MUFG Securities (Europe) N.V. Remuneration Disclosure

31 December 2021

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1. About MUFG Securities (Europe) N.V.

MUS(EU) (the “Company”) is part of the International securities business of Mitsubishi UFJ Financial Group Inc. (“MUFG”). The Company is based in Amsterdam and is a wholly owned subsidiary of MUFG Securities (EMEA) plc (“MUS(EMEA)”). MUS(EMEA) is based in London and authorised by the Prudential Regulation Authority (“PRA”) and regulated by the PRA and the Financial Conduct Authority (“FCA”). The Company is authorised and supervised in the Netherlands by the Authority for the Financial Markets (“AFM”) and supervised by De Nederlandsche Bank (“DNB”). MUS(EMEA) is wholly owned by Mitsubishi UFJ Securities Holdings Co. Ltd. (“MUSHD”) which is a wholly-owned intermediate holding company of MUFG and is responsible for the securities and investment banking business of MUFG, including the Company.

The Company is active throughout European capital markets, focusing on debt, credit, equity, derivatives and structured products. It is engaged in market-making and dealing in the debt, credit, equity-linked and derivatives financial markets, and the management and underwriting of issues of securities and securities investment. The Company works in close partnership with MUFG and its corporate bank, the MUFG Bank Ltd. (“MUFG Bank”) and its Dutch subsidiary MUFG Bank Europe N.V. (“MBE”) in London and Europe. The Company operates a Paris branch to build on the current client base as well as further leverage the MUFG presence within France. However, it is intended to act as a sales function and introducer. There are no current plans for the Company to have any other branches or subsidiaries. The Company provides its cross border services and activities into the other E.E.A. countries on the basis of its MiFID II passport. The Company was granted a MiFID II Investment Firm Licence in The Netherlands in December 2018 and commenced trading in March 2019.

MUFG was formed in October 2005 through the merger of Mitsubishi Tokyo Financial Group and UFJ Holdings and is one of the world’s largest and most diversified financial groups, with total assets of ¥366 trillion (€2.8 trillion) at 31 December 2021. MUFG’s services include commercial banking, trust banking, investment banking, credit cards, consumer finance, asset management, leasing and other financial service activities.

2. Introduction

The Basel II Framework was implemented in the European Union via the Capital Requirements Directive (“CRD”) in June 2006. The framework is made up of three pillars:

- Pillar 1 (Minimum capital requirements)
- Pillar 1 sets out ‘minimum capital requirements’. It covers the calculation of risk weighted assets (“RWA”) and the capital resources requirements for credit risk, market risk and operational risk. Credit risk includes counterparty credit risk and concentration risk.

- Pillar 2 (Supervisory review process)
- Pillar 2 capital framework is intended to ensure that firms have adequate capital to support the relevant risks in their business, and that they have appropriate processes to ensure compliance with the Fourth Capital Requirements Directive (“CRD IV”). It considers whether additional capital is required over and above the Pillar 1 capital requirements. A firm’s internal capital adequacy assessment process (“ICAAP”) supports this process.

- Pillar 3 (Market discipline)

- Pillar 3 of the Basel framework aims to promote market discipline through regulatory disclosure requirements. It covers external disclosures of capital and risk exposures to increase transparency and improve comparability and consistency of disclosures.

The Basel Committee agreed updates to the Basel framework in July 2009, commonly referred to as Basel 2.5. These seek to better capture risk from securitisation and trading book exposures and were incorporated into European law via amendments to the CRD known as the "Third Capital Requirements Directive" or "CRD III".

Basel III, released in December 2010, builds on Basel 2.5. It sets higher capital and liquidity requirements to be phased in over the coming years until fully implemented on the 1st January 2023. In the EU, Basel III was implemented through the Capital Requirements Regulation ("CRR") and Fourth Capital Requirements Directive ("CRD IV") in January 2014.

In February 2019, the Council of the EU endorsed an agreement on a set of revised rules aimed at reducing risks in the EU banking sector. The package agreed by the Council and the Parliament comprises two regulations and two directives, relating to:

- Bank capital requirements (amendments to regulation 575/2013 and directive 2013/36/EU);
- The recovery and resolution of banks in difficulty (amendments to directive 2014/59/EU and regulation 806/2014).

The amendments in the package above to the existing CRR and CRD IV (collectively referred to as "CRR2") include the following:

- A binding leverage ratio and changes to the exposure measure
- A binding detailed net stable funding ratio ("NSFR")
- A new Standardised Approach for counterparty credit risk
- Changes to the rules for determining the trading and non-trading book boundary and the methodologies for calculating market risk capital charges

The CRR2 changes were finalised in 2019 and applied in the EU from 28th June 2021.

The Pillar 3 disclosures are prepared in accordance with the CRR and CRD IV as well as the European Banking Authority ("EBA") guidelines (EBA/GL/2016/11) on disclosure requirements issued in December 2016. The disclosures are available on the Company's corporate website (www.mufgemea.com). Disclosure in respect of remuneration as required under Article 450 of the CRR is separately published on the same website and forms part of the Pillar 3 disclosure for the Company.

The Pillar 3 disclosures were verified and approved internally, including reviews by the Management Board and Supervisory Board to ensure that the external disclosures convey the Company's capital and risk profile comprehensively, subject to materiality and proprietary confidentiality. There is no requirement for external auditing of these disclosures.

3. Remuneration Philosophy

MUS(EU) or the "Company" seeks to maintain a fair and transparent approach to remuneration. The purpose of this Policy is to define a set of requirements that will ensure that the Company's remuneration:

- Attracts and retains high-performing individuals in a manner that supports robust governance in line with the Company's risk appetite;
- Promotes sound and effective risk management;
- Is aligned with regulatory requirements relevant to the Company and does not encourage excessive risk-taking;
- Is aligned with the Company's financial results, business strategy, objectives, values and long-term interests;
- Ensures the franchise is sustainable and that the firm's financial resources are aligned to principles of safety and soundness; and
- Encourages an inclusive and diverse workplace through fair and sound remuneration practices, and equality of opportunity, applicable to all staff, irrespective of and not limited to gender, race, disability or sexual orientation, or any other personally differentiating factor.

The Company assesses the remuneration of all their employees on an annual basis against a peer group predominantly consisting of financial companies both in Netherlands and Europe. The peer group consists of companies comparable either in market, size or profile to MUS(EU). Any scenario analysis carried out is presented to the Remuneration Committee / Supervisory Board for independent review and approval.

This Policy and the associated Remuneration Framework define the Company's remuneration policies, procedures and practices.

Through effective remuneration governance and risk management the Company will:

- Attract, develop and retain high-performing employees to deliver its business strategy;
- Encourage appropriate conduct and behaviours from employees;
- Ensure that compensation arrangements are designed to appropriately balance risk and financial results in a manner that does not encourage employees to expose the company to excessive or imprudent risk;
- Ensure that the Company's compensation arrangements for employees performing permitted activities under the Volcker Rule are designed not to reward or incentivise prohibited proprietary trading; and
- Avoid remuneration practices which could provide inappropriate incentives to employees or otherwise have the potential to damage the Company's franchise, reputation, its relationship with consumers or regulators and its long-term financial interests.

In particular, the Company's remuneration governance arrangements provide robust oversight and effective management of any potential conflicts of interest and ensure that remuneration decision processes are consistent with the Company's risk appetite. Transparent and robust evidence of effective remuneration governance processes and practices enable MUS(EU) to meet the expectations of its internal and external stakeholders, including regulatory authorities.
All compensation at MUS(EU) is set with reference to the Business Plan of the Company. The strategic plans of the Company are measured through key performance indicators which are monitored at both MUS(EU) and business unit level (where applicable).

4. Remuneration Policy

MUS(EU) reviews its Remuneration Policy on an annual basis. The policy is drafted taking MUFG group's policies and principles on remuneration into account, with deviations applied as necessary to align to local requirements. The policy complies with: the Capital Requirements Directive, MiFID II, the 'Act on Remuneration Policies of Financial Undertakings' included in the Dutch Financial Supervision Act (Wet op het financieel toezicht), the 'Guidelines on sound remuneration policies' as issued by the European Banking Authority ("EBA"), and the 'Regulation on Sound Remuneration Policies under WFT 2021 as issued by the De Nederlandsche Bank ("DNB"), collectively referred to hereafter as 'The Remuneration Code'.
The Policy outlines the link between pay and performance as well as the philosophy and structure of remuneration at MUS(EU).

The Remuneration Policy was reviewed in December 2021 to ensure full alignment with the Global HR framework. The reviews were completed by Human Resources with input from Risk, Compliance and Finance where appropriate, before being submitted to the Remuneration Committee for their review and approval. The Remuneration Committee were given delegated authority to approve the Remuneration Policy on behalf of the Supervisory Board.

5. Composition and mandate of the Remuneration Committee

The objective of the Remuneration Committee is to act as an independent oversight body for the purposes of considering, supporting and approving remuneration matters and remuneration policies for the Company (and where applicable its branches) in order to meet applicable legal and regulatory requirements related to remuneration. The Committee is authorised by the Company's Supervisory Board and makes decisions in consultation with the CEO and Management Board, provide support and advice to the Supervisory Board which are consistent with the Company's current and future financial status. The Committee, in making decisions, gives due consideration to the long-term interests of the shareholder, investors and other stakeholders in the Company and the public interest.

Each year, the Company identifies those employees who expose MUS(EU) to material risk (material risk takers or "MRTs", indicated in the relevant legislation as "identified staff"). The Remuneration Committee oversees and approves the MRT identification methodology, process, and identified roles are not subject to appeal.

5.1.1 Supervisory Board

The Remuneration Committee submits a clear and understandable proposal to the general shareholders meeting for an appropriate remuneration for Supervisory Board members. The remuneration for Supervisory Board members encourages the adequate performance of the position and does not depend on the results of MUS(EU) or MUS(EMEA). The Supervisory Board will only be rewarded with fixed remuneration as described in Sections 6.1 and 6.2 of the Remuneration Policy.

5.1.2 Management Board

The Remuneration Committee submits a clear and understandable proposal to the general shareholders meeting for an appropriate remuneration for Management Board members, based on advice by the MUS(EU) Head of Compliance and the MUS(EU) Head of HR or their delegates. Determining the remuneration of the Management Board will be based on Section 6 of the Remuneration Policy.

5.1.3 Internal control functions

The remuneration of the internal control functions will be determined by the Remuneration Committee, after being advised by the MUS(EU) Head of Compliance and the MUS(EU) Head of HR or their delegates. Employees in internal control functions will be independent and have sufficient resources, knowledge and experience to perform their tasks and will have sufficient authority. The remuneration of the internal control functions will be predominantly fixed. If internal control functions will be awarded with variable remuneration, this will be determined on the basis of the achievement of the objectives of their function, independent of the results of the business activities they supervise.

Table 1: Remuneration Committee Members

Gisella van Vollenhoven
Chair
 	
Independent Non-Executive Director
 	
Appointed: 2021
	Skills and experience: Ms van Vollenhoven has extensive experience in the financial sector. This experience includes Retail Banking, Insurance, Pensions, Risk Management, Supervisor, and Actuary.
	
	Other appointments:
	• Member Supervisory Board / Chair Audit Risk and Compliance Committee, MUFG Bank (Europe) N.V. (2020 to present)
	• Member Supervisory Board / Chair Risk and Audit Committee, Bunq (2020 to present)
	• Member Supervisory Board Pensionfund Vervoer (2020 to present)
	• Member Supervisory Board / Chair Remuneration Committee / Member Appointment Committee, a.s.r. verzekeringen (2019 to present)
	• Member Supervisory Board / Vice Chair / Chair Remuneration Committee, Waarborgfonds Social Woningbouw (2018 to present)
	• Ancillary positions:
	  ○ Member Strategic Audit Committee, Ministry of Foreign Affairs
	  ○ Council to the Ondernemingskamer, Gerechtshof Amsterdam
	Associated Partner Riskquest
	Member Curatorium Education “Risk Management in Financial Institutions

Wietze Reehoorn Independent Non-Executive Director Appointed: 2021	**Skills and experience**: Mr Reehoorn has 30 years of executive level experience the majority of which has been spent at ABN Amro Bank N.V. He has held a number of commercial and corporate banking roles as well as risk and strategy/ corporate development roles. These roles include: Chief Risk Officer and Chief Strategy Officer; Chief Executive Officer of Merchant Banking, Head of Commercial and Corporate Banking and Head of Financial Restructuring and Recovery for Europe. Mr Reehoorn also served as member of the Management Board of ABN Amro Bank N.V. for eight years. Since leaving ABN Amro in 2018, Mr Reehoorn has been increasingly involved in a number of non-executive roles in various international companies / banks. **Other appointments:** • Member of Supervisory Board, Anthos Private Wealth Management BV (2020 to present) • Member Supervisory Council / Chair Audit Committee, Rijksuniversiteit Groningen(2014 to present) • Chair Supervisory Council, Stichting Topsport Community (2014 to present) • Member Supervisory Council / Chair of Audit Committee, Frans Hals Museum (2016 to present) • Board Member, Abe Bonnema Stichting (2015 to present) • Director, Member Investment Committee, Koninklijke Hollandsche Maatschappij der Wetenschappen (2018 to present) • Member of Board of Directors / Chair of Board Strategy & Transformation Committee / Chair of Board Corporate Governance and Nomination Committee / Member of Board Risk Committee / Member of Audit Committee, National Bank of Greece (2019 to present).

Colleen Stack Independent Non-Executive Director Appointed: 2021	**Skills and experience**: Ms Stack has served as the Regional Head of the Global Financial Crime Division in EMEA for MUFG Bank and MUFG Securities since 2018. In her capacity as such, Ms Stack is an SMF-18 Money Laundering Reporting Officer. She is responsible for designing, executing and overseeing the financial crime frameworks across all markets in the EMEA region where Bank and Securities operate. She manages a staff of over 160 FTE and is also a member of the EMEA Management Committee. Prior to joining MUFG, Ms Stack was the Global Head of Reputational Risk and Client Selection at HSBC Bank plc for four years. She managed reputational and client relationship risk and facilitated the Global Reputational Risk Committee. Prior to her role at HSBC, Ms Stack served on the US Department of the Treasury in the Office of Terrorist Financing and Financial Crime as Director of Global Affairs and member of the Senior Executive Service. Ms Stack was responsible for developing innovative strategies for deploying targeted financial measures in countering all forms of illicit finance threats. Ms Stack was also commissioned by the US Department of Treasury as a Foreign Service Officer and worked in a variety of roles in offices in Russia, Washington DC and Japan. **Other appointments:** • None

6. Link between Pay and Performance

Employees may be awarded an annual performance-based bonus which is reflective of the performance of MUS(EU), the international business, the relevant business unit and each employee's individual performance in the performance year. Individual performance is assessed through the individual's balanced scorecard, where applicable, or as part of the performance management process with 50% attributed to "What" is achieved and 50% to "How" objectives are achieved.

All such awards may be subject to (i) deferral, (ii) performance adjustment in line with prevailing policies and (iii) claw-back and malus.

Performance-based bonus awards are calculated taking into account the following elements:

MUS(EU)'s bonus pool

MUS(EU)'s bonus pool is determined as a result of an iterative process, driven by profit of both MUS(EU) and MUS(EMEA). Additional metrics are considered however, which include risk adjusted contribution and return on equity, business area performance, contribution to the wider group, headcount, capital and liquidity requirements, non-financial performance of departments, risk and conduct matters outside the Company's accepted risk appetite, external market conditions and retention requirements. The process for allocating the Front Office portion of the bonus pools will initially be led by the global Front Office business lines and based on the performance of their global line, using the following metrics:

- Net operating Profit
- Return on Equity
- Cost efficiency ratio
- Balanced score card
- A qualitative review will be undertaken considering both financial and non-financial factors.

Once an overall pool and business unit pools have been identified, they are validated using a range of risk-adjusted metrics on an overall and business unit basis. These factors determine the size of the discretionary bonus spend available for distribution to each business unit and then, within each business unit, for distribution amongst eligible employees.

The support pools are determined from MUS(EU)'s and MUS(EMEA)'s affordability, considering the above metrics and qualitative measures.

When setting variable remuneration, MUS(EU) will review the impact on the Company's financial resources to ensure that total payment of variable remuneration will not limit the Company's ability to maintain its capital base at appropriate levels.

Individual:

Bonuses are allocated from MUS(EU)'s bonus pool to employees based on individual performance, taking into account the overall performance rating related to their objectives (which shall for at least 50% be based on non-financial/qualitative performance criteria) and, where available, 360˚ feedback. Employees objectives are made up of Financial Deliverables, Non-Financial Deliverables, Risk, Compliance, Control & Regulatory Conduct, and Culture & Values, thus remunerating individuals based on both what they deliver, and how they behave in accordance with the company's policies, procedures and values.

When setting individual variable remuneration, the ratio between fixed and proposed variable remuneration is reviewed for reasonableness, always taking into account the bonus cap rules as described below.

Bonus awards are non-contractual and do not form part of an employee's terms and conditions of employment and do not count towards an individual's pension entitlement. Whether to pay a bonus, the associated timing of such a payment and the method of delivery is entirely at the discretion of the Company. The Company may consider any matters it deems relevant (including those occurring before or after the performance year) when exercising its discretion on bonus decisions.

In some instances, there may be business reasons to make adjustments to an individual bonus following input from the division's international head, the local CEO, the local department manager and/or line manager. In such circumstances, a clear rationale must be provided and approved by the Remuneration Committee.

7. Remuneration Design and Structure

The Company operates a total compensation philosophy whereby the level of overall compensation awarded to an employee is assessed taking into account the combined value of fixed and variable remuneration. Remuneration consists broadly of fixed remuneration (i.e. base salary and fixed allowances) and variable remuneration in the form of a performance-related bonus, a portion of which may be deferred on a mandatory basis.
Total Compensation is defined below and described further in the below sections.

Fixed Remuneration (Base Salary) + **Fixed Remuneration (Fixed Allowance)** + **Variable Remuneration** = **Total Compensation**

Fixed Remuneration
Fixed Remuneration is the core component of an employee's Total Compensation and is directly linked to the value of the role plus the skills and experience of an employee. Fixed Remuneration includes Base Salary and any other Fixed Allowance such as car allowance, where applicable, that by nature do not vary month to month regardless of the Employee or MUS(EU)'s performance.

Base Salary (fixed remuneration)
Base Salary is defined as the Employee's contractual guaranteed base pay excluding any variable elements and allowances. Base Salaries are intended to compensate employees for their skills and experience, whilst, taking into account internal consistency amongst peers and alignment to local market practice, independent of gender, ethnicity, religion or other faith, sexual orientation, functional impairment or age.

MUS(EU) has a market aligned salary approach.Salaries for employees are reviewed annually, on an individual basis, typically in the early part of the performance year.

Fixed Allowances (fixed remuneration)
Fixed allowances include other non-Base Salary elements such as, and not limited to, car allowances or role based allowances which are paid monthly.

Role Based allowances ("RBA") are determined according to the type of role an employee performs. Eligibility for an RBA is subject to an employee holding an identified role and requires prior approval of the Supervisory Board.

Performance-based Remuneration (variable remuneration)
Variable remuneration is a discretionary component of Total Compensation and does not constitute a contractual entitlement to the individual at any time. Variable remuneration rewards employees for their performance and the delivery of financial and non-financial targets, values and behaviours, whilst reflecting performance, current and future risks, affordability and the financial situation of both MUS(EU) and MUS(EMEA). This includes that the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes an adjustment for all types of current and future risks and takes into account the cost of the capital and the liquidity required.

Variable remuneration aims to:

- Promote a culture of high performance and feedback;
- Foster accountability for performance and behaviours within the MUS(EU);
- Enable retention of Employees;
- Promote appropriate risk taking and embed a strong conduct culture;
- Be aligned with shareholder interests, long term business strategy and risk tolerance as dictated to by risk appetite and should be designed in such a way as to avoid conflicts of interest;
- Reflect the MUS(EU)'s risk appetite, affordability and long-term sustainable approach to business;
- Recognise an employee's contribution and share in the joint success of MUS(EU)'s business; and
- Be able to fully flexible to react the performance changes and performance levels.

Remunerating Staff in Control Functions

The remuneration of the internal control functions will be determined by the Remuneration Committee, after being advised by the MUS(EU) Head of Compliance and the MUS(EU) Head of HR or their delegates. Employees in internal control functions will be independent and have sufficient resources, knowledge and experience to perform their tasks and will have sufficient authority. The remuneration of the internal control functions will be predominantly fixed. If internal control functions will be awarded with variable remuneration, this will be determined on the basis of the achievement of the objectives of their function, independent of the results of the business activities they supervise.

Deferral

In the performance year 2021 MUS(EU) continued to operate two deferral programmes for variable remuneration. The first deferral programme was for MRTs who are subject to the CRD remuneration rules, unless the de minimis concession applied (i.e. whose bonus amount does not exceed €50,000 and 10% of total remuneration). Section 8 provides a more detailed overview of the deferral plan for Material Risk Takers.

The second deferral programme ("Global Deferral Plan") applies to all other employees, whose total bonus was over a certain threshold and various deferral percentages apply depending on the level of bonus.

Bonus Cap

Staff not covered by a collective labour agreement may receive awards above the 20% bonus cap, provided that the average variable bonus of such staff collectively does not exceed 20% (an individual100% bonus cap applies). Section 1:121(5) of the Wft provides for an exception to this rule for Dutch-based parent companies of international groups: under specific circumstances, such parent companies may be permitted to apply a bonus cap of up to 100% of their fixed annual remuneration.

8. Material Risk Taker (“MRT”) Deferral Plan

In line with regulatory requirements and to promote MUS(EU)’s long-term interests, MUS(EU) applies deferral arrangements to Variable Remuneration for a MRT. All Deferred awards granted to a MRT are governed under the Rules of the Material Risk Takers Deferral Plan.

Non-Deferred award
A portion of Variable Remuneration is paid out upfront (Non-Deferred award) and is granted as:

- 50% of the Non-Deferred award of the Variable Remuneration will be paid as a cash award.
- The remaining 50% is converted into a Share Price Linked (SPL) award and payment is subject to a one year retention period from the award date. The SPL award shall consist of a number of units linked to MUFG shares.

At the end of the Retention Period a MRT will be entitled to receive a cash payment on the first standard pay date in the calendar month after the end of each relevant Retention Period.

The cash payment will be calculated by multiplying the number of units in the SPL award, by the MUFG share price at the end of the Retention Period.

Deferred award
The remaining portion of Variable Remuneration is deferred (Deferred award) and is granted as:

- 50% as a cash amount. On each Vesting Date, MRT shall receive the Vested portion of the cash amount.
- The other 50% is converted into a Share Price Linked (SPL) award and is subject to a Retention Period. The SPL award shall consist of a number of units linked to MUFG shares.

At the end of the Retention Period, a MRT will be entitled to receive a cash payment on the first standard pay date in the calendar month after the end of each relevant Retention Period. Due to MUS(EU)’s balance sheet being below €5bn the length of the deferral period for Senior Manager MRT’s is aligned to all Other MRT’s at 4 years. The cash payment will be calculated by multiplying the number of units in the SPL award, by the MUFG share price at the end of the Retention Period.

Vesting, malus and Clawback
Deferred awards made to all MRTs shall Vest on a pro rata basis (25%), on the first, second, third and fourth anniversaries of the Variable Remuneration award.

During the vesting period an unvested SPL Award shall neither pay nor accrue an amount equal to the dividends payable on the MUFG shares linked to the number of units in that SPL Award.

Deferred awards are also subject to malus and clawback provisions, as outlined in the firm’s Adjustment Policy such as, for example, where there is reasonable evidence of employee misbehaviour or material error; the firm or business unit suffers a material failure of risk management.

Share-linked instrument
The 2021 MRT deferral plan and retained portion of the non-deferred bonus links a portion of variable remuneration to the performance of the Mitsubishi UFJ Financial Group as a whole via MUFG Share Price Linked (SPL) awards. The SPL awards are linked to MUFG stock from the date of award to the end of each retention period following vesting.

9. Risk Adjustment

MUS(EMEA) encourages effective risk management, discourages excessive risk taking and supports a strong and appropriate conduct culture. For the performance year 2021, MUS(EMEA)'s approach to risk adjustment was two-fold via ex-ante and ex-post risk adjustment. Ex-ante risk adjustment was performed through the setting of risk adjusted budget-contributions for each business unit, with risk limit structures that were consistent with those budgets. Aggregate bonus spend was determined with reference to these risk adjusted approaches. MUS(EMEA) operates two models of risk adjustment to reflect both the nature of the risks being taken by desks and the capital costs these risks incur. The models are used to inform the overall pool as well as department level pools. Their use helps to ensure that financial return is appropriately offset against the risk undertaken to achieve that return. The first model used was a Tier 1 Capital model and the second was a Total Regulatory Capital model. Ex-post risk adjustment is on-going through the mechanisms of performance adjustment in relation to the movement in the value of MUFG stock and the application of malus and clawback provisions on an individual or aggregate basis, where applicable.

10. Benefits

Material Risk Takers received standard benefits that were the same as those provided to all other employees.

11. Quantitative Remuneration Information

During performance year 2021 the Company had 16 MRT's (including leavers). The aggregate remuneration was €4.01m for the 2021 performance year. This was split between the Front Office businesses (€2.85m) and the Support Units, including management (€1.16m).

The disclosure table below provides additional details of MRT remuneration, split between Senior Management (5/16) and other members of staff whose actions has a material impact on the risk profile of the Company (11/16).
In line with disclosure rules to state the number of individuals being remunerated €1,000,000 or more and broken down into €500,000 pay bands, of the 16 MRTs, no individual was remunerated €1,000,000 or more during the performance year. The remuneration for these individuals is therefore not broken down into pay bands.

		Senior Management £m	All other MRT Staff £m	Total £m
Fixed remuneration		0.7	2.6	3.3
Variable remuneration		0.1	0.7	0.7

		Senior Management £m	All other MRT Staff £m	Total £m
Variable remuneration (cash)		0.1	0.3	0.4
Variable remuneration (SPL awards)		0.0	0.3	0.3
Outstanding deferred remuneration (vested)		0.0	0.1	0.1
Outstanding deferred remuneration (unvested)		0.0	0.3	0.3
Deferred remuneration awarded in the performance year		0.0	0.1	0.1
Deferred remuneration paid out in the performance year		0.0	0.1	0.1

Prior to the payment of deferred and retained remuneration during the performance year, the Remuneration Committee reviewed the payments with input from Risk, Compliance and Human Resources and determined that none of the payments were to be reduced through malus provisions.

1 severance payment, totalling €192,500 was made to MRTs on the termination of their employment during the year.

No sign-on payments were paid to MRTs during the performance year.

12. Compliance with the Remuneration Code

MUS(EU) ensures compliance with the Remuneration Code by seeking advice from professional advisors and through its governance processes which are in place to approve compensation proposals. The latter includes rigorous review by the Remuneration Committee and MUSHD, with subsequent review of MUS(EU)'s compliance with the Remuneration Code by Internal Audit on an annual basis. Where required to do so, MUS(EU) also publishes information on its remuneration structures which create transparency regarding its compliance with the Remuneration Code. This document sets out a number of aspects of compensation which are compliant with the Code such as its approach to risk adjustment, identifying Material Risk Takers and remuneration structures applicable to MRTs.