

Compensation

Table of contents

198	Compensation
201	2022 key compensation themes
203	Say-on-pay
204	Compensation philosophy and governance
211	Compensation for GEB members
219	Group compensation
226	Compensation for the Board of Directors
229	Supplemental information

Compensation



Julie G. Richardson
Chairperson of the
Compensation Committee
of the Board of Directors

Dear Shareholders,

The Board of Directors (the BoD) and I wish to thank you for your support once again at last year's Annual General Meeting (the AGM) and for sharing your views on our compensation practices over the past year.

Throughout 2022, the BoD Compensation Committee continued to oversee the compensation process, aiming to ensure that reward reflects performance, that risk-taking is appropriate and that employees' interests are aligned with those of our stakeholders. As the Chairperson of the Compensation Committee, I am pleased to present our Compensation Report for 2022.

As part of our ongoing engagement with shareholders during 2022, we received positive feedback on our compensation framework. We believe it is well suited to support our ambitions for the Group and provides strong alignment with shareholders. Its robustness supports pay-for-performance through varying business cycles and incentivizes both annual and longer-term performance. In addition to other measures taken in light of the increasing competition for talent, our compensation framework further reinforces the attractiveness of UBS for key talent.

Supporting our clients and executing in a challenging environment

The macroeconomic and geopolitical environment has become increasingly complex. Our clients remain focused on key issues, such as potential persistently high inflation, elevated energy prices, the war in Ukraine and residual effects of the pandemic. The related impact has been far-reaching, affecting asset levels, market volatility, rates and investor sentiment across the globe. Our highly accretive, capital-light business model and disciplined risk management position us well to face the challenges of the current macroeconomic environment.

Sustainable finance is crucial when it comes to helping our clients achieve their diverse sustainability objectives. Leveraging the deep expertise of our experienced teams, we work hard to service our clients' diverse sustainable financing, investing and/or advisory needs in the best way possible. In 2022, we expanded our sustainable investment offering with additional alternative and tailored-investment solutions and progressed a number of important investment product initiatives relevant to a broad spectrum of clients across our business areas.

› Refer to "Financial and operating performance" in our Annual Report 2022 for further details about our Group and business division performance

How does UBS respond to the increasing competition for talent?

- We continue to see heightened competition for talent. These pressures come from our competitors but also organizations in other industries, including technology, consulting and new entrants, such as fintech firms.
- We continue to be successful in hiring the talent we need to grow our businesses, who are increasingly interested in operating digitally, and they value diverse experiences, which requires flexibility and agility. That's one reason why we support hybrid working arrangements where possible as these benefit current employees and improve client service while attracting a wider range of candidates and making us a stronger, more dynamic company.
- Agility drives simplification; we are committed to making it even easier for our clients to do business with us and for our employees to work at UBS. As of year-end 2022, approximately 18,500 employees across the firm were working in agile teams.
- In 2022, we further expanded our employee health and well-being offering. This included a suite of programs, benefits and workplace resources, along with a bespoke eLearning curriculum, that aimed to help our employees manage their health, foster well-being, strengthen their resilience and support the sustainability of the organization.
- Ultimately, we strongly reflect pay-for-performance in our compensation decision-making, and additionally consider carefully inflation levels and our competitive market position.

› Refer to ubs.com/global/en/our-firm/our-employees for more information about our workforce

GEB hiring and succession planning

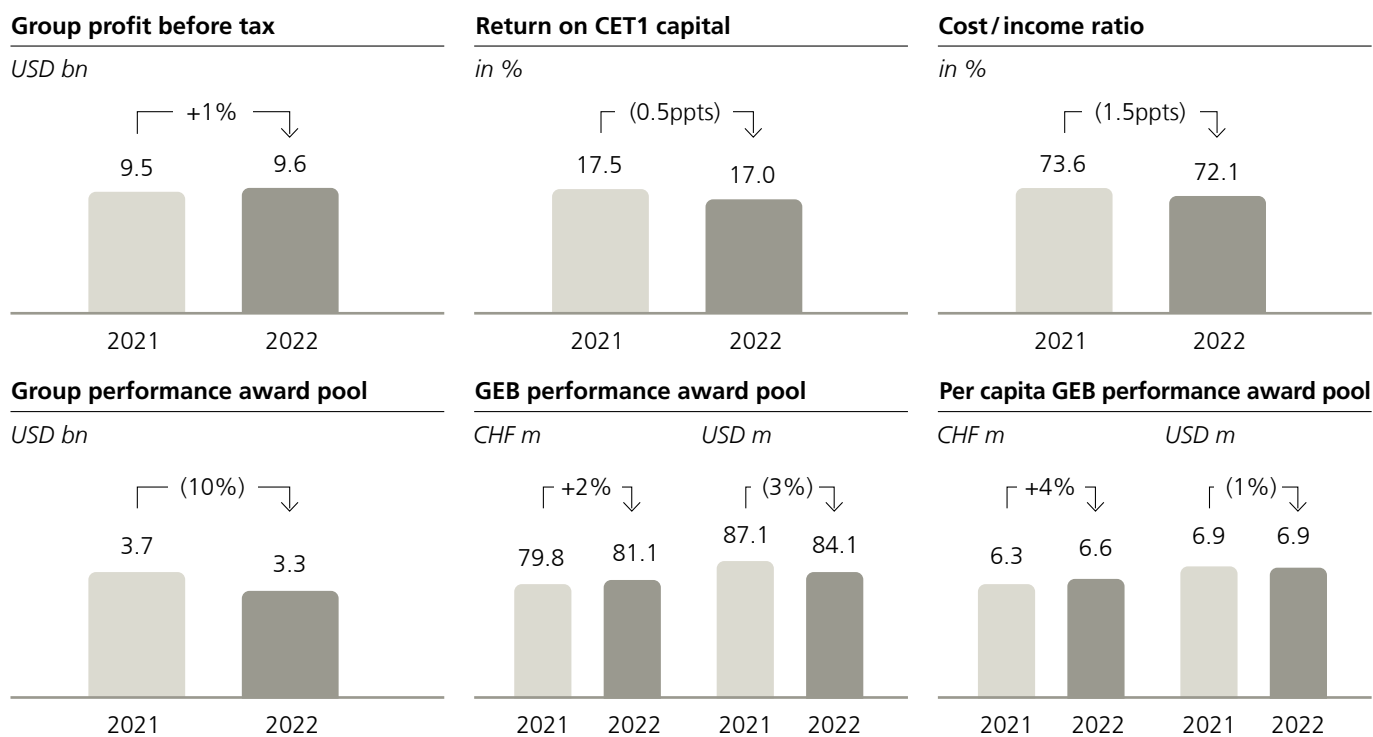
Succession planning is a pivotal activity for the BoD. We are convinced that a Group Executive Board (GEB) with diverse backgrounds and experiences is critical to our continued success. We have a successful track record of filling GEB roles with highly qualified, diverse candidates from within the Group and, in selected cases, from the outside. In order to attract external top talent, market practice dictates that we consider replacing the forfeited compensation from their prior employer. In selected situations and with careful consideration, we replace the lost compensation of senior hires. Awards for new GEB members are subject to independent review to support the like-for-like nature of the replacement and confirm that these awards do not represent sign-on payments (i.e., there are no “golden hellos”). In 2022, we made two external GEB hires and in this report we disclose their replacement awards.

Financial performance

We delivered good results in 2022, with USD 9.6bn profit before tax and 17.0% RoCET1 in a challenging environment, achieving our Group returns and efficiency targets on a reported and underlying basis. This result was supported by strong momentum with our clients, who turned to us for advice, resulting in USD 60bn of net new fee-generating assets. We also demonstrated continued cost discipline despite the backdrop of rising inflation, resulting in a cost-income ratio of 72.1%. We are well positioned to continue executing our growth strategy and delivering strong capital returns, while weathering the challenges of the current macroeconomic environment. We enter 2023 in a position of strength and with a CET1 capital ratio of 14.2%, enabling us to fund growth and deliver attractive and sustainable returns to shareholders.

Commitment to return capital to shareholders

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



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

2022 performance award pool and salaries

The performance award pool continues to reflect our strict pay-for-performance philosophy, our disciplined approach in managing compensation over business cycles and our alignment to shareholder interests. Reflecting our overall results while also considering our underlying results, the 2022 performance award pool was USD 3.3bn, a decrease of 10% compared with 2021.

In addition, the pool also reflects our achievements relative to non-financial objectives, such as our reconfirmed position among the leading firms when it comes to their approach to sustainability. It also takes into account risk considerations, as well as the competitive total shareholder return (TSR) of UBS shares versus our core peers. It also considers other factors, such as the continuing competition to attract and retain a talented and diverse workforce that delivers on our purpose and strategy.

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

We take note of the increased impact of inflationary pressures on the broad-based employee population. At a Group level, we have carefully monitored and adjusted compensation levels where appropriate to address increased competition for talent in certain markets. For the GEB, we continue with the same salary level instituted in 2011 and propose no increase to our GEB fixed compensation budget and salary levels for 2024. Furthermore, we also propose no increase to the fee levels for the BoD and no change to the maximum aggregate amount for BoD from the 2023 AGM to the 2024 AGM.

Commitment to fair pay and diversity, equity and inclusion

Pay equity and equal opportunity are fundamental to achieving our purpose. We pay for performance, and we take pay equity seriously. Since 2020, we have been certified under the EQUAL-SALARY Foundation standards for our human resources practices in Switzerland, the US, the UK, the Hong Kong SAR and Singapore, covering more than two-thirds of our global employee population. Our processes are global and we apply the same standards across all our locations.

In 2022, we extended our internal fair pay analysis by assessing employees' salaries against local living wages, using benchmarks defined by the Fair Wage Network. We are committed to fair pay and support all employees being paid at least a living wage.

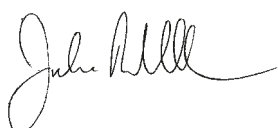
In 2020, we outlined our intention to increase diversity, especially among management, and we have made steady progress toward achieving our aspirations. Women now account for more than 40% of our workforce, nearly 28% of our Director-level and above population, and 42% of our GEB members.

The 2023 Annual General Meeting

At the 2023 AGM on 5 April, we will seek your support on the following compensation-related items:

- the maximum aggregate amount of compensation for the BoD for the period from the 2023 AGM to the 2024 AGM;
- the maximum aggregate amount of fixed compensation for the GEB for 2024;
- the aggregate amount of variable compensation for the GEB for 2022; and
- shareholder endorsement in an advisory vote for this Compensation Report.

On behalf of the Compensation Committee and the BoD, I thank you again for your feedback and we respectfully ask for your continued support at the upcoming AGM.



Julie G. Richardson
Chairperson of the Compensation Committee of the
Board of Directors

2022 key compensation themes

The feedback we seek from our shareholders about compensation-related topics is very important to us, as we are committed to maintaining a strong link between the interests of our employees and those of our shareholders. We continued engaging with shareholders during 2022 and received overall positive feedback about our compensation framework.

The text below summarizes key compensation themes for 2022 and provides answers to the questions we most frequently receive from shareholders.

Summary of 2022 key compensation themes / responses to frequently asked questions

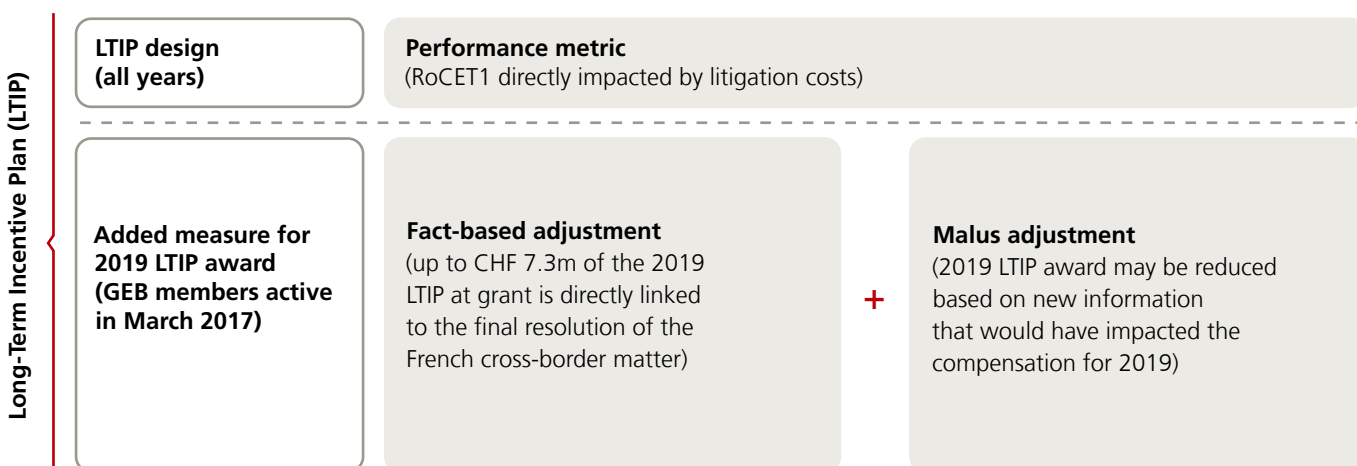
What progress has been made on resolving the French cross-border matter and how is this reflected in GEB compensation?

In December 2021, UBS filed an appeal with the French Supreme Court regarding the decision of the Court of Appeal relating to the French cross-border matter. This matter remains ongoing and was considered in the decision-making process for our 2021 performance award pool.

The use of the RoCET1 metric aims to ensure the cost of litigation matters, including the French cross-border matter, has an ongoing and direct impact on the compensation awarded and realized by our most senior leaders, including the GEB. Additionally, when determining the 2019 performance award pool, the impact of the French cross-border matter was considered in our decision making, following the verdict of the Court of First Instance in early 2019.

Furthermore, up to CHF 7.9m, or 30%, of the 2019 LTIP awards at grant for GEB members active in March 2017, as well as the former Chairman of the BoD's unvested share award, remains undelivered and continues to be at risk and directly linked to the final resolution of the French cross-border matter. In addition, a malus clause allows the Compensation Committee to assess any new information that becomes available in the future and to retrospectively reduce any undelivered 2019 LTIP award by up to the full amount if such new information would have impacted our compensation decision in 2019. This matter continues to be ongoing and, once resolved, the final outcome will be reflected in the final amounts delivered to relevant current and former employees.

Impact of litigation matters on the LTIP



Note: As disclosed in the Compensation Report 2019.

How does UBS support diversity and pay fairness?

Compensating employees fairly and consistently is key to ensuring equal opportunities. A strong commitment to pay for performance and pay equity is embedded in our compensation policies.

- › Refer to "Environmental, Social and Governance considerations" in the "Compensation philosophy and governance" section of this report for more information about pay fairness
- › Refer to the "People and culture make the difference" section of our Sustainability Report 2022, available under "Annual reporting" at ubs.com/investors, for more information about diversity, equity and inclusion (DE&I)

How are environmental, social and governance considerations factored into the compensation process?

We maintain our well-established process that considers environmental, social and governance (ESG) objectives in the compensation determination process in objective setting, performance award pool funding, performance evaluation and compensation decisions.

- › Refer to “Environmental, Social and Governance considerations” in the “Compensation philosophy and governance” section of this report for more information

How does UBS promote and support the health and well-being of employees?

Supporting employee health and well-being remained a priority, and we further expanded our offering in 2022. We are committed to helping employees thrive in their current roles and deliver sustainable performance over time. Regular “pulse” surveys gauged employees’ views on remote work, stress, communication and other aspects. Resources to support holistic well-being included a suite of programs, benefits and workplace resources, along with a bespoke eLearning curriculum, that aimed to help our employees manage their health, foster well-being, strengthen their resilience and support the sustainability of the organization.

- › Refer to the “People and culture make the difference” section of our Sustainability Report 2022, available under “Annual reporting” at ubs.com/investors, for more information about DE&I

What is the achievement level of the Long-Term Incentive Plan granted in 2020 for 2019 performance?

The deferred portion of the performance award granted in 2020 (for 2019 performance) to members of the Group Executive Board (the GEB) and selected senior management was in part delivered through the Long-Term Incentive Plan (the LTIP) award. The three-year performance period concluded at the end of 2022, with the 2019 LTIP achieving 98% of the maximum opportunity (of up to 100%). We believe alignment of our senior leadership with our shareholders is important for long-term success. Our LTIP is designed to support alignment of compensation with the execution of our strategy, financial performance and long-term growth.

Performance achievement for the 2019 LTIP awarded in 2020

Performance metrics	Performance metric outcome		2019 LTIP achievement level	
	Threshold	Maximum	Threshold	Maximum
RoCET1 (Weight: 50%)	6%	18%	33%	100%
	Outcome: 17.3%		Outcome below threshold: full forfeiture	Achievement: 96%
rTSR (Weight: 50%)	-25ppts	+25ppts	33%	100%
	Outcome: 50.9ppts		Achievement: 100%	Outcome above maximum: achievement capped at 100%
Overall 2019 LTIP achievement level			Overall achievement: 98%	

Say-on-pay

Say-on-pay votes at the AGM

In line with the revised Swiss Code of Obligations (which to a large extent integrates the Swiss Ordinance against Excessive Compensation in Listed Stock Corporations, which was enacted as an interim measure), we seek binding shareholder approval for the aggregate compensation awarded to the Group Executive Board (the GEB) and the Board of Directors (the BoD). Prospective approval of the fixed compensation of the BoD and GEB provides the firm and its governing bodies with the certainty needed to operate effectively. Retrospective approval of the GEB's variable compensation aligns their compensation with performance and contribution.

The table below outlines our compensation proposals, including supporting rationales, that we plan to submit to the 2023 AGM for binding votes, in line with the revised Swiss Code of Obligations and our Articles of Association (the AoA).

These binding votes on compensation and the advisory vote on our compensation report reflect our commitment to shareholders having their say on pay.

- › Refer to “Provisions of the Articles of Association related to compensation” in the “Supplemental information” section of this report for more information

Audited I

Approved fixed compensation

At the 2021 AGM, the shareholders approved a maximum aggregate fixed compensation amount of CHF 33.0m for GEB members for the 2022 performance year. This budget reflects base salaries, role-based allowances in response to EU Capital Requirements Directive V, and estimated standard contributions to retirement benefit plans, as well as other benefits.

Our expenses related to fixed compensation for our continuing GEB members were within the budget; however, the amount of fixed compensation, including replacement awards, related to the hiring of Sarah Youngwood as Group Chief Financial Officer and Naureen Hassan as President UBS Americas, required the use of the supplemental amount as authorized by article 46 para. 5 of our AoA. A total of CHF 0.1m (of which CHF 0.05m related to Sarah Youngwood and CHF 0.05m related to Naureen Hassan) was used to fund the authorized excess to the approved aggregate amount of fixed compensation. ▲

- › Refer to “2022 total compensation for the GEB members” in the “Compensation for GEB members” section of this report

Compensation-related proposals for binding and advisory votes at the 2023 AGM

Item	Approved at the 2022 AGM	BoD proposals for the 2023 AGM	Rationale
GEB variable compensation	Shareholders approved CHF 79,750,000 for the 2021 financial year ^{1,2,3} (vote “for”: 86%)	The BoD proposes an aggregate amount of variable compensation of CHF 81,100,000 for the members of the GEB for the 2022 financial year.	The proposed pool reflects the solid performance of the GEB as demonstrated in the strength of our share price and the good performance of the Group in a challenging market environment. For 2022, we consider a GEB pool excluding the impact of the 2021 loss event to support competitive pay for competitive performance and not to carry forward the 2021 impact over multiple years. Adjusted for the direct impact of the 2021 loss event on specific GEB members, the 2022 GEB pool is down approximately 5% in Swiss franc terms or a decrease of 10% in US dollar terms, which is aligned with the Group pool development.
GEB fixed compensation	Shareholders approved CHF 33,000,000 for the 2023 financial year ^{1,2,3} (vote “for”: 93%)	The BoD proposes a maximum aggregate amount of fixed compensation of CHF 33,000,000 for the members of the GEB for the 2024 financial year.	The proposed amount is unchanged from the previous year, reflecting consistency in planning over time and unchanged base salaries for the Group CEO and other GEB members. Besides the base salaries, it also includes role-based allowances, estimated standard contributions to retirement benefit plans, as well as other benefits. The proposed amount provides flexibility in light of potential changes of GEB composition or roles, competitive considerations where potential additional role-based allowances may be required as well as other factors (e.g., changes in FX rates or benefits).
BoD compensation	Shareholders approved CHF 13,000,000 for the period from the 2022 AGM to the 2023 AGM ^{1,2,4} (vote “for”: 93%)	The BoD proposes a maximum aggregate amount of compensation of CHF 13,000,000 for the members of the BoD for the period from the 2023 AGM to the 2024 AGM.	The proposed amount is unchanged compared with the previous period and includes the total compensation of the Chairman and the newly defined Vice Chairman role. The compensation for the Chairman is approximately 8% lower compared with the previous Chairman. The fee for the new full-time Vice Chairman role was absorbed within the existing budget. All BoD fees remain unchanged for the period 2023 AGM to 2024 AGM.
Advisory vote on the Compensation Report	Shareholders approved the UBS Group AG Compensation Report 2021 in an advisory vote (vote “for”: 86%)	The BoD proposes that the UBS Group AG Compensation Report 2022 be ratified in an advisory vote.	Our Total Reward Principles and compensation framework are fully aligned with our purpose and support our strategic imperatives. This aims to ensure that the interests of our employees are aligned with those of our clients and other stakeholders.

¹ Local currencies are converted into Swiss francs at the 2022 performance award currency exchange rates. ² Excludes the portion related to the legally required employer's social security contributions. ³ As stated in “Group Executive Board” in the “Corporate governance” section of our Annual Report 2022, twelve GEB members were in office on 31 December 2022 and on 31 December 2021. ⁴ Twelve BoD members were in office on 31 December 2022 and on 31 December 2021.

Compensation philosophy and governance

Our compensation philosophy

Total Reward Principles

Our Total Reward Principles provide a strong link to our strategic imperatives and encourage employees to live our strong and inclusive culture that is grounded in our three keys to success: our Pillars, Principles and Behaviors. These guiding principles underpin our approach to compensation and define our compensation framework. In 2022, we reviewed our Total Reward Principles and compensation framework to confirm they are fully aligned with our purpose and support our strategic imperatives. This aims to ensure that the interests of our employees are aligned with those of our clients and other stakeholders.

Therefore, our compensation approach supports our capital strength and risk management, and provides for simplification and efficiency. It encourages employees to focus on client centricity, connectivity and sustainable impact in everything we do. Moreover, we reward behaviors that help build and protect the firm's reputation, specifically Accountability with integrity, Collaboration and Innovation. Compensation for each employee is based on individual, team, business division and Group performance, within the context of the markets in which we operate.

Total Reward Principles

Our Total Reward Principles apply to all employees globally, but vary in certain locations according to local legal requirements, regulations and practices. The table below provides a summary of our Total Reward Principles.

Support our purpose and strategy	Our compensation approach supports the firm's purpose and strategy, fosters engagement among employees and aligns their long-term interests with those of clients and stakeholders.
Attract, retain and connect a diverse, talented workforce	We embrace a culture of diversity, equity and inclusiveness. Pay at UBS is fair, reflects equal treatment and is competitive. In this way, our investment in a connected workforce supports the sustainability of the organization.
Apply a pay-for-performance approach to promote development and our ways of working	The setting of clear objectives, as well as a thorough evaluation of what was achieved and how it was achieved, combined with effective communication, promotes clarity, accountability and establishes a strong link between pay and performance. This approach emphasizes our Behaviors, which are Accountability with integrity, Collaboration and Innovation.
Reinforce sustainable growth and support long-term value creation	Compensation is appropriately balanced between fixed and variable elements and delivered over an adequate period to support our growth ambitions and sustainable performance.
Support risk awareness and appropriate risk-taking	Our compensation structure encourages employees to have a focus on risk management and behave consistently with the firm's risk framework and appetite, thereby anticipating and managing risks effectively to protect our capital and reputation.

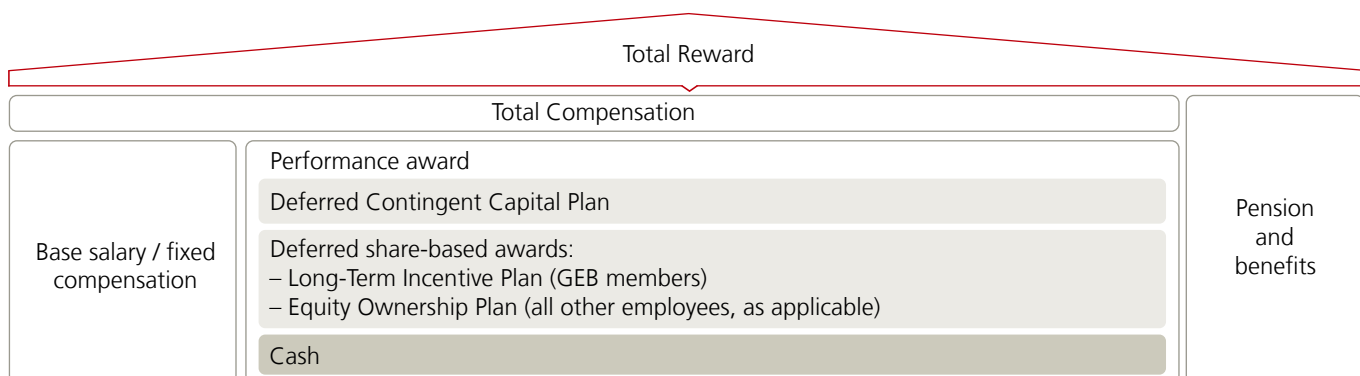
Our Total Reward approach

At UBS, we apply a holistic Total Reward approach, generally consisting of fixed compensation (base salary and role-based allowances, if applicable), performance awards, pension contributions and benefits. Our Total Reward approach is structured to support sustainable results and growth ambitions.

For employees whose total compensation exceeds certain levels, performance awards are delivered in a combination of cash, deferred contingent capital awards and deferred share-based awards.

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

› Refer to "Compensation elements for all employees" in the "Group compensation" section of this report for more information



Note: illustrative ● Longer-term ● Shorter-term

Compensation governance

Board of Directors and Compensation Committee

The BoD is ultimately responsible for approving the compensation strategy and principles proposed by the Compensation Committee, which determines compensation-related matters in line with the principles set forth in the AoA.

As determined in the AoA and the firm's Organization Regulations, the Compensation Committee supports the BoD with its duties to set guidelines on compensation and benefits, to oversee implementation thereof, to approve certain compensation and to scrutinize executive performance. The Compensation Committee consists of independent BoD members, who are elected annually by shareholders at the AGM, and is responsible for governance and oversight of our compensation process and practices. This includes the alignment between pay and performance, and ensuring that the compensation framework supports appropriate risk awareness and management, as well as appropriate risk-taking. In 2022, to additionally support the connection between the Compensation Committee and the Risk Committee, the Compensation Committee Chairperson was also a member of the Risk Committee.

Annually, and on behalf of the BoD, the Compensation Committee:

- reviews our Total Reward Principles;
- approves key features of the compensation framework and plans for the non-independent Board members and GEB members;
- reviews performance award funding throughout the year and proposes, upon proposal of the Group CEO, the final annual Group performance award pool to the BoD for approval;
- upon proposal of the Group CEO, reviews the performance framework for the other GEB members;
- upon proposal of the Group CEO, proposes the performance assessments and the individual total compensation for the other GEB members for approval by the BoD;
- upon proposal of the Chairman, for the Group CEO, proposes the financial and non-financial performance targets and objectives, the performance assessment and the total compensation for approval by the Board;
- approves the total compensation for the Chairman and the non-independent Board members;
- upon proposal of the Chairman, proposes the remuneration / fee framework for independent Board members for approval by the Board;
- upon proposal of the Chairman and Group CEO, approves the remuneration / fee frameworks for external supervisory board members of Significant Group Entities and is informed of remuneration / fee frameworks for external supervisory board members of Significant Regional Entities;
- proposes to the BoD for approval the annual compensation report and approves other material public disclosures on UBS compensation matters; and
- proposes to the BoD, for approval by the AGM, the maximum aggregate amounts of BoD compensation and GEB fixed compensation and the aggregate amount of variable compensation for the GEB.

The Compensation Committee is required to meet at least four times each year. All meetings in 2022 were held in the presence of the Chairman and the Group CEO and most were attended by external advisors. Individuals, including the Chairman and the Group CEO, are not permitted to attend a meeting or participate in a discussion on their own performance and compensation.

After the meetings, the Chairperson of the Compensation Committee reports to the BoD on the Compensation Committee's activities and discussions and, if necessary, submits proposals for approval by the full BoD. Compensation Committee meeting minutes are also sent to all members of the BoD.

On 31 December 2022, the members of the Compensation Committee were Julie G. Richardson (Chairperson), Dieter Wemmer and Jeanette Wong.

› Refer to "Board of Directors" in the "Corporate governance" section of our Annual Report 2022 for more information

External advisors

The Compensation Committee may retain external advisors to support it in fulfilling its duties. In 2022, HCM International Ltd. (HCM) provided independent advice on compensation matters. HCM holds no other mandates with UBS. Additionally, Willis Towers Watson provided the Compensation Committee with data on market trends and pay levels. Various subsidiaries of Willis Towers Watson provide similar information to UBS's human resources department in relation to compensation for employees. Willis Towers Watson holds no other compensation-related mandates with UBS.

The Risk Committee's role in compensation

The Risk Committee, a committee of the BoD, works closely with the Compensation Committee with the goal of ensuring that our compensation framework appropriately reflects risk awareness and management, and supports appropriate risk-taking. It supervises and sets appropriate risk management and risk control principles and is regularly briefed on how risk is factored into the compensation process. It also monitors the involvement of Group Risk Control and Compliance and Operational Risk in compensation and reviews risk-related aspects of the compensation process.

› Refer to ubs.com/governance for more information

Compensation Committee 2022 / 2023 key activities and timeline

	April	July	Sept	Oct	Nov	Dec ¹	Jan	Feb
Strategy, policy and governance								
Total Reward Principles			●					
Sustainability / ESG in the compensation process		●				●	●	
Compensation disclosure and stakeholder communication matters		●				●		●
AGM reward-related items		●					●	
Compensation Committee governance								●
Annual compensation review								
Accruals and full-year forecast of the performance award pool funding		●			●	●	●	
Performance targets and performance assessment of the Group CEO and GEB members		●				●	●	
Group CEO and GEB members' salaries and individual performance awards		●				●	●	
Update on market practice, trends and peer group matters	●	●			●		●	
Pay for performance, including governance on certain higher-paid employees, and non-standard compensation arrangements	●	●	●		●	●	●	●
Board of Directors remuneration							●	
Compensation framework								
Compensation framework and deferred compensation matters		●	●				●	●
Risk and regulatory								
Risk management in the compensation approach and joint meeting with BoD Risk Committee	●			●	●		●	
Regulatory activities impacting employees and engagement with regulators		●		●		●		●

¹ The Compensation Committee held two meetings in December 2022.

Compensation governance

The table below provides an overview of compensation governance by specific role.

Recipients	Compensation recommendations proposed by	Approved by
Chairman of the BoD and Vice Chairman of the BoD	Compensation Committee	Compensation Committee ¹
Other BoD members	Compensation Committee and Chairman of the BoD	BoD ¹
Group CEO	Compensation Committee and Chairman of the BoD	BoD ¹
Other GEB members	Compensation Committee and Group CEO	BoD ¹
Key Risk Takers (KRTs) / senior employees	Respective GEB member and functional management team	Individual compensation for KRTs and senior employees: Group CEO

¹ Aggregate variable compensation and maximum aggregate amount of fixed compensation for the GEB, as well as maximum aggregate remuneration for the BoD, are subject to shareholder approval.

Environmental, Social and Governance considerations

Environmental, social and governance in the compensation determination process

Environmental, social and governance (ESG) objectives are considered in the compensation determination process in objective setting, performance award pool funding, performance evaluation and compensation decisions.

ESG-related objectives have been embedded in our Pillars and Principles since they were established in 2011. In 2021, we introduced explicit sustainability objectives in the non-financial goal category of the Group CEO and GEB scorecards. These sustainability objectives are linked to our priorities, and their progress is measured via robust quantitative metrics and qualitative criteria. The table below provides an overview of our metrics and progress achieved in 2022, including climate-related goals under the priority “Planet.” Sustainability objectives are individually assessed for each GEB member, and consequently directly impact their performance assessments and compensation decisions.

In addition, in the performance award pool funding across the Group, ESG is also reflected through an assessment of progress made against targets linked to our focus areas of Planet, People (including progress made against our diversity ambitions) and Partnerships, alongside other key dimensions. Therefore, ESG is taken into consideration when the Compensation Committee assesses not only what results were achieved but also how they were achieved.

For 2022, we established robust and concrete targets, and made good progress toward achieving them. We continue to increase our focus on this topic.

- › Refer to “GEB performance assessments” in the “Compensation for GEB members” section of this report for more information about the GEB performance measurement process
- › Refer to “Our focus on sustainability and climate,” “Employees” and “Society” in the “How we create value for our stakeholders” section of our Annual Report 2022 for more information
- › Refer to ubs.com/gri for more information about ESG-related topics

Paying our people fairly and equitably

Pay equity and equal opportunity are fundamental to achieving our purpose. To connect for a better world, providing equal support to all our employees, with their diverse experiences, perspectives and backgrounds, is critical to our success. Factors such as gender, race, ethnicity, part-time status or a recent leave of absence should not impact opportunities.

Fair and consistent pay practices are designed to ensure that employees are appropriately rewarded for their contribution. We pay for performance, and we take pay equity seriously. We’ve embedded clear commitments in our global compensation policies and practices, and we regularly conduct internal reviews and external audits as quality checks. If we find any gaps not explained by business or by appropriate employee factors such as role, responsibility, experience, performance or location, we look at the root causes and address them.

Since 2020, we have been certified under the EQUAL-SALARY Foundation standards for our human resources practices in Switzerland, the US, the UK, the Hong Kong SAR and Singapore, covering more than two-thirds of our global employee population. Our global human resources policies and standards, including reward, performance management and promotion, from hiring through retirement, are reviewed annually to further improve our approach and processes. Our processes are global and we apply the same standards across all our locations.

The firm also successfully completed an equal pay analysis in Switzerland in 2020, as required by the Swiss Federal Act on Gender Equality. The results of the analysis confirmed that we are fully compliant with Swiss equal pay standards. These holistic certifications are a testament to our well-established equal opportunity environment and the strength of our human resources practices, including performance and reward.

In 2022, we extended our internal fair pay analysis by assessing employees’ salaries against local living wages, using benchmarks defined by the Fair Wage Network. Excluding our US Financial Advisor population and their related support population (as their compensation is primarily based on a formulaic approach), our analysis showed that employees’ salaries were at or above the respective benchmarks, and the few outliers have all been addressed. UBS is committed to fair pay and supports all employees being paid at least a living wage.

Our aspirational goals and progress

Our priorities	Our aspirational goals	Our progress in 2022
Planet, people, partnerships	USD 400bn invested assets in sustainable investments by 2025.	Increased invested assets in sustainable investments to USD 268bn (compared with USD 251bn in 2021).
Planet 	Decarbonization targets for 2030 for financing of the real estate, fossil fuels, power generation and cement sectors (from 2020 levels): <ul style="list-style-type: none"> – reduce emissions intensity of UBS’s residential real estate lending portfolio by 42%; – reduce emissions intensity of UBS’s commercial real estate lending portfolio by 44%; – reduce absolute financed emissions associated with UBS loans to fossil fuel companies by 71%; – reduce emissions intensity associated with UBS loans to power generation companies by 49%; and – reduce emissions intensity associated with UBS loans to cement companies by 15%. 	Calculated progress against pathways for the real estate (commercial and residential), fossil fuel and power generation sectors: ¹ <ul style="list-style-type: none"> – reduced emissions intensity of UBS’s residential real estate lending portfolio by 8% (end of 2021 vs 2020 baseline); – reduced emissions intensity of UBS’s commercial real estate lending portfolio by 7% (end of 2021 vs 2020 baseline); – reduced absolute financed emissions associated with UBS loans to fossil fuel companies by 42% (end of 2021 vs 2020 baseline); and – reduced emissions intensity associated with UBS loans to power generation companies by 12% (end of 2021 vs 2020 baseline).
	Align 20% of AuM to be managed in line with net zero (Asset Management). ²	Introduction of an additional decarbonization target for the cement sector, as well as an estimation of the overall financed emissions.
	Achieve net-zero emissions across discretionary client portfolios by 2050 (Asset Management). ³	Initiated analysis of revisions to fund documentation and investment management agreements to align with Asset Management’s net-zero-aligned frameworks.
	Achieve net-zero energy emissions resulting from our own operations (scopes 1 and 2) by 2025; cut energy consumption by 15% by 2025 (compared with 2020).	Reduced net greenhouse gas (GHG) footprint for scope 1 and 2 emissions by 13% and energy consumption by 8% (compared with 2021); continued implementation of the replacement of fossil fuel heating systems and investing in credible carbon removal projects; achieved 99% renewable electricity coverage despite challenging market conditions.
	Offset historical emissions back to the year 2000 by sourcing carbon offsets (by year-end 2021) and by offsetting credit delivery and full retirement in registry (by year-end 2025).	Continued to follow up on credit delivery and retirement of sourced portfolio.
	Engage with key vendors on aiming for net zero by 2035.	Identified “GHG key vendors” (vendors that collectively account for >50% of our estimated vendor GHG emissions) and invited the vendors that accounted for 67% of our annual vendor spend (including all GHG key vendors) to disclose their environmental performance through CDP’s Supply Chain Program, with 66% of the invited vendors completing their disclosures in the CDP platform.
People 	30% global female representation at Director level and above by 2025.	Increased to 27.8% (2021: 26.7%) female representation at Director level and above.
	26% of US roles at Director level and above held by employees from ethnic minorities by 2025.	Increased to 20.4% (2021: 20.1%) ethnic minority representation at Director level and above in the US.
	26% of UK roles at Director level and above held by employees from ethnic minorities by 2025.	Increased to 23.0% (2021: 21.3%) ethnic minority representation at Director level and above in the UK.
	Raise USD 1bn in donations to our client philanthropy foundations and funds and reach 25 million beneficiaries by 2025 (cumulative for 2021–2025).	Achieved a UBS Optimus Foundation network donation volume of USD 274m in 2022, totaling USD 436m since 2021 (both figures include UBS matching contributions). Reached 5.9 million beneficiaries.
	Support 1.5 million young people and adults to learn and develop skills through our community impact activities (2022–2025).	Reached 370,916 beneficiaries through strategic community impact activities. ⁴
Partnerships 	Establish UBS as a leading facilitator of discussion, debate and idea generation.	Co-organized, with the Institute of International Finance, the first Wolfsberg Forum for Sustainable Finance. Joined a consortium that is pioneering methods of assessing and maximizing the GHG reduction potential of energy storage. Co-founded Carbonplace, a technology platform for the voluntary carbon market that has the goal of creating a streamlined and transparent market for our clients.
	Drive standards, research and development, and product development.	Co-led the Taskforce on Nature-related Financial Disclosures’ financial-sector-specific working group. Collaboration with two Swiss companies that are pioneering innovative carbon removal technologies. Joined the Partnership for Carbon Accounting Financials (PCAF).

¹ Refer to the “Environment” section of our Sustainability Report 2022, available under “Annual reporting” at ubs.com/investors, for further information. The inherent one-year time lag between the as-of date of our lending exposure and the as-of date of emissions can be explained by two factors: corporates disclose their emissions in annual reporting only a few months after the end of a financial year; and specialized third-party data providers take up to nine months to collect disclosed data and make it available to data users. Consequently, the baselines for our net-zero ambitions are based on year-end 2020 lending exposure and 2019 emissions data. Our 2021 emissions actuals are based on year-end 2021 lending exposure and 2020 emissions data. ² The 20% alignment goal amounted to USD 235bn at the time of Asset Management’s commitment in 2021. By 2030, the weighted average carbon intensity of funds is to be 50% below the carbon intensity of the respective 2019 benchmark. ³ The near- and medium-term plans for the achievement of this goal include our Asset Management business division only. ⁴ Our Community Impact program has a strategic focus on education and the development of skills.

Cautionary note: We have developed methodologies that we use to set our climate-related targets and identify climate-related risks and which underly the metrics that are disclosed in this report. Standard setting organizations and regulators continue to provide new or revised guidance and standards, as well as new or enhanced regulatory requirements for climate disclosures. Our disclosed metrics are based upon data available to us, including estimates and approximations where actual or specific data is not available. We intend to update our disclosures to comply with new guidance and regulatory requirements as they become applicable to UBS. Such updates may result in revisions to our disclosed metrics, our methodologies and related disclosures, which may be substantial, as well as changes to the metrics we disclose.

› Refer to our Sustainability Report 2022, available under “Annual reporting” at ubs.com/investors, for more information

Build a diverse, equitable and inclusive workplace

Our diversity, equity and inclusion (DE&I) strategy and initiatives focus on a wide range of characteristics including gender, gender identity, sexual orientation, ethnic diversity, disabilities, age, and veteran status, along the entire employee life cycle. Our businesses aim to hire individuals with strong potential along with diverse skills, backgrounds and perspectives. We invest in the development of all employees and give them the visibility and opportunities to realize their potential, and implement Group-wide divisional and regional initiatives that support their career growth. These efforts collectively support the progress towards achieving our DE&I aspirational goals. For example, our partnerships with the Investments and Wealth Institute (the IWI) and Kaplan Financial Education in the US provide scholarships for diverse Wealth Management professionals at UBS to pursue industry certifications in investment management, private wealth advisory, retirement management and financial planning. Our leaders and employee networks are essential in our work to build a sense of belonging and to advance our goals.

We have an ongoing focus on the importance of inclusive leadership skills, ensuring equity in our policies and practices, and increasing the representation of women and ethnic minority employees. We take a multi-faceted approach that considers recruitment, development and belonging perspectives. For example, we support flexible working arrangements that benefit current employees and help us attract a more diverse pool of applicants. We also assess executive candidates for inclusive leadership competencies.

In 2020, we outlined our intention to increase our female and ethnic minority representation, especially among management, and we have made steady progress toward achieving those aspirations. Women now account for 41% of our workforce and 27.8% of our Director-level and above population. At the same time, 42% of our GEB members are female. Due to variations in legal requirements and historical progress, we continue to take a country-specific approach to increasing our representation of ethnic minorities, and we have published aspirations for the US and the UK, specifically. In 2022, we increased the ethnic minority representation at Director level and above to 20.4% (in the US) and 23.0% (in the UK).

Progress against these aspirations is considered in the determination of the annual performance award pool and included in the sustainability objectives under "Strategic & Growth" for the GEB, as outlined in the table above.

- › Refer to the "People and culture make the difference" section of our Sustainability Report 2022, available under "Annual reporting" at ubs.com/investors, for more information about DE&I

Performance award pool funding

Our compensation philosophy focuses on balancing performance with appropriate risk-taking, retaining talented employees and shareholder returns. Our overall performance award pool funding percentage decreases as financial performance increases. In years of strong financial performance, this prevents excessive compensation and results in an increased proportion of profit before performance awards being available for distribution to shareholders or growing the Group's capital. In years where performance declines, the performance award pool will generally decrease; however, the funding percentage may increase.

Our performance award pool funding framework is based on Group and business division performance, including achievements against defined performance measures. In assessing performance, we also consider industry peers, market competitiveness of our results and pay position, as well as progress against our strategic objectives, including returns, risk-weighted assets and cost efficiency. The Risk and Compliance functions support our holistic reflection and consideration of the financial and non-financial impact (including reputation) of risk matters. We further consider the firm's risk profile and culture, the extent to which operational risks and audit issues have been identified and resolved, and the success of risk reduction initiatives including significant events.

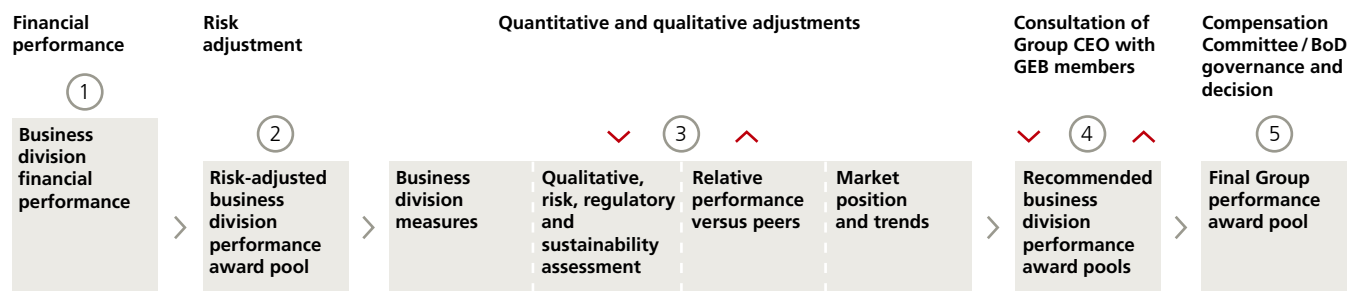
The funding for Group Functions is linked to overall Group performance and reflects headcount, workforce location and demographics. For each functional area, quantitative and qualitative assessments evaluate service quality, risk management and financial achievements.

Our decisions regarding the performance award pool also balance consideration of financial performance with a range of factors, including DE&I and other ESG metrics, the impact of litigation, regulatory costs, the effect of changes in financial accounting standards, capital returns and relative total shareholder return.

Before making its final proposal to the BoD, the Compensation Committee considers the CEO's proposals and can apply a positive or negative adjustment to the performance award pool.

- › Refer to "2022 Group performance outcomes" in the "Group compensation" section of this report
- › Refer to the "Group performance" section of our Annual Report 2022 for more information about our results

Performance award pool funding process – illustrative overview



①	Business division financial performance	The starting point for the funding process is the business division financial performance, which may be adjusted for items that are not reflective of the underlying business division performance.
②	Risk-adjusted business division performance award pool	Predetermined business division-specific funding rates are applied to risk-adjusted performance, which excludes items that are not reflective of the underlying business performance.
③	Business division measures	Each division is assessed based on specific measures (e.g., net new fee-generating assets, return on attributed equity).
	Qualitative, risk, regulatory and sustainability assessment	Decision making considers the firm's risk profile and the extent to which operational risks and audit issues have been identified and resolved. Diversity, equity & inclusion and other ESG metrics, the impact of litigation and regulatory costs are also considered. The Risk and Compliance functions support our holistic reflection and consideration of the financial and non-financial impact (including reputation) of risk matters.
	Relative performance versus peers	Performance is assessed relative to our peers, including financial performance, returns and relative total shareholder return.
	Market position and trends	Market intelligence, based on external advisors, helps assess the competitiveness of our pay levels and compensation structure. It also provides a prospective view of market trends in terms of absolute compensation levels, compensation framework and industry practice.
④	Recommended business division performance award pools	The business division performance award pool determination process, based on quantitative and qualitative assessments, results in a proposal from the Group CEO (after consultation with the GEB) to the Compensation Committee for consideration.
⑤	Final Group performance award pool	The Compensation Committee considers the proposal in the context of the factors outlined above and verifies it is in line with our strategy and our Total Reward Principles to create sustainable shareholder value and support our growth ambitions. The Committee may alter the proposal of the Group CEO (upward or downward including proposing a zero award) before making its final proposal to the BoD.

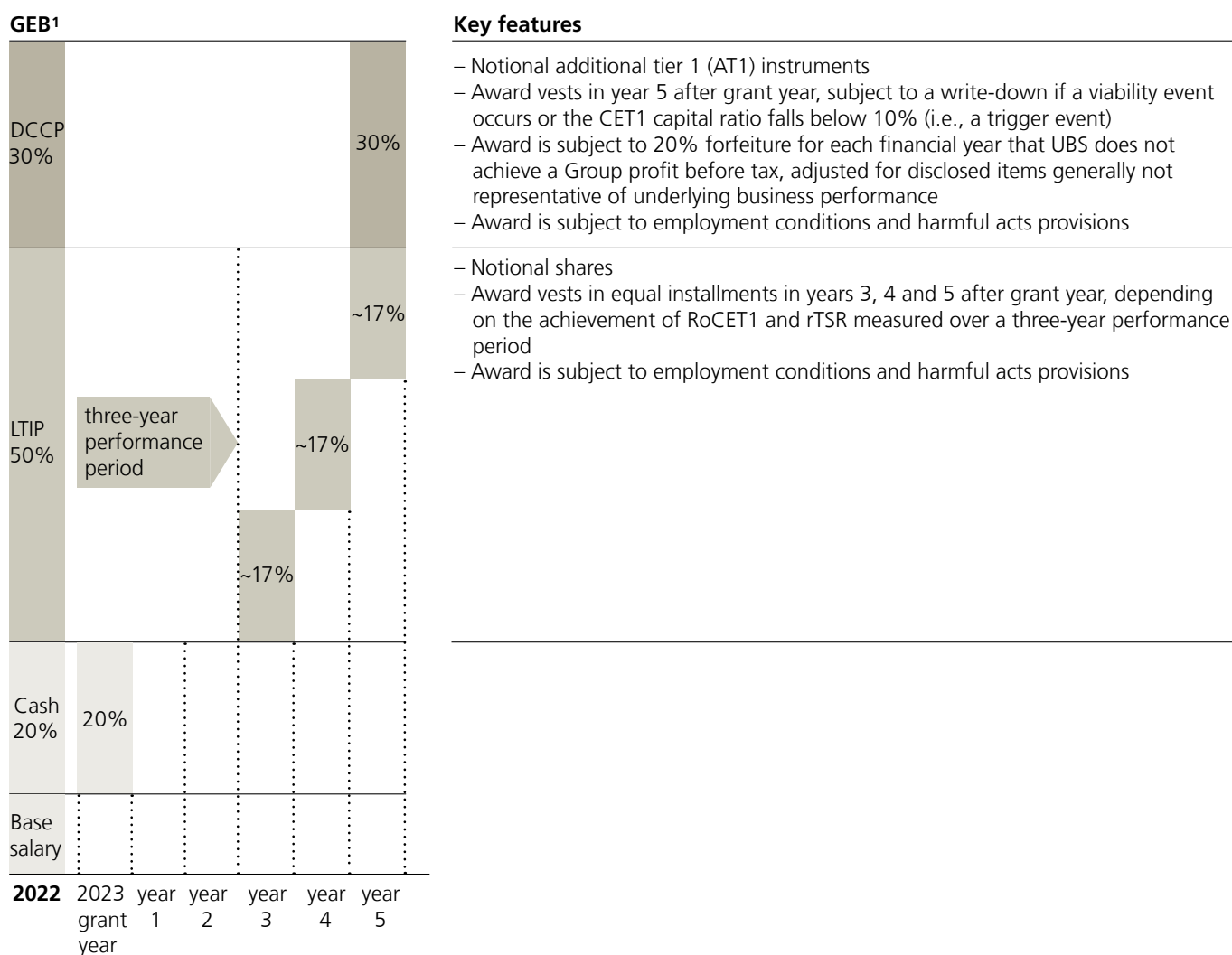
Compensation for GEB members

GEB compensation framework

In 2022, we made no changes to our GEB compensation framework. The chart below illustrates the compensation elements, pay mix and key features for GEB members. Of the annual performance award, 20% is paid in the form of cash and 80% is deferred over a period of five years,¹ with 50% of the annual performance awards granted under the Long-Term Incentive Plan (the LTIP) and 30% under the Deferred Contingent Capital Plan (the DCCP).

› Refer to "Our deferred compensation plans" in the "Group compensation" section of this report for more information

2022 compensation framework for GEB members (illustrative example)



Key features

- Notional additional tier 1 (AT1) instruments
- Award vests in year 5 after grant year, subject to a write-down if a viability event occurs or the CET1 capital ratio falls below 10% (i.e., a trigger event)
- Award is subject to 20% forfeiture for each financial year that UBS does not achieve a Group profit before tax, adjusted for disclosed items generally not representative of underlying business performance
- Award is subject to employment conditions and harmful acts provisions
- Notional shares
- Award vests in equal installments in years 3, 4 and 5 after grant year, depending on the achievement of RoCET1 and rTSR measured over a three-year performance period
- Award is subject to employment conditions and harmful acts provisions

¹ Performance awards to GEB members who are SMF / MRT are subject to additional deferral and vesting requirements.

› Refer to the "Group Compensation" section of this report for more information

› Refer to "Regulated staff" in the "Supplemental information" section of this report for more information

Pay-for-performance safeguards for GEB members

Performance award caps	<ul style="list-style-type: none"> – Cap on the total GEB performance award pool (2.5% of profit before tax)¹ – Caps on individual performance awards (for the Group CEO capped at five times the fixed compensation and at seven times for the other GEB members) – Cap of 20% of performance award in cash
Delivery and deferral	<ul style="list-style-type: none"> – 80% of performance awards are at risk of forfeiture – Long-term deferral over five years (or longer for certain regulated GEB members) – Alignment with shareholders (through the LTIP) and bondholders (through the DCCP) – Final payout of equity-based LTIP award (50% of performance award) subject to absolute and relative performance conditions (three-year performance period)
Contract terms	<ul style="list-style-type: none"> – No severance terms – Notice period between six and twelve months
Other safeguards	<ul style="list-style-type: none"> – Share ownership requirements – No hedging allowed

¹ The Compensation Committee may consider adjustments to profit for items that are not reflective of underlying performance.

GEB share ownership requirements

To align the interests of GEB members with those of our shareholders and to demonstrate personal commitment to the firm, we require the Group CEO and the other GEB members to hold a substantial number of UBS shares. GEB members must reach their minimum shareholding requirements within five years from their appointment and retain it throughout their tenure. The total number of UBS shares held by a GEB member consists of any vested or unvested shares and any privately held shares. At the end of 2022, all GEB members met their share ownership requirements, except for those appointed within the last three years, who still have time to build up and meet the required share ownership.

As of 31 December 2022, our GEB members held shares with an aggregate value of approximately USD 154m, demonstrating their commitment to our strategy and alignment with shareholders.

Share ownership requirements

Group CEO	min. 1,000,000 shares	Must be built up within five years from their appointment and retained throughout their tenure
Other GEB members	min. 500,000 shares	

GEB base salary and role-based allowance

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

Over the course of 2022, one GEB member held a UK Senior Management Function (SMF) role for one of our UK entities. In addition to base salary, a role-based allowance was part of the fixed compensation.

At the AGM, shareholders are asked to approve the maximum aggregate amount of fixed compensation for GEB members for the following financial year.

- › Refer to the “Supplemental information” section of this report for more information about Material Risk Takers (MRTs) and SMFs
- › Refer to the “Say-on-pay” section of this report for more information about the AGM vote on fixed compensation for the GEB

Caps on the GEB performance award pool

The size of the GEB performance award pool may not exceed 2.5% of the Group’s profit before tax. This limits the overall GEB compensation based on the firm’s profitability.

For 2022, the Group’s profit before tax was USD 9.6bn and the total GEB performance award pool was CHF 81.1m. The GEB performance award pool was 0.9% of Group profit before tax, well below the 2.5% cap.

In line with the individual compensation caps on the proportion of fixed pay to variable pay for all GEB members (introduced in 2013), the Group CEO’s granted performance award is capped at five times his fixed compensation. Granted performance awards of other GEB members are capped at seven times their fixed compensation (or two times for GEB members who are also MRTs). For 2022, performance awards granted to GEB members and the Group CEO were, on average, 3.5 times their fixed compensation (in Swiss franc terms, excluding one-time replacement awards, benefits and contributions to retirement plans).

- › Refer to “Performance award pool funding” in the “Compensation philosophy and governance” section of this report for more information

GEB employment contracts

GEB members' employment contracts do not include severance terms or supplementary pension plan contributions and are subject to a notice period of between six and twelve months. A GEB member leaving UBS before the end of a performance year may be considered for a performance award. Such awards are subject to approval by the BoD, and ultimately by the shareholders at the AGM.

Benchmarking for GEB members

When recommending performance awards for the Group CEO and the other GEB members, the Compensation Committee reviews the respective total compensation for each role against a financial industry peer group. The peer group is selected based on comparability of their size, business mix, geographic presence and the extent to which they compete with us for talent. The Compensation Committee considers our peers' strategies, practices and pay levels, as well as their regulatory environment; it also periodically reviews other firms' pay levels or practices, including both financial and non-financial sector peers, as applicable. The total compensation for a GEB member's specific role considers the compensation paid by our peers for a comparable role and performance within the context of our organizational profile. The Compensation Committee periodically reviews and approves the peer group composition.

The table below presents the composition of our peer group as approved by the Compensation Committee for the 2022 performance year.

Bank of America	Goldman Sachs
Barclays	HSBC
BlackRock	JPMorgan Chase
BNP Paribas	Julius Baer
Citigroup	Morgan Stanley
Credit Suisse	Standard Chartered
Deutsche Bank	State Street

GEB performance assessments

We assess each GEB member’s performance against a set of Group financial targets, non-financial objectives and Behaviors. Under the non-financial objectives, we maintained the categories introduced in 2021: Core Job (which covers job-specific, risk and people objectives) and Strategic & Growth (which covers strategy, digital, and environmental, social and governance (ESG) objectives). This approach fosters an even greater focus on GEB priorities and the success of the Group overall among all GEB members, and strengthens the understanding and importance of interdependence within and across the GEB. At the same time, it creates stronger individual accountability, and further increases the focus on core activities.

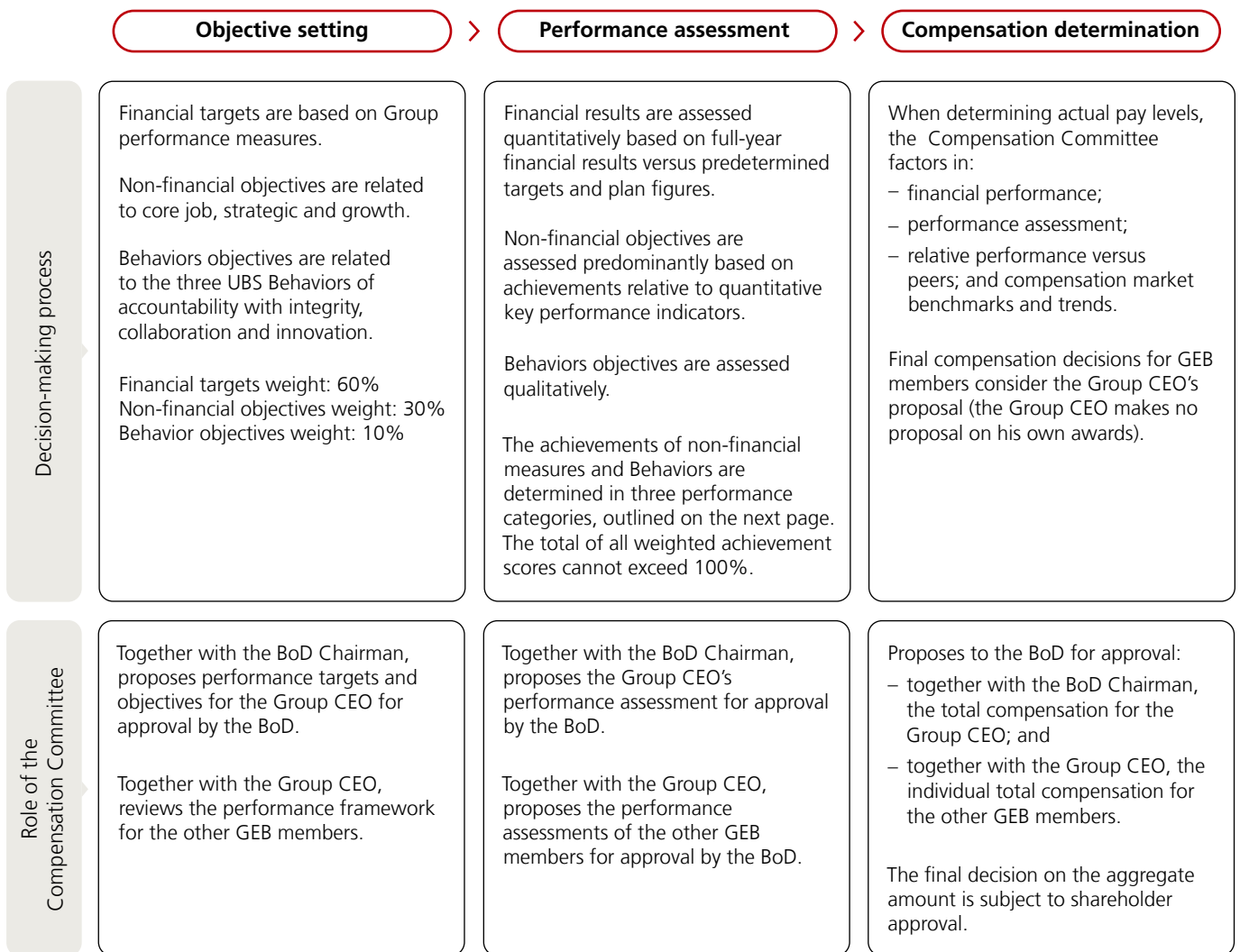
The Compensation Committee exercises its judgment with respect to the performance achieved relative to the prior year, our strategic plan and our competitors, and considers the Group CEO’s proposals. The Compensation Committee’s proposals are subject to approval by the BoD.

The Compensation Committee, and then the full BoD, follows a similar process for the Group CEO, except that the proposal comes from the Chairman of the BoD.

Overview of the GEB compensation determination process

The compensation for the Group CEO and the other GEB members is governed by a rigorous process under Compensation Committee and BoD oversight. The chart below shows how compensation for all GEB members is determined.

The Compensation Committee is involved at all stages of the performance and total compensation decision-making process for the Group CEO and the other GEB members, for review and approval by the BoD.



Overview of performance assessment measures

We apply a range of quantitative measures to assess GEB member performance against financial and non-financial objectives while Behaviors are assessed qualitatively. The table below provides a summary of the main metrics and measures used for 2022.

Financial measures (60%)			<ul style="list-style-type: none"> – Reported Group profit before tax – Reported Group cost / income ratio – Reported Return on CET1 capital
Non-financial measures (30%)	Strategic & Growth	Strategy	<ul style="list-style-type: none"> – Progress on Group-wide transformation initiatives – Delivery on division- / function-specific strategic programs and initiatives
		Digital	<ul style="list-style-type: none"> – Progress on digital transformation initiatives – Delivery of digital offering and user experience for clients
		ESG	– Refer to the “Our aspirational goals and progress” table in the “Environmental, Social and Governance considerations” section of this report
	Core Job	Job-specific	<ul style="list-style-type: none"> – Business-specific criteria, such as net new investable asset targets and client engagement-level objectives – Operating income growth targets for specific client segments and total cost goals – Post-stress CET1 objectives and capital ratio guidance – Execution progress regarding key client and internal initiatives; e.g., cross-divisional collaboration initiatives, efficiency and cost-saving initiatives
		Risk	<ul style="list-style-type: none"> – Operating within risk appetite constraints – Progress to delivering on risk reduction initiatives
		People	<ul style="list-style-type: none"> – Employee listening / sentiment results and feedback – Progress toward meeting 2025 ambitions for female representation and for ethnic minority representation in the US and the UK at Director and above levels (as per ESG disclosure) – People development, mobility, turnover and succession plan metrics
Behaviors (10%)	Accountability with integrity	Qualitative assessment against expected Behaviors:	<ul style="list-style-type: none"> – Responsible for what they say and do – Takes ownership and makes things happen – Steps up and acts when something is not right
	Collaboration		<ul style="list-style-type: none"> – Trusts others and helps them to be successful – Delivers One UBS, together with their colleagues – Fosters a diverse, inclusive and equitable work environment
	Innovation		<ul style="list-style-type: none"> – Challenges perspectives and looks at every opportunity to improve – Actively seeks and provides feedback – Learns from every success and failure

Performance assessment categories

The table below presents the three performance categories for the assessment of the performance against non-financial objectives related to Core Job, Strategic & Growth and Behaviors. The achievement score represents the maximum percentage, and the Compensation Committee may apply downward adjustments.

Non-financial measures		
Needs focus	Good contribution	Excellent contribution
Achievement score: up to 33%	Achievement score: up to 66%	Achievement score: up to 100%

Behaviors		
Needs focus	Expected behavior	Exemplary behavior
Achievement score: up to 33%	Achievement score: up to 66%	Achievement score: up to 100%

2022 performance for the Group CEO

The performance award for the Group CEO is based on the achievement of financial performance targets and non-financial objectives related to Core Job, Strategic & Growth and Behaviors, as described earlier in this section.

These objectives were set to reflect the strategic priorities determined by the Chairman and the BoD.

› Refer to “GEB compensation framework” in this section of this report for more information

Performance assessment for the Group CEO

The BoD recognized that Ralph Hamers successfully led UBS through a challenging year and delivered good financial results despite significant headwinds due to geopolitical and macroeconomic developments. In this environment, he focused the firm on maintaining client momentum and the disciplined execution of our strategy across regions to deliver the benefits of our geographic diversification. Furthermore, the resulting growth enabled us to achieve a performance in line with our 2022 targets. In addition, our strong capital position enabled us to return USD 7.3bn of capital to shareholders for the 2022 financial year.

Furthermore, Mr. Hamers effectively led the Group through the challenging and volatile risk environment and continued to promote an effective risk culture throughout the organization. He also kept the firm focused on risk reduction and operating within our risk appetite.

Additionally, the BoD acknowledged that Mr. Hamers continued to be a strong ambassador for the drive to make our organization more digital. He continued to increase the Group’s focus on technology as a differentiator for our clients and employees, achieving important progress on our technology initiatives and agile transformation that benefit clients and employees.

Mr. Hamers successfully continued to focus the Group on delivering on its diversity, equity and inclusion (DE&I) strategy and initiatives. Important progress was made in our diversity and ethnicity ambitions and it remains a key area of focus. He also successfully managed Group Executive Board (GEB) transitions that rejuvenated the GEB and increased the female ratio on the GEB to 42%.

Mr. Hamers continued to demonstrate strong leadership and focus on delivering the Group’s sustainability strategy, including the commitment to net zero. He continued to focus the organization to deliver on the ambitions in the key ESG focus areas including a reduction of 11% in scope 1 and 2 emissions year on year, partnering with two pioneering companies on CO₂ removal, supporting clients with USD 268bn invested assets in sustainability-focused and impact investments. As a result, UBS retained its position amongst the leaders in the field, as evidenced by the ratings from the most important independent sustainability rating agencies.

The table below illustrates the assessment criteria used to evaluate the achievements of Mr. Hamers in 2022.

Financial performance

Weight	Performance measures	2022 targets	2022 results	Achievement ²	Weighted assessment	2022 commentary
20%	Reported Group PBT	USD 9.8bn	USD 9.6bn	97.6%	19.5%	– Profit before tax (PBT) increased to USD 9.6 bn, slightly below target but up from 2021 and the highest annual result since 2006, reflecting good profitability in a challenging market.
20%	Reported Group C/I ratio	70 to 73% ¹	72.1%	100% ³	20.0%	– The cost / income (C/I) ratio was 72.1%, in line with the 2022 performance target range and an improvement of 1.5 percentage points compared with 2021. This demonstrates good cost discipline in an inflationary environment.
20%	Reported RoCET1	15 to 18% ¹	17.0%	100%	20.0%	– Delivered strong capital returns with a return on CET1 capital (RoCET1) of 17.0%, in line with the 2022 performance target range.

¹ The return on CET1 capital and cost / income ratio performance targets reflect externally communicated target ranges. The determination of the achievement is based on specific target levels defined within the indicated target ranges. ² Achievement score capped at 100%. ³ For the assessment of the cost / income ratio, each 1% difference between actual and target affects the score by 10%.

Performance assessment for the Group CEO (continued)

Non-financial performance and Behaviors

Weight	Performance measures	Achievement	Weighted assessment	2022 commentary
30%	<p>Core Job (Job specific, Risk, People)</p> <p>Strategic & Growth (Strategy, Digital, ESG)</p>	Good contribution (66%)	20%	<p>– The evaluation of each non-financial objective considers quantitative metrics that are assessed against internal targets / plan.</p> <p>Core Job</p> <ul style="list-style-type: none"> – Good client momentum in a challenging market environment and maintained strong focus on managing our costs – Active capital management to protect our business, enable growth and deliver attractive returns including executing USD 5.6bn in share buybacks – Operated within risk appetite constraints – Improved employee listening / sentiment results across key categories – Successfully managed effective leadership transitions in GEB – Continued focus on people diversity, with the ratio of female leaders increased to 28%, on track to meet the 2025 target; stayed on track toward the 2025 ambition for ratios of UK (23%) and US (20%) employees from ethnic minorities <p>Strategic & Growth</p> <ul style="list-style-type: none"> – Embedded our purpose into the organization and executed on the strategic imperatives, including executing across regions and delivering benefits of geographic diversification. – Focused the Group to deliver simplification initiatives, making it easier for our businesses to deliver for our clients. – Progressed our technology initiatives and agile transformation with new launches of key products such as Key4 in Switzerland, Circle One, and WE.UBS in China and approximately 18,500 employees operating in an agile work environment – See ESG metrics and progress in separate table in this report
10%	Behaviors (Accountability with integrity, Collaboration, Innovation)	Expected behavior (66%)	7%	<p>The assessment of the Behavior objectives is qualitative and has resulted in the following summary assessment:</p> <ul style="list-style-type: none"> – Mr. Hamers continued to be a role model in accountability and empowerment in the organization. He remained the most important ambassador of collaboration to deliver the whole firm to our clients. – Mr. Hamers exemplifies innovation in UBS. He continued the successful digitalization through new ways of working and continuously promoted innovative thinking and simplification.
Total weighted assessment (maximum 100%)			86.5%	

In addition to the overall 2022 Group performance and Mr. Hamers's achievements outlined above, the BoD also considered other factors, such as the Group's good profitability, UBS's performance in context of the underlying results and the strong relative share price performance. For context, as outlined in our compensation report last year, Mr. Hamers's 2021 performance award was additionally impacted by the significant risk event related to a loss from a US-based client of our prime brokerage business. The 2022 proposal considers a year-on-year change that reflects pay-for-performance and does not carry forward the 2021 impact over multiple years.

The BoD approved the proposal by the Compensation Committee to grant Mr. Hamers a performance award of CHF 9.7m, resulting in a total compensation for 2022 of CHF 12.2m (excluding benefits and contributions to his retirement benefit plan).

Aligned with the GEB compensation framework, the Group CEO's performance award will be delivered 20% (CHF 1.94m) in cash and the remaining 80% (CHF 7.76m) subject to deferral and forfeiture provisions, as well as meeting performance conditions over the next five years.

2022 total compensation for the GEB members

The 2022 GEB performance award pool is CHF 81.1m, which is an increase of 2% in Swiss franc terms and a decrease of 3% in US dollar terms. Adjusted for the direct impact of the 2021 loss event on specific GEB members, the 2022 GEB pool is down approximately 5% in Swiss franc terms or a decrease of 10% in US dollar terms, which is aligned with the Group pool development. This pool also considers the impact of changes in GEB composition and foreign exchange rates. This outcome reflects the solid performance of the GEB as demonstrated by the strength of our share price and the good performance of the Group in a challenging market environment, achieving our returns and efficiency targets on a reported basis, while also considering our underlying reported results.

At the 2023 AGM, shareholders will vote on the aggregate 2022 total variable compensation for the GEB in Swiss francs. The tables below provide the awarded compensation for the Group CEO and the GEB members in Swiss francs and, for reference, the total amounts in US dollars for comparability with financial performance. The individual variable performance awards for each GEB member will only be confirmed upon shareholder approval at the AGM.

- › Refer to “Deferred compensation” in the “Supplemental information” section of this report for more information about the vesting of outstanding awards for GEB members
- › Refer to “Provisions of the Articles of Association related to compensation” in the “Supplemental Information” section of this report for more information

Audited I

Total compensation for GEB members

CHF, except where indicated

For the year	Contribution to retirement benefit plans			Total fixed compensation	Performance award			Total variable compensation	Total fixed and variable compensation ⁶	USD (for reference) ¹		
	Base salary	Benefits ²	Benefits ²		Cash ³	under LTIP ⁴	under DCCP ⁵			Total fixed compensation	Total variable compensation	Total fixed and variable compensation ⁶
Group CEO Ralph Hamers (Highest Paid Executive excluding replacement awards)¹¹												
2022	2,500,000	242,239	198,378	2,940,617	1,940,000	4,850,000	2,910,000	9,700,000	12,640,617	3,050,684	10,063,071	13,113,755
2021	2,500,000	246,415	251,856	2,998,271	1,700,000	4,250,000	2,550,000	8,500,000	11,498,271			

Aggregate of all GEB members (excluding replacement awards)^{7,8,9,10,11,12}

2022	23,318,410	1,796,872	693,473	25,808,756	16,220,000	40,550,000	24,330,000	81,100,000	106,908,756	26,774,777	84,135,571	110,910,348
2021	24,853,521	2,064,009	1,179,512	28,097,041	15,950,000	39,875,000	23,925,000	79,750,000	107,847,041			

¹ Swiss franc amounts have been translated into US dollars for reference at the 2022 performance award currency exchange rate of CHF / USD 1.037430. ² All benefits are valued at market price. ³ For GEB members who are also MRTs or SMFs, the cash portion includes blocked shares. ⁴ LTIP awards for performance year 2022 were awarded at a value of 71.45% of maximum which reflects our best estimate of the fair value of the award. The maximum number of shares is determined by dividing the awarded amount by the estimated fair value of the award at grant, divided by CHF 20.092 or USD 21.790, the average closing price of UBS shares over the last ten trading days leading up to and including the award date in February. ⁵ The amounts reflect the amount of the notional additional tier 1 (AT1) capital instrument excluding future notional interest. ⁶ Excludes the portion related to the legally required employer's social security contributions for 2022 and 2021, which are estimated at grant at CHF 4,675,424 and CHF 4,997,243, respectively, of which CHF 841,402 and CHF 763,059, respectively, are for the highest-paid GEB member (excluding replacement awards). The legally required employees' social security contributions are included in the amounts shown in the table above, as appropriate. ⁷ As stated in “Group Executive Board” in the “Corporate governance” section of our Annual Report 2022, twelve GEB members were in office on 31 December 2022 and 31 December 2021. ⁸ Includes compensation paid under employment contracts during notice periods for GEB members who stepped down during the respective years. ⁹ Includes compensation for newly appointed GEB members for their time in office as GEB members during the respective years. ¹⁰ Base salary may include role-based allowances in line with market practice in response to regulatory requirements. ¹¹ The 2022 total compensation of Sarah Youngwood, Group CFO, including both the one-time replacement awards of her compensation forfeited upon joining UBS as well as her compensation for the 2022 performance year, amounts to a total of CHF 13,475,863 (which makes her the highest paid executive including replacement awards). ¹² For 2022, the one-time replacement awards of CHF 7,206,683 for Sarah Youngwood and CHF 65,229 for Naureen Hassan are not included in the above table; including these, the 2022 total aggregate compensation of all GEB members is CHF 114,180,668. For 2021, the one-time replacement award of CHF 7,081,474 for Barbara Levi is not included in the above table; including this, the 2021 total aggregate compensation of all GEB members is CHF 114,928,515.

Total realized compensation for the Group CEO

The realized compensation for the Group CEO reflects the total amount paid out in the year. It includes the base salary, cash performance award payments, and all deferred performance awards vested in the year. As such, realized pay is the natural culmination of awards granted and approved by shareholders in previous years.

To illustrate the effect of our long-term deferral approach, which has been in place since 2012, we disclose the annual realized compensation of Mr. Hamers, including a comparison with his total awarded compensation.

Total realized compensation vs awarded compensation for Ralph A.J.G Hamers

For the year	CHF		Performance award under equity plans ²		Performance award under DCCP ²		Realized	Awarded
	Base salary	Cash award ²			Total realized fixed and variable compensation	Total awarded fixed and variable compensation ^{3,4}		
2022	2,500,000	1,700,000	0	0	4,200,000	12,200,000		
2021	2,500,000	600,000	0	0	3,100,000	11,000,000		
2020 ¹	833,333	0	0	0	833,333	3,833,333		

¹ Includes compensation for 4 months as Ralph A.J.G. Hamers joined UBS on 1 September 2020. ² Excludes dividend / interest payments. ³ Excludes contributions to retirement benefit plans and benefits. Includes social security contributions paid by Ralph A.J.G. Hamers but excludes the portion related to the legally required social security contributions paid by UBS. ⁴ Excludes the one-time replacement award granted in 2020.

Group compensation

Compensation elements for all employees

All elements of pay are considered when making our compensation decisions. We regularly review our principles and compensation framework in order to remain competitive and aligned with stakeholders. In 2022, we made no material changes to our overall framework. We will continue to review our approach to salaries and performance awards, considering market developments, our performance and our commitment to deliver sustainable returns to shareholders.

Base salary and role-based allowance

Employees' fixed compensation (e.g., base salary) reflects their level of skill, role and experience, as well as local market practice. Base salaries are usually paid monthly or fortnightly, in line with local market practice. We offer competitive base salaries that reflect location, function and role. Salary increases generally consider promotions, skill set, performance and overall responsibility.

In addition to base salary, and as part of fixed compensation, some employees may receive a role-based allowance. This allowance is a shift in the compensation mix between fixed and variable compensation, not an increase in total compensation. It reflects the market value of a specific role and is fixed, non-forfeitable compensation. Unlike salary, a role-based allowance is paid only if the employee is in a specific role. Similar to previous years, 2022 role-based allowances consisted of a cash portion and, where applicable, a blocked UBS share award.

Pensions and benefits

We provide a range of benefit plans, such as retirement benefits and health insurance, aiming to provide financial protection in case of significant life events, and support our employees' well-being and diverse needs. Retirement and other benefits are set in the context of local market practice and regularly reviewed for competitiveness.

Pension plan rules in any one location are generally the same for all employees, including GEB members and other management. There are no enhanced or supplementary pension contributions for the GEB.

Performance award

Most of our employees are eligible for an annual performance award. The level of this award, where applicable, generally depends on the firm's overall performance, the employee's business division, team and individual performance, and behavior, reflecting their overall contribution to the firm's results. These awards are in line with applicable local employment conditions and at the discretion of the firm.

In addition to the firm's Pillars and Principles, Behaviors related to Accountability with integrity, Collaboration and Innovation are part of the performance management approach. Therefore, when assessing performance, we consider not only what was achieved but also how it was achieved.

Our deferred compensation plans

Underlining our emphasis on sustainable performance and risk management, and our focus on achieving our growth ambitions, we deliver part of our employees' annual variable compensation through deferred compensation plans. We believe that our approach, with a single incentive decision and a mandatory deferral, is transparent and well suited to implementing our compensation philosophy and delivering sustainable performance. This aligns the interests of our employees and shareholders and appropriately links compensation to longer-term sustainable performance.

Our mandatory deferral approach applies to all employees with regulatory-driven deferral requirements or total compensation greater than USD / CHF 300,000. Certain regulated employees, such as Senior Management Functions (SMFs) and Material Risk Takers (MRTs), are subject to additional requirements (e.g., more stringent deferral requirements and additional blocking periods). In addition, SMFs and MRTs receive 50% of their cash portion in the form of immediately vested shares, which are blocked for 12 months after grant.

The deferred amount increases at higher marginal rates in line with the value of the performance award. The effective deferral rate therefore depends on the amount of the performance award and the amount of total compensation.

We believe our deferral regime has one of the longest vesting periods in the industry. The weighted average deferral period for non-regulated employees is 4.4 years for GEB members and is 3.5 years for employees outside of the GEB. Additionally, from time to time, we may utilize alternative deferred compensation arrangements to remain competitive in specific business areas.

To further promote sustainable performance, all of our deferred compensation plans include employment conditions and malus conditions. These enable the firm to reduce or fully forfeit unvested deferred awards under certain circumstances, pursuant to performance and harmful acts provisions. In addition, forfeiture is triggered in cases where employment has been terminated for cause.

Our share delivery obligations related to notional share awards are satisfied by delivering treasury shares, which are purchased in the market, to employees at vesting.

- › Refer to “**Note 27 Employee benefits: variable compensation**” in the “**Consolidated financial statements**” section of our **Annual Report 2022 for more information**
- › Refer to the “**Supplemental information**” section of this report for more information about **MRTs and SMFs**

Variable compensation elements by employee category

Employee category	Deferred compensation elements			
	Cash	LTIP	EOP	DCCP
GEB members	✓	✓		✓
Employees subject to mandatory deferral framework	✓		✓ ¹	✓

¹ Employees in investment areas within Asset Management typically receive notional funds (Fund Ownership Plan, previously named AM EOP) in lieu of EOP to align their compensation more closely with fund performance, industry standards and regulatory requirements.

Long-Term Incentive Plan

The Long-Term Incentive Plan (the LTIP) granted for 2022 performance is a mandatory deferral plan for GEB members. For the 2022 performance year, we awarded LTIP to 14 GEB members in office during 2022, at a fair value of 71.45% of the maximum. The value was calculated by an independent third party using a well-established valuation methodology.

The performance metrics of the share-based LTIP awards are average return on CET1 capital (RoCET1) and relative total shareholder return (rTSR) over a three-year performance period starting on 1 January in the year of grant. Performance outcomes and actual payout levels will be disclosed at the end of the performance period.

The three-year average RoCET1 performance metric reflects our strategic return ambitions and considers our financial targets, as well as our cost of capital as outlined below:

- the required RoCET1 performance for a maximum payout is set at 18%, which represents the upper end of our target range, without encouraging excessive risk-taking;
- the required performance threshold for the minimum payout is 8%, the mid-point of the payout thresholds appropriately reflects our cost of equity; and
- the linear payout design between threshold and maximum level supports our growth ambitions and our focus on delivering sustainable performance without encouraging excessive risk-taking.

The rTSR performance metric over the three-year period further aligns the interests of employees with those of shareholders:

- the metric compares the total shareholder return (the TSR) of UBS with the TSR of an index consisting of listed Global Systemically Important Banks (G-SIBs) as determined by the Financial Stability Board (excluding UBS Group);
- the G-SIBs are independently defined and reflect companies with a comparable risk profile and impact on the global economy;
- the index, which includes publicly traded G-SIBs, is equally weighted, calculated in Swiss francs and maintained by an independent index provider, so as to ensure independence of the TSR calculation; and
- the payout interval of ±25 percentage points versus the index performance demonstrates our ambition of delivering attractive relative returns to shareholders. The linear payout and the threshold level set below index performance further support sustainability of results and appropriate risk-taking.

Global Systemically Important Banks (G-SIBs) that are listed companies¹

Agricultural Bank of China	Goldman Sachs	Santander
Bank of America	Groupe Crédit Agricole	Société Générale
Bank of China	HSBC	Standard Chartered
Bank of New York Mellon	ING	State Street
Barclays	ICBC	Sumitomo Mitsui FG
BNP Paribas	JPMorgan Chase	Toronto-Dominion
China Construction Bank	Mitsubishi UFJ FG	UniCredit
Citigroup	Mizuho FG	Wells Fargo
Credit Suisse	Morgan Stanley	
Deutsche Bank	Royal Bank of Canada	

¹ As of November 2022. Excludes UBS Group.

Dividend equivalents (granted where applicable regulation permits) are subject to the same terms as the underlying LTIP award.

LTIP awards reflect the long-term focus of our compensation framework. The final number of shares as determined at the end of the three-year performance period will vest in three equal installments in each of the three years following the performance period for GEB members (i.e., years 3, 4 and 5 after grant), although longer deferral periods may apply for regulated employees).

LTIP payout illustration

- The final number of notional shares vesting will vary based on the achievement versus the performance metrics.
- Linear payout between threshold and maximum performance.
- Achievement levels are a percentage of the maximum opportunity of the LTIP and cannot exceed 100%.
- Full forfeiture for performance below the predefined threshold levels.
- UK Senior Management Function holders (SMFs) and UK Material Risk Takers (UK MRTs) are subject to an additional non-financial metric based on a conduct assessment with a potential downward adjustment of up to 100% of the entire award.

Performance metric: average RoCET1 (50% of award)		
Below threshold (<8%)	Threshold (8%) up to maximum (<18%)	Maximum and above (≥18%)
Full forfeiture (payout 0%)	Partial vest (payout between 33% and <100%)	Full vest (payout 100%)

Performance metric: rTSR vs G-SIBs index (50% of award)		
Below threshold (<-25 ppts)	Threshold (-25 ppts) up to maximum (+25 ppts)	Maximum and above (≥+25 ppts)
Full forfeiture (payout 0%)	Partial vest (payout between 33% and <100%)	Full vest (payout 100%)

Performance achievement of the 2019 LTIP granted in 2020

The 2019 LTIP was granted in 2020 (for 2019 performance) at a fair value of 62.25% of a maximum of 100%. The final performance achieved is 98% of a maximum of 100%. This achievement reflects the outcome of the two equally weighted performance metrics, RoCET1 and rTSR, both measured over the three-year performance period from 1 January 2020 to 31 December 2022. The achievement level of this 2019 LTIP award (granted in 2020) applies to 8 current GEB members and 102 other plan participants.

We achieved a three-year average RoCET1 performance of 17.3% against the performance range of 6% to 18%, and an rTSR outperformance of +50.9 percentage points versus the index of listed Global Systemically Important Banks (G-SIBs). No adjustments, pandemic-related or otherwise, were made in the assessment of the performance conditions. For context, at the time when the LTIP was introduced, our communicated ambition for RoCET1 was 12–15%. This ambition level has since been updated and was raised to 15–18%, as communicated in February 2022.

For GEB members, the first of the three equal installments of the 2019 LTIP vested on 1 March 2023 and the second and third installments will vest in March 2024 and 2025; while for selected senior management, the 2019 LTIP cliff vested on 1 March 2023 (later dates may apply for regulated employees). For context, and as outlined in our 2019 Compensation Report, up to CHF 7.3m, or 30%, of the 2019 LTIP awards at grant for GEB members active in March 2017 continues to be at risk and directly linked to the final resolution of the French cross-border matter. In addition, a malus clause allows the Compensation Committee to assess any new information that becomes available in the future in relation to the matter and for the affected GEB members, and to retrospectively reduce any undelivered 2019 LTIP award by up to the full amount if any new information would have impacted our compensation decision in 2019. This matter continues to be ongoing and, once resolved, the final outcome will be reflected in the final amounts delivered to relevant current and former employees.

Performance achievement for the 2019 LTIP awarded in 2020

Performance metrics	Performance metric outcome		2019 LTIP achievement level		
	Threshold	Maximum	Threshold	Maximum	
RoCET1 (Weight: 50%)	6%	18%	33%	100%	Outcome above maximum: achievement capped at 100%
	Outcome: 17.3%		Outcome below threshold: full forfeiture	Achievement: 96%	
rTSR (Weight: 50%)	-25ppts	+25ppts	33%	100%	Outcome above maximum: achievement capped at 100%
	Outcome: 50.9ppts		Outcome below threshold: full forfeiture	Achievement: 100%	
Overall 2019 LTIP achievement level				Overall achievement: 98%	

Equity Ownership Plan / Fund Ownership Plan

The Equity Ownership Plan (the EOP) is the deferred compensation plan for employees outside of the GEB that are subject to deferral requirements. For the 2022 performance year, we granted EOP awards to 4,458 employees.

Delivering sustainable results is a key objective for UBS. Our EOP creates a direct link with shareholder returns as a notional equity award and has no upward leverage. This approach promotes growth and sustainable performance. EOP awards generally vest over three years.

In place of EOP, employees in investment areas within Asset Management receive some or all of their EOP in the form of notional funds (the Fund Ownership Plan (the FOP), previously named AM EOP) to align their compensation more closely with industry standards. This plan is generally delivered in cash and vests over three years.

- › Refer to “Vesting of outstanding awards granted in prior years subject to performance metrics and thresholds” in the “Supplemental information” section of this report for more information

Deferred Contingent Capital Plan

The Deferred Contingent Capital Plan (the DCCP) is a key component of our compensation framework and supports alignment of the interests of our senior employees with those of our stakeholders.

All employees subject to deferral requirements receive DCCP awards. For the 2022 performance year, we granted DCCP awards to 4,326 employees.

The DCCP is consistent with many of the features of the loss-absorbing bonds that we issue to investors and may be paid at vesting in cash or, at the discretion of the firm, as a perpetual, marketable additional tier 1 (AT1) capital instrument. Employees can elect to have their DCCP awards denominated in Swiss francs or US dollars.

DCCP awards vest in full after five years (longer deferral periods may apply for regulated employees). DCCP awards bear notional interest paid annually (except as limited by regulation for MRTs), subject to review and confirmation by the Compensation Committee. The notional interest rate for grants in 2023 was 4.85% for awards denominated in Swiss francs and 7.80% for awards denominated in US dollars. These interest rates are based on the current market rates for similar AT1 capital instruments issued by UBS Group.

Awards are forfeited if a viability event occurs (i.e., if FINMA notifies the firm that the DCCP awards must be written down to mitigate the risk of an insolvency, bankruptcy or failure of UBS) or if the firm receives a commitment of extraordinary support from the public sector that is necessary to prevent such an event. DCCP awards are also written down for GEB members if the Group’s CET1 capital ratio falls below 10% and for all other employees if it falls below 7%.

In addition, GEB members forfeit 20% of DCCP awards for each loss-making year during the vesting period. This means 100% of the award is subject to risk of forfeiture. The forfeiture features of DCCP create a strong alignment with our debt holders and support the sustainability of the firm.

Over the last five years, USD 2.0bn of DCCP awards have been issued, contributing to the Group's total loss-absorbing capacity (TLAC). Therefore, DCCP awards not only support competitive pay but also provide a loss absorption buffer that protects the firm's capital position. The following table illustrates the contribution of the DCCP to our AT1 capital and the effect on our TLAC ratio.

- › Refer to the "Supplemental information" section of this report for more information about performance award and personnel-related expenses
- › Refer to the "Supplemental information" section of this report for more information about longer vesting and clawback periods for MRTs and SMFs

Contribution of the Deferred Contingent Capital Plan to our loss-absorbing capacity¹

<i>USD m, except where indicated</i>	31.12.22	31.12.21
Deferred Contingent Capital Plan (DCCP), eligible as high-trigger loss-absorbing additional tier 1 capital	1,794	1,730
DCCP contribution to the total loss-absorbing capacity ratio (%)	0.6	0.6

¹ Refer to "Bondholder information" at ubs.com/investors for more information about the capital instruments of UBS Group AG and UBS AG both on a consolidated and a standalone basis.

Other variable compensation components

To support hiring and retention, particularly at senior levels, we may offer other compensation components, such as:

- retention payments to key employees to induce them to stay, particularly during critical periods for the firm, such as a sale or wind-down of a business;
- on a limited basis, guarantees that may be required to attract individuals with certain skills and experience – these awards are fixed incentives subject to our standard deferral rules and limited to the first full year of employment;
- awards granted to employees hired late in the year to replace performance awards that they would have earned at their previous employer, but have foregone by joining UBS – these awards are generally structured with the same level of deferral as for employees at a similar level at UBS; and
- in exceptional cases, sign-on awards may be offered to candidates to increase the chances of them accepting our offer.

These other variable compensation components are subject to a comprehensive governance process, which may involve the Compensation Committee, depending on the amount or type of such payments.

Employees outside of the GEB that are made redundant may receive severance payments. Our severance terms comply with the applicable local laws (legally obligated severance). In certain locations, we may provide severance packages that are negotiated with our local social partners and may go beyond the applicable minimum legal requirements (standard severance). Such payments are governed by location-specific severance policies. In addition, we may make severance payments that exceed legally obligated or standard severance payments where we believe these are aligned with market practice and appropriate under the circumstances (supplemental severance). GEB members do not receive severance payments.

Replacement awards and forfeitures

In line with industry practice, our compensation framework and plans include provisions generally requiring reduction / forfeiture of a terminated employee's unvested or deferred awards. In particular, these provisions apply if the terminated employee joins another financial services organization and / or violates restrictive covenants, such as solicitation of clients or employees.

Conversely, to attract external top talent, market practice dictates that we consider replacing their forfeited compensation from their prior employer. In select situations and based on careful consideration, we replace the lost compensation of senior hires. The replacement awards are subject to UBS's harmful acts provisions. Their value is subject to independent review as part of the "Report of the statutory auditor on the compensation report" to support the like-for-like nature of the replacement and to confirm that these awards do not represent sign-on payments (i.e., there are no "golden hellos").

Based on a thorough review of available documentation, we aim to mirror the type, conditions and timing of the forfeited compensation, based on actual facts and circumstances. Replacement awards can include cash payments and / or deferred awards, including EOP share awards and DCCP awards. Where payments are made in cash, there is typically a clawback period if the employee leaves UBS voluntarily within 12 months of the start of employment. The replacement awards do not exceed the commercial or fair value of the compensation actually forfeited by the individual and, in case of GEB members, are disclosed transparently. The total 2022 forfeitures of USD 188m of previously awarded deferred compensation offset the 2022 total sign-on payments, replacement payments and guarantees of USD 153m.

In March 2022, Sarah Youngwood joined the GEB and succeeded Kirt Gardner as Group CFO effective 16 May 2022. Before joining UBS, Ms. Youngwood was CFO for JPMorgan Chase Consumer & Community Banking, CFO for Firmwide Technology and CFO for Diversity & Inclusion. In October 2022, Naureen Hassan joined the GEB and succeeded Tom Naratil in his role as President UBS Americas. She joined UBS from the Federal Reserve Bank of New York, where she was COO and First Vice President.

Consistent with the terms of the compensation forfeited at her previous employer, Sarah Youngwood received replacement awards with a total value of CHF 7,206,683, consisting of an EOP share award representing 291,584 UBS shares (denominated in Swiss francs), and replacement of cash items. The deferred portion of the award will vest in various installments between 2023 and 2026. Similarly, Naureen Hassan received replacement awards with a total value of CHF 65,229, consisting of a deferred cash award (vesting in 2023) and replacement of cash items. These replacement awards reflect the different compensation structures of the industries and organizations we recruit from.

Sign-on payments, replacement payments, guarantees and severance payments

	Total 2022	of which: non-deferred cash	of which: deferred compensation awards	Total 2021	Number of beneficiaries	
					2022	2021
<i>USD m, except where indicated</i>						
Total sign-on payments¹	0	0	0	0	1	0
<i>of which: Key Risk Takers²</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total replacement payments³	110	28	82	119	452	463
<i>of which: Key Risk Takers²</i>	<i>32</i>	<i>10</i>	<i>22</i>	<i>43</i>	<i>19</i>	<i>13</i>
Total guarantees⁴	43	22	21	17	49	40
<i>of which: Key Risk Takers²</i>	<i>26</i>	<i>12</i>	<i>15</i>	<i>2</i>	<i>9</i>	<i>1</i>
Total severance payments^{1,5}	233	233	0	160	1,745	1,477
<i>of which: Key Risk Takers²</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>3</i>	<i>8</i>	<i>10</i>

¹ GEB members are not eligible for sign-on or severance payments. Sign-on awards exclude one-time payments for junior associate hires into the Investment Bank. Including these, the 2022 and 2021 total sign-on payments are USD 1m for each respective year. All one-time payments for junior associate hires are subject to a 12-month clawback condition. Prior period information has been adjusted to exclude awards granted to employees hired late in the year. ² Expenses for Key Risk Takers are full-year amounts for individuals in office on 31 December 2022. Key Risk Takers as defined by UBS, including all employees with a total compensation exceeding USD / CHF 2.5m (Highly Paid Employees). ³ Includes replacement payments for two GEB members in 2022 and for one GEB member in 2021. Includes awards granted to employees hired late in the year to replace performance awards that they would have earned at their previous employers, but have foregone by joining UBS. Prior period information has been adjusted to include awards granted to employees hired late in the year. ⁴ No GEB member received a guarantee in 2022 or 2021. ⁵ Includes legally obligated and standard severance payments, as well as payments in lieu of notice.

Forfeitures¹

	Total 2022	Total 2021
<i>USD m, except where indicated</i>		
Total forfeitures	188	258
<i>of which: former GEB members</i>	<i>3</i>	<i>23</i>
<i>of which: Key Risk Takers²</i>	<i>12</i>	<i>8</i>

¹ For notional share awards, forfeitures are calculated as units forfeited during the year, valued at the share price on 31 December 2022 (USD 18.67) for 2022. The 2021 data is valued using the share price on 31 December 2021 (USD 17.87). For LTIP the forfeited units reflect the fair value awarded at grant. For the notional funds awarded to Asset Management employees under the EOP, this represents the forfeiture credits recognized in 2022 and 2021. For the DCCP, the fair value at grant of the forfeited awards during the year is reflected. Numbers presented may differ from the effect on the income statement in accordance with IFRS. ² Key Risk Takers as defined by UBS, including all employees with a total compensation exceeding USD / CHF 2.5m (Highly Paid Employees) and excluding former GEB members who forfeited awards in 2022 or 2021.

Employee share ownership

According to available records on employee shareholdings, including unvested deferred compensation, as of 31 December 2022, employees held at least USD 4.6bn of UBS shares (of which approximately USD 2.9bn were unvested), representing approximately 7% of our total shares issued.

The Equity Plus Plan is our employee share purchase program. It allows employees at Executive Director level and below to voluntarily invest up to 30% of their base salary and / or regular commission payments to purchase UBS shares. In addition (where offered), eligible employees can invest up to 35% of their performance award under the program. Participation in the program is capped at USD / CHF 20,000 annually. Eligible employees may purchase UBS shares at market price and receive one additional share for every three shares purchased through the program. Additional shares vest after a maximum of three years, provided the employee remains employed by UBS and has retained the purchased shares throughout the holding period.

› Refer to "Note 27 Employee benefits: variable compensation" in the "Consolidated financial statements" section of our Annual Report 2022 for more information

Compensation for US financial advisors in Global Wealth Management

In line with market practice for US wealth management businesses, the compensation for US financial advisors in Global Wealth Management consists of cash compensation and deferred compensation awards, determined using a formulaic approach based on production.

The monthly cash compensation is determined using an overall percentage rate for each financial advisor. It reflects a percentage of the compensable production that each financial advisor generates during that month. Compensable production is generally based on transaction revenue and investment advisory fees and may reflect further adjustments. The percentage rate generally varies based on the level of the production and firm tenure, supporting growth and alignment with the investment strategy and goals of our clients.

Financial advisors may also be granted annual deferred compensation. These amounts generally vest over a six-year period. The annual deferred compensation amount reflects their overall percentage rate and production, as previously outlined.

Cash compensation and deferred compensation awards may be reduced for, among other things, errors, negligence or carelessness, or failure to comply with the firm's rules, standards, practices and / or policies, and / or applicable laws and regulations.

Financial advisors may also participate in additional programs to support promoting and developing their business or supporting the transition of client relationships where appropriate.

2022 Group performance outcomes

Performance awards granted for the 2022 performance year

The "Variable compensation" table below shows the amount of variable compensation awarded to employees for the 2022 performance year, together with the number of beneficiaries for each type of award granted. In the case of deferred awards, the final amount paid to an employee depends on performance conditions and consideration of relevant forfeiture provisions. The deferred share award amount is based on the market value of these awards on the date of grant.

Variable compensation

USD m, except where indicated	Expenses recognized in the IFRS income statement		Expenses deferred to future periods ³		Accounting adjustments ^{3,4}		Total		Number of beneficiaries ⁶	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Non-deferred cash	2,276	2,383	0	0	(18)	0	2,259	2,383	59,570	57,783
Deferred compensation awards	364	405	605	797	58	65	1,026	1,267	4,349	4,202
of which: Equity Ownership Plan	202	183	310	393	55	46	568	623	4,042	3,807
of which: Deferred Contingent Capital Plan	129	140	245	299	0	0	375	438	4,206	4,170
of which: Long-Term Incentive Plan	11	54	30	50	3	18	43	122	14	117
of which: Fund Ownership Plan	21	29	20	56	0	0	41	84	295	374
Variable compensation – performance award pool	2,640	2,788	605	797	40	65	3,285	3,650	59,590	57,793
Variable compensation – financial advisors¹	3,799	4,175	1,290	1,097	0	0	5,089	5,272	6,245	6,218
Variable compensation – other²	169	191	237	215	(146)⁵	(121)⁵	260	285		
Total variable compensation	6,608	7,155	2,131	2,109	(106)	(56)	8,634	9,207		

¹ Financial advisor compensation consists of cash and deferred compensation awards and is based on compensable revenues and firm tenure using a formulaic approach. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. ² Consists of replacement payments, forfeiture credits, severance payments, retention plan payments and interest expense related to the Deferred Contingent Capital Plan. ³ Estimates as of 31 December 2022 and 2021. Actual amounts to be expensed in future periods may vary; e.g., due to forfeiture of awards. ⁴ Represents estimated post-vesting transfer restriction and permanent forfeiture discounts, as well as currency translation adjustments. ⁵ Included in expenses deferred to future periods is an amount of USD 146m (2021: USD 121m) in interest expense related to the Deferred Contingent Capital Plan. As the amount recognized as performance award represents the present value of the award at the date it is granted to the employee, this amount is excluded. ⁶ Excludes awards that are part of other variable compensation.

2022 performance award pool and expenses

The performance award pool, which includes performance-based variable awards for 2022, was USD 3.3bn, reflecting a decrease of 10% compared with 2021. Performance award expenses for 2022 remained at USD 3.2bn, reflecting decreased performance award expenses accrued in the performance year, offset by increased performance award expenses related to prior performance years. The "Performance award pool and expenses" table below compares the performance award pool with performance award expenses.

Performance award pool and expenses

USD m, except where indicated	2022	2021	% change
Performance award pool ¹	3,285	3,650	(10)
of which: expenses deferred to future periods and accounting adjustments ^{2,3}	645	862	(25)
Performance award expenses accrued in the performance year	2,640	2,788	(5)
Performance award expenses related to prior performance years	566	402	41
Total performance award expenses recognized for the year⁴	3,205	3,190	0

¹ Excluding employer-paid taxes and social security. ² Estimate as of the end of the performance year. Actual amounts expensed in future periods may vary, e.g., due to forfeiture of awards. ³ Accounting adjustments represent estimated post-vesting transfer restriction and permanent forfeiture discounts, as well as currency translation adjustments. ⁴ Refer to "Note 27 Employee benefits: variable compensation" in the "Consolidated financial statements" section of our Annual Report 2022 for more information.

Compensation for the Board of Directors

Chairman of the BoD

Colm Kelleher was elected Chairman of the BoD at the 2022 AGM on 6 April 2022. Under his leadership, the BoD determines, among other things, the strategy for the Group, based on recommendations by the Group CEO, exercises ultimate supervision over management and appoints all GEB members.

The Chairman leads all general meetings and BoD meetings and works with the committee Chairpersons to coordinate the work of all BoD committees. Together with the Group CEO, the Chairman is responsible for effective communication with shareholders and stakeholders, including clients, government officials, regulators and public organizations. The Chairman works closely with the Group CEO and other GEB members, providing advice and support when appropriate, and continues to strengthen and promote our culture through the three keys to success: our Pillars, Principles and Behaviors.

As an independent director, the Chairman's total compensation for the period from AGM to AGM consists of a fixed fee without any variable component, which is delivered 50% in cash and 50% in shares (blocked for four years). For the current period, from the 2022 AGM to the 2023 AGM, his fixed fee was CHF 4.7m and consisted of a cash payment of CHF 2.35m and a share component of CHF 2.35m, consisting of 116,961 UBS shares at CHF 20.092 per share. The share component aligns the Chairman's pay with the Group's long-term performance. The Chairman does not receive performance awards, severance payments or pension contributions in addition to his fixed fee, but, given the full-time nature of his role, he is eligible for employee conditions on UBS products and services.

- › Refer to "Board of Directors" in the "Corporate governance" section of our Annual Report 2022 for more information about the responsibilities of the Chairman

Vice Chairman of the BoD

Lukas Gähwiler was elected as a member of the BoD at the 2022 AGM on 6 April 2022 and thereafter appointed as Vice Chairman. In this newly defined full-time role, he leads the BoD in the absence of the Chairman. Together with the Senior Independent Director, he also supports the Chairman in all aspects of corporate governance and oversight across the Group. In particular, he represents UBS across a broad range of associations and industry bodies in Switzerland.

The Vice Chairman's total compensation for the period from AGM to AGM consists of a fixed fee without any variable component, which is delivered 50% in cash and 50% in shares (blocked for four years). For the current period, from the 2022 AGM to the 2023 AGM, his fixed fee was CHF 1.5m, excluding benefits and pension fund contributions. The fixed fee consisted of a cash payment of CHF 0.75m and a share component of CHF 0.75m, consisting of 37,328 UBS shares at CHF 20.092 per share. The fee for the new full-time Vice Chairman was absorbed within the existing budget and does not result in an increase of the proposed maximum aggregate amount for BoD compensation.

As a non-independent director, Mr. Gähwiler is entitled to pension fund contributions. Including these, his total reward for his service as Vice Chairman for the current period was CHF 1,879,010.

The Vice Chairman is not eligible for performance awards, severance terms or supplementary contributions to pension plans. The pension contributions and benefits for the Vice Chairman, in his capacity as non-independent director, are consistent with all UBS employees and aligned with local market practice.

- › Refer to "Board of Directors" in the "Corporate governance" section of our Annual Report 2022 for more information about the responsibilities of the Vice Chairman

Other BoD members

BoD members, except the Chairman and Vice Chairman, receive fixed fees for their services on the BoD and its committees. BoD members do not receive performance awards, severance payments, benefits or pension contributions (the benefit eligibility of the Chairman and that of the Vice Chairman are described above).

BoD members must use a minimum of 50% of their fees to purchase UBS shares, which are blocked for four years, and they may elect to use up to 100% of their fees to purchase blocked UBS shares. As outlined above, the fixed fees of the Chairman and Vice Chairman are delivered 50% in cash and 50% in shares, which are blocked for four years. The number of shares is calculated based on the average closing price of the 10 trading days leading up to and including the grant date.

At each AGM, shareholders are invited to approve the aggregate amount of BoD remuneration, including the compensation for the Chairman and Vice Chairman, which applies until the next AGM. The chart and the tables below provide details on the fee structure for the BoD members.

Remuneration framework for BoD members

CHF	2022 AGM to 2023 AGM		Pay mix	Delivery					
Annual fixed fees¹									
Chairman		4,700,000	Blocked shares	50%	grant year	year 1	year 2	year 3	year 4
Vice Chairman		1,500,000							
Fees for other BoD members²			Cash	50%	grant year	year 1	year 2	year 3	year 4
Fixed base fee		300,000							
Senior Independent Director		150,000							
	Chair	Member							
Audit Committee	300,000	200,000							
Compensation Committee	200,000	100,000							
Governance and Nominating Committee		100,000							
Corporate Culture and Responsibility Committee		50,000							
Risk Committee	350,000	200,000							

¹ The Chairman and the Vice Chairman do not receive committee or other fees in addition to their annual fixed fee. Their fixed fee is delivered 50% in cash and 50% in shares (blocked for four years). See above for the benefit eligibility of the Chairman and Vice Chairman.

² At least 50% of the total amounts must be used to purchase UBS shares, which are blocked for four years, but other BoD members can elect to use 100% of their remuneration to purchase blocked UBS shares.

Approval governance for BoD compensation

The Chairperson of the Compensation Committee proposes and the Compensation Committee approves the compensation of the Chairman and that of the Vice Chairman annually for the upcoming AGM-to-AGM period, taking into consideration fee or compensation levels for comparable roles based on our core financial industry peers and other relevant leading Swiss companies included in the Swiss Market Index.

The fee structure for the other BoD members is reviewed annually based on the Chairman's proposal to the Compensation Committee, which in turn submits a proposal to the BoD for approval. In our regular review of the BoD fee structure, we concluded that our overall approach for BoD member compensation remains appropriate and thus unchanged.

- › Refer to "Compensation Governance" in the "Compensation philosophy and governance" section of this report for more information about the remuneration responsibilities of the BoD and Compensation Committee

Remuneration details and additional information for BoD members

Period 2022 AGM to 2023 AGM

CHF, except where indicated

Name, function ¹	Audit Committee	Compensation Committee	Corporate Culture and Responsibility Committee	Governance and Nominating Committee	Risk Committee	Base fee	Committee fee(s)	Additional payments ²	Benefits ³	Total ⁴	Share percentage ⁵	Number of shares ^{6,7}
Colm Kelleher, Chairman ⁸			C	C		4,700,000			86,494	4,786,494	50	116,961
Lukas Gähwiler, Vice Chairman ⁸						1,500,000			379,010	1,879,010	50	37,328
Jeremy Anderson, Senior Independent Director	C			M		300,000	400,000	150,000		850,000	50	21,152
Claudia Böckstiegel, member			M			300,000	50,000			350,000	50	8,709
William C. Dudley, member			M		M	300,000	250,000			550,000	50	13,687
Patrick Firmenich, member	M		M			300,000	250,000			550,000	100	26,130
Fred Hu, member				M		300,000	100,000			400,000	100	14,722
Mark Hughes, member			M		C	300,000	400,000			700,000	50	17,419
Nathalie Rachou, member				M	M	300,000	300,000			600,000	50	14,931
Julie G. Richardson, member		C			M	300,000	400,000			700,000	50	17,419
Dieter Wemmer, member	M	M				300,000	300,000			600,000	50	14,931
Jeanette Wong, member	M	M				300,000	300,000			600,000	100	22,127
Aggregate of all BoD members 2022/2023										12,565,504		
Aggregate of all BoD members 2022/2023 in USD (for reference) ⁹										13,035,831		

Period 2021 AGM to 2022 AGM

CHF, except where indicated

Name, function ¹	Audit Committee	Compensation Committee	Corporate Culture and Responsibility Committee	Governance and Nominating Committee	Risk Committee	Base fee	Committee fee(s)	Additional payments ¹⁰	Benefits	Total ⁴	Share percentage ⁵	Number of shares ^{6,7}
Axel A. Weber, Chairman ¹¹			C	C		4,900,000			324,913	5,224,913	29	72,939
Jeremy Anderson, Vice Chairman and Senior Independent Director	C			M		300,000	400,000	150,000		850,000	50	22,142
Claudia Böckstiegel, member						300,000	0			300,000	50	7,814
William C. Dudley, member			M	M	M	300,000	350,000			650,000	50	16,932
Patrick Firmenich, member						300,000	250,000			550,000	100	27,275
Reto Francioni, member		M			M	300,000	300,000			600,000	50	15,629
Fred Hu, member				M	M	300,000	300,000			600,000	100	23,062
Mark Hughes, member			M		C	300,000	400,000			700,000	50	18,234
Nathalie Rachou, member					M	300,000	200,000			500,000	50	13,024
Julie G. Richardson, member		C		M	M	300,000	500,000			800,000	50	20,839
Dieter Wemmer, member	M	M		M		300,000	400,000			700,000	50	18,234
Jeanette Wong, member	M	M	M			300,000	350,000			650,000	100	24,988
Aggregate of all BoD members 2021/2022										12,124,913		

Legend: C = Chairperson of the respective Committee, M = Member of the respective Committee

¹ Twelve BoD members were in office on 31 December 2022. At the 2022 AGM, Colm Kelleher and Lukas Gähwiler were newly elected and Reto Francioni and Axel A. Weber did not stand for re-election. Twelve BoD members were in office on 31 December 2021. ² These payments are associated with the Senior Independent Director role. ³ For the period from the 2022 AGM to the 2023 AGM, benefits amount is an estimate. For the Vice Chairman, the benefits include the portion related to UBS's contribution to the statutory pension scheme. ⁴ Excludes UBS's portion related to the legally required social security contributions, which for the period from the 2022 AGM to the 2023 AGM (including the Chairman and Vice Chairman) is estimated at grant at CHF 731,329 and which for the period from the 2021 AGM to the 2022 AGM was estimated at grant at CHF 719,763. The legally required social security contributions paid by the independent BoD members are included in the amounts shown in this table, as appropriate. ⁵ Except for the former Chairman (see footnote 11), fees are paid 50% in cash and 50% in blocked UBS shares. ⁶ For 2022, UBS shares were valued at CHF 20.092 (average closing price of UBS shares over the last 10 trading days leading up to and including the grant date). For 2021, UBS shares were valued at CHF 19.194 (average closing price of UBS shares over the last 10 trading days leading up to and including the grant date). These shares are blocked for four years. ⁷ Number of shares is reduced in case of the 100% election to deduct legally required contributions. All remuneration payments are, where applicable, subject to social security contributions and / or withholding tax. ⁸ The Chairman and the Vice Chairman do not receive committee fees in addition to their annual fixed fee. ⁹ Swiss franc amounts have been translated into US dollars for reference at the 2022 performance award currency exchange rate of CHF / USD 1.03743. ¹⁰ This payment is associated with the Senior Independent Director function and the Vice Chairman role. ¹¹ In his function as non-independent BoD member for the AGM period 2021/2022, the former Chairman received a base salary of CHF 3,500,000 and an annual share award of CHF 1,400,000. This remuneration is included above in the Base fee column.

Supplemental information

Fixed and variable compensation for GEB members

Fixed and variable compensation for GEB members^{1,2,3}

CHF m, except where indicated	Total for 2022		Not deferred		Deferred ⁴		Total for 2021
	Amount	%	Amount	%	Amount	%	Amount
Total compensation							
Amount ⁵	104	100	39	38	65	63	105
Number of beneficiaries	15				0		15
Fixed compensation^{5,6}	23	22	23	100	0	0	25
Cash-based	21	20	21		0		22
Equity-based	2	2	2		0		3
Variable compensation	81	78	16	20	65	80	80
Cash ⁷	16	15	16		0		16
Long-Term Incentive Plan (LTIP) ⁸	41	39	0		41		40
Deferred Contingent Capital Plan (DCCP) ⁸	24	23	0		24		24

¹ The figures include all GEB members in office during the respective years. ² Includes compensation paid under the employment contract during the notice period for GEB members who stepped down during the respective years. ³ Includes compensation for newly appointed GEB members for their time in office as a GEB member during the respective years. ⁴ Based on the specific plan vesting and reflecting the total award value at grant, which may differ from the expense recognized in the income statement in accordance with IFRS. ⁵ Excludes benefits and employer's contributions to retirement benefit plans. Includes social security contributions paid by GEB members but excludes the portion related to the legally required social security contributions paid by UBS. For 2022, Sarah Youngwood received a one-time replacement award of CHF 7m and Naureen Hassan received a one-time replacement award of CHF 0.07m. The replacement awards are not included in the above table; including these, the 2022 total aggregate compensation of all GEB members is CHF 112m. For 2021, Barbara Levi received a one-time replacement award of CHF 7m. This replacement award is not included in the above table; including this, the 2021 total aggregate compensation of all GEB members is CHF 112m. ⁶ Includes base salary and role-based allowances, rounded to the nearest million. ⁷ Includes allocation of vested but blocked shares, in line with the remuneration section of the UK Prudential Regulation Authority Rulebook. ⁸ For the GEB members who are also MRTs or SMFs, the awards do not include dividend and interest payments. Accordingly, the amounts reflect for the LTIP the fair value of the non-dividend-bearing awards and for the DCCP the fair value of the granted non-interest-bearing awards.

Regulated staff

Key Risk Takers

Key Risk Takers (KRTs) are defined as those employees that, by the nature of their roles, have been determined to materially set, commit or control significant amounts of the firm's resources and / or exert significant influence over its risk profile. This includes employees working in front-office roles, logistics and control functions. Identifying KRTs globally is part of our risk control framework and an important element in ensuring we incentivize only appropriate risk-taking. For 2022, in addition to GEB members, 699 employees were classified as KRTs throughout UBS Group globally, including all employees with a total compensation exceeding USD / CHF 2.5m (Highly Paid Employees), who may not have been identified as KRTs during the performance year.

In line with regulatory requirements, the performance of employees identified as KRTs during the performance year is evaluated by the control functions. In addition, KRTs' performance awards are subject to a mandatory deferral rate of at least 50%, regardless of whether the deferral threshold has been met (excluding KRTs with de minimis performance awards below a predetermined threshold where standard deferral rates apply). A KRT's deferred compensation award will only vest if the Group performance conditions are met. Consistent with all other employees, the deferred portion of a KRT's compensation is also subject to forfeiture or reduction if the KRT commits harmful acts.

Fixed and variable compensation for Key Risk Takers¹

USD m, except where indicated	Total for 2022		Not deferred		Deferred ²		Total for 2021 Amount
	Amount	%	Amount	%	Amount	%	
Total compensation							
Amount	1,292	100	790	61	502	39	1,561
Number of beneficiaries	699						699
Fixed compensation^{3,4}	438	34	438	100	0	0	477
Cash-based	435	34	435				474
Equity-based	3	0	3				3
Variable compensation	855	66	353	41	502	59	1,084
Cash ⁵	353	27	353				418
Long-Term Incentive Plan (LTIP) / Equity Ownership Plan (EOP) / Fund Ownership Plan (FOP) ⁶	306	24			306		423
Deferred Contingent Capital Plan (DCCP) ⁶	196	15			196		243

¹ Includes employees with a total compensation exceeding USD / CHF 2.5m (Highly Paid Employees), excludes payments made to individuals related to their time as GEB member. ² Based on the specific plan vesting and reflecting the total value at grant, which may differ from the expense recognized in the income statement in accordance with IFRS. ³ Excludes benefits and employer's contributions to retirement benefits plan. Includes social security contributions paid by KRTs but excludes the legally required social security contributions paid by UBS. ⁴ Includes base salary and role-based allowances. ⁵ Includes allocation of vested but blocked shares, in line with regulatory requirements where applicable. ⁶ KRTs who are also MRTs do not receive dividend and interest payments. Accordingly, the amounts for the EOP / LTIP reflect the fair value of the non-dividend-bearing awards and for the DCCP the fair value of the granted non-interest-bearing awards.

Deferred compensation of the GEB and KRTs

The table below shows the current economic value of unvested outstanding deferred variable compensation awards subject to ex post adjustments. For share-based plans, the economic value is determined based on the closing share price on 31 December 2022. For notional funds, it is determined using the latest available market price for the underlying funds at year-end 2022, and for deferred cash plans, it is determined based on the outstanding amount of cash owed to award recipients.

Deferred compensation of the GEB and KRTs^{1,2,3}

USD m, except where indicated	Relating to awards for 2022 ⁴	Relating to awards for prior years ⁵	Total	of which: exposed to ex-post explicit and / or implicit adjustments	Total deferred compensation year-end 2021	Total amount of deferred compensation paid out in 2022 ⁶
GEB						
Deferred Contingent Capital Plan	25	86	111	100%	98	21
Equity Ownership Plan (including notional funds)		45	45	100%	78	27
Long-Term Incentive Plan	42	118	160	100%	119	
KRTs						
Deferred Contingent Capital Plan	196	907	1,104	100%	1,183	159
Equity Ownership Plan (including notional funds)	306	905	1,210	100%	1,414	355
Long-Term Incentive Plan		184	184	100%	235	
Total GEB and KRTs	569	2,245	2,814		3,127	562

¹ Based on the specific plan vesting and reflecting the economic value of the outstanding awards, which may differ from the expense recognized in the income statement in accordance with IFRS. Year-to-year reconciliations would also need to consider the impacts of additional items including off-cycle awards, FX movements, population changes, and dividend equivalent reinvestments. ² Refer to "Note 27 Employee benefits: variable compensation" in the "Consolidated financial statements" section of the Annual Report 2022 for more information. ³ GEB members and KRTs who are also MRTs do not receive dividend and interest payments. Accordingly, the amounts for the EOP / LTIP reflect the fair value of the non-dividend-bearing awards and for the DCCP the fair value of the granted non-interest-bearing awards. ⁴ Where applicable, amounts are translated into US dollars at the performance award currency exchange rate. LTIP values reflect the fair value awarded at grant. ⁵ Takes into account the ex post implicit adjustments, given the share price movements since grant. Where applicable, amounts are translated from award currency into US dollars using FX rates as of 31 December 2022. LTIP values reflect the fair value awarded at grant. ⁶ Valued at distribution price and FX rate for all awards distributed in 2022.

The table below shows the value of actual ex post explicit and implicit adjustments to outstanding deferred compensation in the 2022 financial year for GEB members and KRTs.

Ex post adjustments occur after an award has been granted. Explicit adjustments occur when we adjust compensation by forfeiting deferred awards. Implicit adjustments are unrelated to any action taken by the firm and occur as a result of price movements that affect the value of an award.

The total value of ex post explicit adjustments made to UBS share awards in 2022, based on the approximately 5.8m shares forfeited during 2022, is a reduction of USD 110m.

GEB and KRTs ex post explicit and implicit adjustments to deferred compensation

USD m	Ex post explicit adjustments to unvested awards ¹		Ex post implicit adjustments to unvested awards ²	
	31.12.22	31.12.21	31.12.22	31.12.21
GEB				
Deferred Contingent Capital Plan	0	0	0	0
Equity Ownership Plan (including notional funds, if applicable)	0	0	9	17
Long-Term Incentive Plan	0	0	25	21
KRTs				
Deferred Contingent Capital Plan	(8)	(14)	0	0
Equity Ownership Plan (including notional funds)	(4)	(16)	129	250
Long-Term Incentive Plan		(1)	38	47
Total GEB and KRTs	(12)	(31)	201	335

¹ For notional share awards, ex post explicit adjustments are calculated as units forfeited during the year, valued at the share price on 31 December 2022 (USD 18.67) for 2022 (which may differ from the expense recognized in the income statement in accordance with IFRS). The 2021 data is valued using the share price on 31 December 2021 (USD 17.87). For LTIP, the forfeited units reflect the fair value awarded at grant. For the notional funds awarded to employees in investment areas within Asset Management under the FOP, this represents the forfeiture credits recognized in 2022 and 2021. For the DCCP, the fair value at grant of the forfeited awards during the year is reflected. ² Ex post implicit adjustments for UBS shares are calculated based on the difference between the weighted average grant date fair value and the share price at year-end. The amount for notional funds is calculated using the mark-to-market change during 2022 and 2021. For the GEB member who was appointed to the GEB during 2022, awards have been fully reflected in the GEB entries.

Material Risk Takers

For relevant EU- or UK-regulated entities, we identify individuals who are deemed to be Material Risk Takers (MRTs) based on local regulatory requirements, including the respective EU Commission Delegated Regulation, the fifth iteration of the EU Capital Requirements Directive (CRD V) and equivalent UK requirements, as applicable. This group consists of senior management, risk takers, selected staff in control or support functions and certain highly compensated employees. For 2022, UBS identified 616 MRTs in relation to its relevant EU or UK entities.

Variable compensation awarded to MRTs is subject to additional deferral and other requirements. These include a maximum variable to fixed compensation ratio of 200% based on approval through relevant shareholder votes, a minimum deferral rate of 40% or 60% (depending on role / variable compensation level) on performance awards and delivery of at least 50% of any upfront performance award in UBS shares that are vested but blocked for 12 months after grant.

Deferred awards granted to MRTs under UBS's deferred compensation plans for their performance in 2022 are subject to 6- or 12-month blocking periods post vesting and do not pay out dividends or interest during the deferral period.

For up to seven years after grant, performance awards granted to MRTs are subject to clawback provisions, which allow the firm to claim repayment of both the upfront and the vested deferred element of any performance award if an individual is found to have contributed substantially to significant financial losses for the Group or corporate structure in scope, a material downward restatement of disclosed results, or engaged in misconduct and / or failed to take expected actions that contributed to significant reputational harm.

LTIP awards granted to UK MRTs and SMFs are subject to an additional non-financial conduct-related metric as required by UK regulation.

UK Senior Managers and Certification Regime

The Senior Managers and Certification Regime (the SMCR) of the UK Prudential Regulation Authority and Financial Conduct Authority requires that individuals with specified responsibilities, performing certain significant functions and / or those in certain other identified categories be designated as SMFs.

Subject to de minimis and other compensation-related considerations, variable compensation awards made to SMFs must comply with specific requirements, including longer deferral, blocking and clawback periods. The deferral period for SMFs is seven years, with the deferred performance awards vesting no faster than pro rata from years 3 to 7, except those that have total compensation below GBP 500,000 and variable incentive accounting for less than 33% of total compensation, for whom a five-year deferral period (instead of a seven-year period) applies. Such awards are also subject to a 12-month blocking period post vesting. The clawback policy for SMFs permits clawback for up to 10 years from the date of performance award grants (applicable if an individual is subject to an investigation at the end of the initial seven-year clawback period). All SMFs are also MRTs and, as such, subject to the same prohibitions on dividend and interest payments.

Control functions and Group Internal Audit

Our control functions must be independent in order to monitor risk effectively. Therefore, their compensation is determined separately from the revenue areas that they oversee, supervise or monitor. Their performance award pool is based not on the performance of these businesses, but on the performance of the Group as a whole. We also consider other factors, such as how effectively the function has performed and our market position. Decisions on individual compensation for the senior managers of the control functions are made by the function heads and approved by the Group CEO. Decisions on individual compensation for the members of Group Internal Audit (GIA) are made by the Head GIA and approved by the Chairman. Following a proposal by the Chairman, total compensation for the Head GIA is approved by the Compensation Committee.

2022 Group personnel expenses

The number of personnel employed as of 31 December 2022 increased by 1,212 to 72,597 (full-time equivalents) compared with 31 December 2021.

The table below shows our total personnel expenses for 2022, including salaries, pension expenses, social security contributions, variable compensation and other personnel costs. Variable compensation includes cash performance awards paid in 2023 for the 2022 performance year, amortization of unvested deferred awards granted in previous years and the cost of deferred awards granted to employees that are eligible for retirement in the context of the compensation framework at the date of grant.

The performance award pool reflects the value of performance awards granted relating to the 2022 performance year, including awards that are paid out immediately and those that are deferred. To determine our variable compensation expenses, the following adjustments are required in order to reconcile the performance award pool to the expenses recognized in the Group's financial statements prepared in accordance with IFRS:

- a reduction for expenses deferred to future periods (amortization of unvested awards granted in 2023 for the 2022 performance year) and accounting adjustments; and
- an addition for the 2022 amortization of unvested deferred awards granted in prior years.

As a large part of compensation consists of deferred awards, the amortization of unvested deferred awards granted in prior years forms a significant part of the IFRS expenses in both 2022 and 2023.

➤ Refer to "Note 6 Personnel expenses" and "Note 27 Employee benefits: variable compensation" in the "Consolidated financial statements" section of our Annual Report 2022 for more information

Personnel expenses

USD m	Expenses recognized in the IFRS income statement				
	Related to the performance year 2022	Related to prior performance years	Total expenses recognized in 2022	Total expenses recognized in 2021	Total expenses recognized in 2020
Salaries¹	7,045	0	7,045	7,339	7,023
Non-deferred cash	2,276	(16)	2,260	2,373	2,141
Deferred compensation awards	364	581	945	817	1,068
<i>of which: Equity Ownership Plan</i>	202	235	437	363	463
<i>of which: Deferred Contingent Capital Plan</i>	129	219	349	297	463
<i>of which: Long-Term Incentive Plan</i>	11	32	43	73	54
<i>of which: Fund Ownership Plan</i>	21	95	116	84	88
Variable compensation – performance awards	2,640	566	3,205	3,190	3,209
Variable compensation – financial advisors²	3,799	709	4,508	4,860	4,091
Variable compensation – other³	169	71	241	229	220
Total variable compensation⁴	6,608	1,346	7,954	8,280	7,520
Contractors	323	0	323	381	375
Social security	903	40	944	978	899
Pension and other post-employment benefit plans⁵	794	0	794	833	845
Other personnel expenses	598	23	621	576	561
Total personnel expenses	16,271	1,410	17,680	18,387	17,224

¹ Includes role-based allowances. ² Financial advisor compensation consists of cash and deferred compensation awards and is based on compensable revenues and firm tenure using a formulaic approach. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. ³ Consists of replacement payments, forfeiture credits, severance payments, retention plan payments and interest expense related to the Deferred Contingent Capital Plan. ⁴ Refer to "Note 27 Employee benefits: variable compensation" in the "Consolidated financial statements" section of our Annual Report 2022 for more information. ⁵ Refer to "Note 26 Post-employment benefit plans" in the "Consolidated financial statements" section of our Annual Report 2022 for more information.

Deferred compensation

Vesting of outstanding awards granted in prior years subject to performance metrics and thresholds

The tables below show the extent to which the performance metrics and thresholds for awards granted in prior years have been met and the related vesting in 2023.

Long-Term Incentive Plan (LTIP) 2019 (performance period 2020–2022)		
Performance metrics	Performance achievement ¹	Vesting
Return on common equity tier 1 capital (RoCET1) and relative Total Shareholder Return (rTSR)	The overall achievement level is 98% of the maximum opportunity (of up to 100%), based on outcomes for rTSR (weighted 50%) and RoCET1 (weighted 50%).	<ul style="list-style-type: none"> - For GEB, the first installment will vest in 2023 and the remaining tranches will vest in 2024 and 2025 accordingly. For context, and as outlined in our 2019 Compensation Report, up to CHF 7.3m, or 30%, of the 2019 LTIP awards at grant for GEB members active in March 2017 continues to be at risk and directly linked to the final resolution of the French cross-border matter. - For other select senior management, the full award will vest in 2023.

¹ As disclosed in our Compensation Report 2019, LTIP awards for the 2019 performance year were awarded at a value of 62.25% of maximum, which reflected our best estimate of the fair value of the award. The maximum number of shares was determined by dividing the awarded amount by the fair value of the award at the date of grant, divided by CHF 12.919 or USD 13.141, the average closing price of UBS shares over the last ten trading days leading up to and including the grant date.

› Refer to “Performance achievement of the 2019 LTIP granted in 2020” in the “Group compensation” section of this report for more information

The below EOP and DCCP thresholds have been set to support the sustainability of the organization and represent minimum performance levels to retain the awards.

Equity Ownership Plan (EOP) 2017 / 2018, EOP 2018 / 2019, EOP 2019 / 2020 and EOP 2020 / 2021		
Thresholds	Threshold achievement ¹	Vesting
Return on common equity tier 1 capital (RoCET1) and divisional return on attributed equity	The Group and divisional thresholds have been satisfied.	<p>The following installments vest in full:</p> <ul style="list-style-type: none"> - for EOP 2017 / 2018, the third and final installment for GEB members; - for EOP 2018 / 2019, the second installment for the GEB members; - for EOP 2019 / 2020, the second installment for all other employees covered under the plan; and - for EOP 2020 / 2021, the first installment for all other employees covered under the plan.

Deferred Contingent Capital Plan (DCCP) 2017 / 2018		
Thresholds	Threshold achievement ¹	Vesting
Common equity tier 1 (CET1) capital ratio, viability event and, additionally for GEB, Group profit before tax	The thresholds have been satisfied.	- DCCP 2017 / 2018 vests in full.

¹ Performance may be adjusted for disclosed items generally not representative of underlying business performance.

Share ownership / entitlements of GEB members¹

Name, function	on 31 December	Number of unvested shares / at risk ²	Number of vested shares	Total number of shares	Potentially conferred voting rights in %
Ralph A.J.G. Hamers, Group Chief Executive Officer	2022	349,441	5,238	354,679	0.023
	2021	122,453	2,673	125,126	0.008
Christian Bluhm, Group Chief Risk Officer	2022	707,979	0	707,979	0.046
	2021	654,579	226	654,805	0.041
Mike Dargan, Group Chief Digital and Information Officer	2022	386,141	17,955	404,096	0.026
	2021	240,343	82,743	323,086	0.020
Kirt Gardner, former Group Chief Financial Officer	2022	-	-	-	-
	2021	780,640	236,421	1,017,061	0.063
Suni Harford, President Asset Management	2022	1,028,210	44,202	1,072,412	0.070
	2021	636,122	22,199	658,321	0.041
Naureen Hassan, President UBS Americas	2022	0	0	0	0.000
	2021	-	-	-	-
Robert Karofsky, President Investment Bank	2022	1,037,028	364,914	1,401,942	0.092
	2021	851,520	357,064	1,208,584	0.075
Sabine Keller-Busse, President Personal & Corporate Banking and President UBS Switzerland	2022	973,150	566,106	1,539,256	0.101
	2021	798,457	421,491	1,219,948	0.076
Iqbal Khan, President Global Wealth Management and President EMEA	2022	960,301	0	960,301	0.063
	2021	898,111	113,715	1,011,826	0.063
Edmund Koh, President Asia Pacific	2022	724,865	579,937	1,304,802	0.085
	2021	501,322	493,977	995,299	0.062
Barbara Levi, Group General Counsel	2022	407,195	45,818	453,013	0.030
	2021	430,732	0	430,732	0.027
Tom Naratil, former Co-President Global Wealth Management and President UBS Americas	2022	-	-	-	-
	2021	1,374,044	950,682	2,324,726	0.145
Markus Ronner, Group Chief Compliance and Governance Officer	2022	586,283	0	586,283	0.038
	2021	418,452	57,856	476,308	0.030
Sarah Youngwood, Group Chief Financial Officer	2022	299,729	0	299,729	0.020
	2021	-	-	-	-
Total	2022	7,460,322	1,624,170	9,084,492	0.593
	2021	7,706,776	2,739,047	10,445,823	0.650

¹ Includes all vested and unvested shares of GEB members, including those held by related parties. No options were held in 2022 and 2021 by any GEB member or any of its related parties. Refer to "Note 27 Employee benefits: variable compensation" in the "Consolidated financial statements" section of our Annual Report 2022 for more information. ² Includes shares granted under variable compensation plans with forfeiture provisions. For the 2019/20 LTIP award, the values reflect the final value. For all other LTIP awards, the values reflect the fair value awarded at grant. The actual number of shares vesting in the future will be calculated under the terms of the plans. Refer to the "Group compensation" section of this report for more information about the plans.

Total of all vested and unvested shares of GEB members^{1,2}

	Total	of which: vested		of which: vesting				
		2023	2024	2025	2026	2027	2028	
Shares on 31 December 2022	9,084,492	1,624,170	1,572,210	1,952,123	2,020,881	1,281,201	599,733	34,174
			2022	2023	2024	2025	2026	2027
Shares on 31 December 2021	10,445,823	2,739,047	1,463,440	1,688,568	2,112,516	1,488,544	877,856	75,852

¹ Includes shares held by related parties. ² Includes shares granted under variable compensation plans with forfeiture provisions. The actual number of shares vesting in the future will be calculated under the terms of the plans. Refer to the "Group compensation" section of this report for more information.

Audited I

Number of shares of BoD members¹

Name, function	on 31 December	Number of shares held	Voting rights in %
	2022	2021	
Colm Kelleher, Chairman ²	339,084	-	0.022
Lukas Gähwiler, Vice Chairman ^{2, 3}	283,907	-	0.019
Axel A. Weber, former Chairman ²	-	1,148,369	0.071
Jeremy Anderson, Senior Independent Director	119,660	97,518	0.008
Claudia Böckstiegel, member	7,814	0	0.001
William C. Dudley, member	66,646	49,714	0.004
Patrick Firmenich, member	27,275	0	0.002
Reto Francioni, member ²	-	139,609	0.009
Fred Hu, member	97,543	74,481	0.006
Mark Hughes, member	48,497	30,263	0.003
Nathalie Rachou, member	31,126	18,102	0.002
Julie G. Richardson, member	138,204	117,365	0.009
Dieter Wemmer, member	132,320	114,086	0.009
Jeanette Wong, member	93,440	68,452	0.006
Total	1,385,516	1,857,959	0.090
			0.116

¹ Includes blocked and unblocked shares held by BoD members, including those held by related parties. No options were granted in 2022 and 2021. ² At the 2022 AGM, Lukas Gähwiler and Colm Kelleher were newly elected and Reto Francioni and Axel A. Weber did not stand for re-election. ³ Includes 203,246 unvested shares granted under variable compensation plans with forfeiture provisions as part of Lukas Gähwiler's compensation for his executive roles previously held at UBS.

Audited I

Total of all blocked and unblocked shares of BoD members¹

	Total	of which: unblocked	of which: blocked until			
			2023	2024	2025	2026
Shares on 31 December 2022	1,385,516²	472,981	207,155	250,165	262,671	192,544
			2022	2023	2024	2025
Shares on 31 December 2021	1,857,959	701,594	178,603	305,947	329,875	341,940

¹ Includes shares held by related parties. ² Includes 203,246 unvested shares granted under variable compensation plans with forfeiture provisions as part of Lukas Gähwiler's compensation for his executive roles previously held at UBS.

Audited I

Loans granted to GEB members¹

Pursuant to article 38 of the Articles of Association (the AoA) of UBS Group AG, GEB members may be granted loans. Such loans are made in the ordinary course of business on substantially the same terms as those granted to other employees, including interest rates and collateral, and neither involve more than the normal risk of collectability nor contain any other unfavorable features for the firm. The total amount of such loans must not exceed CHF 20m per GEB member.

CHF, except where indicated²

Name, function	on 31 December		Loans ³
	2022	2021	(for reference)
Christian Bluhm, Group Chief Risk Officer (highest loan in 2022)	6,927,000	7,059,000	7,494,391
Christian Bluhm, Group Chief Risk Officer (highest loan in 2021)	7,059,000	7,059,000	
Aggregate of all GEB members ⁴	30,752,035	29,635,590	33,270,934

¹ No loans have been granted to related parties of the GEB members at conditions not customary in the market. ² Swiss franc and US dollar amounts disclosed represent local currency amounts translated at the relevant year-end closing exchange rate. ³ All loans granted are secured loans. ⁴ No unused uncommitted credit facilities in 2022 and 2021.

Loans granted to BoD members¹

Pursuant to article 33 of the AoA of UBS Group AG, loans to independent BoD members are made in the ordinary course of business at general market conditions. The Vice Chairman, given the full-time nature of his role, may be granted loans in the ordinary course of business on substantially the same terms as those granted to employees, including interest rates and collateral. Such loans neither involve more than the normal risk of collectability nor contain any other unfavorable features for the firm. The total amount of such loans must not exceed CHF 20m per BoD member.

<i>CHF, except where indicated²</i>	on 31 December		<i>USD</i> <i>(for reference)</i>
	2022	Loans^{3,4}	Loans ^{3,4}
Aggregate of all BoD members	0	0	0
	2021	1,500,000	

¹ No loans have been granted to related parties of the BoD members at conditions not customary in the market. ² Swiss franc and US dollar amounts disclosed represent local currency amounts translated at the relevant year-end closing exchange rate. ³ All loans granted are secured loans. ⁴ No loans in 2022 and CHF 1,500,000 for Reto Francioni in 2021.

**Compensation paid to former BoD and GEB members¹**

<i>CHF, except where indicated²</i>	For the year	Compensation	Benefits	Total	<i>USD</i> <i>(for reference)</i>
					Total
Former BoD members	2022	0	0	0	0
	2021	0	0	0	
Aggregate of all former GEB members ³	2022	0	89,657	89,657	97,001
	2021	0	187,876	187,876	
Aggregate of all former BoD and GEB members	2022	0	89,657	89,657	97,001
	2021	0	187,876	187,876	

¹ Compensation or remuneration that is related to the former members' activity on the BoD or GEB or that is not at market conditions. ² Swiss franc and US dollar amounts disclosed represent local currency amounts translated at the relevant year-end closing exchange rate. ³ Includes benefit payments in 2022 and 2021 to two former GEB members.

Provisions of the Articles of Association related to compensation

Swiss say-on-pay provisions give shareholders of companies listed in Switzerland significant influence over board and management compensation. At UBS, this is achieved by means of an annual binding say-on-pay vote in accordance with the following provisions of the AoA.

Say on pay

In line with article 43 of the AoA, the General Meeting approves proposals from the BoD in relation to:

- a) the maximum aggregate amount of compensation of the BoD for the period until the next AGM;
- b) the maximum aggregate amount of fixed compensation of the GEB for the following financial year; and
- c) the aggregate amount of variable compensation of the GEB for the preceding financial year.

The BoD may submit for approval by the General Meeting deviating or additional proposals relating to the same or different periods. If the General Meeting does not approve a proposal from the BoD, the BoD will determine, taking into account all relevant factors, the respective (maximum) aggregate amount or (maximum) partial amounts and submit the amount(s) so determined for approval by the General Meeting. UBS Group AG or companies controlled by it may pay or grant compensation prior to approval by the General Meeting, subject to subsequent approval.

Principles of compensation

In line with articles 45 and 46 of the AoA, compensation of the members of the BoD includes base remuneration and may include other compensation elements and benefits. Compensation of the members of the BoD is intended to recognize the responsibility and governance nature of their role, to attract and retain qualified individuals, and to ensure alignment with shareholders' interests.

Compensation of the members of the GEB includes fixed and variable compensation elements. Fixed compensation includes the base salary and may include other compensation elements and benefits. Variable compensation elements are governed by financial and non-financial performance measures that take into account the performance of UBS Group AG and / or parts thereof, targets in relation to the market, other companies or comparable benchmarks, short- and long-term strategic objectives, and / or individual targets. The BoD or, where delegated to it, the Compensation Committee, determines the respective performance measures, the overall and individual performance targets, and their achievement. The BoD or, where delegated to it, the Compensation Committee, aims to ensure alignment with sustainable performance and appropriate risk-taking through adequate deferrals, forfeiture conditions, caps on compensation, harmful acts provisions and similar means with regard to parts of or all of the compensation. Parts of variable compensation are subject to a multi-year vesting period.

Additional amount for GEB members appointed after the vote on the aggregate amount of compensation by the AGM

In line with article 46 of the AoA of UBS Group AG, if the maximum aggregate amount of compensation already approved by the General Meeting is not sufficient to also cover the compensation of a person that becomes a member of or is being promoted within the GEB after the General Meeting has approved the compensation, UBS Group AG, or companies controlled by it, is authorized to pay or grant each such GEB member a supplementary amount during the compensation period(s) already approved. The aggregate pool for such supplementary amounts per compensation period cannot exceed 40% of the average of total annual compensation paid or granted to the GEB during the previous three years.

› **Refer to ubs.com/governance for more information**



Ernst & Young Ltd
Aeschengraben 27
P.O. Box
CH-4002 Basel

Phone: +41 58 286 86 86
www.ey.com/ch

To the General Meeting of
UBS Group AG, Zurich

Basel, 3 March 2023

Opinion

We have audited the Compensation Report of UBS Group AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the tables marked "audited" of the Compensation Report: Approved fixed compensation, Total compensation for GEB Members, Remuneration details and additional information for BoD members, Loans granted to GEB members, Loans granted to BoD members and Compensation paid to former BoD and GEB members.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the Compensation Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables referenced above in the Compensation Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation Report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the Compensation Report

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's responsibilities for the audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

Maurice McCormick
Licensed audit expert
(Auditor in charge)

Eveline Hunziker
Licensed audit expert