

Corporate Governance

Good corporate governance has anchored our Bank's development and growth since its founding 85 years ago. Our Board continues to foster a culture of accountability and responsibility, leading us as we continue to create value for, and build and safeguard the long-term interests of, our shareholders and other stakeholders.

Guided by our values of Honour, Enterprise, Unity and Commitment, our corporate governance also takes into account the expectations of our regulators and other stakeholders in:

- the Banking (Corporate Governance) Regulations (Banking Regulations);
- the listing rules of the Singapore Exchange Securities Trading Limited (SGX-ST Listing Rules);
- the Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued in 2013 (MAS Guidelines), which comprise the Code of Corporate Governance issued in 2012 and supplementary principles and guidelines added by the Monetary Authority of Singapore (MAS); and
- the Code of Corporate Governance issued in 2018 (2018 Code).

We have complied with the principles of the 2018 Code and the MAS Guidelines, and substantially with the provisions and guidelines of the 2018 Code and MAS Guidelines respectively, as seen on pages 90 and 91. Where there is any deviation from the provisions or guidelines, we have explained our practices and philosophy.

In 2020, we received the following awards:

- Singapore Governance and Transparency Index (SGTI) 2020**
- 10th of 577 Singapore listed companies (General Category)
- 2019 ASEAN Corporate Governance Scorecard Awards**
- Top Publicly-Listed Companies (Singapore) (2nd place)
 - ASEAN Top 20 Publicly-Listed Companies

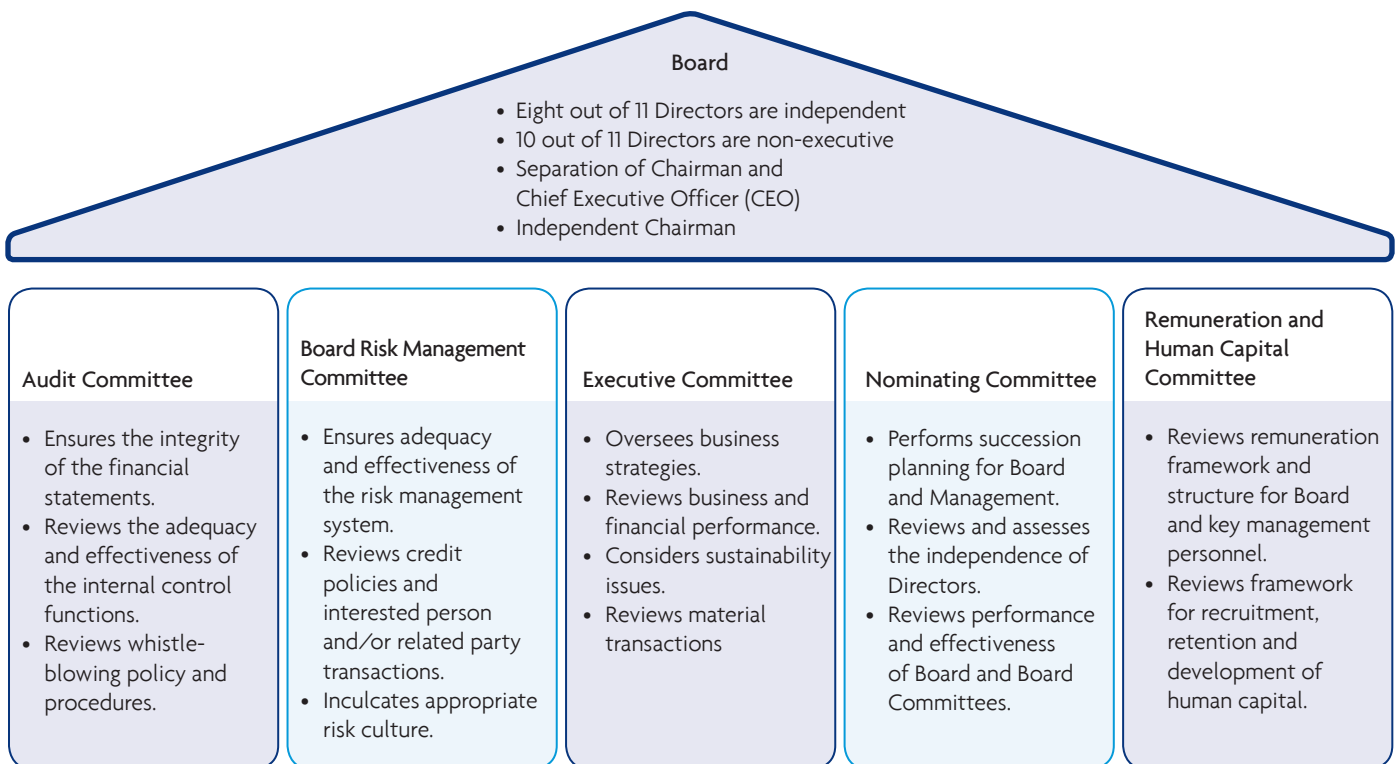
Board's conduct of affairs

Board duties

Our Board is responsible for:

- providing entrepreneurial leadership and strategic direction;
- setting the desired organisational culture, standards of ethical behaviour and values of the Bank;

Board of Directors



- approving business plans, annual budgets, capital and debt structures, material investments, acquisitions and disposals;
- approving financial statements;
- overseeing Management's performance;
- promoting a strong culture of ethical behaviour and a strong system of risk management and internal controls;
- determining the Group risk appetite;
- considering sustainability issues, and overseeing the monitoring and management of the material environmental, social and governance (ESG) factors;
- performing succession planning for the Board and Management; and
- promoting regular, effective and fair communications with shareholders and managing relationships with material stakeholders.

Highlights from 2020

Board and Board Committee renewal and refreshment	Conducted director search resulting in the appointment of Dr Chia Tai Tee and the identification of several potential director candidates; refreshed the composition of Board Committees.
COVID-19	Held more frequent meetings to guide and support Management in its response to the COVID-19 pandemic; reviewed impact on strategy and performance, employees and other stakeholders.
Strategy	Guided Management on the transformation and regional strategy, taking into account the competitive landscape, economic environment and geopolitical environment.
Technology	Guided Management on the digital transformation; reviewed cybersecurity measures and initiatives.
Succession planning	Performed ongoing succession planning for senior management.
Human capital management	Reviewed the size and shape of the workforce having regard to the volatile economic environment, changing industry landscape and strategic objectives of the Bank with emphasis on talent development and reskilling of our colleagues.
Remuneration	Reviewed the employee remuneration structure to ensure continued relevance and sustainability.
Shareholder and stakeholder engagement	Received regular shareholder and stakeholder feedback and guided Management on ways to deepen engagement with them.
Environmental, Social and Governance	Reviewed the Bank's ESG strategy, key business initiatives and communications plan; approved the targets for the material ESG issues.
Risk culture and conduct	Guided Management on enhancing specific areas of risk culture and conduct.

Despite the COVID-19 pandemic, the Board continued with its annual strategic review and annual country retreat albeit in a hybrid format, with colleagues from the regional operations participating virtually. These annual reviews allow the Board to take stock of the Group's progress against the Group's

strategy, better understand the challenges faced by the Group's overseas subsidiaries and brainstorm with relevant stakeholders any refinement of the Group's strategy taking into account developments and headwinds.



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Articles of Directorship

The Articles of Directorship lay down the principles of conduct and ethics expected of our Directors and are similar to the Code of Conduct applicable to our employees. They are reviewed for relevance every year.

Key processes

Board and Board Committee meetings and the Annual General Meeting (AGM) are scheduled well before the start of each year. If necessary, additional meetings can be convened.

A Director who is unable to attend a meeting in person due to exigencies, may participate via telephone and/or video conference as provided for in the UOB Constitution. Alternatively, he may convey his¹ views through another Director or the company secretaries. To comply with safe distancing measures, most of the Board and Board Committee meetings in 2020 were held virtually.

Our Board and Board Committees seek to make decisions by consensus. Where there is divergence of views, decisions are made by majority vote and dissenting views are recorded. While decisions may also be made by way of resolutions in writing, these are used mainly for administrative or routine matters, or as a follow-up to matters previously deliberated.

All meeting materials are delivered to our Directors well in advance of each meeting via a secure portal accessible from the tablet devices provided by the Bank. Where appropriate, Directors' input may be solicited ahead of the meeting for more focused debate. Management attends meetings together with subject-matter specialists and professional advisers, where relevant.

Managing potential conflicts of interests

A Director who has an interest in a matter which may conflict with his duties to UOB must disclose his interests, recuse himself from the discussion and abstain from voting on the matter. Our Directors refresh their disclosures at least quarterly.

Access to management, advisers and information

Our Directors have unfettered access to senior management, and the internal and external auditors. The Chairman and Board Committee chairmen meet separately with the relevant function heads in preparation for Board and Board Committee meetings. The Chairman also meets with senior management monthly and with relevant function heads regularly to keep abreast of developments.

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

Delegation to Board Committees and Management

The responsibilities delegated to the Audit Committee (AC), Board Risk Management Committee (BRMC), Executive Committee (Exco), Nominating Committee (NC) and Remuneration and Human Capital Committee (RHCC) are set out in the committees' written terms of reference, which are reviewed at least once a year. Where the responsibilities of certain Board Committees are closely related, common memberships facilitate information-sharing and coordination of the work among the committees. The Board Committee chairs update other Board members on the matters reviewed and considered, and decisions made. Minutes and reports of all meetings are circulated to all Directors, except where there is a conflict of interest.

Management is responsible for the day-to-day operations of the Bank and implementing the decisions of the Board. Where a subject has been reserved for the Board or a Board Committee's approval in its terms of reference, approval must be obtained before it is implemented.

Company secretaries

Two company secretaries support our Directors in discharging their responsibilities. They assist the Board and Board Committees to monitor the execution of their decisions, advise them on governance matters, update them on applicable laws and regulations, and facilitate communications between the Board and Management, and between the Bank and its shareholders. When a new Director is appointed or an existing Director is appointed to a Board Committee, the secretaries assist in his induction. The secretaries also support the Board's evaluation and professional development.

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

Board independence

The criteria for independence of a director under the Banking Regulations, SGX-ST Listing Rules, MAS Guidelines and 2018 Code are summarised as follows:

- 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;

¹ A reference to one gender includes all genders

- 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 continuous years or longer.

Each year, our NC assists the 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 conduct in the discharge of his duties.

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

Independent Directors	
Wong Kan Seng James Koh Cher Siang Ong Yew Huat Lim Hwee Hua Alexander Charles Hungate Alvin Yeo Khirn Hai Steven Phan Swee Kim Chia Tai Tee	<ul style="list-style-type: none"> • Meet all the independence criteria
Non-independent, non-executive Directors	
Michael Lien Jown Leam	<ul style="list-style-type: none"> • Closely connected to a substantial shareholder
Wee Ee Lim	<ul style="list-style-type: none"> • A substantial shareholder • Father, Dr Wee Cho Yaw, and brothers Messrs Wee Ee Cheong and Wee Ee Chao, are substantial shareholders. • Brother, Mr Wee Ee Cheong, is a Director and the CEO.
Executive Director	
Wee Ee Cheong	<ul style="list-style-type: none"> • CEO • A substantial shareholder • Father, Dr Wee Cho Yaw, and brothers Messrs Wee Ee Chao and Wee Ee Lim, are substantial shareholders. • Brother, Mr Wee Ee Lim, is a Director.

Fitness for office

Our NC assesses if Directors remain fit and proper for office based on the MAS Guidelines on Fit and Proper Criteria and any additional information that has come to its attention. Each Director is required to make an annual declaration based on these guidelines. The NC has determined that all the Directors are fit for office.

Size, composition and diversity

Our NC reviews the Board's size, composition and skillsets regularly to ensure it has the appropriate mix and balance of skills, experience, independence and knowledge to lead us.

As set out in our Board Diversity Policy, our Board seeks diversity to achieve a range of insights from a broader perspective in decision-making, to avoid groupthink, to share country/industry peculiarities and to 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, and tenure.

Our Board is satisfied that a board of 11 directors is appropriate. Collectively, our Directors' skills, expertise and experience span different industries, markets, professions, and the public and private sectors. Their core competencies include banking and finance, strategic planning and development, accounting, audit, human resources, technology, law, risk management, consumer services and corporate governance. It is satisfied that the Board is sufficiently diverse to meet the needs of the Group, to ensure the effective oversight of our Bank's affairs and for the continuity in board succession.

Board Chairman and Chief Executive Officer

Mr Wong Kan Seng, an independent director, is our Board Chairman. He leads the Board, sets the Board meeting agenda, promotes an environment for open, constructive debate and contributions and facilitates information flow between the Board and Management. He also oversees corporate governance matters, guides the engagement with stakeholders and chairs the AGM. Mr Wong is a member of all the Board Committees except the AC. Nevertheless, he attends all AC meetings. This gives him a good overview of all the Board Committees' activities.

Our CEO, Mr Wee Ee Cheong, leads the management team and implements the strategy as approved by the Board. He also seeks regional business opportunities, drives strategic initiatives, and promotes a risk-focused and inclusive culture and practices that are consistent with our values and an environment that is conducive for our colleagues to achieve the corporate and their personal goals. He is supported by senior management committees which help to ensure that the system of risk management and internal controls is adequate and effective, and that we have a safe and healthy work environment.



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Lead independent director

Our Chairman is independent and has no familial or other close ties with our CEO. A majority of our Directors are independent. Hence, our Board agrees that there is no need for a lead independent director. If necessary, on a case-by-case basis, our NC Chairman can fulfil the role.

Board performance and time commitment

Each year, every Director does an appraisal of himself, the Board and each Board Committee of which he is a member. The format and structure of the assessment are approved by our Board. The secretaries receive and collate the responses and the masked results are submitted for our NC's evaluation. No external facilitator is engaged for the evaluation process as the Directors have a collegial relationship with one another and discussions are open, frank and robust. 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, succession planning, risk management and internal controls.

Board attendance

The Directors' attendance at formal meetings in 2020 is set out in the table below.

	Membership	Number of meetings attended in 2020						
		AGM	Board	Exco	NC	RHCC	BRMC	AC
Wong Kan Seng	Independent	•1	•6	•11	5	6	4	–
Wee Ee Cheong	Executive	1	6	11	5	–	4	–
James Koh Cher Siang	Independent	1	6	–	5	•6	–	5
Ong Yew Huat	Independent	1	6	11	–	–	4	•5
Lim Hwee Hua ¹	Independent	1	6	11	5	6	–	–
Alexander Charles Hungate	Independent	1	5	–	–	6	–	–
Michael Lien Jown Leam	Non-independent and Non-Executive	1	6	11	5	–	–	–
Alvin Yeo Khirn Hai	Independent	1	6	–	–	–	•4	5
Wee Ee Lim ²	Non-independent and Non-Executive	1	6	–	–	2	4	–
Steven Phan Swee Kim ³	Independent	1	6	–	•2	6	–	1
Chia Tai Tee ⁴	Independent	–	1	–	–	–	1	1
Number of meetings held in 2020		1	6	11	5	6	4	5

1. Mrs Lim Hwee Hua stepped down as NC Chairman on 17 January 2021.

2. Mr Wee Ee Lim was appointed to the RHCC on 5 August 2020.

3. Mr Steven Phan Swee Kim was appointed to the AC on 5 August 2020, NC on 2 September 2020 and the Exco on 24 February 2021. He assumed the role of NC Chairman on 18 January 2021.

4. Dr Chia Tai Tee was appointed to the Board, AC and BRMC on 1 October 2020.

• Denotes chairman.

Our Board Committees are appraised on the discharge of their responsibilities and accountability to the Board. Each Board Committee also conducts a self-appraisal on its performance.

The evaluation of each Director is based on:

- contributions in and out of the boardroom;
- availability to commit time and attention to the affairs of the Bank, taking into consideration his other directorships and principal commitments;
- preparedness, attendance and participation at the AGM, Board and Board Committee meetings and other Board activities; and
- interaction with other directors.

Having considered each Director's performance, contributions and known commitments, our NC is satisfied that all Directors have performed their duties diligently, availed themselves to attend to the Bank's affairs and have contributed to the effectiveness of our Board and Board Committees. Accordingly, the NC does not recommend setting a limit on the number of directorships that a Director may hold.

Appointment and re-election of Directors

The selection of directors is based primarily on merit, with due and conscious consideration for the benefits of diversity. The Board considers various aspects of diversity to address gaps and to maintain an appropriate range and balance of skills, experience, independence and knowledge of directors, diversity representation on the board and other relevant factors against the current and future needs of the Board.

The NC maintains a board skill matrix which maps the skills of the current directors against the needs of the Bank. The matrix also tracks the diversity of the Board in terms of tenure, age, nationality, skills, experience, regional or international exposure. The director search will take into account any gap which is identified or anticipated.

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

- reviews our strategic objectives and identifies the skillsets that will help us achieve those objectives;
- identifies the additional skillsets required or desirable;
- reviews candidates' 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 ascertain if they have relationships with the Bank, its subsidiaries, substantial shareholders, our Directors or Management that may interfere with the exercise of their independent business judgement; and
- considers the operating environment, emerging trends and potential developments in the market and the pipeline for ongoing succession planning.

All Directors are invited to nominate candidates. To avail our Board of a wider range of skillsets, experience, expertise and aspects of diversity, our Board has engaged an external consultant to help broaden the search for directors.

Our NC reviews the candidates before making its recommendation to our Board. With our Board's concurrence, the NC chairman initiates discussions with the candidates as appropriate and updates the Board regularly on the progress. Where appropriate, Directors meet candidates to assess their suitability. All Board appointments are subject to the approval of the MAS.

As part of its ongoing succession planning, the Board has identified several suitable, well-qualified candidates, including female candidates, for appointment to the Board when a vacancy arises. It is the Board's intention to appoint at least one female director to the Board during the year. An announcement of the appointment will be made upon completion of the internal processes and approval of the MAS.

New Directors submit themselves for re-election at the first AGM following their appointments, and all Directors retire by rotation at least once in every three years. When evaluating a Director for re-election, the NC also reviews that Director's performance and whether his skills, expertise and experience remain relevant as the needs of the Bank evolve.

Directors are put up for re-election at the AGM individually.

Mrs Lim Hwee Hua, who is due to retire by rotation at the forthcoming AGM, has decided not to seek re-election.

Induction of new Directors

Upon appointment, a new Director receives 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. He also receives briefings from senior executives on key areas of our business, risk management and support functions.

When a Director is appointed to serve on a Board Committee, he is also briefed on specialised or technical topics 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 the training programmes stipulated by SGX-ST.

Directors' Development Programme

Under this programme, our Directors receive briefings which cover topics specific to our business, the banking industry and general topics such as socio-economic, political or regulatory matters. At least half a day is set aside each quarter for the programme, during which training may be conducted by either internal or external subject-matter experts. The programme also includes updates from our regional operations.

In 2020, our Directors received training in banking and non-banking related topics including crisis management, financial crime trends and developments, cybersecurity, anti-money laundering developments, ESG developments and interest rate transitions. Specialist director development programmes were also conducted for Board Committees, such as at AC meetings. To support our regional strategy, our regional colleagues also updated our Board quarterly in turn on material developments, trends and initiatives in their countries of operation.



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Leadership succession

We believe in growing our own timber and developing a pipeline of leaders from among our colleagues to support our long-term strategy and growth. Employees 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 provided, where appropriate. The training and exposure are planned and implemented at a pace agreed between the employee and the Bank. In the event that there is no suitable internal candidate for a position, we will look to external recruitment.

More information about the leadership development and succession planning can be found in our Helping Our Colleagues Make a Meaningful Difference section.

Board Committee composition

At least annually, our NC reviews the composition of each Board Committee to optimise the collective expertise of our Board members and for an equitable distribution of the workload amongst Directors. The composition of the Board Committees is refreshed from time to time for fresh perspectives, but always ensuring that the skillsets meet the responsibilities of the Board Committees.

Nominating Committee

Our NC's main responsibilities are:

- assessing the independence of directors;
- recommending the appointment and re-election of directors;
- reviewing the size and composition of our Board and Board Committees;
- assessing the performance of the Board, Board Committees and each director;
- establishing a board diversity policy and monitoring compliance with the policy;
- implementing a programme for the continual development of our directors;
- reviewing the nominations and reasons for resignations of our key management appointment holders; and
- performing succession planning for our Directors, our CEO and key management personnel.

The NC's main activities are outlined on pages 74 to 78.

The appointment of NC members is subject to the approval of the MAS.

Executive Committee

Our Exco oversees our strategies and related activities. Its main responsibilities are:

- providing strategic direction and overseeing its implementation;
- reviewing our business plans, budget and capital and debt structures;
- reviewing our financial, business and operational performance against the approved strategy and budget;
- considering sustainability issues and determining the material ESG factors; and
- reviewing strategic initiatives (including human resources and technology initiatives) and transactions.

Highlights of the Exco's activities in 2020:

- monitored the impact of the COVID-19 pandemic on our strategy and business, advised Management on response measures and initiatives, and caring for our customers, employees and other stakeholders;
- reviewed the progress made in ESG matters and sustainability reporting;
- reviewed the focus and progress of specific business lines;
- guided us on and reviewed the progress of our digital transformation;
- reviewed our investments and collaborations;
- reviewed our funding strategy and funding initiatives; and
- reviewed our dividend strategy.

During the year, our Exco met 11 times and worked side by side with Management as it rolled out a range of measures, initiatives and activities to support our customers, colleagues and the community as all sought to navigate the unprecedented impact of the COVID-19 pandemic. Other Directors were invited to join the meetings.

Remuneration matters

Remuneration and Human Capital Committee

The main responsibilities of our RHCC are:

- determining a remuneration structure and framework for our Directors;
- 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;
- overseeing the performance assessment of Senior Management²; and
- reviewing the frameworks and policies for human capital development and management and succession planning for Senior Management.

Messrs Wong Kan Seng, James Koh and Steven Phan, and Mrs Lim Hwee Hua are members of our NC and our RHCC. They ensure that matters that have an impact on remuneration, succession and talent management of senior leaders are holistically addressed by the NC and RHCC.

Highlights of our RHCC's activities in 2020:

- reviewed the employee remuneration structure in relation to the strategy of the Bank and to ensure continued relevance and sustainability, with particular attention to the impact brought about by the COVID-19 pandemic;
- reviewed the director remuneration structure;
- oversaw the development of the misconduct and consequence management framework to address conduct risk;
- reviewed the size, shape and skills of the workforce having regard to the long-term strategic objectives of the Bank;
- monitored our progress on the execution of the human resource management strategy roadmap;
- reviewed the progress made to reskill our workforce;
- oversaw the design of progressive human resource management initiatives, including flexible work arrangements, and building a conducive work environment and caring for the mental wellbeing of employees;

- advised Management on staff engagement and communications, including the communication strategy to showcase initiatives to existing and potential employees; and
- guided Management on supporting and caring for employees following the outbreak of the COVID-19 pandemic.

Directors' remuneration

In 2019, the Bank appointed Aon Hewitt, an independent consultant, to conduct a review of the compensation structure for our Directors and benchmarking against comparable public-listed companies in the market. The assessment showed that the remuneration for our Directors was below market – having been last adjusted in 2015 – and not commensurate with their enlarged responsibilities. Aon Hewitt's recommendation to increase our Directors' fees was approved by our Board.

However, as the impact of the COVID-19 pandemic became apparent in early 2020, our Board agreed that in view of the challenging environment exacerbated by the COVID-19 pandemic, and in anticipation of difficult times ahead, the adoption of the revised directors' fee structure should be deferred.

The RHCC is cognisant of the ever growing demands on directors, particularly in technology, ESG and sustainability, risk management and engagement with stakeholders. It also appreciates the importance of ensuring that our board remuneration structure remains competitive and appropriate to attract, to retain and to motivate directors to provide good stewardship. However, in the current economic environment, it is more important to show solidarity with our stakeholders who have been adversely affected by the ongoing pandemic. While some economies have managed the impact from the pandemic better than others, the pace of recovery among various economies will differ and the overall economic outlook remains uncertain. With these in mind, the RHCC has recommended, and the Board has agreed, to defer implementing the remuneration structure recommended by Aon Hewitt for another year.

Accordingly, the annual fee structure for our Board remains as set out below:

Office	Chairman	Member
Basic Fee	\$700,000	\$90,000
Audit Committee	\$85,000	\$55,000
Board Risk Management Committee	\$85,000	\$55,000
Executive Committee	\$85,000	\$55,000
Nominating Committee	\$45,000	\$30,000
Remuneration and Human Capital Committee	\$45,000	\$30,000

² Defined as the CEO and members of the Group Management Committee who have the authority and responsibility for their respective Group functions.



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Details of the proposed total fees and other remuneration paid/payable to our Directors for the financial year ended 31 December 2020 are as follows:

	Directors' fees \$'000	Fees from subsidiaries \$'000	Salary \$'000	Bonus \$'000	Benefits-in-kind and others ¹ \$'000	Total \$'000
Wong Kan Seng	900	–	–	–	7	907
Wee Ee Cheong ²	–	–	1200	8568	37	9805
James Koh Cher Siang	220	–	–	–	–	220
Ong Yew Huat	285	–	–	–	–	285
Lim Hwee Hua	220	–	–	–	–	220
Alexander Charles Hungate	120	–	–	–	–	120
Michael Lien Jown Leam	175	–	–	–	–	175
Alvin Yeo Khirn Hai	230	–	–	–	–	230
Wee Ee Lim	157	–	–	–	–	157
Steven Phan Swee Kim	152	–	–	–	–	152
Chia Tai Tee ³	50	–	–	–	–	50

Notes:

1. Transport-related benefits, including the provision of a driver for Mr Wee Ee Cheong.
2. 60 per cent of the variable pay payable to Mr Wee Ee Cheong will be deferred and vest over three years. Of the deferred portion, 40 per cent will be in cash and the remaining 60 per cent will be on the form of share-linked units.
3. Dr Chia Tai Tee was appointed to the Board, AC and BRMC on 1 October 2020.

The directors' fees payable to Directors who have served less than a year are prorated.

Mr Wee Ee Cheong, an executive Director, is remunerated as an employee and does not receive a fee for serving on the Board and Board Committees.

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

Employees' remuneration

Our employee remuneration framework is designed to encourage behaviours that contribute to our long-term success while keeping remuneration competitive to attract, to retain and to motivate employees and highly-skilled individuals. Remuneration is commensurate with the performance of the Bank, an employee's business unit or function, individual performance and contributions, competencies and alignment of behaviour to our values. The remuneration package consists of fixed pay, variable pay (cash bonuses and deferrals in the form of cash or shares, where applicable) and benefits. Please refer to the Remuneration section for more information on our remuneration framework, policy and processes, including the remuneration mix and deferred remuneration for senior management and material risk-takers.

Our RHCC considers key aspects of employee remuneration, including the termination provisions in service contracts. It reviews and approves the overall performance bonus, share-based incentive plans and senior management's remuneration based on a Board-approved remuneration framework.

Our BRMC and AC review the performance of and approve the adjustments in the remuneration for our Chief Risk Officer (CRO) and Head of Group Audit respectively, subject to our remuneration policy.

Our Board has decided not to disclose the remuneration of our top five non-director executives. Employee remuneration matters should remain confidential to support our Group's efforts to attract and to retain highly-skilled individuals. The competition for talent is stiff and there are many banks operating in Singapore which are not obliged to disclose remuneration details of their employees, giving them an unfair advantage in the competition for talent. Disclosure would impair our ability to compete fairly. Nevertheless, our RHCC is satisfied that our remuneration structure complies substantially with the Principles for Sound Compensation Practices issued by the Financial Stability Board, and that the level and structure of remuneration are aligned with our long-term interests and risk management policies.



Mr Wee Ee Cheong is the CEO and a substantial shareholder of UOB. His father, Dr Wee Cho Yaw and his brothers, Messrs Wee Ee Chao and Wee Ee Lim are also substantial shareholders of UOB. His brother Mr Wee Ee Lim is a Director of the Bank. Particulars of Mr Wee Ee Cheong's remuneration can be found on page 80. As he is also a substantial shareholder, he does not participate in the executive share plan.

Save as disclosed above, no employee in the UOB Group was a substantial shareholder of UOB or an immediate family member of a Director, our CEO or a substantial shareholder of UOB and whose remuneration in 2020 exceeded \$100,000.

Human capital management

The world economy transforming at an accelerated pace. We must ensure our workforce is well-prepared to meet the challenges that lie ahead, not just by way of technical competency but also the mindset. The ability to embrace change is key to adapting to the evolving operating environment. Hence our RHCC places great importance on training and engaging our workforce.

Our RHCC ensures that the talent acquisition, development and management strategy and approach are aligned to the strategy of the Bank. Together with Management, it looks into the skills and expertise that are required to achieve the targets and goals, and the time horizon over which the needs will arise. Training and reskilling and upskilling programmes are then arranged, often with specialists in various fields. The talent pool is supplemented by externally acquired candidates, who help to accelerate knowledge and skill acquisition and transfer.

Our RHCC also reviews the schemes and benefits put in place to assure the wellbeing of our colleagues. To this end, it ensures there is a framework to cater to the diverse circumstances of our colleagues. It also ensures there are policies in place to provide a safe and healthy work environment so that we can deliver the results expected by our stakeholders.

Accountability and audit

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, to monitor, to control and to report risks on an enterprise-wide basis;
- overseeing our risk culture and conduct, and risk appetite;
- overseeing the establishment of risk measurement models and approaches;

- reviewing the adequacy of our risk management function's resources;
- guiding Management in ensuring that the remuneration and incentive structure do not encourage inappropriate risk-taking;
- reviewing related party transactions and interested person transactions;
- reviewing material credit policies, credit limits and exposure to large credits; and
- approving the appointment and remuneration of our CRO and reviewing his performance.

Our CRO reports functionally to our BRMC and administratively to our CEO. He is responsible for the day-to-day operations of the risk management and compliance functions in the Group.

Highlights of our BRMC's activities in 2020:

- reviewed the credit portfolio and the impact of the COVID-19 pandemic on the portfolio;
- monitored the Bank's capital and liquidity positions closely to ensure they remained healthy even as the Bank rolled out various client care and support initiatives;
- monitored risk conduct and culture risk, including ensuring a psychological safety net for employees to speak up, voice their thoughts and to share, to discuss and to debate areas of concern;
- monitored the progress made in the development of environmental risk management landscape and measures, including climate risk management, and green financing;
- reviewed and approved related party transactions;
- reviewed measures to enhance the Bank's AML/CFT capabilities, including through the use of technology;
- monitored the applicability of various stress test scenarios as the COVID-19 pandemic evolved;
- monitored cyber security and other risks attendant to work from home arrangements;
- reviewed the progress made on the transition of interbank offered rate; and
- reviewed the performance of our CRO and approved his remuneration.



Corporate Governance

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 such as the Banking Act, MAS directives and the SGX-ST Listing Rules.

The BRMC assesses whether the transactions are undertaken in the ordinary course of business, on normal commercial terms and arm's length basis. If our AC is required to provide a comment under the SGX-ST Listing Rules, it will also review an interested person transaction.

The particulars of all interested person transactions entered into in 2020 are set out on page 88.

Key initiatives of Group Risk Management in 2020:

- stepped up efforts to implement the recommendations of the Taskforce on Climate-related Financial Disclosures;
- intensified our interbank offered rate transition efforts with taskforces overseeing various aspects of the transition and business units managing end-to-end coordination; and
- continued our efforts to foster a robust risk culture within UOB with the launch of the Speak Up initiative to encourage all employees to speak up, to listen more and to support one another.

Please refer to the Risk Management section for more information of 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 the adequacy and effectiveness of our internal accounting control systems and material internal controls;
- approving the appointment, reappointment and removal (if necessary) of our external auditor, its audit fees and terms of appointment, reviewing our audit plans and reports and evaluating the external auditor's performance;
- approving the appointment and remuneration of our Head of Group Audit and evaluating his performance;

- reviewing the independence, adequacy and effectiveness of our internal audit function, the audit plans, reports and results, and the budget and resources of our internal audit function;
- reviewing policies and procedures for handling fraud and whistle-blowing cases and overseeing related investigations; and
- reviewing interested person transactions.

The half-year and full-year financial statements and the financial updates of the first and third quarters are reviewed by our AC. Each quarter, these are supported by the assurance from our CEO and Chief Financial Officer (CFO) that the financial records have been properly maintained and the materials disclosed give a true and fair view of our operations and finances. Changes in accounting standards and policies are reviewed by the AC with our Finance team and our external auditors. Technical sessions, for example, to discuss new accounting standards, may be arranged, if necessary.

Before each AC meeting, the AC chairman is briefed by the internal and external auditors, who report directly to the AC, and the Finance team. Every quarter, the AC also meets the auditors in the absence of Management, and among themselves. 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.

Group Audit (GA) updates the AC on whistle-blowing cases received. Please refer to page 89 for more information on the whistle-blowing policy, which is administered by GA.

Highlights of the AC's activities in 2020:

- reviewed our financial reports to ensure that the impact of COVID-19 is fairly accounted for;
- reviewed the progress made by GA in its strategic workforce plan and initiatives implemented, including the enhanced adoption of data analytics;
- reviewed the interim external quality assurance review report of the internal audit function across the Group;
- advised GA on the development of regional internal audit resources;

- guided GA on its oversight of the regional internal audit function in light of the prevailing COVID-19 pandemic; and
- reviewed the adequacy and effectiveness of audit resources across the Group.

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 was guided by the Guidance to Audit Committees and the Audit Quality Indicators Disclosure Framework issued by ACRA, the External Audits of Banks issued by the Basel Committee on Banking Supervision and the Audit Committee Guide by the Singapore Institute of Directors.

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

Our external auditor affirms its independence to the AC quarterly. As part of its monitoring of the continued independence of the external audit, our AC reviews the non-audit services provided by our external auditor and the fees paid for such services every quarter. The AC is satisfied that the independence of the external auditor was not compromised by the non-audit fees received. Please see Note 11 (Other operating expenses) to the Financial Statements for more information on the non-audit fees.

Our AC is further satisfied that our external auditor was independent, objective and effective in its audit of the Bank in 2020. It has nominated Ernst & Young LLP for reappointment at the 2021 AGM. Ernst & Young LLP is also the appointed external auditor of the material subsidiaries of our Group. A handful of small overseas subsidiaries 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.

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 120 to 122.

Areas of focus	AC's comments
Expected credit losses (ECL) on non-impaired credit exposures	<p>Governments in the region have provided various relief programmes to support individuals and businesses through the pandemic. Management updates the AC quarterly on significant changes in ECL, the related drivers and overlays necessary to compensate for model imperfections, in particular, modifications arising from the relief programmes.</p> <p>The AC was apprised by both the internal and external auditors of Management's credit monitoring processes, controls and governance over model methodologies and assumptions and judgement applied in estimating the ECL. The external auditor's audit testing results on the ECL, including modelling specialist's comments on ECL models, were presented at AC.</p> <p>The AC has assessed and reviewed these results and findings.</p>
ECL on impaired credit exposures	<p>In addition to processes, controls and governance over credit exposures, we have assessed and discussed the external auditor findings and results from its audit on impaired credit exposures.</p> <p>The AC has reviewed significant non-performing loans to assess the timeliness and appropriateness of classification and the corresponding allowances made, with a focus around additional regulatory guidance on credit assessment for loans under relief programmes. The AC also considered the reasonableness of the valuation approach for collaterals and cash flow assumptions.</p>



Corporate Governance

Areas of focus	AC's comments
Valuation of complex financial instruments	<p>The valuation processes, controls and governance were tested by the internal and external auditors and the findings were reported to the AC.</p> <p>The external auditor specialist's independent validation of fair values of these financial instruments was presented to the AC.</p> <p>The AC discussed the reasonableness of the valuation techniques and, in particular, the unobservable inputs used to determine the fair value of complex financial instruments.</p>
Impairment of goodwill	<p>Management presented the goodwill impairment testing methodology and results to the AC. The external auditor had reviewed the goodwill impairment methodology and presented the test results, including comments from its valuation specialists and sensitivity analyses performed.</p> <p>The AC assessed the appropriateness of the cash flow forecasts, discount rates and growth rates used in the goodwill impairment testing and enquired on the results of the sensitivity analyses performed.</p>

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

Internal auditor

Our AC reviews and approves the Internal Audit Charter which sets out the authority and responsibilities of GA. It reviews the risk-based internal audit plan, internal audit reports, scope and results of the internal audits and the adequacy and effectiveness of GA.

Independent from the units and activities it audits, GA is in the Third Line. It has unfettered access to all the records, documents, property and personnel to perform its audit. 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 provide the mission and objectives of an internal audit function and the performance standards expected of internal audit activities.

To ensure it maintains its high performance standards, GA conducts a self-assessment against these standards and guidelines annually. In addition, an external quality assurance review of the internal audit function is conducted at least once every five years. The last review was conducted in 2019.

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

To be an effective Third Line, GA ensures that the audit methodology remains relevant in addressing the ever-changing risk profile of the business. In 2019, it implemented the Enhanced Risk Assessment approach. Under this approach, the risk taxonomy to address new emerging risks is aligned with Group Risk Management, auditors' business insights and risk management competencies are sharpened, and a differentiated quality assessment approach is adopted to assess the adequacy and effectiveness of risk oversight functions in the Second Line. In 2020, GA introduced Continuous Auditing, which uses technology-enabled audit techniques such as data visualisation, data analytics and automation. These give business and support units greater assurance and more insightful audit results, which will help them to improve their processes and activities.

GA launched its Competency Framework in 2020, which is targeted at upskilling all internal auditors to meet expected knowledge and skills standards. New subject matter training rolled out during the year included Digital Risk training and Models training, both developed and implemented jointly with external consultants.

Our AC has 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, and is satisfied that GA is independent, adequately resourced and effective in discharging its responsibilities.

Risk management and internal controls

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

- Management oversight and control: Management is responsible for the day-to-day management of risks and for ensuring that our frameworks, policies, processes and procedures for internal controls and risk management remain relevant and are adequate and effective. Our CEO is supported by the Asset and Liability Committee, Credit Committee, ESG Committee, Human Resources Committee, Information and Technology Committee, Investment Committee, Management Committee, Management Executive Committee, Operational Risk Management Committee, and Risk and Capital Committee;
- Three Lines Model: Please refer to the details in the Risk Management section; and
- An integrated governance, risk and compliance system which facilitates information sharing, coordination and collaboration among GA, Group Risk Management and Group Compliance for more effective governance oversight and 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 senior management committees and where deficiencies are identified, these committees monitor the progress made in rectification works. Our AC and our Head of GA reviewed the internal controls while our BRMC and our CRO reviewed the risk management processes.

Our Board and BRMC have received assurance from our CEO, CFO and CRO, who have in turn received corresponding assurances from the respective function heads, that the system of risk management and internal controls, including financial, operational, compliance and information technology controls, is adequate and effective.

Messrs Ong Yew Huat and Alvin Yeo Khirn Hai and Dr Chia Tai Tee are members of both the AC and BRMC, ensuring an holistic view of the Bank's system of risk management and internal controls.

Based on its review and with the concurrence of our AC and BRMC, our Board is of the view that our system of risk management and internal controls, including financial, operational, compliance and information technology controls, was adequate and effective as at 31 December 2020. 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.

Managing stakeholder relationships

Shareholder rights and conduct of general meetings

We encourage and support shareholders' attendance at our general meetings and participation in decisions concerning key corporate changes, such as the repurchase of shares, amendment to our Constitution and the authority to issue ordinary shares.

The notice of a general meeting, related information and a proxy form are usually sent to our shareholders at least 14 days before the meeting. The notice of meeting, information relating to the resolutions and the proxy form are made available on our website and the SGX website. As we move towards reducing its carbon footprint and adopting more sustainable practices, we will in time serve notices of general meetings to shareholders electronically in accordance with the provisions of our Constitution and applicable regulations.



Corporate Governance

All shareholders are entitled to attend and to vote at general meetings in person or by proxy. The rules for the appointment of proxies are set out in the notice of general meeting and proxy form. Under normal circumstances, shareholders who are not relevant intermediaries as defined in the Companies Act may appoint up to two proxies to attend and to vote on their behalf, and nominee companies and custodian banks which are relevant intermediaries may appoint more than two proxies. 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 of general meeting at least 72 hours before the time set for holding the general meeting.

At general meetings, our Board Chairman ensures that adequate time is allocated for shareholders to ask questions or to provide their feedback on Bank-related matters and the resolutions to be passed. Our Directors also take the opportunity to mingle with shareholders at these meetings.

Our AGM is usually held within four months from our financial year end of 31 December each year. Before the resolutions are put to the vote, our CEO makes a presentation on our performance in the preceding financial year. The Directors and our senior management are in attendance to address shareholders' queries. Our external auditor is also present to address questions on the audit. 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.

Each proposal is tabled as a separate and distinct resolution and not bundled or made conditional to other resolutions. Relevant information relating to each resolution is provided in the Notice of AGM.

Each ordinary share carries one vote and poll voting via electronic devices is adopted at all general meetings. Electronic poll-voting services are provided by an independent service provider. Before voting commences, shareholders and proxies are briefed on the polling procedures in English and Mandarin. Each agenda item is put to the vote separately. After voting on each resolution is closed, the votes cast are tallied and presented immediately to shareholders. An independent scrutineer, who is in attendance at every general meeting, validates the voting results, which are announced on the SGX website on the same day after the general meeting.

The outbreak of the COVID-19 pandemic in early 2020 forced many companies to abandon their usual plans for the AGM due to public health and safety concerns. The relevant authorities in Singapore quickly passed legislation, including the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts and Debenture Holders) Order 2020 (COVID-19 Meetings Order) to allow companies to make alternative arrangements to hold their general meetings. Consequently, all companies were granted an extension of time to hold their AGMs and held their general meetings electronically. We promptly informed shareholders that the AGM would be deferred and subsequently held our AGM in June 2020. The deferred AGM was held electronically with a live webcast. All shareholders were entitled to participate in the virtual AGM at no cost to them. Shareholders were requested to pre-register to participate in the electronic AGM. Each verified shareholder was assigned a unique passcode to log in to the virtual webcast of the AGM. Shareholders could also choose to tune in to the live audio feed of the AGM via telephone.

To give shareholders more time to become familiar with the new arrangements, the notice of AGM was published at least 28 days ahead of the virtual AGM. We invited shareholders to submit their questions ahead of the AGM, and published our responses to the questions before the deadline for the submission of proxy votes. Shareholders were able to submit their questions and proxy forms by email or post, or on our corporate website.

Under the exceptional circumstances and in compliance with regulatory guidance, shareholders were requested to appoint the chairman of the meeting as their proxy to cast their votes as directed by them at the AGM. The votes by poll were verified by our independent scrutineer before the results were announced at the virtual AGM, and broadcast on the SGX website on the same day.

The pandemic has not abated. Hence the 2021 AGM will be held electronically again in the interest of public health and safety. Shareholders will be able to pre-register to attend the AGM at no cost to them. Once more, shareholders will be invited to send in their questions ahead of the AGM and responses from our Directors will be published before the deadline for the submission of proxy votes. Shareholders will be requested to appoint the chairman of the meeting as their proxy to cast their votes at the AGM.

Verified shareholders will also be able to pose questions to the Board in real time during the AGM by typing their questions on the AGM platform. The services will be provided by an independent service provider.

Engagement with shareholders and other stakeholders

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

We publish our financial updates (first and third quarters) and half-year financial reports within 45 days from the end of each financial quarter, 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. We inform shareholders of the publication of our annual report on our website and the SGX website at least 14 days before our AGM.

Apart from the AGM, our stakeholders may also contact our Investor Relations unit. The contact details can be found in the Corporate Information and Investors Highlights of this report and on our website.

We engage the investment community through various avenues including briefings to the media, analysts and investors following the release of the half-year and full-year financial results. Corporate Day events are organised periodically to provide the investment community with insights into our businesses and key markets. Due to the ongoing pandemic, these events were held electronically during 2020. Through investor meetings, conferences and roadshows, our senior management shares our corporate strategy, operational performance and business outlook. We also collaborate with other agencies such as the SGX-ST to reach out to retail investors on a regular basis. All materials presented at such events are published on our website and on the SGX website on the same day.

Information on how we manage our stakeholder relationships and engage with our stakeholders can be found in the Sustainability Report, which is available on our website.

Dividends

We aim to provide sustainable returns to our shareholders for their investment as we balance the long-term strategic growth opportunities and proactive management of capital. We adopt a dividend payout ratio approach that is based on our net profit after tax to reward our shareholders in a consistent and sustainable manner, while taking into consideration a forward view of the evolving macroeconomic outlook and business environment across the region. Subject to the Common Equity Tier 1 ratio being above 13.5 per cent and a stable outlook, we aim to deliver a dividend payout ratio (DPR) of 50 per cent of our net profit after tax.

Dividends recommended or declared are announced on the SGX website. 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, the payment date will not be later than 35 market days after the record date, in compliance with the SGX-ST Listing Rules.

With the uncertainty brought on the pandemic, the MAS has called on locally-incorporated banks headquartered in Singapore (Local Banks) to cap their total dividends per share (DPS) for FY2020 at 60 per cent of FY2019's DPS, and to offer shareholders the option of receiving their dividends in scrip in lieu of cash. While the Local Banks' capital positions are strong, the dividend restrictions are a pre-emptive measure to bolster their resilience and capacity to support lending to businesses and individuals, and to absorb economic shocks should a more adverse scenario materialise.

In support of the national effort, our Board declared an interim dividend for FY2020 based on the regulatory guidance and offered shareholder the option to receive their dividends in scrips in lieu of cash. The final dividend for FY2020 will continue to support our national effort. We intend to revert to our target DPR once the regulatory guidance on dividends is revoked.



Corporate Governance

Related party transactions and 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)
Haw Par Corporation Limited and its subsidiaries (Haw Par Group)	Associates of Controlling Shareholder, Wee Cho Yaw	UOB Travel Planners Pte Ltd sold travel products and services to the Haw Par Group. The total value of these transactions was \$81,953.	Nil
UOB-Kay Hian Holdings Limited and its subsidiaries	Associates of Controlling Shareholder, Wee Cho Yaw	UOB Travel Planners Pte Ltd sold travel products and services to UOB Kay Hian Private Limited. The total value of these transactions was \$63,175. The Bank received \$25,812 referral fees paid by UOB Kay Hian Private Limited.	Nil
UOL Group Limited and its subsidiaries (UOL Group)	Associates of Controlling Shareholder, Wee Cho Yaw	UOB Travel Planners Pte Ltd sold travel products and services to and acted as hotel services agent for the UOL Group. The total value of these transactions was \$149,186. United Overseas Bank (Vietnam) Limited rented a service apartment at Pan Pacific Hanoi from Westlake International Company Limited for 12 months from 1 June 2020 at \$40,517 (VND705,000,000).	Nil
UIC Asian Computer Services Pte Ltd	Associate of Controlling Shareholder, Wee Cho Yaw	UOB and its subsidiaries purchased hardware and software from UIC Asian Computer Services Pte Ltd valued at approximately \$47.99 million.	Nil
Flair Venture Pte Ltd	Associate of Controlling Shareholder, Wee Cho Yaw	UOB charged Fair Venture Pte Ltd a lower FX transaction fee of 1 per cent at \$54,840 for its corporate credit card usage on an exceptional basis.	Nil
For the Love of Laundry Pte Ltd	Associate of Director and Controlling Shareholder, Wee Ee Cheong	UOB granted For the Love of Laundry Pte Ltd a short-term rental reduction amounting to \$21,400 to help the COVID-19 impacted tenant for five months from 1 August to 31 December 2020.	

Material contracts

Save as may be disclosed on the SGX website or in this Report, neither we 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 at 31 December 2020.

Ethical standards

Code of Conduct (Code)

Our Code of Conduct is based on our values of Honour, Enterprise, Unity and Commitment. It lays down the principles of personal and professional conduct expected of our employees, including in the following areas:

- Fair Dealing in the conduct of business;
- protection of personal data and customer information in accordance with applicable privacy and data security laws and regulations;
- equal opportunity for employees based on merit;
- zero tolerance of discrimination, bullying or harassment on the basis of gender, race, age, religion, disability or any other classification that does not create a professional and safe workplace;
- maintenance of a conducive and healthy environment that contributes to the safety and well-being of employees 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 colleagues are introduced to the Code as part of their induction and all employees refresh our knowledge annually as part of our self-learning programme. Employees are assessed on how well their behaviour is aligned to our values in our annual performance appraisal. Any employee who does not comply with the code may be subject to disciplinary action. Investigations are conducted in accordance with neutral fact-finding processes, carried out with the utmost objectivity and based on the principles of fairness and natural justice.

Whistle-blowing

Our whistle-blowing policy 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. Reprisal in any form against whistle-blowers who have acted in good faith is forbidden.

Whistle-blowing reports may be sent to the Head of GA at One Raffles Place, Tower 1 #15-02, Singapore 048616. They may

also be sent to our AC Chairman, CEO or Board Chairman at 80 Raffles Place, UOB Plaza 1, Singapore 048624. All reports received are accorded confidentiality. GA investigates all reports independently and submits its reports directly to the AC.

The whistle-blowing policy, which is reviewed regularly, is published on our intranet.

Fair Dealing

Fair Dealing is deeply entrenched in our organisational culture. We have policies, guidelines and best practices to guide our colleagues in our daily activities. We also refresh our understanding of Fair Dealing through online training annually. Our customers and the general public may give their feedback on us or our products and services via the customer service hotline or feedback form, both of which are available 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 promptly. More information on our commitment to Fair Dealing can be found in the Sustainability Report.

Securities dealing

Our Directors and employees 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 employees 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 updates for each of the first and third quarters of the financial year and one month before the announcement of the half-year financial results and full-year financial statements. We do not deal in our securities during the prohibited dealing periods and we inform our Directors and employees of such periods.

Employees 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 notify us of their interests in the securities of UOB and its related corporations within two business days after they acquire or dispose 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.



Corporate Governance

Summary of disclosures

- Express disclosure requirements in the 2018 Code and Supplementary MAS Guidelines

Principles and provisions of the 2018 Code – Express disclosure requirements	Page reference
Provision 1.2 The induction, training and development provided to new and existing directors.	77
Provision 1.3 Matters that require board approval.	73 and 74, 79
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.	72 to 85
Provision 1.5 The number of meeting of the Board and board committees held in the year, as well as the attendance of every Board member at these meetings.	76
Provision 2.4 The board diversity policy and progress made towards implementing the board diversity policy, including objectives.	75, 77 and 78
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.	77
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 should be disclosed.	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.	10 to 15, 76
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.	74 to 77
Provision 6.4 The company discloses the engagement of any remuneration consultants and their independence.	79, 92
Provision 8.1 The company discloses 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.	79 to 81, 92 to 95
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 states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.	81
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.	79 and 80, 92 to 95, 197

Principles and provisions of the 2018 Code – Express disclosure requirements	Page reference
Provision 9.2 The board should disclose whether it 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.	82, 85
Provision 11.3 Directors' attendance at general meetings of shareholders held during the financial year.	76
Provision 12.1 The steps to solicit and understand the views of shareholders.	73, 85 to 87
Provision 13.2 The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	31 to 35, 73 and 74, 78 to 89

Supplementary MAS Guidelines – Express disclosure requirements	Page reference
Guideline 1.16 An assessment of how induction, orientation and training provided to new and existing directors meet the requirements as set out by the NC to equip the board and the respective board committees with relevant knowledge and skills in order to perform their roles effectively.	77
Guideline 2.13 Names of the members of the board executive committee (Exco) and the key terms of reference of the Exco, explaining its role and the authority delegated to it by the board.	72, 76, 78
Guideline 4.13 Resignation or dismissal of key appointment holders.	78
Guideline 4.14 Deviation and explanation for the deviation from the internal guidelines on time commitment.	76
Guideline 9.4 Details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds \$50,000* during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be incremental bands of \$50,000*.	81
Guideline 11.14 Names of the members of the board risk committee and the key terms of reference of the board risk committee, explaining its role and the authority delegated to it by the board.	72, 76, 81 and 82, 85
Guideline 17.4 Material related party transactions.	88

* Disclosures relating to employees who are immediate family members of a director or the CEO are aligned to the 2018 Code, where disclosures are required from \$100,000

