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Profond Joins Other Hldrs Opposing UBS Chairman Nomination

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ZURICH (Dow Jones)--Swiss pension fund **Profond** Wednesday joined the mounting number of shareholders opposing the nomination of UBS AG's (UBS) top lawyer Peter Kurer as the beleaguered bank's next chairman.

"We will reject his election and vote to keep the chair open, to enable the search for and nomination of a qualified chairman," the funds' President, Herbert Braendli told Dow Jones Newswires.

Shareholders will vote on Kurer's appointment April 23, at the bank's annual general meeting.

Braendli's comments follow a statement by former UBS chief executive Luqman Arnold. Arnold's U.K.-based fund Olivant Advisers Ltd. holds a 0.7% stake in the Swiss bank and it has launched a campaign to overhaul the bank's board.

Olivant reiterated Wednesday that UBS needs to commit to a proper search for a chairman, whose qualities include independence and who has relevant experience.

Kurer was nominated last month after the abrupt departure of Marcel Ospel when the bank revealed it had been forced to write down some \$38 billion in securities tied to U.S. subprime mortgage loans.

Profond shares the U.K. fund's concerns.

As an insider, Kurer "stands for continuity in a negative sense, instead of reformation," Braendli said.

UBS's board has frequently been criticized for the lack of banking expertise among its members. The bank, which one of the most severely hit by the collapse of the U.S. subprime mortgage market, has moved to alleviate these concerns by nominating a former Morgan Stanley executive to the board, but activist shareholders say this isn't enough.

Braendli said he hoped several current board members would step down to make room for the nomination of banking experts.

Profond, which has CHF2.5 billion in assets under management, holds about one million UBS shares, valued at about CHF33.8 million at market prices. UBS has a total market capitalization of about CHF66.9 billion.

Company Web sites: www.profond.ch, www.ubs.com

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