



Remuneration Disclosure



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1. About MUFG

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with approximately 2,000 locations in more than 40 markets. The Group has about 140,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges.

MUFG Bank, Ltd. is Japan's premier bank, with a global network spanning around 40 markets. Outside of Japan, the bank offers an extensive scope of commercial and investment banking products and services to businesses, governments and individuals worldwide.

MUFG Bank, Oceania, has been supporting clients for over 100 years in Australia and 50 years in New Zealand. With access to local product specialists that can link into MUFG's global network of product capabilities, the Bank has 404 employees across the business in Sydney, Melbourne, Perth and Auckland, with the Sydney Branch operating as Hub support to the 3 spoke offices.

2. Introduction

APRA's Prudential Standard CPS 511 mandates that Authorized Deposit-taking Institutions (ADIs), governed by the Banking Act 1959 (Cth), must annually disclose their remuneration practices. CPS 511 establishes guidelines to ensure that remuneration structures incentivise individuals to manage risks prudently and impose consequences for poor risk management.

This report details the remuneration practices of the Australian operations of MUFG Bank, Ltd., ensuring compliance with Prudential Standard CPS 511. The Bank's policy aims to promote effective risk management and align remuneration with the long-term interests of the Bank and its stakeholders.

3. Remuneration Philosophy

At MUFG, we believe that our employees are our greatest asset and key to delivering our business strategy. We are dedicated to creating a diverse and inclusive workplace that reflects the dynamic nature of our business and the communities we serve. Our regulatory aligned Global Reward Philosophy is designed to attract, motivate and retain top talent by recognising and rewarding our employees fairly and consistently. This approach aligns with our organisational purpose, strategic goals and culture. We are committed to fostering a culture of sustainable high performance, that supports prudent risk taking, where employees can achieve their full potential and are acknowledged for their contributions to our success. By emphasizing fairness, inclusivity, and transparency, we ensure that our reward systems not only drive individual excellence but also support the broader objectives, values, risk appetite, and long-term interests of MUFG. Our Global Reward Philosophy is supported by a set of core principles that guide our performance and reward strategies and underpin all compensation-related decisions.

➤ Transparency:

We set clear expectations on how colleagues are rewarded and outline the principles guiding these decisions, including agreeing clear objectives that are aligned with business purpose, strategy and values, risk appetite, and employees are provided with regular feedback. We maintain open and clear communication about pay structures and performance decisions to ensure employee understanding and trust.

➤ Pay for Performance:

Compensation outcomes are linked to individual performance, contributions, potential, conduct, and behaviours, as well as the performance of their business unit or function, region, and MUFG as a whole.

➤ Market Competitiveness:

We aim to provide a competitive total reward proposition based on role and location, to attract, motivate and retain talent. In general, we target within a range around the market median on Fixed Pay and Total Compensation of appropriate peer competitors to MUFG. We aim to provide an appropriate mix of fixed and variable pay along with a core level of benefits, ensuring employees have sufficient security to perform their duties effectively.

➤ Equity & Inclusivity:

We maintain pay practices to deliver equal pay for work of equal value, regardless of gender, race, ethnicity, age, disability, or any other protected characteristics.

➤ Well-Being:

We support a variety of flexible working arrangements, subject to local terms, that balances business needs with personal circumstances. We offer employees the opportunity to choose the combination and level of benefits that best suit them.

➤ Regulatory Compliance and Governance:

Remuneration arrangements must comply with all applicable regulatory and legal requirements, including obligations under the Financial Accountability Regime ('**FAR**') (which applies to variable remuneration referable to a performance period starting on and from 1 April 2025) and APRA Prudential Standard CPS 511 ('**CPS 511**').

4. Remuneration Policy

MUFG conducts an annual review of its Remuneration Policy to ensure that it aligns reward structures with effective risk management and promotes sustainable business practices, as well as enabling the organisation's strategy. This review process also ensures compliance with the requirements in CPS511 and FAR. The Remuneration Policy establishes a clear link between pay and performance and outlines the organisation's overarching remuneration philosophy and structure. In May 2025, the Remuneration Policy was thoroughly reviewed to ensure alignment with regulations and the organisation's strategy, risk appetite, culture and values. This review, conducted by Human Resources in collaboration with relevant stakeholders, was subsequently presented to and approved by the Asia Pacific Remuneration Committee (APAC RemCo).

5. Governance

Oceania Remuneration Policy

The Bank's Senior Officer Outside Australia (SOOA) has delegated authority from the Bank's Board and is responsible for overseeing the Bank's operations in Australia and New Zealand. The SOOA is defined as General Manager, Planning Office for Asia. Pursuant to CPS 511, the SOOA is responsible for reviewing and assessing the appropriateness of the Oceania Remuneration Policy and its effective application in Oceania having regard to local Management recommendations. This process includes review and approval by the Chief Risk Officer (CRO) for Oceania and local branch management to ensure alignment with governance requirements. Once the Remuneration Policy has been reviewed and approved from a local perspective, it is submitted for review and approval to the APAC RemCo.

Oceania Remuneration Outcomes

The APAC RemCo is the main body that oversees remuneration in the APAC region (including Oceania) and meets a minimum of 4 times per year at times relevant to the APAC Annual Review Process Calendar.

The SOOA also reviews and approves Variable Remuneration (and adjusts Variable Remuneration downwards, including to zero if appropriate), in relation to relevant persons or classes of persons. Relevantly, the SOOA is responsible for approving variable remuneration outcomes individually, for senior managers, and on a cohort basis, for highly-paid material risk takers, other material risk-takers and risk and financial control personnel.

6. Remuneration Design and Structure

MUFG's Total Compensation Strategy comprises of two components:

- Fixed Remuneration (inclusive of superannuation)

- Variable Remuneration (annual performance bonus)

Fixed Remuneration

Fixed Remuneration includes base salary and superannuation. MUFG conducts an annual review of fixed pay across all roles and the market to ensure competitiveness and alignment to sound compensation practices.

Variable Remuneration

Variable remuneration is awarded as an annual performance-based bonus, reflecting both MUFG global and local business performance. Individual performance is assessed as part of the Global Performance Management Framework. Variable pay recognises and rewards those employees who demonstrate MUFG culture and values as well as deliver superior performance which is aligned with Risk and Compliance standards.

7. Link between Pay and Performance

MUFG operates a comprehensive and robust performance management process which is designed to foster employee development and align individual contributions with the organisation's business plan, strategic objectives and risk management framework. This process includes objective setting, employee development, and annual performance assessments.

The Global Performance Management Framework is structured around four key quadrants, which equally emphasize the "What" and "How" of performance. This structure promotes the effective management of both financial and non-financial risks, sustainable performance and long-term soundness.

"What" (50%): This aspect measures performance against specific objectives, which are categorised into:

1. Non-Financial Deliverables
2. Financial Deliverables

Employees are expected to maintain a balanced focus on both non-financial and financial targets, tailored to their respective roles.

"How" (50%): This aspect evaluates adherence to the organisation's expectations in respect to:

1. Risk, Compliance, Internal Controls & Regulatory Conduct (25%)
2. Behaviours aligned with MUFG's Culture Principles and Values (25%)

The organisation places significant emphasis on supporting the prevention and mitigation of conduct risk by ensuring that all employees conduct themselves in accordance with its policies, procedures, culture, and values. These expectations are consistently communicated and ingrained within the Global Performance Management Framework and all related practices.

Variable Pay is distributed from MUFG's Variable Pay pool (determined by the Global Bonus Funding Methodology) based on Bank and individual performance. This allocation considers performance across all aspects of the Global Performance Management Framework, thus ensuring that remuneration reflects both "What" employees deliver and "How" they deliver it, in accordance with the Company's policies, procedures and values.

8. Deferral Plan

Deferred Compensation is determined where the employee's Variable Remuneration is above the Bank's designated threshold. Deferred Compensation enables the Bank to assess an impacted employee's performance, related to the initial award of Variable Remuneration, and/or whether there are any criteria arise warranting an adjustment, over the vesting period. The Bank can apply malus (or forfeiture) to any unvested amounts of Deferred Compensation or apply clawback to amounts that have been paid. The Bank aligns all vesting periods to the requirements of CPS 511 and FAR as applicable.

9. Risk Adjustment

Adjustments to Variable Remuneration may include malus, forfeiture, in-period adjustments, or clawback, based on criteria such as misconduct, risk management failures, or significant adverse outcomes for stakeholders. These adjustments ensure alignment with the Bank's consequence management framework and take into account the Bank's longer term performance, including risk performance.

10. Specified Roles

Persons in the Bank in specified roles (as defined in CPS 511) are:

- Senior Officer Outside Australia;
- Managing Director, Head of Oceania;
- Managing Director, Chief Officer in Charge, Office of Head of Oceania;
- Managing Director, Head of Global Corporate Investment Banking;
- Managing Director, Japanese Corporate
- Employees working in risk, compliance and financial control.