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To the UBS Board of Directors and
to the Group and Company
Auditors

Geneva, 18 December 2007

Request for information in accordance with Art. 697 of the Swiss Code of Obligations and
request for a special audit in accordance with Art. 697a of the Swiss Code of Obligations

1. INTRODUCTION

The following request for information is concerned with the consequences of the US subprime crisis for UBS. It is addressed to the extraordinary general meeting that has been scheduled for mid-February. It is also the basis for a request for a special audit that Ethos, in a separate letter dated 18 December 2007, asked to be added to the meeting agenda.

The request for information draws on the following UBS documents and announcements made available to shareholders:

- 2006/2007 Handbook
- Financial Reports from 3 May 2007, 14 August 2007 and 30 October 2007
- Announcements made on 3 May 2007, 6 July 2007, 1 October 2007 and 10 December 2007
- UBS Organisation Regulations (7 December 2006)
- Charter for the Audit Committee (26 April 2007)
- Charter for the Chairman's Office (27 April 2006)

The request also refers to the following document:

- Swiss Federal Banking Commission Circular: Monitoring and Internal Controls (27 September 2006)

2. QUESTIONS THAT ETHOS ASKS THE UBS BOARD OF DIRECTORS

Question 1: Independence of risk control from risk management

Background: According to several UBS documents, the Chairman's Office, which, until October 2007, was made up of three executive board members (Messrs Ospel, Haeringer and Suter), performs tasks relating to risk management and control. For example,

- a. Point 7 in the 'Appendix to the Organisation Regulations' covers the Chairman's Office's tasks with respect to risk management and control. Some of these responsibilities relate to risk management while others are to do with risk control.
- b. In the 2006/07 UBS Handbook, the paragraph headed 'Key responsibilities' in the 'Risk management and control' chapter specifies that "The Chairman's Office oversees the risk profile of the firm on behalf of the Board of Directors and has ultimate authority for credit, market and other risk-related matters". Yet again the difference between risk management and risk control is not made clear.
- c. In the 2006/07 UBS Handbook, the paragraph headed 'Roles and responsibilities of executive board members' in the 'Board of Directors' chapter sets out the responsibilities of the three members of the Chairman's Office. It is clearly stated that Mr Ospel "actively supports major client and transaction initiatives" and that Mr Marco Suter "assumes the function of Chairman's Office delegate to the GEB Risk Subcommittee, where all major risk issues (credit, market, and operational risks) are dealt with". According to this statement, it clearly appears that the Chairman's Office performs risk management functions.

In parallel to this, the introduction of the Swiss Federal Banking Commission Circular of 27 September 2006 emphasises that:

"Effective internal risk control encompasses control activities integrated into work procedures, risk management and compliance processes, risk control that is independent from risk management as well as compliance functions".

- In light of the points mentioned above, what concrete steps did UBS take to implement the Swiss Federal Banking Commission circular of 27 September 2006?
- What measures were taken to ensure the management of the business risks of transactions associated with the US subprime crisis? In particular, did the three executive board directors who make up the Chairman's Office take any decisions in 2006 or 2007 on the management of these risks? If so, what were these decisions?
- The 'Charter for the Chairman's Office' dates from 27 April 2006 and refers to the Swiss Federal Banking Commission Circular of 14 December 1995. Were any measures taken to adapt the 'Charter for the Chairman's Office' following the publication of the Commission's circular in 2006? If so, what were these measures? Were the Chairman's Office's tasks modified?

Question 2: Limit to the volume of high-risk transactions

Point 7.4.3 of the 'Appendix to the Organisation Regulations' and Article 9, section 6 of the 'Organisation Regulations' set out in particular the competences of the Chairman's Office delegate to the Group Executive Board (GEB) Risk Subcommittee. The following questions arise from this:

- Did the Chairman's Office delegate to the GEB Risk Subcommittee use his veto in 2006 or 2007 according to the 'Organisation Regulations' Article 9, section 6?
- Were there any situations in 2006 or 2007 in which the views of the Chairman's Office delegate and the GEB Risk Subcommittee differed? If so, did these situations lead to a decision in the sense of Point 7.4.3. of the 'Appendix to the Organisation Regulations'?
- How often and when did the Chairman's Office delegate to the GEB Risk Subcommittee inform the Chairman's Office about the risks prevalent in 2006 and 2007?
- How often and when did the Chairman's Office delegate to the GEB Risk Subcommittee inform the Board of Directors about the risks prevalent in 2006 and 2007?

Question 3: Existence of a special internal audit in 2006 and 2007

According to Article 27 of the 'Organisation Regulations', it is possible to request that the Chairman's Office order a special internal audit.

- Was the Group Internal Audit requested, in 2006 or 2007, to carry out a special internal audit in connection with the US subprime crisis? If so, did the request for the special audit come from:
 - the Chairman's Office itself?
 - one or several board members (via the Chairman's Office)?
 - a member of the GEB (with the Chairman's approval)?
- If applicable, when was the special audit called for? What were the outcomes?

Question 4: Risk control relating to the reintegration of Dillon Reed Capital Management

On 3 May 2007, UBS announced the reintegration of Dillon Reed Capital Management into its Investment Banking Division.

- Were Dillon Reed Capital Management's risk control regulations prior to the reintegration of 3 May 2007 identical to UBS' regulations? If not, what were the main differences?
- Did Dillon Reed Capital Management's reintegration into the Investment Bank modify the nature and level of risks taken by UBS?

Question 5: Remuneration system for risk control staff

The Swiss Federal Banking Commission Circular of 27 September 2006 specifies that risk control staff's remuneration should not contain any elements that could lead to conflicts of interest.

- What performance indicators were used to determine the remuneration of risk control staff in 2006 and 2007? What indicators were used to determine the Chief Risk Officer's remuneration? What indicators were used to determine the remuneration of the Chairman's Office delegate to the GEB Risk Subcommittee?

Question 6: 2006 Executive remuneration

Executive Directors' and Executive management's remuneration depends on a number of different performance measures.

- Should executive directors' 2006 remuneration be modified in light of the risks created by the US subprime crisis? If so, to what extent?

Question 7: Equal treatment of shareholders and priority rights to subscribe to convertible bonds

On 10 December 2007, UBS announced different measures aiming to significantly increase its capital basis.

- Did certain investors (for example the Government of Singapore Investment Corporation – GIC) receive preferential information in the days preceding the announcement on 10 December 2007, namely regarding the UBS Board of Directors' decision to seek approval for a capital raising at an upcoming general meeting?
- If so, what information was distributed? To whom? When? For what purpose?
- In the event that the priority subscription rights to the convertible bonds are limited or suppressed, what would be the relevant due cause required by law?

3. QUESTIONS THAT ETHOS ASKS THE EXTERNAL AUDITORS

Question 8: Implementation of the Swiss Federal Banking Commission Circular of 27 September 2006

- What findings did you make when reviewing the implementation of the Commission's Circular of 27 September 2006? What findings might you have communicated to UBS' board of directors?

Question 9: Possible restatement of the 2006 accounts

- In light of the controls already being carried out, in particular with respect to the audit of the 2007 accounts, should the 2006 accounts be restated?

Question 10: Independence and adequacy of the risk control system since 2006

- Were you, or are you otherwise, in a position to confirm the independence of the risk control system from the risk management system at the following dates:
 - As at 31 December 2006?
 - As at 31 December 2007?
 - As of today (the date of the EGM in mid-February 2008)?
- Were you, or are you otherwise, in a position to confirm the adequacy of the risk control system at the following dates:
 - As at 31 December 2006?
 - As at 31 December 2007?
 - As of today (the date of the EGM in mid-February 2008)?