



UBS Group AG
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Board of Directors

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Mr. Eric Knight
Knight Vinke
Waaggasse 5
8001 Zurich

8 April 2015

Dear Mr. Knight,

We received your letter dated 27 March 2015, addressed to Mr. Sidwell in his capacity as Senior Independent Director of our Board of Directors, which has been handled in accordance with our internal procedures for letters of this nature. The Senior Independent Director and the Audit Committee have reviewed your assertions and have determined them to be erroneous and without merit.

A number of your questions relate to topics you have already discussed with Tom Naratil in his previous meetings with you and you should refer to those discussions for context and answers. We also would refer you to our most recently published Annual Report for 2014 where there is extensive disclosure on the topics of some of the other questions you have raised. In addition, we would remind you that you may address questions to the Company through the forum provided for all common shareholders at the Annual General Meeting of UBS Group AG.

The Chairman has responded to all of your previous inquiries by reminding you that Tom Naratil, our Group Chief Financial Officer, leads the bank's interactions with our investors, rating agencies and equity analysts. You have met with Tom on several occasions in the past and all of your questions have been addressed. We have evaluated your suggestions and have determined that none of them are superior or additive to the bank's successful strategy.

We want to be very clear and reiterate that the Board of Directors and Group Executive Board are wholly aligned with each other and our shareholders in our desire to execute our business strategy, which is designed to deliver improved and attractive total shareholder returns. The successful execution of this strategy continues to be welcomed by our clients, regulators and investors.

Sincerely yours,

David Sidwell
Senior Independent Director
UBS Group AG

Bill Parrett
Chairman of the Audit Committee
UBS Group AG

Axel Weber
Chairman
UBS Group AG

cc: Mark Branson, Chief Executive Officer, FINMA
Thomas Jordan, Chairman of the Governing Board, SNB