

United Overseas Bank Limited
Sydney Branch, ARBN 060 785 284
CPS 511 Remuneration Disclosure for the year ended 31 December 2024

Introduction

This remuneration disclosure is made for the purposes of meeting the requirements of CPS 511 as it applies to the Australian operations ("Sydney branch" of the United Overseas Bank Ltd ("UOB")). Sydney Branch is required to make a public disclosure on its remuneration framework and practices. Sydney branch is a branch of UOB which has its head office in Singapore, is listed on the Singapore Exchange (SGX) and is regulated in its home state by the Monetary Authority of Singapore and in Australia by Australian Prudential Regulatory Authority. Refer to UOB Annual Report 2024, Remuneration section for further details with respect to UOB Group Remuneration disclosure.

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

The Sydney branch follows the UOB Group remuneration philosophy and group wide remuneration programmes, policies and practices adapting where necessary for local requirements. Sydney branch's remuneration policy is supplementary to the UOB Group remuneration policy reflecting additional requirements contained within CPS 511.

Remuneration Governance

Assisted by the Remuneration and Human Capital Committee (RHCC), the Board reviewed and provided guidance on our remuneration philosophy and the design of our total rewards, to ensure that the Group remains competitive and is able to attract, retain and motivate talent.

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 Business Risk Management Committee (BRMC) provides input to our RHCC to ensure that our remuneration and incentive practices do not incentivise inappropriate risk-taking. The RHCC held 5 meetings for the year ending 31 December 2024.

Remuneration and Human Capital Committee

The key 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.
- reviewing frameworks and policies for succession planning and human capital development
- ensuring that relevant control functions are involved in the design of the remuneration policy and practice which do not create incentives for excessive or inappropriate risk-taking behaviour, with particular attention to Material Risk Personnel ("MRP") and Material Risk Takers ("MRT"). The RHCC invites comments from Board Risk Management Committee on the risk related-aspects of the remuneration policy and practices.
- ensuring that there is a misconduct and consequence management framework to address conduct risk

Highlights of our RHCC's activities in 2024:

- Reviewed our employees' total rewards 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.
- 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.
- Reviewed the size, shape and skills of our workforce as well as the strategies and programmes for recruitment and retention, bearing in mind the long-term strategic objectives of our Bank.
- 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.
- Advised Management on employee engagement and wellness, communication, and culture.

Sydney branch

In addition, the Senior Officer Outside Australia ("SOOA") has delegated authority from the Board and is responsible for overseeing the Australian branch operation, being ultimately responsible for the Sydney branch's remuneration framework and its effective application. The SOOA approves the Sydney Branch's Remuneration Policy and conducts regular reviews and may make recommendations in relation to the effectiveness of Sydney Branch Remuneration Policy. SOOA also approves / concurs variable remuneration outcomes of the Branch CEO and for persons in specified roles within the Branch.

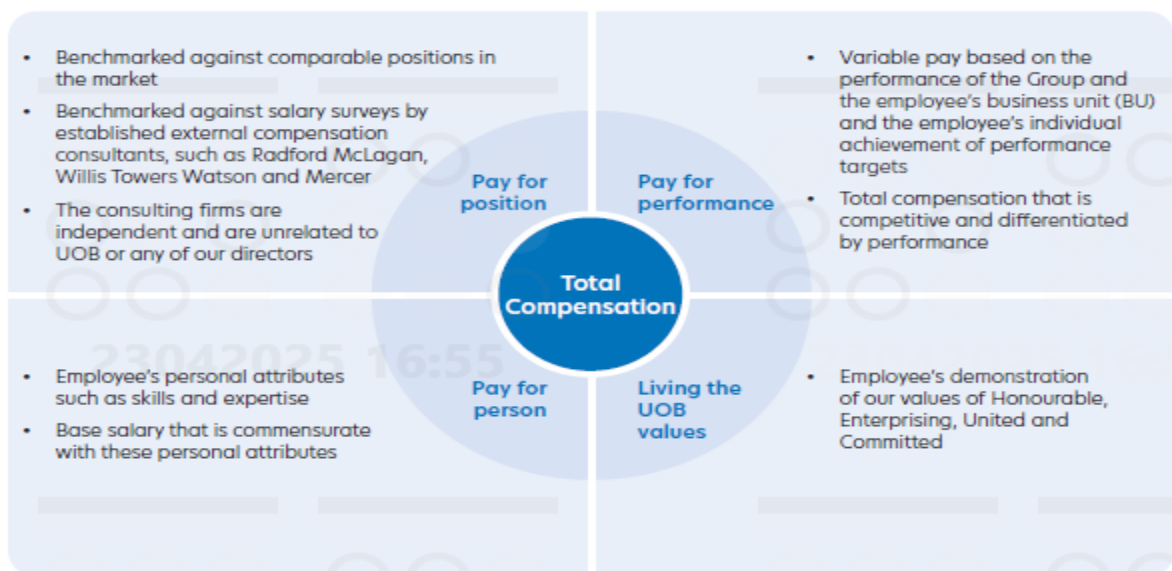
Design and structure

Employees' remuneration

UOB'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.

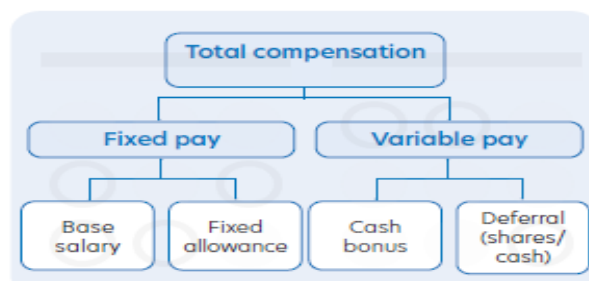
RHCC considers key aspects of employee remuneration, including the termination provisions in service contracts, and reviews and approves the overall performance bonus, share-based incentive plans and Senior Management's remuneration based on the total compensation structure approved by our Board.

Ensuring fair compensation for every employee



Our total compensation structure

Our total compensation structure comprises two main components, namely, fixed pay 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 to reward employees based on the performance of our Group and their Business Units (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 below.

Determining the variable pay pool

- Determine the 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 (GRASS)
- In the event of poor performance, the RHCC has the discretion to adjust the variable pay pool downwards



Allocating the variable pay pool to Business Units "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 behaviour with respect to the UOB Values
- Balance is sought between achievement of key performance indicators and behaviour
- Employees who have exceeded performance expectations receive higher variable pay 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

* See above for SOOA approval / concurrence in respect to Sydney branch

Remuneration and performance Management

Our remuneration policy for employees sets out the principles and philosophies that guide the design, operation and management of our remuneration programmes. It considers the principles and standards set by the Financial Stability Board, MAS Guidelines and the G30 Recommendations. The policy covers the remuneration of all employees and is reviewed by our RHCC regularly to ensure that our compensation practices and programmes are appropriate to attract, retain and motivate a highly skilled workforce, while also meeting applicable regulatory requirements. Consequence management for material breaches or misconduct may be applied as part of the measurement of the BSC in respect of a BU or in the determination or distribution of variable remuneration to an individual or, where this relates to a variable remuneration that has been previously deferred, the release of that deferred reward.

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 use 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 Audit Committee (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 can cause harm to a significant segment of the Bank's customers or other stakeholders, as defined in our Policy on Individual Accountability and Conduct. Variable pay of accountable persons in relation to the Sydney branch are deferred in accordance with Australian requirements¹.

¹ Australian requirements include the Financial Accountability Regime and its processor the Banking Executive Accountability Regime