Peter Voser stepped down from the BoD at the AGM on 14 April 2010. There were 11 independent BoD members in office on 31 December 2009. Michel Demaré, Ann F. Godbehere and Axel P. Lehmann were appointed at the AGM on 15 April 2009 and Ernesto Bertarelli, Gabriele Kaufmann-Kohler and Jorgi Walle stepped down from the BoD at the AGM on 15 April 2009.
2 Fees are paid 50% in cash and 50% in blocked UBS shares. However, independent BoD members can elect to have 100% of their remuneration paid in blocked UBS shares. For 2010, shares valued at CHF 18.56 (average price of UBS shares at SIX Swiss Exchange over the last 10 trading days of February 2011), included a price discount of 15%, for a new value of discount price CHF 15.78. These shares are blocked for four years. For 2009, shares valued at CHF 14.57 (average price of UBS shares at SIX Swiss Exchange over the last 10 trading days of February 2010), included a price discount of 15%, for a new value of discount price CHF 12.38. These shares are blocked for four years.
3 Number of shares is reduced in case of the 100% election to contribute 100% of their remuneration to their respective benefits plan.
4 These shares are blocked for four years.
5 This payment is associated with the Vice Chairman or the SID function, respectively.
Total payments to all BoD members

CHF, except where indicated

<table>
<thead>
<tr>
<th>Aggregate of all BoD members</th>
<th>For the year ended</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>8,191,310</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>7,895,579</td>
</tr>
</tbody>
</table>

Share holdings of BoD members on 31 December 2009/2010

<table>
<thead>
<tr>
<th>Name, function</th>
<th>For the year ended</th>
<th>Number of shares held</th>
<th>Voting rights in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaspar Villiger, Chairman</td>
<td>2010</td>
<td>22,500</td>
<td>0.001</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>22,500</td>
<td>0.001</td>
</tr>
<tr>
<td>Michel Demaré, Vice Chairman</td>
<td>2010</td>
<td>23,703</td>
<td>0.001</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>2,500</td>
<td>0.000</td>
</tr>
<tr>
<td>David Sidwell, Senior Independent Director</td>
<td>2010</td>
<td>69,354</td>
<td>0.003</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>40,073</td>
<td>0.002</td>
</tr>
<tr>
<td>Sally Bott, member</td>
<td>2010</td>
<td>39,542</td>
<td>0.002</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>12,281</td>
<td>0.001</td>
</tr>
<tr>
<td>Rainer-Marc Frey, member</td>
<td>2010</td>
<td>56,459</td>
<td>0.003</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>16,158</td>
<td>0.001</td>
</tr>
<tr>
<td>Bruno Gehrig, member</td>
<td>2010</td>
<td>37,775</td>
<td>0.002</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>16,572</td>
<td>0.001</td>
</tr>
<tr>
<td>Ann F. Godbehere, member</td>
<td>2010</td>
<td>23,222</td>
<td>0.001</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>Axel P. Lehmann, member</td>
<td>2010</td>
<td>58,452</td>
<td>0.003</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>18,151</td>
<td>0.001</td>
</tr>
<tr>
<td>Sergio Marchionne, former Senior Independent Director, former Vice Chairman</td>
<td>2010</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>164,154</td>
<td>0.009</td>
</tr>
<tr>
<td>Wolfgang Mayrhuber, member</td>
<td>2010</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Helmut Panke, member</td>
<td>2010</td>
<td>89,529</td>
<td>0.004</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>64,287</td>
<td>0.003</td>
</tr>
<tr>
<td>William G. Parrett, member</td>
<td>2010</td>
<td>42,815</td>
<td>0.002</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>17,573</td>
<td>0.001</td>
</tr>
<tr>
<td>Peter R. Voser, former member</td>
<td>2010</td>
<td>68,310</td>
<td>0.004</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

1 This table includes vested, unvested, blocked and unblocked shares held by BoD members, including related parties. No options were granted in 2009 and 2010. 2 BoD members who stepped down at the 2010 AGM.
## Compensation paid to former BoD and GEB members

CHF, except where indicated

<table>
<thead>
<tr>
<th>Name, function</th>
<th>For the year ended</th>
<th>Compensation</th>
<th>Benefits in kind</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georges Blum, former BoD member (Swiss Bank Corporation)</td>
<td>2010</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
<td>92,399</td>
<td>92,399</td>
</tr>
<tr>
<td>Franz Galliker, former BoD member (Swiss Bank Corporation)</td>
<td>2010</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
<td>10,659</td>
<td>10,659</td>
</tr>
<tr>
<td>Walter G. Frehner, former BoD member (Swiss Bank Corporation)</td>
<td>2010</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
<td>25,371</td>
<td>25,371</td>
</tr>
<tr>
<td>Hans (Liliane) Strasser, former BoD member (Swiss Bank Corporation)</td>
<td>2010</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
<td>9,758</td>
<td>9,758</td>
</tr>
<tr>
<td>Robert Studer, former BoD member (Union Bank of Switzerland)</td>
<td>2010</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
<td>18,751</td>
<td>18,751</td>
</tr>
<tr>
<td>Alberto Togni, former BoD member (UBS)</td>
<td>2010</td>
<td>0</td>
<td>20,493</td>
<td>20,493</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>320,136</td>
<td>355,983</td>
<td>676,119</td>
</tr>
<tr>
<td>Philippe (Alix) de Weck, former BoD member (Union Bank of Switzerland)</td>
<td>2010</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
<td>93,135</td>
<td>93,135</td>
</tr>
<tr>
<td>Aggregate of all former GEB members</td>
<td>2010</td>
<td>0</td>
<td>57,229</td>
<td>57,229</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
<td>18,293</td>
<td>18,293</td>
</tr>
<tr>
<td>Aggregate of all former BoD and GEB members</td>
<td>2010</td>
<td>0</td>
<td>77,722</td>
<td>77,722</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>320,136</td>
<td>624,349</td>
<td>944,485</td>
</tr>
</tbody>
</table>

1 Compensation or remuneration that is connected with the former member’s activity on the BoD or GEB, that is not at market conditions.  
2 Includes one former GEB member in 2010 and one former GEB member in 2009.

## Total of all vested and unvested shares held by GEB members and non-independent BoD members

<table>
<thead>
<tr>
<th>Shares held on 31 December 2010</th>
<th>Total</th>
<th>Of which vested</th>
<th>Of which vesting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,409,345</td>
<td>2,922,411</td>
<td>582,787</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shares held on 31 December 2009</th>
<th>Total</th>
<th>Of which vested</th>
<th>Of which vesting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,760,095</td>
<td>1,971,557</td>
<td>1,078,664</td>
</tr>
</tbody>
</table>

1 Includes related parties.

No individual BoD or GEB member holds 1% or more of all shares issued.

## Total of all blocked and unblocked shares held by independent BoD members

<table>
<thead>
<tr>
<th>Shares held on 31 December 2010</th>
<th>Total</th>
<th>Of which unblocked</th>
<th>Of which blocked until</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>440,851</td>
<td>46,010</td>
<td>4,266</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shares held on 31 December 2009</th>
<th>Total</th>
<th>Of which unblocked</th>
<th>Of which blocked until</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>420,059</td>
<td>123,053</td>
<td>6,232</td>
</tr>
</tbody>
</table>

1 Includes related parties.

No individual Board member holds 1% or more of all shares issued.
### Vested and unvested options held by GEB members on 31 December 2009/2010

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Total number of options held</th>
<th>Number of options</th>
<th>Year of grant</th>
<th>Vesting date</th>
<th>Expiry date</th>
<th>Strike price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oswald J. Grübel, Group Chief Executive Officer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>4,000,000</td>
<td>26/02/2009</td>
<td>31/02/2014</td>
<td>CHF 10.10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>4,000,000</td>
<td>26/02/2009</td>
<td>31/02/2014</td>
<td>CHF 10.10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Total number of options held</th>
<th>Number of options</th>
<th>Year of grant</th>
<th>Vesting date</th>
<th>Expiry date</th>
<th>Strike price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>John Cryan, Group Chief Financial Officer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>382,673</td>
<td>26/02/2009</td>
<td>31/02/2014</td>
<td>CHF 10.10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>382,673</td>
<td>26/02/2009</td>
<td>31/02/2014</td>
<td>CHF 10.10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Total number of options held</th>
<th>Number of options</th>
<th>Year of grant</th>
<th>Vesting date</th>
<th>Expiry date</th>
<th>Strike price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Markus U. Diethelm, Group General Counsel</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Total number of options held</th>
<th>Number of options</th>
<th>Year of grant</th>
<th>Vesting date</th>
<th>Expiry date</th>
<th>Strike price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>John A. Fraser, Chairman and CEO Global Asset Management</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>1,088,795</td>
<td>26/02/2009</td>
<td>31/02/2014</td>
<td>CHF 10.10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>1,088,795</td>
<td>26/02/2009</td>
<td>31/02/2014</td>
<td>CHF 10.10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Total number of options held</th>
<th>Number of options</th>
<th>Year of grant</th>
<th>Vesting date</th>
<th>Expiry date</th>
<th>Strike price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lukas Gähwiler, CEO UBS Switzerland and co-CEO Wealth Management &amp; Swiss Bank</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Total number of options held</th>
<th>Number of options</th>
<th>Year of grant</th>
<th>Vesting date</th>
<th>Expiry date</th>
<th>Strike price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carsten Kengeter, CEO Investment Bank</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>905,000</td>
<td>26/02/2009</td>
<td>31/02/2014</td>
<td>CHF 10.10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>905,000</td>
<td>26/02/2009</td>
<td>31/02/2014</td>
<td>CHF 10.10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Total number of options held</th>
<th>Number of options</th>
<th>Year of grant</th>
<th>Vesting date</th>
<th>Expiry date</th>
<th>Strike price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ulrich Körner, Group Chief Operating Officer and CEO Corporate Center</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Total number of options held</th>
<th>Number of options</th>
<th>Year of grant</th>
<th>Vesting date</th>
<th>Expiry date</th>
<th>Strike price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Philip J. Lofts, Group Chief Risk Officer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>577,723</td>
<td>26/02/2009</td>
<td>31/02/2014</td>
<td>CHF 10.10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>577,723</td>
<td>26/02/2009</td>
<td>31/02/2014</td>
<td>CHF 10.10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

1. This table includes options held by GEB members, including related parties.
2. No conversion rights are outstanding.
3. Refer to “Note 31 Equity participation and other compensation plans” in the “Financial information” section of the Annual Report 2010 for more information.
### Vested and unvested options held by GEB members on 31 December 2009/2010

<table>
<thead>
<tr>
<th>Name</th>
<th>Total number of options held</th>
<th>Number of options</th>
<th>Year of grant</th>
<th>Vesting date</th>
<th>Expiry date</th>
<th>Strike price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philip J. Loft, Group Chief Risk Officer (continued)</td>
<td>577,723</td>
<td>9,985</td>
<td>2003</td>
<td>01/03/2004</td>
<td>31/01/2013</td>
<td>CHF 27.81</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9,980</td>
<td>2003</td>
<td>01/03/2005</td>
<td>31/01/2013</td>
<td>CHF 27.81</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9,974</td>
<td>2003</td>
<td>01/03/2006</td>
<td>31/01/2013</td>
<td>CHF 27.81</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9,859</td>
<td>2003</td>
<td>01/03/2007</td>
<td>28/02/2013</td>
<td>CHF 26.39</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9,830</td>
<td>2003</td>
<td>01/03/2008</td>
<td>02/02/2013</td>
<td>CHF 26.39</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,833</td>
<td>2004</td>
<td>01/03/2009</td>
<td>27/02/2014</td>
<td>CHF 44.32</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,830</td>
<td>2004</td>
<td>01/03/2010</td>
<td>27/02/2014</td>
<td>CHF 44.32</td>
</tr>
<tr>
<td></td>
<td></td>
<td>117,090</td>
<td>2005</td>
<td>01/03/2008</td>
<td>28/02/2015</td>
<td>CHF 52.32</td>
</tr>
<tr>
<td></td>
<td></td>
<td>117,277</td>
<td>2006</td>
<td>01/03/2009</td>
<td>28/02/2016</td>
<td>CHF 72.57</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85,256</td>
<td>2007</td>
<td>01/03/2010</td>
<td>28/02/2017</td>
<td>CHF 73.67</td>
</tr>
<tr>
<td></td>
<td></td>
<td>74,599</td>
<td>2008</td>
<td>01/03/2011</td>
<td>28/02/2018</td>
<td>CHF 35.66</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11,229</td>
<td>2002</td>
<td>01/03/2004</td>
<td>31/01/2012</td>
<td>USD 21.24</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,833</td>
<td>2003</td>
<td>01/03/2004</td>
<td>28/02/2013</td>
<td>CHF 26.39</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,830</td>
<td>2003</td>
<td>01/03/2005</td>
<td>28/02/2013</td>
<td>CHF 26.39</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,371</td>
<td>2003</td>
<td>01/03/2006</td>
<td>28/02/2013</td>
<td>CHF 35.66</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,184</td>
<td>2002</td>
<td>02/02/2005</td>
<td>28/02/2012</td>
<td>CHF 26.39</td>
</tr>
<tr>
<td></td>
<td></td>
<td>114,309</td>
<td>2008</td>
<td>01/03/2011</td>
<td>28/02/2018</td>
<td>CHF 35.66</td>
</tr>
<tr>
<td></td>
<td></td>
<td>66,866</td>
<td>2007</td>
<td>01/03/2010</td>
<td>28/02/2017</td>
<td>CHF 73.67</td>
</tr>
<tr>
<td></td>
<td></td>
<td>100,000</td>
<td>2009</td>
<td>01/03/2012</td>
<td>27/02/2019</td>
<td>CHF 11.35</td>
</tr>
<tr>
<td></td>
<td></td>
<td>43,911</td>
<td>2006</td>
<td>01/03/2009</td>
<td>28/02/2016</td>
<td>CHF 72.57</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6,200</td>
<td>2004</td>
<td>01/03/2005</td>
<td>27/02/2014</td>
<td>CHF 44.32</td>
</tr>
<tr>
<td>(continued)</td>
<td></td>
<td>53,282</td>
<td>2005</td>
<td>01/03/2008</td>
<td>28/02/2015</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>(continued)</td>
<td></td>
<td>53,524</td>
<td>2005</td>
<td>01/03/2009</td>
<td>28/02/2016</td>
<td>CHF 65.97</td>
</tr>
<tr>
<td>(continued)</td>
<td></td>
<td>3,371</td>
<td>2003</td>
<td>01/03/2005</td>
<td>28/02/2013</td>
<td>CHF 19.53</td>
</tr>
<tr>
<td>(continued)</td>
<td></td>
<td>0,852</td>
<td>2002</td>
<td>02/02/2005</td>
<td>28/02/2012</td>
<td>CHF 21.70</td>
</tr>
<tr>
<td>(continued)</td>
<td></td>
<td>13,000</td>
<td>2004</td>
<td>01/03/2007</td>
<td>28/02/2014</td>
<td>CHF 44.32</td>
</tr>
<tr>
<td>(continued)</td>
<td></td>
<td>6,200</td>
<td>2004</td>
<td>01/03/2005</td>
<td>27/02/2014</td>
<td>CHF 44.32</td>
</tr>
<tr>
<td>(continued)</td>
<td></td>
<td>6,198</td>
<td>2004</td>
<td>01/03/2007</td>
<td>28/02/2014</td>
<td>CHF 44.32</td>
</tr>
<tr>
<td>(continued)</td>
<td></td>
<td>10,659</td>
<td>2005</td>
<td>01/03/2006</td>
<td>28/02/2015</td>
<td>CHF 47.58</td>
</tr>
</tbody>
</table>

1 This table includes options held by GEB members, including related parties. 2 No conversion rights are outstanding. 3 Refer to “Note 31 Equity participation and other compensation plans” in the “Financial information” section of the Annual Report 2010 for more information. 4 GEB member who stepped down during 2010.
### Vested and unvested options held by GEB members on 31 December 2009/2010

<table>
<thead>
<tr>
<th>Year of vesting</th>
<th>Total number of options held</th>
<th>Strike price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2003</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2004</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2005</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2006</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2007</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2008</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2009</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2010</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2011</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2012</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2013</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2014</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2015</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2016</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2017</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2018</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2019</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2020</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year of expiry</th>
<th>Strike price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2022</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2023</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2024</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2025</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2026</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2027</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2028</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2029</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2030</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2031</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2032</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2033</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2034</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2035</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2036</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2037</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2038</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2039</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2040</td>
<td>CHF 47.58</td>
</tr>
</tbody>
</table>

### Jürg Zeltner, CEO UBS Wealth Management and co-CEO Wealth Management & Swiss Bank

<table>
<thead>
<tr>
<th>Number of options held</th>
<th>Strike price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2003</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2004</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2005</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2006</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2007</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2008</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2009</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2010</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2011</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2012</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2013</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2014</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2015</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2016</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2017</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2018</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2019</td>
<td>28/02/2015</td>
</tr>
<tr>
<td>2020</td>
<td>28/02/2015</td>
</tr>
</tbody>
</table>

### Chi-Won Yoon, co-Chairman und co-CEO Group Asia Pacific

<table>
<thead>
<tr>
<th>Year of vesting</th>
<th>Total number of options held</th>
<th>Strike price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2003</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2004</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2005</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2006</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2007</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2008</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2009</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2010</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2011</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2012</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2013</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2014</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2015</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2016</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2017</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2018</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2019</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2020</td>
<td>7,106</td>
<td>CHF 47.58</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year of expiry</th>
<th>Strike price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2022</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2023</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2024</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2025</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2026</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2027</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2028</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2029</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2030</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2031</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2032</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2033</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2034</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2035</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2036</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2037</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2038</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2039</td>
<td>CHF 47.58</td>
</tr>
<tr>
<td>2040</td>
<td>CHF 47.58</td>
</tr>
</tbody>
</table>

---

1. This table includes options held by GEB members, including related parties. 2. No conversion rights are outstanding. 3. Refer to “Note 31 Equity participation and other compensation plans” in the “Financial information” section of the Annual Report 2010 for more information.
## Loans granted to GEB members on 31 December 2009 / 2010

**CHF, except where indicated**

<table>
<thead>
<tr>
<th>Name, function</th>
<th>For the year ended</th>
<th>Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jürg Zeltner, CEO UBS Wealth Management, co-CEO Wealth Management &amp; Swiss Bank</td>
<td>2010</td>
<td>5,739,862</td>
</tr>
<tr>
<td>Jürg Zeltner, CEO UBS Wealth Management, co-CEO Wealth Management &amp; Swiss Bank</td>
<td>2009</td>
<td>5,800,202</td>
</tr>
<tr>
<td>Aggregate of all GEB members</td>
<td>2010</td>
<td>20,696,569</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>15,356,483</td>
</tr>
</tbody>
</table>

1. No loans have been granted to related parties of the GEB members at conditions not customary in the market.
2. All loans granted are secured loans.
3. GEB member with the highest loan granted.

## Loans granted to BoD members on 31 December 2009 / 2010

**CHF, except where indicated**

<table>
<thead>
<tr>
<th>Name, function</th>
<th>For the year ended</th>
<th>Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaspar Villiger, Chairman</td>
<td>2010</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
</tr>
<tr>
<td>Michel Demaré, Vice Chairman</td>
<td>2010</td>
<td>850,000</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>850,000</td>
</tr>
<tr>
<td>David Sidwell, Senior Independent Director</td>
<td>2010</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
</tr>
<tr>
<td>Sergio Marchionne, former Senior Independent Director, former Vice Chairman</td>
<td>2010</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
</tr>
<tr>
<td>Sally Bott, member</td>
<td>2010</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
</tr>
<tr>
<td>Rainer-Marc Frey, member</td>
<td>2010</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
</tr>
<tr>
<td>Bruno Gehrig, member</td>
<td>2010</td>
<td>798,000</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>798,000</td>
</tr>
<tr>
<td>Ann F. Godbehere, member</td>
<td>2010</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
</tr>
<tr>
<td>Axel P. Lehmann, member</td>
<td>2010</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
</tr>
<tr>
<td>Wolfgang Mayrhuber, member</td>
<td>2010</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
</tr>
<tr>
<td>Helmut Panke, member</td>
<td>2010</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
</tr>
<tr>
<td>William G. Parrett, member</td>
<td>2010</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>1,260,731</td>
</tr>
<tr>
<td>Peter R. Voser, member</td>
<td>2010</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>0</td>
</tr>
<tr>
<td>Aggregate of all BoD members</td>
<td>2010</td>
<td>1,648,000</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>2,908,731</td>
</tr>
</tbody>
</table>

1. No loans have been granted to related parties of BoD members at conditions not customary in the market.
2. All loans granted are secured loans.
3. BoD members who stepped down at the 2010 AGM.
4. Secured loans granted prior to their election to the BoD.
List of key terms in the compensation report

**Blocked shares** – Shares restricted from sale, transfer or other means of disposal.

**Bonus pool** – Total amount of bonus granted to all employees in the group or business division in a given year.

**Commissions for Wealth Management Americas financial advisors** – Monthly commissions for financial advisors in Wealth Management Americas, paid based on revenue and other strategic performance measures and objectives.

**Control function** – Principally defined as Legal & Compliance, Risk Control, Finance and Operational Risk in all business divisions and regions. However, this definition also applies to any role where strict segregation from the revenue producing function is required.

**Core Cycle process** – Process through which the performance of UBS employees is managed and through which they are compensated.

**Dow Jones Bank Titans 30 Index** – Index representing 30 leading companies in the global banking sector.

**EP** – Abbreviation for Economic Profit. EP is risk-adjusted profit that takes into account the cost of risk capital. EP is only realized when the entire return on capital that is achieved is higher than the bank’s cost of capital.

**Equity Plus Plan** – UBS voluntary employee share purchase program.

**FSA** – Abbreviation for Financial Services Authority, the regulator of the financial services industry in the UK.

**FSB** – Abbreviation for Financial Stability Board, international board that develops and implements regulatory, supervisory and other policies in the interest of financial stability.

**FINMA** – Abbreviation for Swiss Financial Market Supervisory Authority, Switzerland’s financial industry regulator.

**Forfeiture** – Loss of an employee's right to an award as a consequence of breaching certain provisions specified in the terms of any UBS compensation plans.

**Guarantee** – Fixed incentive, either in cash or in equity, regardless of future performance. Generally limited to a year and only made upon hiring to attract key candidates.

**Harmful acts** – Acts committed by employees during the deferral period which are contrary to the firm’s interests and may lead to forfeiture of unvested awards.

**IFRS** – Abbreviation for International Financial Reporting Standards, globally accepted international financial reporting standards developed by the International Accounting Standards Board.

**Leverage** – Upward or downward adjustments made to awards, typically dependent on the fulfillment of certain performance criteria.

**Malus provision** – Compensation plan provision under which the employee’s bonus is deferred and at risk of forfeiture or reduction for several years.

**Replacement payment** – Payment to compensate employees for deferred awards forfeited by their previous employer as a result of joining UBS.

**Retention payment** – Incentive offered to key employees in critical periods to induce them to stay, generally under specially approved long-term plans.

**Risk-adjusted performance** – Measure of performance adjusted to take into account risk associated with a particular transaction or transactions.

**Sign-on payment** – Incentive to support hiring particularly at senior levels offered to increase the chances of a key candidate accepting an offer.

**Severance payment** – Payment made to an employee upon his or her leaving UBS.

**Share retention requirement for GEB members** – Requirement for Group Executive Board members to retain a significant number of UBS shares over the long-term.

**Total Reward Principles** – Core principles that specify how UBS structures its compensation and compensation funding.

**TSR** – Abbreviation for Total Shareholder Return: TSR measures the total return of a share to an investor, including capital appreciation, i.e. increases in share price, and dividends. Hence, TSR is a comprehensive metric to express the performance of a share investment over a certain period of time. UBS measures TSR relative to the broader banking index Dow Jones Bank Titans 30 Index.

**Vesting** – The point at which the risk of forfeiture falls away, i.e. when the employee becomes fully entitled to an award.
Information sources

Reporting publications

Annual publications: Annual report (SAP no. 80531): Published in both English and German, this single volume report provides a description of: our UBS Group strategy, performance and responsibility, the strategy and performance of the business divisions and the Corporate Center; risk and treasury management; corporate governance and senior management and Board of Directors compensation; and financial information, including the financial statements. Review (SAP no. 80530): The booklet contains key information on our strategy and financials. It is published in English, German, French and Italian. Compensation Report (SAP no. 82307): The report discusses compensation for senior management and the Board of Directors (executive and non-executive members). It is published in English and German.


How to order reports

The annual and quarterly publications are available in PDF format on the internet at www.ubs.com/investors/topics in the “Financial information” section. Printed copies can be ordered from the same website by accessing the order/subscribe panel on the left-hand side of the screen. Alternatively, they can be ordered by quoting the SAP number and the language preference where applicable, from UBS AG, F2AL-AUL, P.O. Box, CH-8098 Zurich, Switzerland.

Other information

Website: The “Analysts & Investors” section at www.ubs.com/investors provides the following information on UBS: financial information (including SEC results-related filings); corporate information, including UBS share price charts and data and dividend information; the UBS event calendar; and presentations by management for investors and financial analysts. Information on the internet is available in English and German, with some sections in French and Italian.

Result presentations: Our quarterly results presentations are webcast live. A playback of most presentations is downloadable at www.ubs.com/presentations.

Messaging service/UBS news alert: On the www.ubs.com/newsalerts website, it is possible to subscribe to receive news alerts about UBS via SMS or e-mail. Messages are sent in English, German, French or Italian and it is possible to state theme preferences for the alerts received.

Form 20-F and other submissions to the US Securities and Exchange Commission: We file periodic reports and submit other information about UBS to the US Securities and Exchange Commission (SEC). Principal among these filings is the annual report on Form 20-F, filed pursuant to the US Securities Exchange Act of 1934. The filing of Form 20-F is structured as a “wrap-around” document. Most sections of the filing can be satisfied by referring to parts of the annual report. However, there is a small amount of additional information in Form 20-F which is not presented elsewhere, and is particularly targeted at readers in the US. Readers are encouraged to refer to this additional disclosure. Any document that we file with the SEC is available to read and copy on the SEC’s website, www.sec.gov, or at the SEC’s public reference room at 100 F Street, N.E., Room 1580, Washington, DC, 20549. Please call the SEC by dialing +1-800-SEC-0330 for further information on the operation of its public reference room. Much of this additional information may also be found on the UBS website at www.ubs.com/investors, and copies of results-related filings with the SEC may be obtained from our Investor Relations team at www.ubs.com/investors.
Corporate calendar

Publication of first quarter 2011 results
Tuesday, 26 April 2011
Annual General Meeting
Thursday, 28 April 2011
Publication of second quarter 2011 results
Tuesday, 26 July 2011
Publication of third quarter 2011 results
Tuesday, 25 October 2011

Imprint

Publisher: UBS AG, Zurich and Basel, Switzerland | www.ubs.com
Languages: English/German | SAP-No. 82307E

© UBS 2011. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

Cautionary Statement Regarding Forward-Looking Statements | This document contains statements that constitute "forward-looking statements", including but not limited to management's outlook for UBS's financial performance and statements relating to the anticipated effect of transactions and strategic initiatives on UBS's business and future development. While these forward-looking statements represent UBS's judgments and expectations concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS's expectations. These factors include, but are not limited to: (1) developments in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, currency exchange rates and interest rates and the effect of economic conditions and market developments on the financial position or creditworthiness of UBS's clients and counterparties; (2) changes in the availability of capital and funding, including any changes in UBS's credit spreads and ratings; (3) the ability of UBS to retain earnings and reduce its risk-weighted assets in order to comply with recommended Swiss capital requirements without adversely affecting its business; (4) changes in financial regulation in Switzerland, the US, the UK and other major financial centers which may impose constraints on or necessitate changes in the scope and location of UBS's business activities and in its legal and booking structures, including the imposition of more stringent capital and liquidity requirements, incremental tax requirements and constraints on remuneration, some of which may affect UBS in a different manner or degree than they affect competing institutions; (5) the liability to which UBS may be exposed due to legal claims and regulatory investigations, including those stemming from market dislocation and losses incurred by clients and counterparties during the financial crisis; (6) the outcome and possible consequences of pending or future inquiries or actions concerning UBS's cross-border banking business by tax or regulatory authorities in various jurisdictions; (7) the degree to which UBS is successful in effecting organizational changes and implementing strategic plans, and whether those changes and plans will have the effects intended; (8) UBS's ability to retain and attract the employees necessary to generate revenues and to manage, support and control its businesses; (9) changes in accounting standards or policies, and accounting determinations affecting the recognition of gain or loss, the valuation of goodwill and other matters; (10) limitations on the effectiveness of UBS's internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (11) changes in the size, capabilities and effectiveness of UBS's competitors, including whether UBS will be successful in keeping pace with competitors in updating its technology, particularly in trading businesses; and (12) the occurrence of operational failures, such as fraud, unauthorized trading and systems failures, either within UBS or within a counterparty. Our business and financial performance could be affected by other factors identified in our past and future filings and reports, including those filed with the SEC. More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including UBS's Annual Report on Form 20-F for the year ended 31 December 2010. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

Rounding | Numbers presented throughout this report may not add up precisely to the totals provided in the tables and text. Percentages and percent changes are calculated based on rounded figures displayed in the tables and text and may not precisely reflect the percentages and percent changes that would be derived based on figures that are not rounded.