UBS

Invitation to the Annual General Meeting of UBS AG

Thursday, 18 April 2002, 2.30 p.m. (doors open 1.30 p.m.)
St. Jakobshalle, Brüglingerstrasse 21, Basel

Agenda

1. Annual Report, Group and Parent Company Accounts for 2001
   Reports of the Group and Parent Company Auditors

2. Appropriation of retained earnings
   Distribution of capital to shareholders instead of a dividend for 2001

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

4. Elections
   4.1. Election of a new member of the Board of Directors
   4.2. Election of Group and Parent Company Auditors

5. Capital reduction
   5.1. Cancellation of shares repurchased under the 2001 share buyback program
   5.2. Establishment of a 2002/2003 share buyback program

6. Partial amendment of the Articles of Association

Introduction

Requests for including items in the agenda
On 1 February 2002, UBS published a notice inviting shareholders qualifying for the right to request that individual items be included in the agenda to submit their formulated proposals by 20 February. No requests were submitted.

Call to register claims
The capital reductions to be achieved via cancellation of repurchased shares and via the distribution of capital to shareholders by the proposed par value repayment may only take place once the filing period for creditors to request satisfaction for or security of their claims has been terminated in accordance with article 733 of the Swiss Code of Obligations. The notice will be published in the Swiss Commercial Gazette after the General Meeting of Shareholders. Claims may be registered during a period of two months. For the capital reduction to become effective, a report by the Statutory Auditors, confirming that creditors' claims shall remain fully covered and the liquidity of the Bank assured even after the capital reduction is another precondition. Statutory Auditors' reports as of 31 December 2001 have been provided.

Timetable of events
Provided shareholders approve the proposals, the amendment of the Articles of Association in accordance with Item 6 on the agenda will be entered in the Commercial Register on 5 July 2002. Trading in the new shares with a par value of CHF 0.80 will commence on 8 July. The par value repayment will take place on 10 July to all shareholders of record as at 5 July 2002.

Organizational issues

Admission cards for the Annual General Meeting
Shareholders listed in the Share Register of UBS AG in *Switzerland* can order their admission card from the following address up to 15 April 2002, using the order form attached to this invitation:
UBS AG, Shareholder Services, P.O.Box, CH-8098 Zurich.

Shareholders listed in the Share Register in the *United States* can order their admission cards in writing up to 15 April 2002 from:
Mellon Investor Services, Proxy Processing, P.O.Box 3567, S. Hackensack, NJ 07606-9267.

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

Representation at the Annual General Meeting
Shareholders may be represented at the General Meeting by their legal representative or, based on a written proxy, by any other shareholder that is entitled to vote at the Meeting or by his/her custodian bank. In addition, every shareholder is entitled to have his/her shares represented at the General Meeting by
- UBS AG, P.O.Box, CH-8098 Zurich,
  as a corporate proxy or a custody proxy.
- Schweizerische Treuhandgesellschaft / Swiss Auditing
  and Fiduciary Company (Professor Carl Helbling),
  Talstrasse 11, CH-8022 Zurich, as an independent proxy.

Zurich and Basel, 7 March 2002

UBS AG
For the Board of Directors:

Marcel Ospel, Chairman
Gertrud Erismann-Peyer, Company Secretary

Item 1

Annual Report, Group and Parent Company Accounts for 2001 Reports of the Group and Parent Company Auditors

A. Proposal
The Board of Directors proposes that the report on the financial year 2001 and the Group and Parent Company Accounts for 2001 be approved.

B. Explanations
The reports of the Board of Directors and the Group Executive Board are contained in the Financial Report. Additional information on strategy and organization of the Group, its activities and those of the Business Groups, on risk management and control as well as on corporate governance can be found in the "Handbook 2001/2002". Copies of both publications can be ordered by shareholders and are also available on the internet at www.ubs.com/investors.
All shareholders registered in the share register automatically receive a copy of the Annual Review, which contains summary information with regard to our business performance in 2001.

The Group income statement shows total operating income of CHF 37,114 million and total operating expenses of CHF 30,396 million, resulting in pre-tax profit of CHF 6,718 million and consolidated net profit of CHF 4,973 million. Total consolidated assets amounted to CHF 1,253 billion at year-end 2001, shareholders' equity to CHF 43.5 billion.

Parent company net profit amounted to CHF 4,655 million. With total operating income of CHF 22,328 million and total operating expenses of CHF 14,312 million, operating profit stood at CHF 8,016 million. Depreciations, write-offs and provisions amounted to CHF 2,790 million, extraordinary income to CHF 95 million. Extraordinary expenses came to CHF 7 million and taxes totaled CHF 659 million.

Ernst & Young Ltd. as Group and Statutory Auditors recommend in unqualified reports to the Annual General Meeting that the Group and Parent Company Accounts be approved. The Group Auditors confirm that "the Group financial statements present fairly, in all material respects, the consolidated financial position of UBS AG as of 31 December 2001 and 2000, and the consolidated results of operations and cash flows for each of the three years in the period ended 31 December 2001, in conformity with International Accounting Standards (IAS) and they comply with the Swiss law". The Statutory Auditors express their opinion that "the accounting records and financial statements and the proposed appropriation of available earnings comply with the Swiss law and the company's articles of association".

Item 2

Appropriation of retained earnings Distribution of capital to shareholders instead of a dividend for 2001

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

Profit for the financial year 2001 as per the income statement	CHF 4,655 million
Allocation to Other reserves	CHF 4,655 million

The Board of Directors proposes a *distribution of capital to shareholders in the amount of CHF 2 per share in the form of a par value repayment,* instead of the payment of a dividend for 2001. This will reduce the UBS share capital by approximately CHF 2.5 billion and bring the par value per share down to CHF 0.80. Articles 4 and 4a will have to be amended accordingly (see item 6).

B. Explanations
As for the last quarter of financial year 2000, the Board of Directors proposes to make a distribution to shareholders in the form of a repayment on the par value of each share, instead of paying a dividend for financial year 2001. Such distribution is not subject to a deduction of federal withholding tax (35%) nor is it subject to income tax for individual taxpayers within Switzerland.

The Board of Directors proposes a distribution of CHF 2 per share, which is almost the same amount as last year (CHF 6.10 pre split, CHF 2.03 at today's par value). The total parent company profit will be allocated to "Other reserves", which is part of Shareholders' equity.

The distribution will be paid out on 10 July to all shareholders of record as at 5 July 2002, following the publication of the call to register claims, necessary according to Swiss Company Law for capital reductions. Ernst & Young Ltd. as Statutory Auditors have confirmed in a special audit report on behalf of the AGM that as of 31 December 2001 the claims of creditors were fully covered even after the planned reduction in capital and that the Bank has adequate liquidity.

Item 3

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

A. Proposal
The Board of Directors proposes that discharge be granted to the members of the Board of Directors and the Group Executive Board for the financial year 2001.

Item 4

Elections

A. Proposal
4.1. Election of a new member of the Board of Directors
The Board of Directors proposes that Ernesto Bertarelli, CEO of Serono International SA, be elected as a new member of the Board, for a four-year term of office.

4.2. Election of Group and Parent Company Auditors
The Board of Directors proposes that Ernst & Young Ltd., Basel, be re-elected as Group and Parent Company Auditors for a one-year term of office.

B. Explanations
4.1.
Markus Kündig, non-executive Vice Chairman since 1998, steps down from the Board after the AGM as he has reached the statutory age of retirement. Eric Honegger, Board member since 1999, resigned from his mandate in October 2001.

The Board of Directors proposes the following election of a new Board member:
Ernesto Bertarelli (1965), a Swiss citizen, has been the Chief Executive Officer and the Chairman of the Executive Committee of Serono SA since 1996. He has been the Vice Chairman of the Board of Directors since 1991. Mr. Bertarelli started his career with Serono in 1985 and held several positions in sales and marketing. Prior to his appointment as CEO, he served for five years as Deputy CEO. Mr. Bertarelli received his Bachelor of Science degree from Babson College in Boston, Massachusetts, and his MBA from Harvard Business School.

4.2.
The Board of Directors proposes that Ernst & Young Ltd. be re-elected for a further year in office as Group and Parent Company Auditors. Ernst & Young have confirmed to the Audit Committee of the UBS Board of Directors that it possesses the level of independence required to take on this role and that it satisfies the requirements in terms of independence imposed by the US Securities and Exchange Commission (SEC). The Audit Committee reviewed the non-audit services performed for UBS AG by Ernst & Young and confirms that the auditors' independence was not compromised by these mandates.

Item 5

Capital reduction

A. Proposal
5.1. Cancellation of shares repurchased under the 2001 share buyback program
The Board of Directors proposes that the 28,818,690 shares repurchased under the buyback program approved by the 2001 AGM be definitively cancelled, that the share capital be reduced accordingly and that Article 4 of the Articles of Association be amended to reflect this.

5.2. Establishment of a 2002/2003 share buyback program
The Board of Directors proposes that the following resolution be approved:
"The Board of Directors shall be authorized to buy back a maximum amount of CHF 5 billion in UBS shares via a second trading line on the virt-x exchange. These shares are to be cancelled definitively and are not therefore regarded as own shares within the meaning of Article 659 of the Swiss Code of Obligations. The required amendment to the Articles of Association (reduction of share capital) will be submitted to the AGM in 2003 for approval."

B. Explanations
5.1.
The AGM on 26 April 2001 authorized the Board of Directors to buy back UBS shares in a maximum amount of CHF 5 billion via a second trading line on the stock exchange and subsequently to cancel them. A total of 28,818,690 shares with an overall value of CHF 2,289,916,993 were repurchased under this program between 5 March 2001 and 5 March 2002. The average purchase price was CHF 79. Shareholders are now being requested to approve the definitive cancellation of these shares and the corresponding reduction in capital.

The Statutory Auditors Ernst & Young Ltd. have confirmed in a special audit report on behalf of the AGM that as at 31 December 2001 the claims of creditors were fully covered even after the reduction in capital and that the Bank has adequate liquidity.

5.2.
The Board of Directors again requests the AGM to authorize it to repurchase a maximum amount of CHF 5 billion in UBS shares between March 2002 and March 2003. The decision of the Board of Directors to again repurchase own shares has been published on 14 February 2002. Share repurchases, which were started on 6 March 2002, are handled via a second trading line on the virt-x. With the share buyback program the Board aims at counterbalancing steadily increasing shareholders' equity and thereby positively influencing earnings per share. The BIS tier 1 capital ratio continues to be comparatively high at 11.6% at year-end 2001.

The Board of Directors has again decided to proceed in two stages, with shareholders taking the decision in principle at the first AGM and deciding on the definitive cancellation of the shares at the next AGM. By obtaining shareholders' approval for the future cancellation of the repurchased shares, these shares no longer fall under the statutory limit of Swiss Company Law, which prohibits companies from holding more than 10% of their own shares. The proposed procedure provides greater flexibility, which UBS believes to be in the interests of efficient capital management and the ongoing trading activities of the Bank.

Item 6

Partial amendment of the Articles of Association

A. Proposal
The Board of Directors proposes that the Articles of Association be amended as follows:

Current version	**Proposed new version *(changes in italics)***
Article 4 Share capital	
1 The share capital of the Corporation is CHF 3,588,808,997.20 (three billion, five hundred and eighty-eight million, eight hundred and eight thousand, nine hundred and ninety-seven Swiss francs and twenty centimes), divided into 1,281,717,499 registered shares with a par value of CHF 2.80 each. The share capital is fully paid up.	1 The share capital of the Corporation is *CHF 1,002,319,047.20 (one billion, two million, three hundred and nineteen thousand, forty-seven Swiss francs and twenty centimes),* divided into *1,252,898,809* registered shares with a par value of *CHF 0.80* each. The share capital is fully paid up.
Paragraph 2 unchanged	
Article 4a Conditional capital *Employee stock ownership plan of Paine Webber Group Inc., New York ("PaineWebber")*	
The share capital will be increased, under exclusion of shareholders' pre-emptive rights, by a maximum of CHF 36,449,604.80, corresponding to a maximum of 13,017,716 registered shares of CHF 2.80 par value each (which must be fully paid up) through the exercise of option rights granted to the employees of PaineWebber, which were rolled over according to the merger agreement of 12 July 2000. The subscription ratio, time limits and further details were determined by PaineWebber and taken over by UBS AG. The purchase of shares through the exercise of option rights as well as any subsequent transfer of the shares are subject to the registration restrictions set out in Article 5 of these Articles of Association.	The share capital will be increased, under exclusion of shareholders' pre-emptive rights, by a maximum of *CHF 10,414,172.80,* corresponding to a maximum of 13,017,716 registered shares of *CHF 0.80* par value each (which must be fully paid up) through the exercise of option rights granted to the employees of PaineWebber, which were rolled over according to the merger agreement of 12 July 2000. The subscription ratio, time limits and further details were determined by PaineWebber and taken over by UBS AG. The purchase of shares through the exercise of option rights as well as any subsequent transfer of the shares are subject to the registration restrictions set out in Article 5 of these Articles of Association.

Current version	**Proposed new version *(changes in italics)***
Article 16 Resolutions, elections	
Paragraphs 1 and 2 unchanged	
3 Voting on resolutions and elections shall take place with a show of hands, but a written ballot shall be adopted if requested by at least 3% of the votes represented or if the presiding Officer so orders. A written ballot or election may also be conducted electronically.	*3* *The presiding Officer shall decide whether voting on resolutions and elections be conducted electronically or with a show of hands. Ordinary written ballots may also be adopted. Shareholders representing at least 3% of the votes represented may always request that a vote or election take place electronically or by written ballot.*
Paragraph 4 unchanged	
5 The presiding Officer may order a vote by show of hands to be repeated in a written ballot if he feels there is any doubt regarding the results. In this case the show of hands vote is deemed not to have taken place.	*Paragraph 5 to be crossed off*
Article 19 Term of office	
Paragraph 1 unchanged	
2 New Directors elected to replace members who vacate their office before completion of their term shall serve for the remainder of the term of the Directors they are replacing. Members whose term of office has expired are immediately eligible for re-election.	2 *(…)* Members whose term of office has expired are immediately eligible for re-election.

Current version	Proposed new version *(changes in italics)*
Article 27 Signatures, seal, exceptional measures	*Signatures (…)*
1 In accordance with the Articles of Association the company's external representation and the manner and form of signature shall be defined in the Organization Regulations.	*1* *Signing in the name of the company requires two authorized signatures to be binding.*
2 Signing in the name of the company requires two authorized signatures to be binding. Forms and other written documents produced in large quantities in the course of daily business may be distributed with only one or without signature. Such exceptions to the joint signature principle shall be made known in a suitable form.	*2* *All details shall be determined in the Organization Regulations and in a special Group Directive.*
3 The Board of Directors and those authorized by it to sign on behalf of the Corporation may empower individual persons to execute specific business and legal transactions. 4 For countries in which law or custom prescribes the use of seals on important or formal documents, a seal may be added to the signature. The Board of Directors shall designate such seals and issue regulations for their use. 5 To safeguard important interests of the Bank, the Board of Directors, or persons acting on the Board's instructions, may take exceptional measures in emergency situations arising as a result of extraordinary political developments.	*Paragraphs 3–5 to be crossed off*

B. Explanations

Article 4 reflects the decisions, which are being proposed in item 2 and item 5 (share capital, total number of shares outstanding, par value per share). Should shareholders reject or change one or the other of these proposals, the text would have to be amended accordingly.

In Article 4a the Conditional capital and the par value per share have to be adapted if shareholders approve the par value repayment proposed under item 2.

As electronic vote now is a quick and easy way to identify the exact number of votes cast, Article 16 paragraph 3 should be reworded. Electronic voting shall be the priority procedure in the future, a procedure that also meets good corporate governance requirements. As a consequence, paragraph 5 can be crossed off.

In Article 19, the first sentence of paragraph 2 can be crossed off. Members of the Board of Directors are elected as individuals, and do not replace anybody. Therefore the individual term of office of each newly elected Board member shall be fixed individually in a way to meet the requirements stipulated in paragraph 1 (one fourth of all members to be newly appointed or reelected every year).

Article 27 contains details, which should be determined on a lower level than the Articles of Association in order to be more flexible and to swiftly respond to changed business and market requirements. A special Group Directive will be issued.

UBS

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