

Corporate Governance

Our corporate governance is built upon our values of Honourable, Enterprising, United and Committed and supported by the strong leadership of our Board and Management. Through our robust system of risk management and internal controls, our engagement with our shareholders and other stakeholders, and our culture of accountability and responsibility, we aim to continually exceed the expectations of our regulators and other stakeholders.

In this regard, we have complied with the principles of the Code of Corporate Governance issued in 2018 (2018 Code) and the 2021 MAS Guidelines (defined below), and substantially with the provisions and guidelines of the 2018 Code and 2021 MAS Guidelines, as seen on pages 109 and 110. Where there is any deviation from the provisions or guidelines, we have explained our practices and philosophy. Our corporate governance is guided by:

- the Banking (Corporate Governance) Regulations 2005 (Banking Regulations);
- the listing rules of the Singapore Exchange Securities Trading Limited (SGX-ST Listing Rules); and
- the Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued in 2021 (2021 MAS Guidelines), which comprise the 2018 Code (Code) and Additional Guidelines of the Monetary Authority of Singapore, as amended from time to time.



In 2023, we received the following in recognition of our corporate governance:

Singapore Corporate Awards

- Best Managed Board (Gold) - companies with market capitalisation of \$1 billion and above
- Best Investor Relations (Gold) - companies with market capitalisation of \$1 billion and above

Securities Investors Association (Singapore) Investors' Choice Awards

- Singapore Corporate Governance Award - Big Cap category

Singapore Governance and Transparency Index

- Ranked 4th of 474 Singapore-listed companies (General Category)

Leadership of Board and Management

Board of Directors



**Separation of roles of Chairman
and Chief Executive Officer (CEO)**

Board duties

Our Board is responsible for:

- providing entrepreneurial leadership, and approving and overseeing the implementation of the Bank's strategic direction and overall business objectives;
- setting the Tone from the Top, values, the desired organisational culture and standards of ethical behaviour, and ensuring accountability;
- promoting a strong system of risk management and internal controls;
- determining the overall Group risk profile and appetite;
- approving business plans, annual budgets, capital and debt structures, material investments, acquisitions and disposals;
- approving financial statements;
- overseeing Management's performance;
- establishing a remuneration framework for the Board;
- establishing a remuneration framework for key management personnel, which is consistent with the Bank's long-term strategic objectives and does not create incentives for excessive risk-taking;
- performing succession planning for the Board and Management;
- considering sustainability issues, and overseeing the management of the material environmental, social and governance (ESG) factors; and
- promoting regular and effective communications with shareholders and overseeing relationships with material stakeholders.

The key matters requiring the Board's approval are set out in its terms of reference and communicated to Management. These include:

- setting long-term strategic goals for the Group;
- undertaking mergers and acquisitions, and investments and divestments exceeding specified thresholds;

- commencement of business in new markets;
- setting the dividend policy; and
- determining the material ESG factors and targets.

Where a matter has been reserved for the approval of our Board or a Board Committee in its terms of reference, its approval must be obtained before the matter is acted upon.

Highlights from 2023

Strategy

Our Board approved the Bank's strategy refresh, taking into consideration key trends that are expected to shape the financial service industry, such as changes in economic flows, new emerging industries, artificial intelligence (AI), digital banks and currencies, and competition from other players in the financial industry.

The integration of people, systems and processes following the acquisition of the Citigroup consumer banking businesses in Indonesia, Malaysia, Thailand and Vietnam continued to be an area of focus for our Board. We integrated the acquired businesses in Indonesia and Malaysia in 2023. Integration in Thailand is expected to be completed in 2024, followed by Vietnam in 2025.

Our Board also monitored the progress of the Bank's initiatives towards achieving net zero carbon emissions including plans to support customers in their transition journeys. In advising Management, the Board considered regulatory developments, emerging trends, resources and risk issues.

Succession planning and human capital management

Succession planning continued to be a key focus area for our Board in 2023. Using a skills matrix, our Board reviewed each Director's skills and experience to ensure that our Board comprises directors with diverse skill sets, expertise and experience relevant to the evolving needs of the Bank.

Our Board also deliberated on succession planning for key management positions in the Bank, and guided Management on human resource strategies amid intense competition for talent, new work arrangements and evolving expectations of the workforce. Particular attention was paid to the integration of new colleagues who joined the Group following the acquisition of the Citigroup consumer banking business.

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Recognising that our people are our greatest asset, the Board is committed to upskilling and future-proofing our workforce. During the year, our colleagues benefitted from various skills upgrading and development opportunities. In addition to refresher training on banking-related topics and professional development programmes, courses in life skills and personal well-being were available to support our colleagues in their personal growth and development.

Remuneration

Assisted by the Remuneration and Human Capital Committee (RHCC), the Board reviewed and provided guidance on our remuneration philosophy and the design of our remuneration structure, to ensure that the Group remains competitive and is able to attract, retain and motivate talent. Details on our remuneration approach and structure can be found on pages 91 to 98.

Risk management and internal controls

In 2023, the financial industry continued to face escalating threats from fraud and scams. To protect our interests and those of our customers, our Board focused on the enhancing and implementing various initiatives to combat financial crime, fraud and money laundering activities. This is our commitment to making banking safer for our customers and contributing towards the integrity of the financial systems in the markets we operate in.

Our Board also advised Management on the implementation of new regulatory and industry requirements and standards, such as Basel IV, as well as transitions of benchmark interest rates.

Asset quality

As some sectors are still recovering from the impact of the COVID-19 pandemic, our Board continued to monitor closely our asset quality across different markets, ensuring that we adhere to our risk appetite even as we support our customers and other stakeholders.

Sustainability

The Bank has established a Sustainability Advisory Panel, comprising independent sustainability and industry experts, to advise the Board and Management, and assist them in their oversight responsibilities, on our sustainability strategy, targets and initiatives.

Our Board reviewed and approved the UOB Sustainability Framework, material ESG factors and the UOB Sustainability Report disclosures, including climate reporting in accordance with the Recommendations of the Task Force on Climate-related Financial Disclosures. It also reviewed and endorsed the Bank's disclosure on the progress made towards net zero, and will continue to guide Management towards achieving our net zero targets.

Find out more about our sustainability strategy and initiatives, material ESG factors, and how we support our customers in their sustainability journeys in our Sustainability Report at www.UOBgroup.com/investor-relations/financial/group-annual-reports.html.

Delegation to Board Committees and Management

Five Board Committees support the Board. They are the Audit Committee (AC), Board Risk Management Committee (BRMC), Executive Committee (Exco), Nominating Committee (NC) and RHCC. The terms of reference of the Board Committees are reviewed and approved by the Board and Board Committees annually to ensure that they remain relevant and appropriate. The overlapping membership of the Board Committees facilitates the coordination of work among them.

Matters deliberated upon and the key decisions made by the Board and Board Committees are duly recorded and maintained by the company secretaries. The minutes and summary reports of all Board Committee meetings are circulated to all Directors except where there is a conflict of interest. At Board meetings, the chairs of the Board Committees also report on the key matters reviewed and considered, and on the decisions made by the Board Committees.

Our CEO leads Management in the day-to-day operations of the Bank and in implementing the decisions of our Board. He is assisted by several management-level committees, namely, the Asset and Liability Committee, Anti-financial Crime Committee, Credit Committee, Group Sustainability Committee, Human Resources Committee, Information and Technology Committee, Investment Committee, Management Committee, Management Executive Committee, Operational Risk Management Committee, and Risk and Capital Committee.

Executive Committee

The key responsibilities of the Exco include:

- providing strategic direction and overseeing Management's implementation of strategies approved by our Board;
- reviewing our business plans, budget, and capital and debt structures, taking into consideration our strategic goals and risk appetite;
- reviewing strategic initiatives (including in human capital management and technology initiatives) and transactions;
- reviewing our financial, business and operational performance against the approved strategies and budget; and
- considering sustainability issues and determining material ESG factors.

Highlights of the Exco's activities in 2023:

- Guided Management on refinements and implementation of the strategies approved by our Board, as well as the approach to challenges encountered;
- Guided Management on the integration of the Citigroup consumer banking businesses in Indonesia, Malaysia, Thailand and Vietnam;
- Guided Management on the Bank's strategy refresh, including the focus and progress of specific business lines;
- Monitored the progress of our sustainability strategy;
- Reviewed our funding strategy and initiatives;
- Guided Management on communications and engagements with our stakeholders; and
- Reviewed our dividend policy.

Key processes

Our Board and Board Committee meetings, and Annual General Meeting (AGM) are scheduled well before the start of each year and our Directors are notified promptly after the dates are fixed. Additional meetings may be convened when necessary.

A Director who is unable to attend a meeting due to exigencies may convey his¹ views through another Director or the company secretaries.

Decisions of our Board and Board Committees are made by consensus. In the event of a divergence in views, decisions are made by a majority vote and the dissenting views are recorded. Decisions may also be made by way of resolutions in writing. These are reserved mainly for administrative or routine matters, or to document decisions on matters that had been previously deliberated on.

Meeting materials are furnished to our Directors well in advance of each meeting through a secure portal accessible via tablet devices provided by the Bank. Where appropriate, Management may seek inputs from Directors ahead of the meeting for more focused discussions. Subject-matter specialists and professional advisers may also be invited to share their expertise at meetings. Directors set aside time at Board meetings for discussions in the absence of Management. They also meet frequently outside formal board meetings. In addition, Directors may meet privately with the Chairman and/or NC chair. Between meetings, Management updates our Board or Board Committees on matters of interest to them or that require their attention, on an ongoing basis.

The Board and Management come together each year for our Annual Strategy Refresh, where we review our strategy in light of current developments. Our Board also holds an in-country retreat each year in one country where we operate. In-country retreats are opportunities for our Board to meet with the local boards, management teams and employees, and have a better understanding of the markets in which we operate. At such retreats, our Board also hear from local experts on specific topics. In 2023, the retreat was held in Malaysia.

Our Board keeps in touch with the developments and progress of our regional subsidiaries and offices through regular reports or briefings, depending on the circumstances of each subsidiary or office. These ensure that our regional operations and subsidiaries remain aligned with the Group's strategy and are well-placed to support one another and our customers.

¹ A reference to one gender includes other genders.

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Board attendance

The Directors' attendance at formal meetings in 2023 is set out in the table below.

Name of Director	Status	Number of meetings attended in 2023						
		AGM	Board	AC	BRMC	EXCO	NC	RHCC
Wong Kan Seng	Independent	1	•5	-	5	•4	3	5
Wee Ee Cheong	Executive	1	5	-	5	4	3	-
Michael Lien Jown Leam	Non-independent, Non-executive	1	5	-	-	4	3	-
Wee Ee Lim	Non-independent, Non-executive	1	5	-	5	-	-	5
Steven Phan Swee Kim	Independent	1	5	•4	-	4	•3	5
Chia Tai Tee	Independent	1	5	4	•5	-	3	-
Tracey Woon Kim Hong	Independent	1	5	4	5	-	-	•5
Dinh Ba Thanh	Independent	1	5	-	-	-	-	-
Teo Lay Lim	Independent	1	5	4	-	4	-	-
Ong Chong Tee	Independent	1	5	-	5	4	-	-
Number of meetings held in 2023		1	5	4	5	4	3	5

• Denotes chairman.

Managing potential conflicts of interests

Our Directors disclose their interests in various matters at least quarterly. A Director who has an interest in a matter that may conflict with his duties to UOB must disclose the details of his interests, recuse himself from the discussion and abstain from voting on the matter. Such abstentions are duly recorded in the minutes of meeting.

Access to Management, advisers and information

The Directors have independent and unfettered access to Management, the company secretaries and the internal and external auditors. Our Board and Board Committee chairs meet separately with the relevant function heads or in-house specialists in preparation for Board and Board Committee meetings.

Our Chairman also meets with Management and other relevant function heads regularly to keep abreast of developments and initiatives.

Directors may also seek independent professional advice or engage subject-matter experts at the Bank's expense in the course of discharging their duties.

Company secretaries

Two legally-trained company secretaries support our Directors in discharging their responsibilities and in monitoring the implementation of decisions made by the Board and Board Committees. They also advise the Board on governance matters, update on applicable laws

and regulations, and facilitate communications between the Board and Management, and between the Bank and its stakeholders. The company secretaries facilitate the induction for new Directors and existing Directors who have been appointed to new Board Committees, the Board's professional development and the engagement of subject matter experts, where necessary.

The appointment and removal of the company secretaries are subject to our Board's approval.

Board Composition and Directors

Chairman and Chief Executive Officer

Our Chairman, Mr Wong Kan Seng, is an independent Director. He leads our Board, sets the Board meeting agenda and promotes a culture of openness and debate. He facilitates the effective contribution of all Directors and information flow between our Board and Management, and sets the right ethical and behavioural tone. In addition, he oversees corporate governance matters, guides the engagement with stakeholders and chairs our general meetings. In 2023, Mr Wong was a member of all Board Committees except the AC. Nevertheless, he attended all AC meetings. These meetings provide him with a good overview of all Board Committees' activities. In March 2024, Mr Wong was appointed as a member of the AC.

Our Chairman also meets with Directors individually or in small groups from time to time.

Mr Wee Ee Cheong, our CEO, leads the management team in implementing the strategies and plans approved by our Board. He also seeks regional business opportunities, ensures regional operations are aligned to the Group strategy, and drives strategic initiatives. In addition, he promotes a risk-focused and inclusive culture, and practices that are consistent with our values, as well as fosters a conducive environment for our colleagues to achieve their organisational and personal goals. He is supported by management committees that help to oversee various aspects of the Bank's operations, including ensuring that the system of risk management and internal controls is adequate and effective, and that our work culture and environment are safe and healthy. The management-level committees are further supported by specialist committees with domain expert representation to oversee specific areas.

Lead independent director

Our Board has not appointed a lead independent director as our Chairman is independent, has no familial or other close ties with our CEO and is not a substantial shareholder. Furthermore, the Board comprises a majority of independent and non-executive Directors. If the Chairman is conflicted on any matter, our NC chair will fulfil the role, on a case-by-case basis, as circumstances warrant.

Nominating Committee

Our NC supports our Board in:

- assessing the independence of Directors;
- reviewing the size and composition of our Board and Board Committees;
- assessing the performance of our Board, Board Committees and each Director, including recommending the process and criteria for evaluation;
- establishing a board diversity policy and monitoring compliance with the policy;
- recommending the appointment and re-election of Directors;
- performing succession planning for our Directors;

- implementing a programme for the continual development of our Directors;
- reviewing the nominations and reasons for resignations of relevant Management personnel, including the CEO, Chief Financial Officer (CFO) and Chief Risk Officer (CRO); and
- performing talent management and succession planning for our CEO and relevant Management personnel.

The NC's main activities are described on pages 87 to 91.

Board independence

Our Board adopts the criteria for independence of a director under the Banking Regulations, SGX-ST Listing Rules and MAS Guidelines. A director is deemed to be independent if:

- he has no relationship with the bank, its related corporations, substantial shareholders or officers that could interfere or reasonably be perceived to interfere with the exercise of the director's independent business judgement in the best interests of the bank;
- he is not or has not been employed by the bank or any of its related corporations in the current or any of the past three financial years;
- he does not have an immediate family member who is or has been employed by the bank or any of its related corporations in the current or past three financial years and whose remuneration is or was determined by the remuneration committee; and
- he has not served on the board for nine years or longer, in aggregate.

Our NC assists our Board to assess the independence of each Director based on the above criteria, the disclosure of his other appointments and commitments, interests, personal circumstances and his performance in the discharge of his duties annually.

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Our NC's assessment of our Directors' independence and the bases of its assessment are as follows:

Independent Directors	Non-independent, non-executive Directors	Executive Director
<p> Wong Kan Seng Steven Phan Swee Kim Chia Tai Tee Tracey Woon Kim Hong Dinh Ba Thanh Teo Lay Lim Ong Chong Tee </p> <ul style="list-style-type: none"> Meet all independence criteria 	<p> Michael Lien Jown Leam </p> <ul style="list-style-type: none"> Closely connected to a substantial shareholder <p> Wee Ee Lim </p> <ul style="list-style-type: none"> A substantial shareholder The estate of his late father, Wee Cho Yaw, is a substantial shareholder. His brothers, Wee Ee Cheong and Wee Ee Chao, are substantial shareholders His brother, Wee Ee Cheong, is a Director and the CEO 	<p> Wee Ee Cheong </p> <ul style="list-style-type: none"> The CEO A substantial shareholder The estate of his late father, Wee Cho Yaw, is a substantial shareholder. His brothers, Wee Ee Chao and Wee Ee Lim, are substantial shareholders. His brother, Wee Ee Lim, is a Director

Fitness for office

Annually, each Director makes a declaration based on the MAS Guidelines on Fit and Proper Criteria. The NC reviews the declarations and considers any other relevant information that comes to its attention when assessing if our Directors remain fit and proper for office. The NC also reviews the performance of each Director every year. Taking these into consideration, our NC has determined that all Directors are fit and proper for office.

Board size, composition and diversity

The NC reviews the Board's size, composition and skill sets regularly to ensure it has the appropriate mix and balance of skills, experience, independence and knowledge and that collectively, the expertise and skills of our Board members are appropriate for the discharge of the responsibilities of the respective Board Committees, having regard to the strategies and aspirations of the Group, and developments in the markets in which we operate.

Our Board Diversity Policy sets out the Bank's approach to and framework for ensuring the diversity of our Board. Its objectives are to achieve a range of insights from a broader perspective in decision-making, to avoid groupthink, share country/industry peculiarities and ensure continuity in Board succession. The dimensions of diversity considered by our Board include functional and domain skills, regional experience, industry experience, age, gender, ethnicity and culture, tenure and independence.

Newer Directors bring fresh perspectives whereas Directors with longer tenure ensure stability and continuity.

This balanced approach of having Directors of different expertise and tenures on the Board has helped to bring about quality discussions and kept our Board renewal process smooth.

Our Board is satisfied that the current board size of 10 Directors is appropriate. It is also satisfied that the Board is sufficiently diverse to meet the needs of the Group and ensure the effective oversight of the Group's affairs. Collectively, our Directors' skills, expertise and experience span different industries, markets, professions and the public and private sectors. Their core competencies include banking and other financial services, strategic planning and development, transformation, accounting and finance, audit, human resources, risk management, corporate governance, policy and regulatory matters, consumer services, marketing, technology and media, which are competencies essential to the business of the Bank. Our NC maintains a board skills map that charts the skills, expertise and experience of the incumbent directors and which is used to help identify any potential gap in the Board and Board Committees. None of our Directors has appointed an alternate director.

The Board targets to have at least one female director on our Board at all times. This target has been exceeded. In conducting a director search, our NC will take into account our diversity target, any gap that is identified or anticipated, and the time horizon of the gap.

More information on the appointment of Directors can be found on page 90.

Board Committee composition

At least annually, our NC reviews the composition of the Board Committees, taking into consideration each Director's respective expertise and time availability. Highlights of our Board Committee composition are below:

Audit Committee	<ul style="list-style-type: none"> • Five members • All members are independent • All members have recent and relevant accounting or related financial experience or expertise: <ul style="list-style-type: none"> ○ AC chair, Mr Steven Phan, was an accountant and auditor by profession. He has more than 35 years of experience in audit and advisory roles ○ Dr Chia Tai Tee was the chief risk officer of a state-owned investment company, where his responsibilities included reviewing financial performance of portfolio assets ○ Ms Tracey Woon was an investment banker for more than 40 years, during which she advised on corporate finance, debt finance and wealth management transactions, and financial strategy and impact. She has also held leadership roles in an international bank, where her duties included reviewing financial performance ○ Ms Teo Lay Lim has held professional leadership roles, including as the chief executive officer and chair of several large organisations, where her responsibilities included overseeing financial performance ○ Mr Wong Kan Seng has deep experience in a wide range of topics garnered from his years in the Cabinet of Singapore, including as Deputy Prime Minister • None of the AC members has served as a partner or director of our current external auditor within the two years prior to his appointment to the AC or holds any financial interests in the external auditor
Board Risk Management Committee	<ul style="list-style-type: none"> • Six members • Majority of the members, including the chair, are independent • BRMC chair, Dr Chia Tai Tee, was the chief risk officer of a state-owned investment company from 2011 to his retirement in 2020
Executive Committee	<ul style="list-style-type: none"> • Six members • Majority of the members, including the chair, are independent
Nominating Committee	<ul style="list-style-type: none"> • Five members • Majority of the members, including the chair, are independent
Remuneration and Human Capital Committee	<ul style="list-style-type: none"> • Four members • Majority of the members, including the chair, are independent • All the members are non-executive

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Board performance and time commitment

Each Director performs a self-assessment and an assessment on the Board and each Board Committee of which he is a member annually. The format and structure of the assessments are approved by our Board. The responses are collated by the company secretaries and the anonymised results are submitted for our NC's review. Each Board Committee also receives the anonymised results as well as relevant comments from other Directors.

Our NC also reviews the performance of each Director during the year. No Director is involved in his own assessment.

In evaluating our Board's performance, our NC considers qualitative and quantitative factors including:

- the Bank's performance; and
- the Board's organisation and responsibility for the Bank's strategy, progressive renewal of the Board, sustainability, risk management and internal controls, corporate governance and regulatory compliance.

It also considers the number of directorships and principal commitments when evaluating the time commitment of Directors, as guided by our internal guidelines on time commitment of Directors. The guidelines differentiate between Directors with or without full-time employment. Directors are encouraged to inform our NC chair prior to accepting any proposed new appointment, and the NC chair may provide advice or feedback, where appropriate. In the NC's opinion, our Directors have devoted sufficient time and attention to matters of the Group in the discharge of their responsibilities, both in and outside meetings.

Appointment and re-election of Directors

The selection of Directors is based primarily on merit, with due and conscious consideration for the needs of our Board in terms of skills and diversity.

When appointing or re-electing a Director, our NC:

- reviews our strategic objectives and identifies the skill sets that will help us achieve those objectives;
- reviews candidates' skill sets and experience, independence, qualification for office, personal attributes such as integrity and financial soundness, and ability to commit time to the Bank's affairs;
- conducts due diligence on candidates to ensure they are fit and proper for office and ascertain their independence;

- takes into account the operating environment, emerging trends and potential developments in the market; and
- considers the pipeline for ongoing succession planning.

All Directors are invited to nominate candidates from time to time. In order to access a wider range of skill sets, experience, expertise and aspects of diversity, our Board may, where appropriate, engage an external consultant to help broaden the search for directors.

Our NC reviews the suitability of each candidate, taking into account the needs of our Bank, before making its recommendation to the Board. Suitable candidates with the required or desired skill sets are monitored for their availability and time commitments. With our Board's concurrence, our NC chair initiates discussions with the candidates as appropriate and updates our Board regularly on the progress. When appropriate, Directors meet candidates to assess their suitability. All Board appointments are subject to the approval of the MAS.

New Directors must submit themselves for re-election at the first AGM following their appointment, and all Directors retire by rotation at least once in every three years.

When evaluating a Director for re-election, our NC also considers that Director's performance and time commitment, and whether his skills, expertise and experience remain relevant to the evolving needs of the Bank. Directors are put up for re-election at the AGM individually.

Refer to pages 246 to 249 for the Additional Information on Directors Seeking Re-election.

Induction of new Directors

An induction package, which includes the Articles of Directorship, terms of reference of the Board and Board Committees, guidance on directors' duties and relevant company policies, is provided to newly-appointed Directors. Newly-appointed directors also receive briefings on key business areas and support functions, our system of risk management and internal controls, and sustainability initiatives.

When a Director is appointed to serve on a Board Committee, he is also briefed on matters relevant to the responsibilities of that Board Committee, as needed.

New Directors who have no prior experience as directors of public-listed companies also attend training programmes stipulated by SGX-ST.

Directors' Development Programme

Our Directors receive briefings to keep abreast of developments which are relevant to the Bank and industry. Topics range from those on the banking industry to other topics such as technological development and socio-economic, political or regulatory matters. At least half a day is set aside each quarter, during which training may be conducted by internal or external subject-matter experts.

In 2023, our Directors received training on data analytics (DA), AI, cybersecurity, new technology, blockchain and digital assets, cryptocurrency money laundering risks, Basel IV, sustainability, net zero and sanctions. The Directors also visited our backroom facilities to learn about our technology risk management. There were also dialogue sessions with our Technology Advisory Panel and Sustainability Advisory Panel on technology and sustainability issues and developments respectively.

All Directors have completed their training on Environmental, Social and Governance Essentials under the Singapore Institute of Directors' Listed Entity Directors Programme.

Leadership succession

Our NC performs succession planning for our CEO and other relevant Management personnel. We have established frameworks and policies for human capital development and succession planning for Management, including for our Head of Group Audit (GA).

We believe in growing our own timber and are committed to developing a pipeline of leaders from among our colleagues to support our long-term strategy and growth. Colleagues with the right values and who have the requisite competency and leadership potential are identified, and nurtured through structured development programmes, including functional and leadership skills training, mentorship and participation in significant projects. Cross-functional training, regional exposure and networking opportunities are also provided. Our Board monitors the progress of our leadership talents closely and meets with them regularly.

At the same time, we appreciate fresh perspectives and insights of external candidates and welcome those who can augment our collective skill sets and experience.

Remuneration and Human Capital

Our RHCC seeks to ensure that our compensation and benefits strategies support the creation of long-term value and strengthen our franchise, and are aligned with the long-term interests of shareholders and other stakeholders. In determining the total compensation for our Group, the RHCC considers various factors including underlying business risks, business outlook, performance, investments in infrastructure and capabilities, as well as market trends for comparable positions. Our BRMC provides input to our RHCC to ensure that our remuneration and incentive practices do not incentivise inappropriate risk-taking.

Remuneration and Human Capital Committee

The main responsibilities of our RHCC are:

- determining a remuneration structure and framework for our Directors;
- overseeing performance assessment of Senior Management;
- determining a remuneration framework for employees that is appropriate and proportionate for sustained performance and value creation, for long-term success, and linked to performance and risk management; and
- reviewing frameworks and policies for succession planning and human capital development.

Highlights of our RHCC's activities in 2023:

- Reviewed our employee remuneration structure in relation to our long- and short-term strategies, to build and strengthen our human capital for continued relevance and sustainability, keeping in view the intense competition for talent in the market;
- Approved changes to our variable pay deferral policy and enhancements to the total compensation model;
- Advised Management on the performance, incentive and consequence framework for employees;
- Guided Management on our workforce strategy, including skills development and upskilling for our colleagues;

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- Reviewed the size, shape and skills of our workforce as well as the strategies for recruitment and retention, bearing in mind the long-term strategic objectives of our Bank;
- Guided Management on the integration of new colleagues from the acquisition of the Citigroup consumer banking business;
- Monitored our progress in nurturing our talent at different levels, in providing opportunities for all suitable candidates and building a pipeline of regional leaders of the future; and
- Advised Management on employee engagement, communication and culture.

Directors' remuneration

The proposed fee structure for Directors for the financial year ended 31 December 2023 is as follows:

	Chair	Member
Basic fee	1,100,000	110,000
Audit Committee	110,000	70,000
Board Risk Management Committee	110,000	70,000
Executive Committee	110,000	70,000
Nominating Committee	65,000	45,000
Remuneration and Human Capital Committee	65,000	45,000

Details of the proposed total fees and other remuneration paid/payable to our Directors for the financial year ended 31 December 2023 can be found in the table below. Save for the remuneration disclosed below, our Directors do not receive any other remuneration. The directors' fees payable to Directors who have served less than a year are pro-rated.

	Directors' Fees \$	Fees from subsidiaries \$	Salary \$	Bonus \$	Benefits-in-kind and others ¹ \$	Total \$
Wong Kan Seng	1,370,000	–	–	–	–	1,370,000
Wee Ee Cheong ²	–	–	1,200,000	14,690,000	39,701	15,929,701
Michael Lien Jown Leam	225,000	–	–	–	–	225,000
Wee Ee Lim	225,000	–	–	–	–	225,000
Steven Phan Swee Kim	400,000	–	–	–	–	400,000
Chia Tai Tee	335,000	–	–	–	–	335,000
Tracey Woon Kim Hong	315,000	–	–	–	–	315,000
Dinh Ba Thanh	110,000	–	–	–	–	110,000
Teo Lay Lim ³	250,000	–	–	–	–	250,000
Ong Chong Tee ⁴	250,000	–	–	–	–	250,000

- Transport-related benefits, including the provision of a driver for Mr Wee Ee Cheong.
- 60% of the variable pay to Mr Wee Ee Cheong is deferred and will vest over the next three years. Of the deferred variable pay, 40% will be issued in deferred cash, while the remaining 60% will be in the form of share-linked units.
- Ms Teo Lay Lim was appointed as a member of the Audit Committee on 1 January 2023.
- Mr Ong Chong Tee was appointed to the Board and as a member of Board Risk Management Committee and Executive Committee on 1 January 2023.

Eligible non-executive Directors will receive approximately 30 per cent of their fees in fully paid ordinary shares (share awards) in lieu of cash, pursuant to the UOB Share Plan. There will be no dilutive impact on shareholders as the shares are drawn from the pool of treasury shares. The actual number of shares to be awarded to eligible non-executive Directors will be determined by reference to the volume-weighted average price of the ordinary shares over the 10 trading days immediately following from the date of the Bank's AGM. The number of ordinary shares to be awarded will be rounded up to the nearest 100 shares and the cash amount representing the additional number of ordinary shares delivered as a result of the rounding up

exercise will be correspondingly deducted from the cash component of the Directors' fees.

Although the share awards granted to eligible non-executive Directors are not subject to any vesting period or condition, the eligible non-executive Directors are encouraged to voluntarily hold the ordinary shares which are the subject of each share award for at least three years from the grant of the share awards for so long as they are Directors of the Bank. The voluntary retention of shares would serve to align Directors' interests with the long-term interests of the shareholders and the Bank.

Mr Wee Ee Lim is a substantial shareholder while Mr Michael Lien is closely associated with a substantial shareholder. Hence, they do not participate in the UOB Share Plan and directors' fees payable to them will be paid wholly in cash. Mr Wee Ee Cheong, an executive Director, is remunerated as an employee and does not receive any directors' fees for serving on the Board and Board Committees.

The fees payable to retiring/retired eligible or deceased Directors will be paid wholly in cash.

No Director was involved in the determination of his own remuneration.

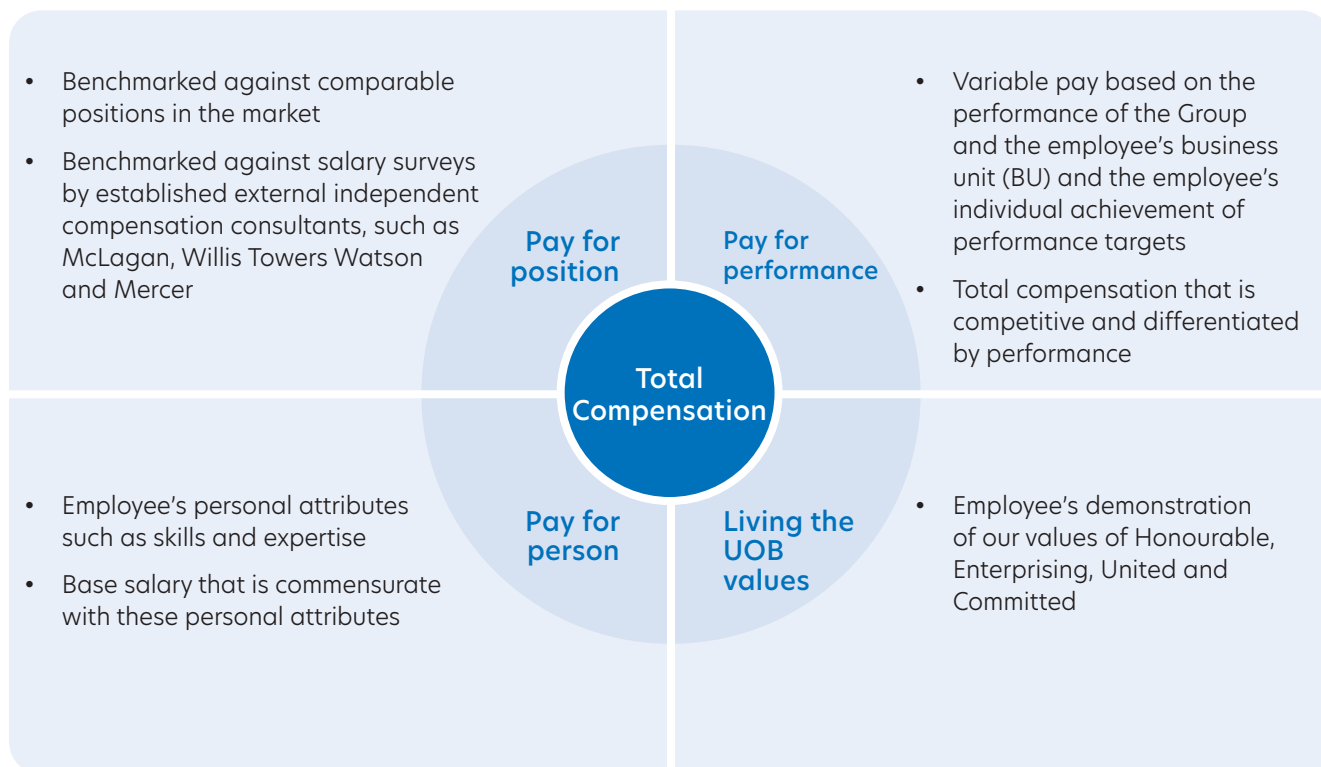
Employees' remuneration

The Bank's meritocratic remuneration practices support the Group's long-term business and people strategies and objectives, and are aimed at providing each employee with a fair total compensation.

Our remuneration policy for employees sets out the principles and philosophies that guide the design, operation and management of our remuneration programmes. It takes into account the principles and standards set by the Financial Stability Board (FSB P&S), 2021 MAS Guidelines and the G30 Recommendations on Banking Conduct and Culture. The policy covers the remuneration of all employees and is reviewed by our RHCC regularly to ensure our compensation practices and programmes are appropriate to attract, retain and motivate a highly-skilled workforce, while also meeting applicable regulatory requirements.

Our RHCC considers key aspects of employee remuneration, including the termination provisions in service contracts, and reviews and approves the overall performance bonus, share-based incentive plans and Senior Management's remuneration based on the total compensation structure approved by our Board.

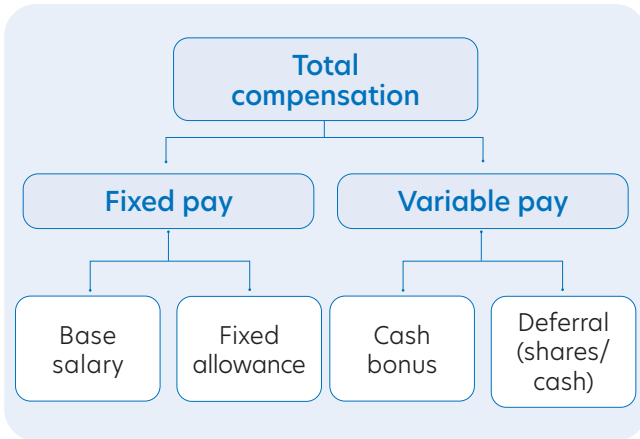
Ensuring fair compensation for every employee



Corporate Governance

Our total compensation structure

Our total compensation structure comprises two main components, namely, fixed and variable pay. Under our Group's total compensation framework, the total compensation paid to employees is a function of the Group's net profit before tax.



Fixed pay

Fixed pay consists of a base salary and fixed allowances that are pegged to the market value of the job.

Variable pay

Variable pay comprises cash bonuses and deferrals in the form of cash or shares, where applicable. It is a means of rewarding employees based on the performance of our Group and their BUs, the employees' individual performance and contributions, as well as behaviour that is aligned to our values. An employee's variable pay is determined based on the process shown on the right.

Determining the variable pay pool

- Determine variable pay pool based on the performance against the Group's Balanced Scorecard (BSC)
- Where applicable, adjust based on outcomes of the Group Risk Appetite Statement (GRAS)
- In the event of poor performance, the RHCC has the discretion to adjust the variable pay pool downwards



Allocating the variable pay pool to BUs

- Allocate to BUs based on the achievements of cascaded targets in the BSC, taking into account productivity
- Country heads are consulted on the variable pay pools allocated to in-country BUs

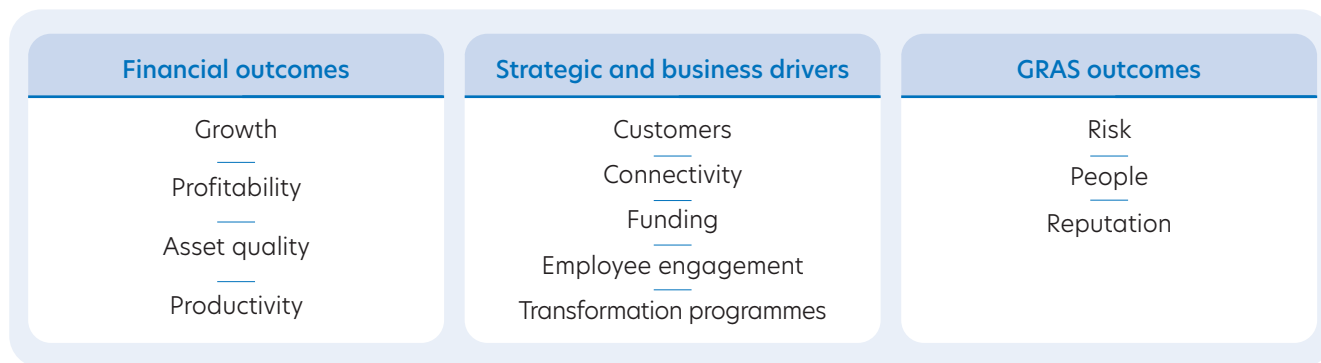


Distribute variable pay to individuals

- BUs determine their rewards based on, *inter alia*, the achievement of performance objectives, competencies and behaviours with respect to the UOB values
- Balance is sought between the achievement of key performance indicators and behaviour
- Employees who have exceeded performance expectations receive higher variable pay

Group Balanced Scorecard

Our Group's BSC includes metrics for financial outcomes, as well as strategic and business drivers. To align with our strategic focus on sustainability, sustainability-related metrics are embedded in our Group BSC (under Transformation programmes) and GRAS.



Senior Management - The variable pay pool for our Senior Management is determined based on our net profit before tax with reference to the Group BSC and risk-weighted metrics. The usage of risk-weighted metrics emphasises our prudent capital usage and risk management approach across the Group. Senior Management refers to the CEO and members of the Group Management Committee who have the authority and responsibility for their respective Group functions.

Control job functions - To ensure independence, employees in control job functions, namely Risk Management, Credit, Compliance and Audit, are compensated independently of the performance of any business line or BU that they oversee or audit. The compensation of such employees is determined based on the overall performance of the Group, the achievement of operational key performance indicators of the control function and the performance of

the individual employee. Our BRMC and AC approve the remuneration for our CRO and Head of GA, respectively, based on the Group's remuneration approach, and with the concurrence of our RHCC.

Variable pay deferrals

Our Group variable pay deferral policy applies to employees in senior grades, material risk takers (MRTs) and material risk personnel (MRP). MRTs are employees with significant organisational responsibilities that have a material impact on our Group's performance and risk profile, and employees with high-risk mandates in the form of risk-weighted assets, trading limits and trading sales budgets. MRP are employees who have the authority to make decisions or conduct activities that can significantly impact the Bank's safety and soundness, or which cause harm to a significant segment of the Bank's customers or other stakeholders, as defined in our Policy on Individual Accountability and Conduct.

Corporate Governance

The objectives and details of our deferral policy are as follows:

Objectives	Details
<ul style="list-style-type: none"> To align compensation payment schedules with the time horizon of risks To align the interests of employees with the long-term interests of shareholders and our Group To retain employees whose contributions are essential to the long-term growth and profitability of our Group To deliver compensation in a manner that drives the long-term performance of our Group 	<ul style="list-style-type: none"> 30 to 60 per cent¹ of the variable pay of MRTs and MRP is subject to deferral, with the proportion of deferral increasing with the amount of variable pay received In addition to regulatory requirements, 20 to 40 per cent of variable pay for employees in senior grades who are non-MRTs and non-MRP is subject to deferral Deferred variable pay may be in the form of deferred cash or shares under the UOB Share Plan² Deferred cash vests equally over three years while 30 per cent and 70 per cent of deferred shares vest in the second and third years respectively Vesting schedules may differ for MRP who are on sales incentive plans, and in countries where local regulations are stricter Deferred compensation is subject to <i>malus</i>³ and clawback within a period of up to seven years from the grant dates Unvested portions of the deferred cash and shares may be eligible for interest and dividends respectively

1. Except for the CEO, for whom 60 per cent of variable pay is deferred, 40 per cent of the variable pay for Senior Management is deferred, in line with the requirements of the MAS Guidelines and FSB P&S. Please see page 92 for the details of our CEO's remuneration. As our current pay mix has a comparatively larger variable component, strict adherence to the MAS Guidelines and FSB P&S would affect the cashflow of our employees more than the market. Therefore, the Bank will gradually increase deferral rates to comply with the MAS Guidelines over two years, FY2023 and FY2024. Currently, more than half of our MRTs' and MRP's variable pay deferral is at at least 40 per cent. To ensure that the Bank remains competitive in the marketplace for talent, there will be no change to the variable pay deferral rates for MRP who are on sales incentive plans.
2. Details of awards under the UOB Share Plan can be found at Note 42 of the Financial Statement.
3. *Malus* of unvested deferred compensation and/or clawback of paid deferred compensation will be triggered by conduct constituting, causing or contributing to, *inter alia*, material violation of risk limits, financial losses or adverse change in risk profile, restatement of financial results or misconduct, malfeasance or fraud. The RHCC has the discretion to enforce *malus* and clawback of any deferred compensation.

The deferral guidelines and vesting conditions apply consistently to retiring, retired and retrenched employees. The Bank does not offer any accelerated payment of deferred compensation for employees leaving the Group other than in exceptional cases, such as death in service. There is also no special retirement plan, golden parachute or special severance package for any employee.

Remuneration governance

In 2023, we engaged two external management consulting firms, Aon Solutions and Oliver Wyman. Aon Solutions provided an independent review of the Bank's remuneration framework and policies against regulatory requirements.

The results showed that the Bank was in compliance with the intent of the regulatory requirements.

Oliver Wyman provided an independent review of the Group's variable pay deferral policy and total compensation model. Following the review, our RHCC approved changes to our variable pay deferral policy and enhancements to the total compensation model.

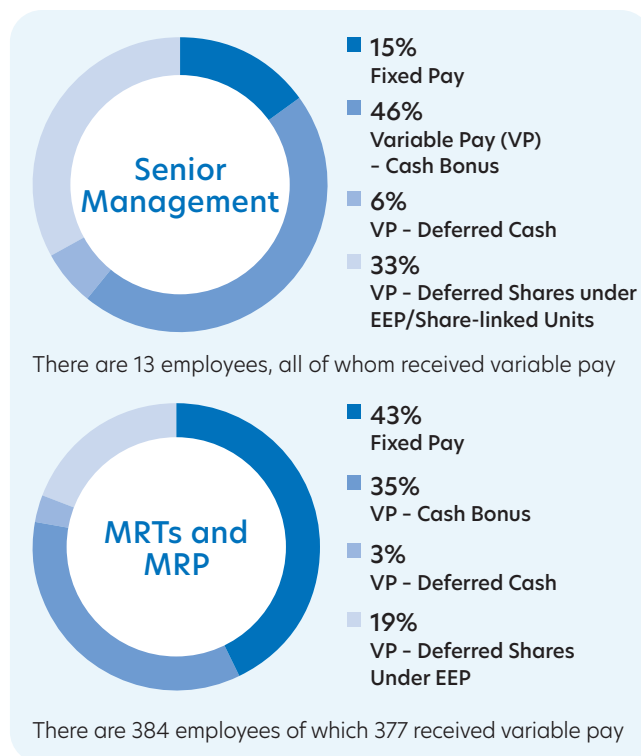
The consulting firms and their consultants engaged in the year are independent and unrelated to UOB or any of our Directors.

Remuneration outcomes in 2023

Our Group's net profit attained new heights in 2023 with the completion of the acquisition of the Citigroup consumer banking business, which deepened our regional presence and supported risk-adjusted returns for our shareholders. As a testament to our diversified commercial banking model, total income reached a new high of \$13.9 billion, expanding 20 per cent on the back of higher interest rates and record fees from cards and investment banking. Expenses rose 15 per cent as our Group continued to invest in talent and technology to support franchise growth. Cost-to-income ratio, excluding one-off costs relating to the acquisition of the Citigroup consumer banking business, improved to 41.5 per cent, reflecting our measured approach to investments while building sustainable growth. Asset quality remained benign with non-performing loan ratio easing to 1.5 per cent. With sound levels of reserves, capitalisation and funding, the Group is well-placed to navigate macro uncertainties with resilience. In line with our Group's improved performance, our Group's variable pay pool increased.

Our RHCC also took into account the GRAS and BSC outcomes when determining our Group's compensation. The level and structure of remuneration are aligned with our long-term interests and our risk management policies.

Breakdown of remuneration awarded to Senior Management, MRTs and MRP in 2023



Breakdown of deferred remuneration in 2023

Deferred and retained remuneration	Total outstanding deferred remuneration	of which: total outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustments	Total amendments during the year due to ex post explicit adjustments ⁽¹⁾	Total amendments during the year due to ex post implicit adjustments ⁽²⁾	Total deferred remuneration paid out in the financial year
Senior Management	100%	100%	0%	0%	37%
Cash	12%	12%	0%	0%	6%
Shares and share-linked instruments	88%	88%	0%	0%	31%
Other forms of remuneration	0%	0%	0%	0%	0%
MRTs and MRP	100%	100%	0%	0%	35%
Cash	6%	6%	0%	0%	2%
Shares and share-linked instruments	94%	94%	0%	0%	33%
Other forms of remuneration	0%	0%	0%	0%	0%

1. Examples of ex post explicit adjustments include *malus*, clawbacks or similar reversals or downward revaluations of awards.
 2. Examples of ex post implicit adjustments include fluctuations in the value of shares or performance units.

Corporate Governance

Guaranteed bonuses, sign-on awards and severance payments in 2023

Category of Remuneration	Senior Management	MRTs and MRP
Number of guaranteed bonuses	0	0
Total guaranteed bonuses (\$'000)	0	0
Number of sign-on awards	0	4
Total sign-on awards (\$'000)	0	286
Number of severance payments	0	0
Total severance payments (\$'000)	0	0

Top five non-director executives

Our Board has deliberated and decided not to disclose the remuneration of the Bank's top five non-director executives. Given the highly competitive market for talent, the Board is of the view that employee remuneration matters should remain confidential to support the Group's efforts to attract and retain highly-skilled individuals. Disclosure would impair our ability to compete fairly with many other banks operating in Singapore (including digital banks) that are not obliged to disclose remuneration details of their employees. Nevertheless, our RHCC, having carefully considered our remuneration structure, is satisfied that it complies substantially with the FSB P&S, and that the level and structure of remuneration are aligned with our long-term interests and risk management policies. Our BRMC is further satisfied that the remuneration structure does not incentivise excessive risk-taking.

Remuneration of immediate family members of Director, CEO or substantial shareholder

Ms Wee Jing En, the daughter of Mr Wee Ee Lim (Director), is an employee of the Bank. Her remuneration for 2023 was between \$100,001 and \$200,000. Our RHCC was not involved in determining her remuneration.

Particulars of the remuneration of our CEO, Mr Wee Ee Cheong, can be found on page 92.

Except as disclosed in this statement, no employee in the UOB Group was a substantial shareholder of UOB or an immediate family member of a Director or our CEO, and whose remuneration in 2023 exceeded \$100,000.

Human capital management

Our people are our greatest asset. We consider the skills and expertise that are required to achieve the targets and goals, and the time horizon over which the needs will arise, and place great emphasis on ensuring that our workforce is well-prepared to meet the challenges that lie ahead, both skill-wise and mentally.

Our RHCC ensures that our talent acquisition, development and management strategy and approach can support the strategies of the Bank effectively. It also places great importance on training and equipping our workforce to remain relevant. Training, reskilling and upskilling programmes are arranged, often with specialists in various fields, and are available through the year. Employees are also encouraged to avail themselves of the carefully-curated, self-directed training programmes available on our learning portal.

Colleagues with the requisite competencies and leadership potential are nurtured as potential future leaders. Please refer to Leadership Succession on page 91. The internal talent pool is supplemented by externally-acquired candidates, who help to accelerate knowledge as well as skill acquisition and transfer.

The RHCC also reviews the schemes and benefits provided by the Bank to ensure that they are supportive of the well-being and professional and personal lives of our colleagues. In addition to such schemes and benefits, which cater to the diverse circumstances and needs of our colleagues, the Bank has policies in place to provide a safe and healthy work environment for all employees.

System of risk management and internal controls

Risk management and internal controls

Our system of risk management and internal controls comprises the following components:

- Management oversight and control: Management is responsible for ensuring that our frameworks, policies, methodologies, tools and processes for internal controls and risk management remain relevant, and are adequate and effective. We have management-level committees to address specific risk types;
- Three Lines Model: the roles of risk owners, risk oversight function and independent audit function are clearly defined; and
- An integrated governance, risk and compliance system, which facilitates information sharing, coordination and collaboration among our GA, Group Risk Management (GRM) and Group Compliance functions to provide more effective governance oversight and quicker response to issues identified.

Please refer to the Risk Management section for a detailed discussion of the risk governance, material risk types and risk management structure and approach.

Our business and support units conduct regular self-assessments on their compliance with internal controls, risk management processes and applicable regulations. The results are reviewed by management-level committees who monitor the progress made in any rectification works required. Our AC and our Head of GA review internal controls while our BRMC and our CRO review risk management processes.

The Board has additionally received assurance from our CEO, CFO and CRO, who have in turn received corresponding assurances from the respective function heads, that our system of risk management and internal controls (including credit, market, liquidity, operational, business and strategic, model, conduct and ESG) is adequate and effective. At UOB, operational risk includes banking operations, technology, regulatory compliance, legal, reputational, outsourcing, third-party non-outsourcing and fraud risks.

Based on our Board's review and with the concurrence of our AC and BRMC, the Board is of the view that our system of risk management and internal controls, including financial, operational, compliance (including AML/CFT and sanctions) and information technology controls, was adequate and effective as at 31 December 2023. As no system of risk management and internal controls can provide absolute assurance against error, loss or fraud, our system of risk management and internal controls provides reasonable but not absolute assurance that we will not be affected by any adverse event which may be reasonably foreseen.

Board Risk Management Committee

The key responsibilities of our BRMC are:

- overseeing the establishment and operation of a sound and independent risk management system to identify, to measure, monitor, control and report risks on an enterprise-wide basis;
- approving the risk and capital strategies and frameworks of our Group;
- overseeing risk culture and conduct as well as risk appetite;
- overseeing the establishment of risk measurement models and approaches;
- reviewing material credit policies, credit limits and exposure to large credits;
- reviewing related party transactions and interested person transactions;
- reviewing the adequacy of our risk management function's resources;
- guiding our Management in ensuring that our remuneration and incentive structure does not incentivise inappropriate risk-taking; and
- approving the appointment and remuneration of our CRO (subject to our Group remuneration structure) and reviewing his performance.

Our CRO is responsible for the day-to-day operations of the governance, risk management and compliance functions in the Group. He provides detailed briefings to the BRMC chair prior to each BRMC meeting.

Corporate Governance

Highlights of our BRMC's activities in 2023:

- Reviewed our approach to specific risks, and endorsed our risk appetite and the delegation of risk limits including credit limits;
- Reviewed our credit portfolio and monitored our Bank's capital and liquidity positions closely to ensure they remained healthy as we supported our customers in their post-pandemic restructuring and recovery efforts;
- Reviewed various stress test scenarios, the impact of various stress factors on our Bank and our response to those scenarios, our business continuity plans and recovery plans;
- Reviewed measures to enhance our Bank's capabilities on data security, AML/CFT and sanctions, including through the use of data analytics, machine learning, technology and industry sharing;
- Monitored risk conduct and culture risk, with particular focus on fraud risk management and fair dealing, and ensured that individual accountability is embedded in our risk management system;
- Reviewed and approved related party and interested person transactions;
- Supported our Bank's environmental risk management initiatives, which are geared towards helping customers in their transition towards more sustainable practices;
- Reviewed customer satisfaction levels in terms of complaints and compliments; and
- Reviewed the performance of our CRO and approved his remuneration.

Group Risk Management

GRM is responsible for managing the risks arising from the business activities of our Group and ensuring that these risks remain within the overall risk appetite established by our Board. In 2023, GRM's key initiatives included:

- strengthening of the Three Lines Model for robust management of credit risk of the consumer banking portfolio following the acquisition of the Citigroup consumer banking business;
- further strengthening of our knowledge in and capacity for environmental and climate risk management; and

- completion of the transition to Singapore Overnight Rate Average, Secured Overnight Financing Rate and other relevant alternative reference rates in accordance with regulatory guidelines.

Please refer to the Risk Management section for more information on the risk management initiatives introduced and implemented during the year.

Audit Committee

Our AC's main responsibilities are:

- reviewing our financial statements and any significant change in accounting policies and practices;
- reviewing at least annually, the adequacy and effectiveness of our internal accounting control systems and material internal controls;
- reviewing policies and procedures for handling whistle-blowing cases and overseeing related investigations;
- reviewing policies for detecting whistle-blowing, and arrangements by which our colleagues may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;
- reviewing interested person transactions;
- reviewing annually, the adequacy, effectiveness and independence of our internal audit function, its audit plans, reports and results, and the budget and resources of our internal audit function;
- approving the appointment, resignation, dismissal, evaluation and remuneration of our Head of GA (subject to our Group remuneration structure); and
- approving the appointment, reappointment and removal (if necessary) of our external auditor, its audit and non-audit fees and terms of appointment, reviewing the audit plans and reports and evaluating the external auditor's performance and independence.

Our AC reviews the half- and full-year financial statements, and the voluntary financial updates of the first and third quarters. These are supported by assurances from our CEO and CFO that the financial records have been properly drawn up in accordance with the Banking Act 1970, the Companies Act 1967, relevant laws, regulations and

regulatory requirements, and the Singapore Financial Reporting Standards (International), and present a true and fair view of the Group's financial position. Changes in accounting standards and policies are reviewed by our AC with our Finance team and external auditor. Technical sessions, for example, to discuss new accounting standards, may be arranged if necessary.

Both the internal and external auditors report directly to our AC, who ensures good coordination between them in their work. Every quarter, our AC meets the auditors in the absence of Management. The members also meet among themselves as required. The AC chair is briefed by the internal and external auditors before every AC meeting. The AC is authorised to investigate any matter within its terms of reference and has the full cooperation of and access to Management for this purpose.

Highlights of our AC's activities in 2023:

- Reviewed our half-year and full-year financial statements and first and third quarter financial updates and recommended them to the Board for approval;
- Reviewed our provisions to ensure they are adequate with regard to our loan portfolio and assessed whether our asset quality remained healthy;
- Reviewed audit reports submitted by internal and external auditors, and monitored the progress made on remedial works;
- Monitored progress made by GA in its strategic workforce plan and initiatives implemented, including the increased adoption of DA and enhancements to its audit methodology;
- Guided Management on accounting and assurance-related matters in connection with the acquisition and integration of the Citigroup consumer banking businesses;
- Discussed whistle-blowing reports with GA. Please refer to page 106 for more information on our whistle-blowing policy, which is administered by GA;
- Approved the engagement of the external auditor for non-audit services and the fees therefor; and
- Reviewed the adequacy and effectiveness of our audit resources across the Group and guided GA on the regional internal audit resource strategy.

External auditor

Our AC recommends the appointment or reappointment of our external auditor and approves the terms of engagement of the external auditor and its audit fees.

Our external auditor, Ernst & Young LLP, is registered with the Accounting and Corporate Regulatory Authority (ACRA). The audit partner is rotated at least once every five years.

In evaluating our external auditor for reappointment, our AC referred to the guidance in the Companies Act 1967, SGX Listing Manual, Audit Quality Indicators Disclosure Framework published by ACRA, the External Audits of Banks issued by the Basel Committee on Banking Supervision and the Audit Committee Guide published by the Singapore Institute of Directors.

Our AC has evaluated the external auditor's work and considered the related feedback from our internal auditor and Finance team. It is of the view that the external auditor has the requisite expertise and resources to perform its duties, and possesses a good understanding of our business, risk profile and operational issues.

In 2023, the non-audit fees paid or payable to the external auditor was 26 per cent of the audit fees paid to the external auditor and its affiliates. Please see Note 11 (Other Operating Expenses) to the Financial Statements for more information on the audit and non-audit fees. The AC is satisfied that the independence of the external auditor was not compromised by the non-audit fees received. Our external auditor also affirms its independence to the AC quarterly.

Having satisfied itself that our external auditor was independent, objective and effective in its audit of the Bank in 2023, our AC has recommended Ernst & Young LLP for reappointment at the 2024 AGM. Ernst & Young LLP is also the appointed external auditor of the overseas branches of our Group and subsidiaries, except for several small overseas subsidiaries who engage the services of other auditors due to local regulations and exceptional circumstances. Therefore, Rules 712 and 715 of the SGX-ST Listing Rules have been complied with.

Corporate Governance

Key Audit Matters

The table below sets out the key audit matters (KAMs) identified by our external auditor for the year under review, and our AC's comments on the KAMs. More information on the KAMs can be found in the Independent Auditor's report on pages 135 to 141.

Area of Focus	AC's comments
Purchase Price Allocation arising from acquisition of the Citigroup consumer banking business in Thailand and Malaysia	<p>The AC was apprised by Management of the developments on the integration of the Citigroup consumer banking franchise.</p> <p>The EA tested Management's assessment over the identification and valuation of intangible assets, and the valuation of the assets and liabilities acquired from Citigroup on 1 November 2022 for Thailand and Malaysia. The EA's findings and results on the purchase price allocation exercise were presented to the AC.</p>
Expected credit losses (ECL) on: (a) non-impaired credit exposures (b) Impaired credit exposures	<p>Management updates the AC quarterly on significant changes in ECL. This includes macroeconomic developments and overlays necessary to compensate for model imperfections.</p> <p>The AC was apprised by both the internal auditor and the EA of Management's credit monitoring processes, controls and governance over model methodologies and assumptions and judgment applied in estimating ECL. The EA's audit test results on ECL were presented at AC meetings.</p> <p>The AC has assessed and reviewed these results and findings.</p> <p>The processes, controls and governance over impaired credit exposures were tested by the EA, who has reported their results to the AC.</p> <p>The EA's findings on significant non-performing loans, including the timeliness and appropriateness of classification and the adequacy of allowance made, were presented to the AC.</p> <p>The AC has discussed and reviewed the EA's findings and results.</p>
Valuation of illiquid or complex financial instruments	<p>The valuation processes, controls and governance were tested by the internal and external auditors, who have reported their findings to the AC.</p> <p>The EA's specialist independent validation of fair values of these financial instruments was presented to the AC.</p> <p>The AC has discussed and reviewed the EA's testing results on the fair value of illiquid or complex financial instruments. Where material differences have been highlighted by the EA, the AC has reviewed the valuation techniques and unobservable inputs used to determine the fair value of these instruments.</p>
Impairment of goodwill	<p>The EA has reviewed the goodwill impairment methodology and presented the test results, including comments from its valuation specialists and sensitivity analyses performed, to the AC.</p> <p>The AC was apprised of the cash flow forecasts, discount rates and growth rates used in the goodwill impairment testing, and has reviewed the test results with Management and the EA.</p>

Our AC was satisfied that these KAMs were appropriately addressed in the Group's financial statements.

Internal auditor

Our Internal Audit Charter, which sets out the authority and responsibilities of GA, is reviewed by our AC every year. The AC approves the risk-based internal audit plan at the start of each year. During the year, our AC reviews the internal audit reports, results of the internal audits and remedial steps taken to address the findings. It also ensures that our audit resources are adequate and effective.

The Head of GA reports functionally to our AC, and administratively to our CEO. He is a member of our Management Committee, which oversees the overall performance of our Group, country corporate functions and business segments. This equips him with a good view of the material initiatives and activities of the Bank, enabling him to perform his role more effectively.

GA, which is independent from the units and activities it audits, is our Third Line. GA complies with the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors and The Internal Audit Function in Banks issued by the Basel Committee on Banking Supervision. These guidelines set out the mission and objectives of an internal audit function and the performance standards expected of internal audit activities. In performing its role, GA has unfettered access to all records, documents, property and personnel of the Bank.

To ensure it maintains its high performance standards, GA performs an internal quality assurance (QA) review and conducts a self-assessment against these standards and guidelines annually. As part of its QA review in 2023, GA also assessed the effectiveness of its risk assessment and issue validation activities. In addition, an independent external quality assurance review of our internal audit function is conducted at least once every five years. The last review on GA and all the overseas internal audit functions was completed in 2020.

The internal audit report rating in GA's methodology consists of an audit rating and a Management Governance and Oversight Rating (MGOR). The audit rating reflects the current state of the audited entity's control environment, while the MGOR provides an indicative measure of its management team in terms of:

- the effectiveness of its governance structure;
- the overall risk awareness and control consciousness; and
- the competence and willingness of its leaders when discharging their supervisory duties.

Entities with a strong MGOR and a good control environment may be subject to less frequent and/or intense audits. Conversely, a poor MGOR or a weak control environment may lead to more frequent and/or intense audits.

GA undertook the following key initiatives and activities in 2023:

- Supported Management in the integration of the acquired Citigroup consumer banking businesses to ensure a smooth transition of systems and processes;
- Supported Management in monitoring actions taken to meet Basel requirements;
- Continued to use advanced DA, including the pilot and application of a new behaviorally-informed audit approach in targeted areas;
- Continued to upskill and to deepen capabilities to keep pace with industry developments; and
- Continued to deepen engagement with internal stakeholders towards a more effective audit process.

Having reviewed the scope of internal audit for the financial year, the progress and results of the audits and the audited entities' responses to audit findings, our AC is satisfied that GA is independent, adequately resourced and effective in discharging its responsibilities.

Shareholder rights and engagement

Shareholder rights and conduct of general meetings

We hold our AGM within four months from the end of our financial year. To support shareholders' attendance and participation in decision-making at the AGM, we hold the AGM at a central location that is easily accessible by public transportation. The notice of general meeting (Notice) is issued well ahead of the AGM to provide shareholders with ample time to review the relevant documents and to appoint proxies should they wish to do so.

The Notice and proxy form will be sent to shareholders by post. The Notice, proxy form, registration process for attending the 2024 AGM and other relevant information will also be published on our website (www.UOBgroup.com) and the SGX website (www.sgx.com/securities/company-announcements). Shareholders will be informed of the publication of these documents via advertisements in the four official languages. The Notice will also be made available in *The Straits Times* and *Lianhe Zaobao*.

Corporate Governance

We table each proposal as a separate and distinct resolution and do not bundle or make them conditional on other resolutions. Relevant information relating to each resolution is provided in the Notice. Shareholders may request resolutions to be placed on the AGM agenda in accordance with the Companies Act 1967.

All shareholders are entitled to attend and vote at our general meetings. We currently do not practise absentia voting in view of the difficulties in authenticating shareholders. Shareholders who are not able to attend meetings in person may elect to vote via proxy. The rules for the appointment of proxies are set out in the Notice and proxy form. Shareholders who are not relevant intermediaries as defined in the Companies Act 1967 may appoint up to two proxies to attend and to vote on their behalf. Nominee companies and custodian banks which are relevant intermediaries may appoint more than two proxies while investors who hold shares through nominee companies or custodian banks may attend and vote as proxies of the nominee companies or custodian banks.

Duly-completed proxy forms must be deposited at the place specified in the Notice at least 72 hours before the time set for holding the general meeting. Shareholders may also choose to submit their proxy forms online to avoid any delay or loss during delivery of hard copies.

Shareholders are invited to submit questions for the Board ahead of the AGM. The responses to these questions are published ahead of the deadline for the submission of proxy forms. This is so that shareholders (including investors investing with monies from their Central Provident Fund and/or under the Supplementary Retirement Scheme) have the benefit of the responses from our Board and Management before they cast their votes. Shareholders may submit their questions by email or post. Relevant and substantial questions not answered before the proxy submission deadline will be answered during the AGM.

At each AGM, our CEO provides an update on our performance in the year under review before the resolutions are put to the vote. Our Directors, Management and external auditor are also in attendance to address shareholders' questions and feedback. Our Chairman ensures that adequate time is allocated for shareholders to ask questions or to provide feedback on substantial Bank-related matters and the resolutions to be passed.

Real-time voting is conducted via secure electronic devices or web-based systems provided by independent service providers. Shareholders and proxies are briefed on the

polling procedures before the commencement of voting. After the close of votes on a resolution, the votes cast are counted and presented immediately to shareholders. Each ordinary share carries one vote. An independent scrutineer, who is in attendance at every general meeting, validates the voting results, which are announced on our website and the SGX website on the same day, after the general meeting.

At the close of general meetings, our Directors also take the opportunity to mingle with shareholders. Interaction with shareholders after the 2024 AGM will be subject to the prevailing health advisories from the relevant authorities.

The minutes of the AGM, together with the responses to the queries raised by shareholders during the meeting and voting outcomes of the resolutions, are published on our website after the AGM.

Engagement with shareholders

Our investor relations policy governs our engagement with our stakeholders, including our shareholders, institutional and retail investors, shareholder proxy advisory agencies, equity and fixed income analysts and credit rating agencies. All pertinent information is published on our website and the SGX website.

Besides updates to our shareholders at general meetings, we publish our voluntary financial updates (first and third quarters) and half-year financial reports within 45 days from the end of each of the first, second and third financial quarters, and our full-year financial statements within 60 days from the financial year-end.

Our annual report is available on our website and the SGX website within 90 days from the financial year-end. We inform shareholders and other stakeholders of the publication of our annual report on our website and the SGX website, and via newspaper notification advertisements in the four official languages. Apart from the AGM, our stakeholders may also contact our Investor Relations unit. The contact details can be found in the Corporate Information page and Investor Highlights section of this report and on our website.

The Investor Relations webpage on our website (www.UOBgroup.com/investor-relations/index.html) hosts relevant investor-related information, including financial results, annual and sustainability reports, upcoming events and share and dividend information. Interested parties may subscribe to email alerts of substantive news and information released by us.

Managing stakeholder relationships

Engagement with other stakeholders

Our other material stakeholder groups include our customers, colleagues, governments and regulators, other financial institutions and industry and trade associations, suppliers, the media, our investors and analysts, the communities we operate in and non-governmental organisations. We regularly seek our stakeholders' views and expectations through dialogues, collaboration and research.

We engage the investment community through various avenues including briefings to the media, analysts and investors following the release of the quarterly financial results. The materials presented at such briefings are published on our website and the SGX website on the same day. Corporate Day events are organised periodically to provide the investment community with insights into our businesses and key markets. Our Management shares our corporate strategy, operational performance and business outlook during investor meetings, conferences and roadshows.

We also collaborate with other agencies such as the Securities Investors' Association of Singapore to reach out to retail investors on a regular basis. During the year, we provided updates on the integration of the Citigroup consumer banking business. Through these communication initiatives, we provide investors with pertinent information to help them in their investment decisions and to address any concern they may have. Please refer to the Investor Highlights for more information on our engagement activities with the investment community.

Information of interest to our shareholders and stakeholders, including but not limited to, our announcements on the SGX website, financial results and highlights, research on global economics and research, sustainability updates and new releases, are available on our corporate website.

More details on our sustainability strategies and engagement with our material stakeholders can be found in the Sustainability Report, which is available on our website.

Culture of accountability, responsibility and ethical behaviour

Dividends

We aim to provide sustainable returns to our shareholders as we balance our long-term strategic growth opportunities and our proactive management of capital. We aim to maintain and to deliver a dividend payout ratio of 50 per cent of our net profit after tax annually, taking into consideration our assessment of the macroeconomic outlook and business environment across the region.

Interim dividends are paid within 30 days after they are declared and final dividends are paid within 30 days after they are approved by shareholders at our AGM. If the UOB Scrip Dividend Scheme is applied to any dividend, payment will be made not later than 35 market days after the record date, in compliance with the SGX-ST Listing Rules. The details of dividends recommended or declared are announced on our website and the SGX website.

Articles of Directorship

Our Articles of Directorship lay down the principles of conduct and ethics expected of our Directors. These Articles are similar to the Code of Conduct (Code) applicable to our colleagues, including part-timers and temporary employees, trainees and interns, and are reviewed for relevance every year.

Code of Conduct

Our Code is underpinned by our values of Honourable, Enterprising, United and Committed. It lays down the principles of personal, professional and ethical conduct expected of our colleagues, including the following:

- Fair dealing in the conduct of business;
- Protection of personal data and customer information in accordance with applicable policies on privacy of customer information, and data security laws and regulations;
- Equal opportunity for employees based on merit;
- Non-tolerance of discrimination, bullying or harassment on the basis of gender, race, age, religion, disability or any other legally-protected characteristic that improperly interferes with an employee's work performance or creates an intimidating, hostile, demeaning or offensive working environment;

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- Maintenance of a conducive and healthy environment that contributes to the safety and well-being of our colleagues and other stakeholders;
- Compliance with applicable laws and regulations, including competition and anti-trust law;
- Zero tolerance of bribery, corruption and illegal or unethical dealings, including insider trading and facilitation payments; and
- Whistle-blowing.

New guidance is incorporated into the Code from time to time to address new considerations, including the emergence of generative AI tools and the widespread use of social media. New colleagues are introduced to the Code as part of their induction. All colleagues refresh their knowledge annually through our online self-learning programme and are assessed on how well their behaviour is aligned to our values in their annual performance appraisal. Any colleague who does not comply with the Code may be subject to disciplinary action. Investigations are conducted in accordance with neutral fact-finding processes, which are carried out with utmost objectivity and based on the principles of fairness and natural justice.

Individual Accountability and Conduct

The Bank has established a Policy on Individual Accountability and Conduct to foster a strong culture of responsibility and ethical behaviour to safeguard the interests of our customers and the Bank. The policy seeks to promote the individual accountability of senior managers, strengthen oversight of MRP and reinforce standards of proper conduct among all our colleagues. It sets out the guiding principles on the importance of the roles of senior managers, MRP and colleagues from a risk perspective, the identification criteria for senior managers and MRP and the governance framework and standards of conduct for all colleagues.

Whistle-blowing

Our whistle-blowing policy is designed to promote a culture of openness, accountability and transparency, and is grounded on best practices and regulatory guidelines. It provides for any person to report, anonymously or otherwise, any suspected or actual wrongdoing (such as fraud and breaches of the law, regulations or our policies)

in confidence to our Head of GA, AC chair, CEO or Chairman. All reports received are accorded the strictest confidentiality. Our GA, which is independent, investigates all reports and submits its reports directly to our AC. Reprisal in any form against whistle-blowers who have acted in good faith is forbidden and will be subject to disciplinary actions.

The details relating to the making of whistle-blowing reports are available on our website (www.UOBgroup.com/investor-relations/corporate-governance/index.html).

Fair Dealing

The core elements of Fair Dealing - integrity, trust and respect - are deeply entrenched in our organisational culture. All colleagues have a role to play in ensuring that Fair Dealing is at the heart of everything we do, from the way we design investment products and services, to our marketing and sales strategies and approaches, and to our after-sales care. To this end, we have established policies, guidelines and best practices to guide our colleagues in our daily activities. Our colleagues undergo online training annually to refresh their understanding of Fair Dealing.

Customers and the general public may provide their feedback on our products and services via the customer service hotline or feedback form on our website. Our independent customer complaint review process ensures that complaints are reviewed and investigated independently, effectively and promptly. An independent compensation review panel reviews claims and its decisions are communicated to customers on a timely basis.

We have a customer advocacy team which champions our customer-centric approach. As part of its role, the team gathers customer insights and data, and overlays that with voice-of-the-customer benchmarking research by global consultants to gain better insights into the evolving needs and expectations of customers. To help provide customer service excellence and to foster trust from our customers, the team also collaborates with cross-functional stakeholders to review and redesign customer journeys, and monitors key performance indicators and metrics relating to customer experience across different customer segments against industry standards.

More information on our commitment to Fair Dealing can be found in the Sustainability Report.

Securities dealing

Our Directors and colleagues are guided by a code on dealing in securities, which requires them to comply with applicable laws on insider dealings at all times. Under the code, Directors and colleagues may not deal in our securities:

- on short-term considerations;
- whenever they are in possession of price-sensitive information; and
- during the period commencing two weeks before the announcement of our financial results for each of the first, second and third quarters of the financial year and one month before the announcement of the full-year financial statements.

We do not deal in our securities during these prohibited dealing periods and we inform our Directors and colleagues of such blackout periods.

Colleagues with access to price-sensitive information in the course of their duties must seek clearance before they trade in securities listed on a stock exchange. Failure to do so may result in disciplinary action.

Our Directors and CEO must disclose their interests in the securities of UOB and its related corporations within two business days after they have acquired or disposed of such interests or become aware of any change in their interests. We will announce the changes on the SGX website in compliance with the applicable regulations.

Related party transactions and interested person transactions

We have established policies, processes and guidelines for the approval of and entry into related party and interested person transactions. These policies, processes and guidelines are based on regulatory requirements, including the Banking Act 1970, the SGX-ST Listing Rules, and MAS guidelines and notices.

Our BRMC assesses whether the transactions are undertaken in the ordinary course of business, on normal commercial terms and at arm's length. Our AC will also review and provide its opinion on interested person transactions, where required under the SGX-ST Listing Rules. The BRMC comprises of a majority of independent directors while all directors in the AC are independent.

The particulars of interested person transactions entered into in 2023 are set out on the next page.

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Interested Person Transactions			
Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Singapore Land Group Limited	Associates of Controlling Shareholder, Estate of Wee Cho Yaw, deceased	UOB Travel Planners Pte Ltd sold travel products and services to Singapore Land Group Limited. The total value of these transactions was \$101,864	Nil
UOB Kay Hian Private Limited	Associates of Controlling Shareholder, Estate of Wee Cho Yaw, deceased	UOB Travel Planners Pte Ltd sold travel products and services to UOB Kay Hian Private Limited. The total value of these transactions was \$231,705	Nil
UOL Group Limited and its subsidiaries (UOL Group)	Associates of Controlling Shareholder, Estate of Wee Cho Yaw, deceased	UOB Travel Planners Pte Ltd sold travel products and services to and acted as a hotel services agent for the UOL Group. The total value of these transactions was \$1,090,308	Nil
UIC Asian Computer Services Pte Ltd	Associates of Controlling Shareholder, Estate of Wee Cho Yaw, deceased	UOB and its subsidiaries purchased hardware and software from UIC Asian Computer Services Pte Ltd valued at approximately \$167.62 million	Nil
Aquamarina Hotel Private Limited (Parkroyal Collection Marina Bay Singapore)	Associates of Controlling Shareholder, Estate of Wee Cho Yaw, deceased	UOB and its subsidiaries engaged MICE services from Aquamarina Hotel Private Limited (Parkroyal Collection Marina Bay Singapore). The total value of these transactions was \$178,974	Nil

Material contracts

Save as may be disclosed on the SGX website or in this Report, neither UOB nor our subsidiaries has entered into any material contract involving the interest of our CEO, any of our Directors or Controlling Shareholder since the end of the previous financial year and no such contract subsisted as of 31 December 2023.

Summary of disclosures

- Express disclosure requirements in the MAS Guidelines

Provisions and Additional Guidelines - Express disclosure requirements	Page reference
Provision 1.2 The induction, training and development provided to new and existing directors.	90 and 91
Provision 1.3 Matters that require board approval.	83
Provision 1.4 Names of the members of the board committees, terms of reference, any delegation of the board's authority to make decisions, and a summary of each board committee's activities.	83 to 102 inside back cover
Provision 1.5 The number of meeting of the Board and board committees held in the year, as well as the attendance of every director at these meetings.	86
Additional Guideline 1.17 How the induction, orientation and training provided to new and existing directors meet the requirements as set out by the NC to equip the board and respective board committees with relevant knowledge and skills in order to perform their roles effectively.	90 and 91
Provision 2.4 The board diversity policy and progress made towards implementing the board diversity policy, including objectives.	87 and 88
Provision 4.3 Process for the selection, appointment and re-appointment of directors to the board, including criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates.	90
Provision 4.4 Where the board considers a director to be independent notwithstanding the existence of a relationship between the director with the company, its related corporation, its substantial shareholders or its officers, which may affect his or her independence, such relationship and the reasons for considering him/her as independent.	not applicable
Provision 4.5 The listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, the NC and board's reasoned assessment of the ability of the director to diligently discharge his or her duties.	11 to 15, 90
Additional Guideline 4.11 Resignation or dismissal of key appointment holders.	not applicable
Additional Guideline 4.12 Identification of all directors, including their designations (i.e., independent, non-executive, executive, etc.) and roles (as members or chairmen of the board or board committees).	11 to 15, 86, 88
Provision 5.2 How the assessment of the board, its board committees and each director has been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.	87 to 90
Provision 6.4 The engagement of any remuneration consultants and their independence.	93, 96

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Provisions and Additional Guidelines - Express disclosure requirements	Page reference
<p>Provision 8.1 The policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual director and the CEO; and (b) at least top five key management personnel (who are not directors or the CEO) in bands no wider than \$250,000 and in aggregate the total remuneration paid to these key management personnel.</p>	92 to 98
<p>Provision 8.2 Names and remuneration of employees who are substantial shareholders of the company, or are immediate family member of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds \$100,000 during the year, in bands no wider than \$100,000. The disclosure should state clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.</p>	98
<p>Provision 8.3 All forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company, including the details of employee share schemes.</p>	92 to 98, 213
<p>Provision 9.2 Whether the Board has received assurance from: (a) the CEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.</p>	99 to 100
<p>Additional Guideline 9.9 Whether a non-director member has been appointed to the BRMC.</p>	not applicable
<p>Additional Guideline 9.11 The Board's comments on the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls, and risk management systems) and a statement on whether the AC concurs with the Board's comment. Where material weaknesses are identified by the Board or AC, they are disclosed together with the steps taken to address them.</p>	99
<p>Provision 10.1(f) Whether the existence of a whistle-blowing policy and procedures for raising concerns has been publicly disclosed, and clearly communicated to employees.</p>	106
<p>Additional Guideline 10.19 The Audit Committee's comments on whether the internal audit function is independent, effective and adequately resourced.</p>	103
<p>Provision 11.3 Directors' attendance at general meetings of shareholders held during the financial year.</p>	86
<p>Provision 12.1 The steps to solicit and understand the views of shareholders.</p>	104 and 105
<p>Provision 13.2 The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.</p>	105
<p>Additional Guideline 14.5 Material related party transactions.</p>	107