

Say-on-pay

Shareholder information on compensation votes
at the **UBS Group AG Annual General Meeting 2024**

Dear shareholders,

2023 was a defining moment in the 162-year history of UBS, marked by the acquisition of the Credit Suisse Group. It was also a year where we helped clients manage macroeconomic headwinds and continued geopolitical tensions. We successfully navigated through a period of significant change and uncertainty, stabilized our client franchise and made significant progress on the integration. We achieved underlying profitability and clients have entrusted us with USD 77 billion of net new assets since the acquisition.

During 2023, we continued to receive positive endorsement from our shareholders on our well-established compensation framework, which is the foundation for the firm's pay for performance culture. In our comprehensive annual review, we confirmed that our Total Reward Principles and overall compensation framework continue to be aligned with our purpose and remain relevant to the Group's commitment to delivering long-term shareholder value. In the short-to-medium term, they also enable UBS to drive the economic and cultural integration of Credit Suisse and the long-term value creation of the combined firm.

To support the integration of Credit Suisse into UBS, we have applied an integrated year-end process with all employees subject to one unified system leveraging the long-standing UBS approach to performance, promotion and compensation. This is a significant milestone for our combined firm and is aimed at accelerating our cultural journey. In line with our existing commitment to fair pay and diversity, equity and inclusion, we took great care to support fairness and equity across the organization, with a focus on like-for-like outcomes for comparable roles and performance across the Group.

This publication provides you with information on the compensation proposals submitted to this year's Annual General Meeting (the AGM). More information regarding our compensation framework for the Group Executive Board (the GEB) and the Board of Directors (the BoD), including related governance and policies, is provided in our 2023 Annual Report. The report is available at ubs.com/annualreport.

At the upcoming 2024 AGM, we ask our shareholders to vote on a one-time proposal relating to retroactive incremental BoD compensation from the 2023 AGM to the 2024 AGM, the compensation for the BoD from the 2024 AGM to the 2025 AGM, the variable compensation for the GEB for 2023 and fixed compensation for the GEB for 2025. In addition, we also ask our shareholders for an advisory vote on our Compensation Report, which describes our compensation framework, including our principles, governance and approach.

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

Sincerely,



Colm Kelleher
Chairman of the Board of Directors

At the 2024 AGM, UBS Group AG shareholders are invited to vote on the following compensation-related items. The binding votes on compensation and the advisory vote on the compensation report reflect our commitment to our shareholders having their say-on-pay.

Agenda item 2. Advisory vote on the UBS Group AG Compensation Report 2023

The Board of Directors proposes that the UBS Group AG Compensation Report 2023 be ratified in an advisory vote.

Performance management and reward play an important part in supporting the economic and cultural integration of Credit Suisse into UBS. We have therefore reviewed our Total Reward Principles and confirmed that they remain fully aligned with our purpose and support our strategic objectives. In the short-to-medium term, they also enable UBS to drive the economic and cultural integration of Credit Suisse and the long-term value creation of the combined firm.

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. The compensation approach reflects a substantial deferral into equity- and debt-based vehicles that support alignment with our shareholders and debtholders. Furthermore, the vesting period over five years remains one of the longest in the industry, providing for long employment and performance conditions.

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.

Continuity of our overall compensation framework

We are convinced that our compensation framework remains best-in-class for our industry. Therefore, it remained broadly unchanged for 2023. With respect to the equity component of our deferred compensation plan, we have expanded the group that will receive the Long-Term Incentive Plan (in replacement of the Equity Ownership Plan) to include Managing Directors (MDs) reporting to the GEB and their direct reports at MD level. This will further align the long-term focus of a broader group of senior leaders with shareholders while supporting appropriate risk taking and awareness.

Our focus on fair and equitable pay

We remain dedicated to fair and consistent pay practices which ensure that employees are appropriately rewarded for their contribution. We have embedded clear commitments in our global compensation policies and practices, and we regularly conduct internal reviews and independent external audits on pay equity. In 2023 and in line with this commitment to fair pay and diversity, equity and inclusion, we took great care to support fairness and equity across the organization, with a focus on like-for-like outcomes for comparable roles and performance across the Group. Overall this further supports our sustainable high performance culture and reflects our well-established approach to pay for performance.

We note the CHF 2.8bn reduction in the value of deferred compensation of Credit Suisse employees as a result of the write-down of the AT1 debt, cancellation of awards for senior management, and share price decline.

Other measures supporting the economic and cultural integration of Credit Suisse into UBS

We executed an integrated year-end process with all employees subject to one unified system leveraging the long-standing UBS approach to performance, promotion and compensation. This is a significant milestone for our firm, and is aimed at accelerating our cultural journey.

We further balanced our performance award pool decisions with specific retention awards delivered in both deferred cash and deferred equity. As in most merger situations, these retention awards were a necessary step to support the protection of the client franchise, risk management and operational stability. Furthermore, to support our client win-back strategy and promote client growth, we also introduced a client-acquisition and retention award for certain producers, which is fully deferred and the final value is linked to the retention of client assets. Retention efforts were targeted and limited to certain client roles and critical roles necessary to support operational stability. Overall, the amounts are modest by industry standards for an integration of this magnitude. These awards account for 3% of our total personnel expenses recognized in 2023.

Agenda item 9.1. Retroactive approval of an incremental amount of compensation for the members of the Board of Directors from the 2023 AGM to the 2024 AGM

The Board of Directors proposes that an incremental amount of compensation of CHF 2,200,000 for the members of the Board of Directors for the period from the 2023 AGM to the 2024 AGM be approved.

As a result of the integration of Credit Suisse, in 2023 we expanded the roles of certain Board of Director (BoD) members of UBS Group AG to take on additional responsibilities in the board of directors of significant subsidiary entities. These nominations were and remain critical to providing strong governance and oversight of the subsidiaries, in a manner consistent and in compliance with UBS Group AG’s governance principles, as well as to facilitating the integration of Credit Suisse entities into UBS. Without these appointments, UBS would not have had parent company board representation on these significant subsidiary entities, and would have had difficulty maintaining legally required independent roles across all entities.

- Lukas Gähwiler was appointed as chairman of Credit Suisse AG.
- Jeremy Anderson was nominated as vice chairman of Credit Suisse AG, chair of the audit committee of Credit Suisse AG and, in addition, appointed as a member of the board of directors of Credit Suisse International (UK).
- Mark Hughes was appointed as a member of the board of directors of Credit Suisse AG, a member of its risk committee and, effective 1 December 2023, chair of the risk committee of that board. In addition, Mr. Hughes was appointed as a member of the board of directors of UBS Americas Holding LLC.

Considering the significant increase in the scope, responsibility and complexity of their mandate, these three BoD members will be entitled to receive additional board fees aligned with other non-executive directors on the respective subsidiary entity boards.

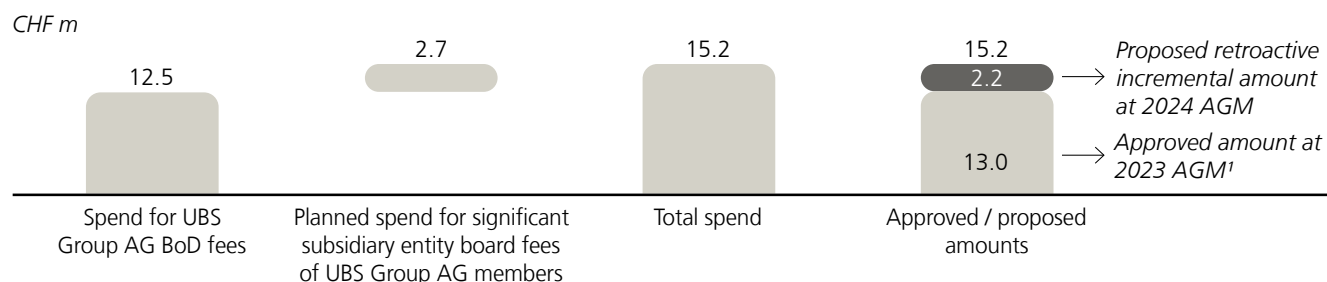
Retroactive incremental amount

Neither the acquisition of the Credit Suisse Group nor the appointments to subsidiary board roles were anticipated when the maximum amount for BoD fees of CHF 13m was submitted at the 2023 AGM. As a result, while the spend for the BoD of UBS Group AG is within the approved amount, at the 2024 AGM we propose that the shareholders approve a retroactive incremental amount of CHF 2.2m for the period from the 2023 AGM to the 2024 AGM to support the additional subsidiary board fees amount that exceeds the original approval at the 2023 AGM.

As a reminder, shareholders of UBS Group AG and Credit Suisse Group AG had approved at their respective 2023 AGM an aggregate amount for board of director compensation of combined total CHF 26m. The estimated total BoD spend in the period from the 2023 AGM to the 2024 AGM is CHF 18.1m, of which CHF 15.2m for the Board of Directors of UBS Group AG (as shown in the chart below) and the remaining amount for the board of directors of Credit Suisse Group AG (pre-merger close) and Credit Suisse AG (post-merger close). As a result, the overall BoD spend is CHF 7.9m lower compared with the combined approved aggregate amount.

For the next period from the 2024 AGM to the 2025 AGM, we have included the subsidiary fees in the overall maximum aggregate amount of compensation for the members of the BoD for shareholders’ approval. Therefore, this vote item will not be required at the 2025 AGM.

Approved UBS Group AG BoD compensation and spend for the period from the 2023 AGM to the 2024 AGM



¹ Does not include the amount of CHF 13m for Credit Suisse Group AG BoD fees approved at Credit Suisse AGM 2023.

Agenda item 9.2. Approval of the maximum aggregate amount of compensation for the members of the Board of Directors from the 2024 AGM to the 2025 AGM

The Board of Directors proposes that the maximum aggregate amount of compensation of CHF 16,500,000 for the members of the Board of Directors for the period from the 2024 AGM to the 2025 AGM be approved.

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

Chairman of the BoD

Under the leadership of the Chairman, Colm Kelleher, 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.

As an independent director, the Chairman’s total compensation for the period from the 2023 AGM to the 2024 AGM consists of a fixed fee of CHF 4.7m, delivered 50% in cash and 50% in shares (blocked for four years). The share component aligns the Chairman’s pay with the Group’s long-term performance. The Chairman does not receive performance awards, severance payments or pension contributions in addition to his fixed fee, but given the full-time nature of his role, he is eligible for employee conditions on UBS products and services.

Vice Chairman of the BoD

As the Vice Chairman of the BoD, Lukas Gähwiler leads the BoD in the absence of the Chairman and, 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. In 2023, Lukas Gähwiler took on additional responsibilities as the chairman of the board of Credit Suisse AG.

As a non-independent director, the Vice Chairman’s total compensation for the period from the 2023 AGM to the 2024 AGM consists of a fixed fee of CHF 1.5m, unchanged from the previous period, delivered 50% in cash and 50% in shares (blocked for four years). The Vice Chairman does not receive performance awards or

severance payments, but is entitled to pension fund contributions and benefits, consistent with all UBS employees and aligned with local market practice.

The Vice Chairman’s fee for his services in the Credit Suisse AG board for the current period from the 2023 AGM to the 2024 AGM consists of a fixed fee without any variable component of CHF 1,000,000, which is delivered 100% in cash.

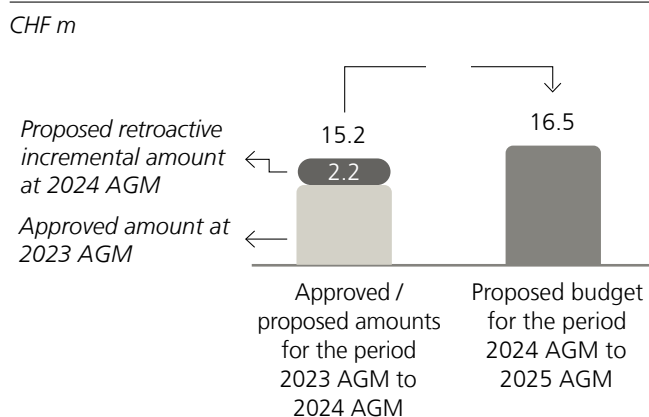
Other BoD members

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

2024 AGM to 2025 AGM proposed BoD compensation

The proposed maximum aggregate amount of compensation for the members of UBS Group AG Board of Directors is CHF 16.5m reflecting all BoD fees, including the total compensation of both the Chairman and the Vice Chairman roles, as well as subsidiary fees of certain UBS Group AG members for their mandates in significant subsidiary entities.

The overall amount is higher compared with the previous period, which reflects the fees to certain BoD members for their continued critical roles in the board of directors of significant subsidiary entities. It also includes a higher fixed fee of CHF 5.5m for the Chairman to reflect the significantly increased scope, responsibility and complexity following the acquisition of the Credit Suisse Group. The fees for other BoD members including the Vice Chairman for their roles in the UBS Group AG BoD remain unchanged.



Note: Excludes UBS’s portion related to the legally required social security contributions, which can vary depending on BoD composition as well as the prevailing tax and employment jurisdictions of the BoD members. For the period from the 2024 AGM to the 2025 AGM, the corresponding amount is estimated at CHF 1.0m. The proposed amount includes benefits for the Chairman and Vice Chairman.

Agenda item 9.3. Approval of the aggregate amount of variable compensation for the members of the Group Executive Board for the 2023 financial year

The Board of Directors proposes that the aggregate amount of variable compensation of CHF 108,286,300 for the members of the Group Executive Board for the 2023 financial year be approved.

We assess each GEB member’s performance against a set of Group financial targets, non-financial objectives and Behaviors. For 2023, we revised the non-financial objectives to increase focus on the integration. This approach continues to foster a focus on GEB priorities, including delivering the integration objectives and the success of the Group, and promotes strong individual accountability.

Financial performance

Our performance in 2023 reflected the costs from the integration of Credit Suisse, the challenging operating conditions for the financial industry, and the uncertainty and market volatility resulting from continued geopolitical tensions. On a consolidated basis, reported profit before tax was USD 28,739m, including USD 27,748m of negative goodwill related to the acquisition, as well as integration-related expenses of USD 4,478m and negative goodwill-related pull to par accretion and other purchase price allocation effects. On an underlying basis, pre-tax profit for the combined businesses was USD 3,963m.

Commitment to return capital to shareholders

Capital strength is a key pillar of our strategy, and we remain committed to maintaining a balance sheet for all seasons. For 2023, the Board of Directors plans to propose a dividend to UBS Group AG shareholders of USD 0.70 per share. We remain committed to progressive dividends and are accruing for a mid-teen percentage increase in the dividend per share for the 2024 financial year.

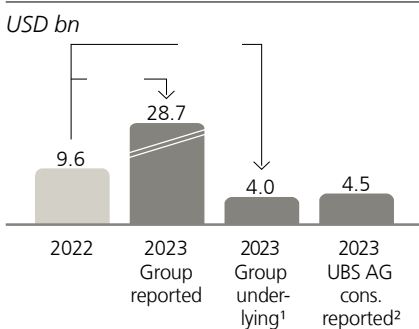
In 2023, we bought back USD 1.3bn of shares before we announced the acquisition, at which point we paused our share repurchases. In 2024, we expect to repurchase up to USD 1bn of shares and our ambition is for share repurchases to exceed our pre-acquisition levels by 2026.

2023 variable compensation for GEB members

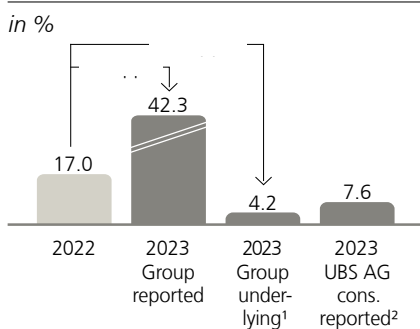
In 2023, we added four GEB members to successfully support the integration. The GEB performance award pool takes into account the changes in GEB composition and reflects the significant progress in the integration, including bringing operational stability to Credit Suisse after the announcement of the acquisition. It also reflects that the Group achieved underlying profitability following the closing of the acquisition and maintained the Group’s strong capital position.

Overall, the GEB performance award pool increased by 34% to CHF 108.3m. On a per capita basis, it decreased by 6%.

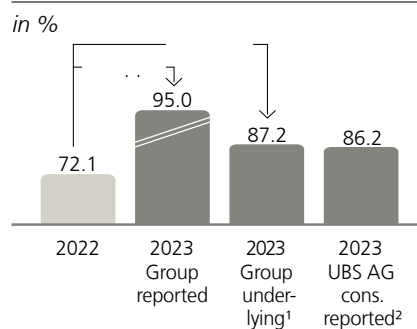
Profit before tax



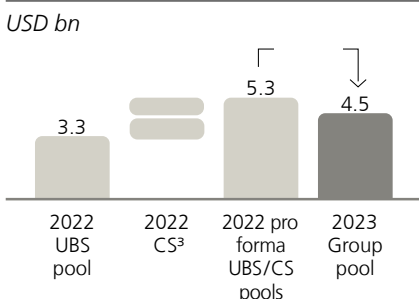
Return on CET1 capital



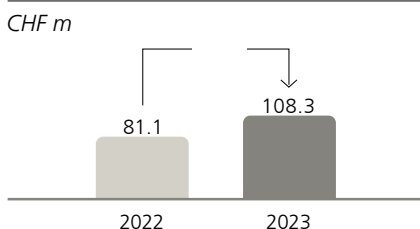
Cost/income ratio



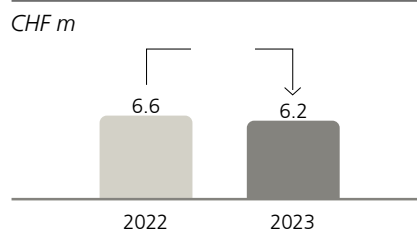
Group performance award pool



GEB performance award pool



Per capita GEB performance award pool



¹ UBS underlying results exclude items of profit or loss that management believes are not representative of the underlying performance. ² Includes UBS AG and its consolidated subsidiaries. For context, the UBS AG consolidated results are on a reported basis and therefore include integration-related expenses of USD 1,392m. ³ Includes Credit Suisse variable incentive compensation pool of USD 1.1bn (CHF 1.0bn) as well as other variable compensation awards of total USD 944m (CHF 899m, including retentions (CHF 367m), transformation awards (CHF 350m), attrition-related retentions (shares / cash CHF 68m) and supplemental cash allowance awards (CHF 114m)). Source: Credit Suisse Group Compensation Report 2022. Swiss franc amounts have been translated into US dollars at the currency exchange rate reported in the UBS Group fourth quarter 2022 report of CHF / USD 1.05.

Agenda item 9.4. Approval of the maximum aggregate amount of fixed compensation for the members of the Group Executive Board for the 2025 financial year

The Board of Directors proposes that the maximum aggregate amount of fixed compensation of CHF 33,000,000 for the members of the Group Executive Board for the 2025 financial year be approved.

GEB fixed compensation

Each GEB member receives a fixed base salary, which is reviewed annually by the Compensation Committee. The 2023 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.

For the former CEO of Credit Suisse Group AG, who became a GEB member after the acquisition, the fixed compensation was reduced following his contractual notice period to align with UBS fixed compensation levels for other GEB members.

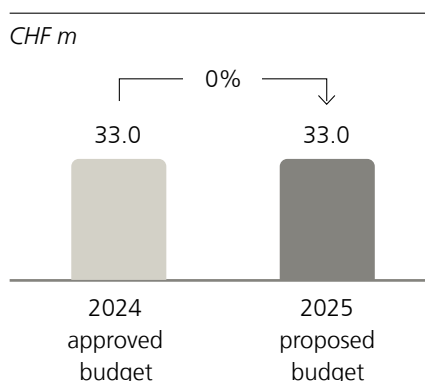
Over the course of 2023, two GEB members held a UK Senior Management Function role for one of our UK entities and one GEB member was identified as a UK-regulated Material Risk Taker. In addition to base salary, a role-based allowance was part of their fixed compensation.

We offer access to benefits for our employees including GEB members, such as health insurance and retirement benefits. Under the Switzerland Pension Fund rules of UBS legal entities, there are no enhanced or supplementary pension contributions for the GEB. The CEO of Credit Suisse AG participates in the Switzerland Pension Fund for Credit Suisse legal entities.

2025 proposed GEB fixed compensation budget

For the GEB, we continue with the same salary level instituted in 2011 and propose no increase to our 2025 GEB fixed compensation budget despite the increase in the number of GEB members in 2023. We achieve this through a lower reserve amount.

Besides the base salaries, the proposed amount includes also estimated standard contributions to retirement benefit plans, as well as other benefits. The included reserve amount provides flexibility in light of potential changes of GEB composition or roles as well as other factors (e.g., changes in FX rates or benefits).



Note: The fixed compensation excludes the portion related to the legally required employer's social security contributions for the 2025 financial year (estimated at CHF 1.6m), which are not considered compensation.

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