

# Minutes of the Annual General Meeting of UBS Group AG

**3 May 2018, 10:30 a.m. at the Messe Basel**

Formalities

**Chair:** Axel A. Weber, Chairman of the Board of Directors  
**Minutes:** Markus Baumann, Group Company Secretary

**Scrutineer:** BDO AG, Solothurn

**Independent proxy** pursuant to Art. 689c of the Swiss Code of Obligations:  
ADB Altorfer Duss & Beilstein AG, Zurich.

Ernst & Young AG, the statutory auditors, was represented by Marie-Laure Delarue, Ira S. Fitlin and Bruno Patusi.

The invitation to the Annual General Meeting (AGM) was published in the Swiss Official Gazette of Commerce and on the UBS homepage on 3 April 2018. In addition, printed copies of the invitation were sent to all shareholders listed in the share register.

No requests for the inclusion of individual items on the agenda were submitted. Voting on agenda items was conducted electronically. The AGM was transmitted live on the Internet in German and English.

**Presence:**

At 11:13 a.m. 1,160 shareholders were present, representing 2,211,306,377 votes (75.84% of shares eligible to vote),

of which,	
Independent proxy	2,204,309,929 votes
Shareholders present	6,996,448 votes

The Chairman started his speech by highlighting the political uncertainties in the world. By comparison, he described Switzerland as a haven of stability and reliability, stating that the reason for this was that the country's political system was designed for sustainability. He said that sustainability has made Switzerland successful over a long period before adding that Swiss companies including UBS were more focused on achieving good results over the long term. He described 2017 as having been a very successful year for UBS. It is important for a company to be diversified so that opportunities and risks are always well spread, the Chairman went on to explain. This was why UBS continued to be heavily engaged in the US, in addition to being in a very strong position not only in Switzerland and Europe but in particular also in Asia. He continued by emphasizing that sustainability was not just a buzzword for UBS. The entire organization, from individual employees right up to the Board of Directors, was clearly aligned in that direction and that UBS clients had invested nearly a thousand billion Swiss francs on the basis of sustainability criteria. He said that UBS had also committed, for example, to obtaining all its electricity from renewable energy sources by 2020, adding that the bank's commitment was recognized, among others, with UBS being ranked number one in the finance sector on the Dow Jones Sustainability Index for the third time in succession. The Chairman then described the opportunities and risks of digitization, stating that UBS had identified many opportunities for further growing its business and also working more efficiently, for example by using blockchain and artificial intelligence. In each of the next few years, the Group would be investing about 10 percent of its profits in further technological development. The Chairman continued by stating that UBS was a trusted and competent partner to its clients, capable of keeping an eye on the bigger picture in an increasingly complicated world and perfectly positioned to offer the right resources and solutions to overcome that complexity. With regard to the bank's strategic direction, he emphasized that UBS had proven in recent years that its success was sustainable and the strategy was working. He outlined that complacency was the biggest threat to ongoing success and that UBS must guard against it. In view of the Group's good results, he explained that UBS proposed a dividend of 65 rappen per share and was planning, over the next three years, to buy back shares amounting to a total of 2 billion

Swiss francs, of which 550 million would be purchased this year. As such, UBS was again fulfilling one of its promises.

At the close of his speech, the Chairman thanked the shareholders for their support and trust as well as the clients and all the bank's employees, from the client advisers at the counters to the most senior management led by Sergio Ermotti. He also thanked the Swiss people, whose wise decisions at the ballot box over the years had created a stable environment, thus enabling UBS, and many other companies, to operate successfully not only in Switzerland, but also all around the world.

The full speech by Axel A. Weber can be found on the UBS homepage at [www.ubs.com/agm](http://www.ubs.com/agm).

Sergio P. Ermotti, Group Chief Executive Officer, started his speech by saying that 2017 had been an excellent year for UBS. He added that the changes to deferred tax assets in the US distorted the picture somewhat but that the operating performance was excellent, before going on to say a big thank you to all employees. With regard to his work at the bank, he explained that he followed a "Year after Year" approach: working hard, delivering results – and constantly getting better in all areas. He continued by saying that UBS also got better in 2017 and was extremely profitable, with pre-tax profits increasing by 29 percent to 5.3 billion francs. The Group CEO outlined that UBS achieved positive results in all the bank's business divisions and regions: the wealth management business boosted its results to around 3.5 billion francs before tax and Personal & Corporate Banking delivered profits of 1.6 billion francs. Asset Management attracted nearly 60 billion francs of new money, with assets under management reaching 776 billion francs, while the Investment Bank made 1.2 billion francs in pre-tax profit. UBS reported particularly strong growth in Asia, the Group CEO said, adding that all regions were profitable and showed positive development. He also stated that UBS successfully completed its efficiency program, with targeted cost savings of 2.1 billion francs. In addition, the firm also succeeded in resolving further legal issues from the past. He also touched upon the valuation on the stock exchange, which remained significantly higher than the book value and considerably better than many of Swiss and European competitors, placing it at the level of many US banks. UBS is a safe and solid bank with a deep understanding of its business, and its expertise makes it a world-class company and UBS is committed to maintaining this position, the Group CEO explained. He went on to say that UBS wanted to achieve even better results in 2018 and that the bank had made a good start to the year with a pre-tax profit of 2 billion francs in the first quarter. He then explained that sustainable performance could only be achieved with a long-term strategy such as the one UBS had defined several years ago and with which the shareholders were familiar. He continued by stating that the challenge was to find a balance between growing the day-to-day business and investing in the future. The Group CEO also said that UBS wanted to continue to increase the returns for shareholders and pay out an ordinary dividend that increased by a middle to high single-digit percentage every year. Looking ahead, he then described how the world had entered a decade of innovation that will be driven by technology and gave this as the reason why UBS was investing just over 3 billion francs per year in technology. He also explained how important it was that the bank was attractive to the next generation – to talented young people and the next generation of clients. He went on to assure the audience that UBS would be faster, more efficient and even more competent in the year 2028 and that UBS and Switzerland had every interest in creating attractive framework conditions in terms of education and further training as well as digital infrastructure and the regulatory framework. He then outlined the four priorities for 2018 and beyond, stating that UBS wanted to:

- become even more profitable in the global wealth management business,
- maintain its leading position in this area and continue to increase profits in its other businesses,
- capture growth opportunities especially in Asia and the Americas, and reinforce its leading position in Switzerland
- and continue to improve the client experience as well as its products, efficiency and effectiveness by investing in technology.

The full speech by Sergio P. Ermotti can be found on the UBS homepage at [www.ubs.com/agm](http://www.ubs.com/agm).

The Chairman then proceeded to agenda item 1.

## Item 1

### 1.1. Approval of UBS Group AG management report and consolidated and standalone financial statements

The Board of Directors proposed that the management report and the Group consolidated and standalone financial statements for 2017 be approved.

The Chairman reported that Ernst & Young Ltd., Basel, as Group and statutory auditors, recommended that the Group and UBS Group AG standalone financial statements be approved. The corresponding reports did not contain any reservations. In the subsequent extensive discussion, six shareholders voiced their opinion.

### Motion Beat Kaiser

Shareholder Beat Kaiser submitted a proposal for a special audit, which was then put to the vote. The Board of Directors proposed that this proposal be rejected.

The Annual General Meeting rejected the proposal of Beat Kaiser with the following voting results\*:

Valid votes cast	1 550 572 090	100%
Quorum	775 286 046	50%
Yes	1 246 506	0.08%
<b>No</b>	<b>1 363 159 955</b>	<b>87.91%</b>
Abstentions	186 165 629	12.01%

\*A subsequent check of the voting result revealed that an incorrect result was displayed at the AGM.

The AGM approved the UBS Group AG management report and consolidated and standalone financial statements for 2017 with the following voting results:

Valid votes cast	2 211 231 009	100%
Quorum	1 105 615 505	50%
<b>Yes</b>	<b>2 185 369 208</b>	<b>98.83%</b>
No	3 689 676	0.17%
Abstentions	22 172 125	1.00%

### 1.2. Advisory vote on the UBS Group AG Compensation Report 2017

The Board of Directors proposed that the UBS Group AG Compensation Report 2017 be ratified in a non-binding advisory vote. In a brief overview, the Chairman outlined the remuneration concept for 2017. In the subsequent discussion, one shareholder voiced an opinion.

The AGM endorsed the UBS Group AG Compensation Report 2017 with the following voting results:

Valid votes cast	2 211 224 686	100%
Quorum	1 105 612 344	50%
<b>Yes</b>	<b>1 798 869 769</b>	<b>81.35%</b>
No	291 065 684	13.16%
Abstentions	121 289 233	5.49%

## Item 2

### 2. Appropriation of retained earnings and distribution of ordinary dividend out of capital contribution reserve

The Board of Directors proposed that the profit of UBS Group AG for 2017 of CHF 47 million be appropriated in full to the voluntary earnings reserve, and an ordinary dividend of CHF 0.65 per UBS Group AG share with a nominal value of CHF 0.10 each be distributed from the capital contribution reserves.

In the subsequent discussion, one shareholder voiced an opinion. The AGM approved the proposal of the Board of Directors with the following voting results:

Valid votes cast	2 211 219 703	100%
Quorum	1 105 609 852	50%
<b>Yes</b>	<b>2 186 720 270</b>	<b>98.89%</b>
No	3 564 072	0.16%
Abstentions	20 935 361	0.95%

### Item 3

#### Discharge of the members of the Board of Directors and the Group Executive Board for the financial year 2017

The Board of Directors proposed that discharge be granted to the members of the Board of Directors and Group Executive Board for the 2017 financial year. No one wished to speak on the issue.

The AGM confirmed discharge for the financial year 2017 for the members of the Board of Directors and Group Executive Board with the following voting results:

Valid votes cast	2 205 507 483	100%
Quorum	1 102 753 742	50%
<b>Yes</b>	<b>1 977 912 135</b>	<b>89.68%</b>
No	130 070 885	5.90%
Abstentions	97 524 463	4.42%

### Item 4

#### Approval of the aggregate amount of variable compensation for the members of the Group Executive Board for the financial year 2017

The Board of Directors proposed that the aggregate amount of variable compensation of CHF 74,150,000 for the members of the Group Executive Board for the financial year 2017 be approved.

No one wished to speak on the issue. The AGM approved the proposal of the Board of Directors with the following voting results:

Valid votes cast	2 211 197 686	100%
Quorum	1 105 598 844	50%
<b>Yes</b>	<b>1 825 661 665</b>	<b>82.57%</b>
No	269 786 492	12.20%
Abstentions	115 749 529	5.23%

### Item 5

#### Approval of the maximum aggregate amount of fixed compensation for the members of the Group Executive Board for the financial year 2019

The Board of Directors proposed that the maximum aggregate amount of fixed compensation of CHF 31,500,000 for the members of the Group Executive Board for the financial year 2019 be approved.

No one wished to speak on the issue. The AGM approved the proposal of the Board of Directors with the following voting results:

Valid votes cast	2 211 077 270	100%
Quorum	1 105 538 636	50%
<b>Yes</b>	<b>1 875 145 202</b>	<b>84.81%</b>
No	222 076 862	10.04%
Abstentions	113 855 206	5.15%

## Item 6

Before proceeding to the first election agenda item, the Chairman said farewell to William G. Parrett, who had been a member of the Board of Directors since October 2008 and stepped down at this year's AGM.

## Elections

### 6.1. Re-election of members of the Board of Directors

The Board of Directors proposed that Axel A. Weber, Michel Demaré, David Sidwell, Reto Francioni, Ann F. Godbehere, Julie Richardson, Isabelle Romy, Robert W. Scully, Beatrice Weder di Mauro and Dieter Wemmer, each of whose term of office expired at the 2018 AGM, be re-elected for a one-year term of office. No one wished to speak on item 6.

#### Elections 6.1.1. to 6.1.10

The AGM approved the election of the Board of Directors with the following voting results:

#### Axel A. Weber as Chairman of the Board of Directors

Valid votes cast	2 211 088 994	100%
Quorum	1 105 544 498	50%
<b>Yes</b>	<b>2 154 373 734</b>	<b>97.44%</b>
No	34 160 771	1.54%
Abstentions	22 554 489	1.02%

#### Michel Demaré

Valid votes cast	2 211 097 519	100%
Quorum	1 105 548 760	50%
<b>Yes</b>	<b>2 169 255 099</b>	<b>98.11%</b>
No	17 852 765	0.81%
Abstentions	23 989 655	1.08%

#### David Sidwell

Valid votes cast	2 210 980 533	100%
Quorum	1 105 490 267	50%
<b>Yes</b>	<b>2 181 509 436</b>	<b>98.67%</b>
No	5 814 250	0.26%
Abstentions	23 656 847	1.07%

#### Reto Francioni

Valid votes cast	2 210 942 541	100%
Quorum	1 105 471 271	50%
<b>Yes</b>	<b>2 178 183 552</b>	<b>98.52%</b>
No	9 262 080	0.42%
Abstentions	23 496 909	1.06%

**Ann F. Godbehere**

Valid votes cast	2 210 968 055	100%
Quorum	1 105 484 028	50%
<b>Yes</b>	<b>2 167 916 699</b>	<b>98.05%</b>
No	19 888 907	0.90%
Abstentions	23 162 449	1.05%

**Julie Richardson**

Valid votes cast	2 210 868 688	100%
Quorum	1 105 434 345	50%
<b>Yes</b>	<b>2 175 846 979</b>	<b>98.41%</b>
No	11 856 057	0.54%
Abstentions	23 165 652	1.05%

**Isabelle Romy**

Valid votes cast	2 210 901 678	100%
Quorum	1 105 450 840	50%
<b>Yes</b>	<b>2 179 246 564</b>	<b>98.57%</b>
No	8 209 543	0.37%
Abstentions	23 445 571	1.06%

**Robert W. Scully**

Valid votes cast	2 210 921 502	100%
Quorum	1 105 460 752	50%
<b>Yes</b>	<b>2 132 179 641</b>	<b>96.44%</b>
No	55 089 415	2.49%
Abstentions	23 652 446	1.07%

**Beatrice Weder di Mauro**

Valid votes cast	2 210 815 546	100%
Quorum	1 105 407 774	50%
<b>Yes</b>	<b>2 174 810 958</b>	<b>98.37%</b>
No	9 543 226	0.43%
Abstentions	26 461 362	1.20%

**Dieter Wemmer**

Valid votes cast	2 210 897 984	100%
Quorum	1 105 448 993	50%
<b>Yes</b>	<b>2 180 613 368</b>	<b>98.63%</b>
No	6 678 712	0.30%
Abstentions	23 605 904	1.07%

**6.2. Election of two new members to the Board of Directors: Jeremy Anderson und Fred Hu**

The Chairman then proceeded to the election of Jeremy Anderson und Fred Hu. Their curriculum vitae were briefly presented in an animation. The Board of Directors proposed that Jeremy Anderson und Fred Hu be elected as independent members of the Board of Directors for a one-year term of office.

**Elections 6.2.1. to 6.2.2.**

The AGM elected the new members of the Board of Directors with the following voting results:

**Jeremy Anderson**

Valid votes cast	2 211 065 024	100%
Quorum	1 105 532 513	50%
<b>Yes</b>	<b>2 181 578 629</b>	<b>98.67%</b>
No	5 347 397	0.24%
Abstentions	24 138 998	1.09%

**Fred Hu**

Valid votes cast	2 211 081 153	100%
Quorum	1 105 540 577	50%
<b>Yes</b>	<b>2 135 642 165</b>	<b>96.59%</b>
No	51 626 841	2.33%
Abstentions	23'812'147	1.08%

The Chairman announced that the newly elected members of the Board of Directors, Jeremy Anderson and Fred Hu, had stated in advance of the AGM that they would accept the election in the event of a positive voting result.

**6.3. Election of members of the Compensation Committee**

The Board of Directors proposed that Ann F. Godbehere and Michel Demaré be re-elected and Julie Richardson and Dieter Wemmer be elected for a one-year term of office as members of the Compensation Committee.

**6.3.1. to 6.3.4.**

The AGM approved the election of the members of the Compensation Committee with the following voting results:

**Ann F. Godbehere**

Valid votes cast	2 211 048 370	100%
Quorum	1 105 524 186	50%
<b>Yes</b>	<b>2 132 815 766</b>	<b>96.46%</b>
No	54 297 328	2.46%
Abstentions	23 935 276	1.08%

**Michel Demaré**

Valid votes cast	2 211 050 445	100%
Quorum	1 105 525 223	50%
<b>Yes</b>	<b>2 130 482 151</b>	<b>96.35%</b>
No	56 127 918	2.54%
Abstentions	24 440 376	1.11%

**Julie Richardson**

Valid votes cast	2 211 046 212	100%
Quorum	1 105 523 107	50%
<b>Yes</b>	<b>2 173 281 514</b>	<b>98.29%</b>
No	13 855 331	0.63%
Abstentions	23 909 367	1.08%

**Dieter Wemmer**

Valid votes cast	2 210 822 765	100%
Quorum	1 105 411 383	50%
<b>Yes</b>	<b>2 173 576 714</b>	<b>98.31%</b>
No	13 030 385	0.59%
Abstentions	24 215 666	1.10%

**Item 7**

### Approval of the maximum aggregate amount of compensation for the members of the Board of Directors from the 2018 Annual General Meeting to the 2019 Annual General Meeting

The Board of Directors proposed that the maximum aggregate amount of compensation of CHF 14,500,000 for the members of the Board of Directors for the period from the 2018 AGM to the 2019 AGM be approved.

No one wished to speak on the issue. The AGM approved the proposal of the Board of Directors with the following voting results:

Valid votes cast	2 211 034 584	100%
Quorum	1 105 517 293	50%
<b>Yes</b>	<b>1 904 001 705</b>	<b>86.11%</b>
No	192 035 250	8.69%
Abstentions	114 997 629	5.20%

### Item 8

#### 8.1. Re-election of the independent proxy, ADB Altorfer Duss & Beilstein AG, Zurich

The Board of Directors proposed that ADB Altorfer Duss & Beilstein AG, Zurich be elected as the Independent Proxy for a one-year term of office expiring after completion of the AGM in 2019. No one wished to speak on item 8.

The AGM elected ADB Altorfer Duss & Beilstein AG, Zurich as the independent proxy for a one-year term of office with the following voting results:

Valid votes cast	2 210 776 522	100%
Quorum	1 105 388 262	50%
<b>Yes</b>	<b>2 188 326 866</b>	<b>98.99%</b>
No	1 182 963	0.05%
Abstentions	21 266 693	0.96%

#### 8.2. Re-election of the auditors, Ernst & Young Ltd, Basel

The Board of Directors proposed that Ernst & Young Ltd, Basel be re-elected for a one-year term of office as auditors.

The AGM re-elected Ernst & Young Ltd, Basel as auditors with the following voting results:

Valid votes cast	2 210 878 989	100%
Quorum	1 105 439 495	50%
<b>Yes</b>	<b>2 080 818 122</b>	<b>94.12%</b>
No	106 354 362	4.81%
Abstentions	23 706 505	1.07%

#### 8.3. Re-election of the special auditors, BDO AG, Zurich

The Board of Directors proposed that BDO AG, Zurich be re-elected for a three-year term of office as special auditors.

The AGM re-elected BDO AG, Zurich as special auditors with the following voting results:



Valid votes cast	2 210 745 230	100%
Quorum	1 105 372 616	50%
<b>Yes</b>	<b>2 175 315 034</b>	<b>98.40%</b>
No	13 573 228	0.61%
Abstentions	21 856 968	0.99%

The AGM ended at 1:32 p.m.

Zurich, 12 May 2018

UBS Group AG

Axel A. Weber  
Chairman of the Board of Directors

Markus Baumann  
Group Company Secretary