

[Translation]

**SMFG Corporate Governance Guideline****Chapter 1      General provisions****Article 1      Purpose**

The purpose of this SMFG Corporate Governance Guideline (this “*Guideline*”) is for Sumitomo Mitsui Financial Group, Inc. (“*SMFG*”) to seek sustainable growth and improved corporate value over the mid to long term through the realization of effective corporate governance while also preventing the occurrence of any untoward events or situations as a corporation.

**Article 2      Definition**

In this Guideline, “corporate governance” means a structure for transparent, fair, timely and decisive decision making by SMFG, with due attention to the needs and perspectives of shareholders, customers, personnel (including directors and employees) and local communities.

**Article 3      Fundamental views relating to corporate governance**

SMFG has set forth our Mission as the universal guide for the management of SMFG and its group companies, and considers our Mission to be the foundation for its corporate activities. SMFG will pursue effective corporate governance, recognizing that strengthening and enhancing corporate governance is one of the top priorities in order to realize the views adopted in our Mission.

**Article 4      Role of this Guideline**

This Guideline set outs action guidelines for the directors, executive officers and employees of SMFG to realize the corporate governance goals of SMFG.

**Article 5      Amendment or Repeal**

Any amendment or repeal of this Guideline requires a resolution of the Board of Directors. However, any amendment to this Guideline that does not involve substantial changes to its content may be made at the discretion of the President (CEO). If any amendment is made by the decision of the President (CEO), the details of such amendment shall be reported to the Board of Directors.

## **Chapter 2      Shareholder relations**

### **Article 6      Securing the rights of shareholders**

In addition to taking appropriate measures to fully secure the rights of shareholders, SMFG will endeavor to develop an environment in which shareholders can exercise their rights appropriately.

### **Article 7      Respecting the right to vote at shareholders meetings**

1. The exercise of voting rights at shareholders meetings is the right of shareholders, and SMFG will endeavor as follows to enable shareholders to exercise their voting rights appropriately:
  - (1) SMFG will send and disclose shareholder meeting convocation notices early enough to ensure that shareholders have sufficient time to examine the contents thereof;
  - (2) SMFG will appropriately determine the dates and times of shareholders meetings by considering perspectives such as the enhancement of dialogue with shareholders and the accurate provision of information necessary therefor;
  - (3) SMFG will provide accurate information that is necessary for shareholders to conduct appropriate decision making at shareholders meetings; and
  - (4) SMFG will develop an environment that enables all shareholders, not only the shareholders who attend shareholders meetings, to appropriately exercise their voting rights.
2. When a considerable number of votes are cast against a proposal by SMFG and the proposal is approved, SMFG will analyze the cause of the large number of opposing votes and examine necessary measures.

### **Article 8      Protecting the rights of shareholders**

1. With respect to a capital management policy that results in a change of control or significant dilution, SMFG will carefully examine the necessity and rationale, ensure appropriate procedures and properly disclose the details of such actions to the shareholders in order not to unfairly harm existing shareholders' interests.
2. With respect to the adoption and implementation of anti-takeover measures, SMFG will examine their necessity and rationale, ensure appropriate procedures and provide sufficient explanation to shareholders.

3. In case of a tender offer, SMFG will properly disclose to shareholders the position of the Board of Directors towards such offer. Furthermore, SMFG will not frustrate the rights of shareholders to sell their shares in response to the tender offer.
4. In addition to the preceding paragraph, SMFG will not frustrate the rights of shareholders to sell their shares in SMFG generally.

#### **Article 9            Ensuring equality among shareholders**

SMFG will treat all shareholders equally based on the features and number of shares they hold.

#### **Article 10          Preventing transactions that conflict with shareholder interests**

1. In order to protect shareholder interests, SMFG will endeavor to prevent directors of SMFG, and other parties related to SMFG, from abusing their positions and engaging in transactions that conflict with the interests of shareholders or SMFG.
2. With regard to transactions with executive officers, directors and major shareholders, important transactions or non-standard transactions will require the approval of the Board of Directors.
3. In addition to the preceding paragraphs, SMFG and its group companies will endeavor to prevent transactions that conflict with the interests of shareholders or SMFG.

#### **Article 11          Dialogue with shareholders**

1. In order to contribute to sustainable growth and the increase of corporate value over the mid to long term, SMFG will engage in constructive dialogue with shareholders by the means and to the extent that it finds reasonable.
2. SMFG's policies concerning measures and organizational structures aimed at promoting constructive dialogue with shareholders are as follows:
  - (1) The Group CFO will oversee dialogue with shareholders; the Corporate Planning Department (including the Investor Relations Department) will take the central role in exchanging information appropriately and cooperating organically with the Financial Accounting Department, the General Affairs Department and the Public Relations Department in such dialogue;
  - (2) To the extent reasonable, the executive officers and directors, etc. will engage in dialogue with shareholders;
  - (3) In order to promote opportunities for dialogue with shareholders, SMFG will hold regular general investor meetings and conduct similar activities;
  - (4) Shareholder views and concerns learned through dialogue will be regularly reported to the executive officers and directors, etc.; and

- (5) When engaging in dialogue with shareholders, SMFG will control insider information appropriately in accordance with the relevant company regulations.
3. Through dialogue with shareholders, SMFG will explain its basic strategy with respect to capital management policy.
4. In order to promote constructive dialogue with shareholders, SMFG will endeavor to identify its shareholder structure.
5. When establishing and disclosing business plans, SMFG will explain its earnings plans , capital management policy and business portfolio, present targets for profitability and capital efficiency, as well as the allocation of management resources for realizing these targets, and explain the details of these and other such matters to its shareholders. Additionally, in establishing business plans, we strive to reflect changes in the business environment, such as the increase in societal demand and interest in sustainability, digitalization, the importance of implementing cybersecurity measures, and the need to respond to changes in environment surrounding international economic security.

## **Article 12          Equity holdings**

1. SMFG will disclose its policy with respect to its equity holdings in other listed companies.
2. The Board of Directors will annually assess whether or not to hold each individual equity holding, based on a review of whether the purpose is appropriate and whether the benefits and risks from such equity holding cover the costs, and will make disclosure regarding such assessment.
3. SMFG will establish and disclose specific standards to ensure the appropriate execution of voting rights in relation to such equity holdings and will vote in accordance with those standards.

## **Chapter 3          Relations with stakeholders other than shareholders**

### **Article 13          Favorable and smooth relations with stakeholders other than shareholders**

1. For increasing corporate value over the mid to long term, SMFG will respect the interests of and ensure smooth cooperation with stakeholders, including customers, directors, employees and local communities, and will endeavor to maintain favorable and smooth relations with them.
2. In addition to fulfilling our responsibilities to stakeholders, which we consider to be the "Mission" that forms the basis of all our corporate activities, SMFG will also set forth a "Vision" of our mid to long term goals and "Five Values" as the core values to be

shared by all executives and employees, and will seek to make the Vision and Five Values known as guiding principles for the group by all its directors and employees .

#### **Article 14            Sustainability**

1. SMFG will engage in Corporate Social Responsibility (“CSR”) activities in the conduct of its business activities, fulfilling its social responsibilities by contributing to the sustainable development of society as a whole by offering added value to customers; shareholders and the market; the environment and society; and employees.
2. SMFG will endeavor to positively and proactively address sustainability issues, including climate change and respect for human rights, and has established the “SMBC Group Sustainability Declaration” as for a basic framework for its efforts to achieve a sustainable society.

#### **Article 15            DE&I**

SMFG will promote diversity, including the active participation of women, foreign nationals, and midcareer hires, and endeavor to foster a corporate culture that makes DE&I our strength. In addition, in light of the importance of human resource strategies for increasing corporate value over the mid to long term, we will establish and disclose our policy for ensuring diversity and the goals for appointing diverse human resources.

#### **Article 16            Whistleblowing**

SMFG will establish and appropriately operate the whistleblowing system called “SMBC Group Alarm Line” with the goal of detecting at an early stage and rectifying violations of law or ordinance by SMFG or its directors and employees.

#### **Article 17            Asset Owners**

SMFG will endeavor to increase the investment management expertise of the corporate pension funds of SMFG and its group companies so that the corporate pension funds perform their roles as asset owners and will disclose the details of measures taken for that purpose.

### **Chapter 4            Information disclosure**

#### **Article 18            Information disclosure and transparency**

1. SMFG will voluntarily, fairly, lawfully, and appropriately disclose important information related to management in accordance with the disclosure policy (“*Disclosure Policy*”) established with the goal of maintaining and improving the confidence of stakeholders through full disclosure.

2. In order to ensure effective corporate governance, SMFG will disclose the following information:
  - (1) Business plans;
  - (2) Basic views and guidelines on corporate governance;
  - (3) Policies and procedures in determining the compensation of executive officers and directors, etc.;
  - (4) Policies and procedures in the election and dismissal of executive officers and the nomination of director candidates; and
  - (5) Reasons for the election or dismissal of each executive officer and the nomination of each director candidate.
3. SMFG will appropriately disclose its efforts made towards sustainability under internationally well-established disclosure frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD).
4. SMFG will endeavor to disclose easy-to-understand information through a variety of methods that are easy for shareholders to access.
5. From the perspective of international information disclosure, SMFG will endeavor to provide and disclose information in English to the extent necessary.

#### **Article 19      Accounting auditor**

1. SMFG will endeavor to secure the independence of the accounting auditor.
2. In order to secure the proper conduct of audits by the accounting auditor, the Audit Committee will take the following measures:
  - (1) Establish standards for the appropriate selection and evaluation of the accounting auditor; and
  - (2) Verify whether the accounting auditor possesses sufficient independence and expertise to conduct accounting audits for SMFG.
3. In order to secure the proper conduct of audits by the accounting auditor, the Board of Directors and the Audit Committee will take the following measures:
  - (1) Give adequate time to ensure high quality audits;
  - (2) Provide the necessary opportunities for the accounting auditor to obtain information from executive officers, etc.;
  - (3) Establish a system to allow adequate coordination between the accounting auditor and the Audit Committee, internal audit department and outside directors; and
  - (4) Establish a system to respond to situations in which the accounting auditor discovers misconduct and seeks an appropriate response from SMFG, or in which the accounting auditor identifies inadequacies or concerns.

## **Chapter 5      Corporate governance system**

### **Article 20      Group management structure**

SMFG aims to develop itself as a diversified financial services group and maximize corporate value by leveraging its strong customer base and offering best-in-class products and services in various areas of business, including commercial banking, securities, trust banking, leasing and consumer finance.

### **Article 21      Organizational structure of SMFG**

SMFG's decision to become a company with Nominating Committee, etc. is based on the following reasons.

- (1) Improving accountability by adopting an organizational structure based on the “monitoring model.”
- (2) Strengthening supervision through measures such as having personnel decisions and remuneration for managers be deliberated on and determined by internal committees of the Board of Directors, and enhancing the independence of the internal audit units.
- (3) Ensuring timely decision-making on business execution by delegating authority to executive officers.

### **Article 22      Structure of Board of Directors Etc.**

1. As a company with Nominating Committee etc., SMFG will clarify the separation of “supervision” and “business execution” roles, and will seek to enhance the supervisory function of the Board of Directors and increase the timeliness of business execution.
2. In principle, the majority of the directors will be elected as independent outside directors.
3. The Board of Directors will be constituted by directors with various backgrounds of expertise and experience, and the Board of Directors will maintain the appropriate number of directors to allow it to function most effectively and efficiently.
4. The internal committees of the Board of Directors will consist of Nominating Committee, Compensation Committee, Audit Committee and Sustainability Committee as designated by law, and will additionally include Risk Committee as an optional committee.

### **Article 23      Duties of the Board of Directors**

1. The Board of Directors will, in accordance with the relevant provisions of the Companies Act, determine the basic management policy of the entire SMFG Group and in principle delegate to executive officers decisions on business execution other than the

matters designated by law or ordinance as being at the sole discretion of the Board of Directors. The Board of Directors will appropriately oversee the execution of the duties of the executive officers, etc. as a supervisory body.

2. In consideration of effective decision making and expertise required in resolution-related matters, the Board of Directors may propose at the shareholders meeting that certain powers of the shareholders meeting be delegated to the Board of Directors in accordance with the relevant provisions of laws and ordinances.
3. The Board of Directors will, after obtaining adequate information, make judgments in good faith and with due care, such that the corporate value increases over the mid to long term.
4. The Board of Directors will endeavor towards the realization of our Mission and the long term growth of the corporate value and common interests of the shareholders, and will fairly judge and deal with any action that may harm those objectives.
5. Recognizing that the mid-term business plan is one of SMFG's commitments to shareholders, the Board of Directors will do its best to achieve the plan. The Board of Directors will fully analyze efforts made towards the plan and the achievement status thereof, give an appropriate explanation to shareholders, and reflect the analyzed findings in plans for the following terms.
6. From the perspective of increasing corporate value over the mid to long term, the Board of Directors will establish a basic policy on social value creation (meaning the general term for promoting sustainability, including sustainable business, and initiatives on materiality; the same applies hereinafter) initiatives for the entire SMFG group and effectively oversee the allocation of management resources and the implementation of strategies related to business portfolios to contribute to the SMFG group's sustainable growth.
7. The Board of Directors will establish an environment that supports appropriate risk-taking by the executive officers, and will develop a system for ensuring the appropriateness of the SMFG Group's business operations pursuant to the Companies Act, etc. in order to maintain sound management.
8. The Board of Directors will establish effective internal control and risk management systems for compliance and financial reporting, and will properly oversee the appropriate establishment and effective operation of such systems through audits by the Audit Committee and other measures.
9. The Board of Directors will view the effective oversight of the executive officers from an independent and objective standpoint as a major aspect of its roles and responsibilities, and it will appropriately evaluate company performance and reflect the evaluation in its assessment of the executive officers.



10. With a policy of electing as executive officers people who can fulfill a coordinating role in the business execution of SMFG, the Board of Directors will appropriately elect and dismiss executive officers, deploying sufficient time and resources, based on fair and highly transparent procedures taking into account an appropriate evaluation of SMFG's business results.
11. Along with fulfilling their respective responsibilities in the performance of their duties, the Board of Directors and executive officers will seek mutual understanding.

#### **Article 24           Evaluating effectiveness of the Board of Directors**

Each year the Board of Directors will analyze and evaluate whether its execution of duties is in line with this Guideline and disclose a summary of the results thereof.

#### **Article 25           Chairman of the Board of Directors**

1. The chairman of the Board of Directors will improve the quality of Board discussions and ensure that the Board operates effectively and efficiently.
2. As the convener of the Board, the chairman of the Board of Directors will ensure a constructive relationship between directors who concurrently serve as executive officers and directors who do not concurrently serve as executive officers, and will develop and promote an environment in which open discussions can be held.

#### **Article 26           Operation of the Board of Directors**

1. The agenda, deliberation time, and frequency of Board of Directors meetings will be set so as to allow necessary and sufficient discussion in order to make major operational decisions and supervise the execution of duties.
2. To allow for meaningful views, comments, and questions at Board of Directors meetings, SMFG will endeavor to explain and distribute materials regarding resolution proposals and matters to be reported, taking into consideration the time necessary for Board meeting attendees to prepare for such meetings.
3. The yearly schedule and expected resolution proposals and matters to be reported of the Board of Directors meetings will be decided in advance.

#### **Article 27           Nominating Committee**

1. The Nominating Committee, deploying sufficient time and resources, will make personnel decisions concerning directors and deliberate on personnel decisions concerning executive officers, including succession planning for the President (CEO), based on factors such as our Mission and concrete management strategies. Specifically, the Nominating Committee's jurisdiction will include the following matters.

- (1) Determination of content of proposals relating to elections and dismissals of directors to be submitted to the shareholders meeting.
  - (2) Deliberation of matters relating to personnel decisions concerning executive officers of SMFG.
  - (3) Deliberation of appointment of, and succession plans for, the President of SMFG (CEO), the President of Sumitomo Mitsui Banking Corporation and the President of SMBC Nikko Securities Inc.
  - (4) Deliberation of appointment and dismissal of directors of Sumitomo Mitsui Banking Corporation and SMBC Nikko Securities Inc.
  - (5) Deliberation of appointment of the Presidents of the other major subsidiaries.
2. The composition of the Nominating Committee will be as follows.
    - (1) The Nominating Committee will consist of at least three directors, a majority of whom will be outside directors.
    - (2) The Chairman of the Committee will be selected from among the outside directors.
  3. The secretariat of the Nominating Committee will be the Human Resources Department.

#### **Article 28          Selection standards for director candidates**

1. In order to ensure the balance of knowledge, experience, and skills, as well as the diversity of the Board of Directors as a whole, SMFG will establish and disclose the selection standards and procedures for director candidates as well as the relevant knowledge and experience of each of the directors.
2. SMFG will establish and disclose independence standards for outside directors. In principle, outside directors will be individuals that satisfy the independence standards set forth by SMFG in addition to the independence requirements set forth by each stock exchange on which SMFG is listed.

#### **Article 29          Compensation Committee**

1. The Compensation Committee will have jurisdiction relating to compensation of executive officers, directors and executives including over the following matters.
  - (1) Formulation of policy for determining compensation for executive officers, directors and executives of SMFG.
  - (2) Determination of individual compensation for executive officers and directors of SMFG.

- (3) Deliberation of policy for determining compensation for executives of SMFG, directors and executives of Sumitomo Mitsui Banking Corporation and directors of SMBC Nikko Securities Inc.
  - (4) Deliberation of policy for determining compensation for the presidents of the other major subsidiaries.
2. The basic policy of compensation for executives is as follows.
  - (1) The aim of compensation is to function as an adequate incentive in order to achieve our Mission and the Vision of SMFG Group.
  - (2) The system of compensation will reflect our management environment and mid to long term business performance, and also give consideration to improving shareholder value, providing value to our customers and contributing to the realization of a sustainable society.
  - (3) The compensation will reflect the role, responsibility and achievements of each executive officer, etc.
  - (4) The level of compensation will be competitive based on research on management compensation by third parties.
  - (5) SMFG will ensure prudent financial business by controlling excessive risk taking.
  - (6) SMFG will abide by all domestic and overseas regulations and guidelines, etc. relating to compensation for executives.
  - (7) SMFG will determine compensation based on adequate governance and control, and revise it in a timely manner and by appropriate means.
3. The composition of the Compensation Committee will be as follows.
  - (1) The Compensation Committee will consist of at least three directors, a majority of whom will be outside directors.
  - (2) The Chairman of the Committee will be selected from among the outside directors.
4. The secretariat of the Compensation Committee will be the Human Resources Department.

### **Article 30          Audit Committee**

1. The Audit Committee will engage in auditing of the legality and adequacy of the execution of duties by the executive officers and directors. Specifically, the Audit Committee's jurisdiction will include the following matters.
  - (1) Determination of audit policy, audit plan, audit method and division of duties among the members of the Audit Committee.
  - (2) Auditing of the execution of duties by the executive officers and directors.
  - (3) Preparation of audit reports.

- (4) Determination of the content of proposals for election, dismissal, or non-reelection of the accounting auditor to be submitted to shareholders meetings.
2. The composition of the Audit Committee will be as follows.
  - (1) The Audit Committee will consist of at least three directors who do not concurrently serve as executive officers, a majority of whom will be outside directors.
  - (2) In principle, at least one person among members of the committee will be a “Financial Expert” under the U.S. Sarbanes-Oxley Act of 2002.
  - (3) The Chairman of the Committee will be selected from among the outside directors.
  - (4) Full-time members of the Audit Committee will be selected in order to secure the effectiveness of auditing.
3. The secretariat of the Audit Committee will be the Audit Committee Office.

#### **Article 31           Risk Committee**

1. The Risk Committee will deliberate on, and advise the Board of Directors in regard to, matters such as operational systems pertaining to risk management and the status of management of critical risks. Specifically, the Risk Committee will deliberate on the following matters.
  - (1) Matters relating to environmental and risk awareness, and the operation of the Risk Appetite Framework.
  - (2) Matters relating to the operating structure of risk management.
  - (3) Any other important matters relating to risk management.
2. The Risk Committee will consist of at least three directors and an outside expert who possesses a specialization relating to risk management. However, the number of outside members (including outside directors and outside experts) will constitute a majority of the members of the Risk Committee.
3. The secretariat of the Risk Committee will be the Corporate Risk Management Department.

#### **Article 32           Sustainability Committee**

1. The Sustainability Committee will deliberate on, and advise the Board of Directors in regard to, matters relating to sustainability. Specifically, the Sustainability Committee will deliberate on the following matters.
  - (1) Matters relating to the progress of social value creation.
  - (2) Matters relating to domestic and international circumstances surrounding sustainability.

- (3) Any other important matters relating to social value creation.
2. The Sustainability Committee will consist of at least three directors and an expert who possesses a specialization relating to sustainability. However, the number of outside members will constitute more than half of the members of the Sustainability Committee.
3. The secretariat of the Sustainability Committee will be the Sustainability Planning Department.

### **Article 33          Directors**

1. As members of the Board of Directors, directors will supervise the execution of duties by the executive officers and directors.
2. As well as gathering adequate information to perform their duties, directors will request explanations at Board of Directors meeting, proactively express and thoroughly discuss their opinions with one another, and exercise their voting rights. In addition, directors will obtain advice from outside specialists as necessary.
3. Directors will seek to resolve known management issues facing SMFG through the timely and proper exercise of their right to propose agenda items for Board of Directors meetings and right to request the convocation of Board meetings.
4. In order to fulfill the confidence placed in them by the shareholders, directors will perform their duties as directors by demonstrating the capabilities expected to them and spending sufficient time performing such duties.
5. With due attention to their fiduciary responsibilities to shareholders, the directors will secure the appropriate cooperation of stakeholders and act in the interest of SMFG and the common interests of the shareholders.

### **Article 34          Outside Directors**

1. Outside directors will provide advice based on their knowledge and experience with the aim to promote sustainable corporate growth and increase corporate value over the mid to long term.
2. Outside directors will appropriately represent the views of minority shareholders and other stakeholders in the Board of Directors meetings from a standpoint independent of the executive officers, etc. and controlling shareholders.
3. Outside directors will provide advice from the perspective of further increasing the fairness of the judgments and actions of the Board of Directors and its internal committees and of achieving ideal corporate governance.

4. Outside directors will endeavor to exchange information and develop a shared awareness among them regarding matters relating to SMFG's corporate governance and business from an independent and objective standpoint.
5. As a concrete way of exchanging information and developing the shared awareness mentioned in the previous item, outside directors may hold meetings, etc. that only outside directors may attend, as necessary.
6. Outside directors may appoint a lead outside director by mutual vote.
7. If a situation of questionable legality arises based on the information that they obtain, not limited to matters brought before the Board of Directors, outside directors will prevent unlawful or significantly improper business practices by conducting investigations in coordination with other directors who do not concurrently serve as executive officers, including members of the Audit Committee, by expressing their views to the Board of Directors and similar means.
8. In regard to important business operation matters, outside directors will utilize their knowledge and experience from both inside and outside SMFG, handle risks, including the various kinds of conflict of interest that inevitably arise in the process of business operations, and express their views from an external perspective without restraint in order to achieve sustainable growth and increase corporate value over the mid to long term.
9. Outside directors will devote sufficient time necessary to execute their duties, having sufficient understanding of their expected roles.

#### **Article 35      Support system and training policy for directors**

1. SMFG will develop an internal system necessary and sufficient for the directors to effectively fulfill their roles and responsibilities.
2. Upon assuming their positions and on a continuing basis thereafter, SMFG will provide directors with information and knowledge related to business activities necessary in overseeing management, and will provide other such opportunities necessary for the directors to fulfill their expected roles.
3. SMFG will establish a system to sufficiently share internal information with outside directors.
4. SMFG will promote the understanding of our Mission and corporate culture and will continually provide information regarding its management environment and other such matters to outside directors.
5. SMFG will develop an environment to enhance the sharing of information and the exchange of views among executives through such means as the outside directors holding regular meetings with executive officers or other directors who do not concurrently serve as executive officers.

6. SMFG will bear the expenses necessary for outside directors to fulfill their duties.

**Article 36 Executive officers**

1. Executive officers will make decisions regarding matters delegated to them by the Board of Directors, and will conduct the business of SMFG.
2. Executive officers will be obligated by laws and ordinances to make reports and provide explanations to the Board of Directors, etc., as well as be obligated to provide information that is necessary in order for directors to fulfill their duties to the Board of Directors and internal committees of the Board of Directors.

End.

Established May 13, 2015

Amended June 29, 2017

Amended November 13, 2018

Amended March 31, 2020

Amended November 12, 2021

Amended June 27, 2024

**Reference 1: Our Group Mission, Vision and Values**

1. Mission

- We grow and prosper together with our customers, by providing services of greater value to them.
- We aim to maximize our shareholders' value through the continuous growth of our business.
- We create a work environment that encourages and rewards diligent and highly-motivated employees.
- We contribute to a sustainable society by addressing environmental and social issues.

2. Vision

- A trusted global solution provider committed to the growth of our customers and advancement of society

3. Five Values

- Integrity

As a professional, always act with sincerity and a high ethical standard.

- Customer First

Always look at it from the customer's point of view, and provide value based on their

individual needs.

- Proactive & Innovative

Embrace new ideas and perspectives, don't be deterred by failure.

- Speed & Quality

Differentiate ourselves through the speed and quality of our decision-making and service delivery.

- Team "SMBC Group"

Respect and leverage the knowledge and diverse talent of our global organization, as a team.

## **Reference 2: SMBC Group Statement on Sustainability**

Throughout its 400-year history, SMBC Group has continuously upheld its commitment to sustainability. We hereby declare that we will drive forward our efforts to make sustainability a reality.

SMBC Group defines sustainability as "creating a society in which today's generation can enjoy economic prosperity and well-being, and pass it on to future generations."

### **< Priority Issues (Materiality) and Background >**

For more than 400 years, we have consistently regarded sustainability as a cause fundamental to our business operations, and to this day it remains the foundation of our management.

The predecessor to Mitsui began as a kimono merchant in Edo (present-day Tokyo) in 1673, bringing innovation to the conventional business practices of that time and establishing a new business model which took root in the communities of the townspeople of Edo. Mitsui entered the currency exchange business in 1683 and became one of the industry leaders in the Edo period. As a bank since the Meiji era, Mitsui has been an important player in the financial infrastructure which has underpinned economic activity in Japan and the world for more than three centuries over many generations.

The predecessor to Sumitomo developed a highly advanced copper refining method for its time around 1600. As a result of this technological innovation, Japan was one of the world's leading copper producing countries for more than two centuries over many generations during the Edo period.



Sumitomo also noted environmental issues from early on. When a manager visited a company copper mine in 1894 and witnessed the devastation that was being inflicted on the mountains, he grieved and said that doing nothing about this would be unethical. Seeking to remedy the situation, the company resolved to undertake reforestation and provided abundant greenery for future generations and a safe and secure life for local communities.

Looking back across our history, we have been consistently dedicated to our priority issues, focusing especially on the “environment” as a corporate citizen that protects the green earth, as well as on “community” and “next generation” as a member of society. SMBC Group is an enterprise that has always taken social sustainability into account when managing its business.

#### < Understanding of the Present Situation and Our Role >

SMBC Group recognizes that society is presently facing immense challenges, and that urgent and bold actions and transformation are required to transition to a sustainable and resilient world. Based on this understanding, SMBC Group aims to realize Sustainable Development Goals (“SDGs”) as set forth by the United Nations for sustainable development and to resolve social issues. As a financial institution, we will engage and act together with customers and other stakeholders to contribute to the global transformation into a better society.

In particular, the environment is an irreplaceable asset shared between generations, and is the foundation of social sustainability. Once damaged, it is difficult to restore, and we recognize that innovation is essential to resolve environmental issues such as climate change. Today’s generation recognizes that it has a responsibility to bequeath the environment to future generations. Based on this recognition, SMBC Group supports the spirit of the Paris Agreement and will contribute to resolving environmental issues.

We hereby declare that we remain fully committed in our efforts to make sustainability a reality.

#### **Reference 3: Disclosure Policy**

##### 1. Disclosure of Material Corporate Information

We will endeavor to disclose Material Corporate Information\* to our customers, shareholders and investors in a timely and proper manner, observing the Financial Instruments and Exchange Law, other related laws and ordinances, and rules of the

stock exchanges on which our stock is listed.

2. Voluntary Disclosure

We will endeavor to voluntarily disclose our financial conditions, management policies, business strategies and other information, in addition to the Material Corporate Information, so that our customers, shareholders and investors may understand and assess our business status accurately.

3. Fair Disclosure

We will endeavor to disclose our corporate information in a fair manner, being careful not to selectively disclose material nonpublic information to specific persons.

4. System for Disclosure

We will endeavor to develop and enhance our internal system to achieve proper and fair disclosure.

\* Material corporate information is here defined as material decisions made by or material facts that occurred at SMFG or its subsidiaries that are required to be disclosed under the Financial Instruments and Exchange Law, the rules of stock exchanges on which our stock is listed, Securities Exchange Act of 1934 and other related laws and ordinances.

**Reference 4:** Sumitomo Mitsui Financial Group, Inc. Director Candidate Selection Standards

**Article 1 The Role of the Board of Directors**

The Board of Directors of Sumitomo Mitsui Financial Group, Inc. (“SMFG”) decides on the fundamental management policy of SMFG and its group companies and supervises the performance of duties by the executive officers and directors in order to realize our Mission – “to grow and prosper together with our customers, by providing services of greater value to them,” “to aim to maximize our shareholders’ value through the continuous growth of our business,” “to create a work environment that encourages and rewards diligent and highly-motivated employees,” and “to create a work environment that encourages and rewards diligent and highly-motivated employees.”

**Article 2 Size and Composition of the Board of Directors**

1. The Nominating Committee will select director candidates so as to maintain a number of members of the Board of Directors that is suitable for effective discussion, while taking into account the high degree of specialist knowledge and diversity of the Board of Directors as a whole.
2. In principle, the majority of them will be elected as independent outside directors.

**Article 3 Basic Policy for the Selection of Director Candidates**

Based on our Mission laid out in Article 1, SMFG will select as a director candidate a person who embodies the values of that philosophy at a high level and who possesses rich practical experience, strong capabilities and in-depth knowledge—qualities that are expected to strengthen the effectiveness of the decision-making and oversight functions of the Board of Directors—and who therefore can be expected to contribute to the further growth and prosperity of SMFG and its group companies.

**Article 4 Standards for the Selection of Outside Director Candidates**

Based on the basic policy provided for in the preceding Article, each outside director candidate must meet the following criteria:

- (1) Possesses rich experience and specialist knowledge in, and has served in a leadership role in, corporate management, finance, global, legal affairs/risk management, financial accounting, IT/DX, sustainability, etc.; and
- (2) Holds a strong interest in the business of SMFG, and has the ability to grasp the essence of the issues faced by SMFG and swiftly and appropriately offer opinions, guidance and supervision to the management from the standpoint of overseeing management as a whole.

**Article 5 Standards for the Selection of Inside Director Candidates**

Based on the basic policy provided for in Article 3, each inside director candidate must meet the separately prescribed internal selection standards.

**Article 6 Grounds for Disqualification of Director Candidates**

Notwithstanding the provisions of Article 3 to Article 5, a director candidate must not fall under any of the following grounds for disqualification:

- (1) Is found to have connections to antisocial forces; or
- (2) Is found to have violated a law, ordinance or internal company regulation in the course of his or her duties, or a law or ordinance in a personal matter, or where there are other similar circumstances.

**Article 7 Reelection of Directors**

The Nominating Committee will consider the reelection of a director by taking into account the candidate's performance, contribution to management, etc., during such candidate's term as a director at SMFG in addition to the standards provided for in the relevant Articles

above.

#### **Article 8 Dismissal of Directors**

If a director ceases to satisfy the basic policy or standards set out in Article 3 to Article 5, if a director falls under the grounds for disqualification set out in Article 6, or in other cases such as if it is otherwise found that it is difficult for the director to appropriately perform duties as a director of SMFG, the Nominating Committee will consider the submission of a proposal to dismiss the director to the shareholders meeting.

#### **Article 9 Selection and Dismissal of Members of Board of Directors Committees**

1. In regard to the members of Board of Directors committees, after deliberation by the Nominating Committee, the Board of Directors will select from among the directors people who, taking into consideration the roles and responsibilities of each committee, can be expected to fulfill those roles and responsibilities.
2. In cases such as if it is found that it is difficult for a member of a Board of Directors committee to appropriately perform his or her duties, the Board of Directors will consider dismissing that member, taking into consideration the deliberations of the Nominating Committee.

End.

#### **Reference 5: Sumitomo Mitsui Financial Group, Inc. Executive Officer Election Standards**

##### **Article 1 Roles of Executive Officers**

Executive officers will make decisions on the business execution of SMFG delegated by resolutions of the Board of Directors and execute the business of SMFG entrusted to them by the Board of Directors.

##### **Article 2 Basic Policy for Election of Executive Officers**

1. Based on our Mission, SMFG will elect as an executive officer a person who embodies the values of that philosophy at a high level, who possesses rich practical experience, strong capabilities and in-depth knowledge, who can be expected to contribute to the further growth and prosperity of SMFG and its group companies, and who is able to fulfill a coordinating role in the business execution of SMFG.
2. Executive officers will be elected by the Board of Directors after deliberation by the Nominating Committee.

### **Article 3      Grounds for Disqualification of Executive Officers**

Notwithstanding the provisions of the preceding Article, an executive officer must not fall under any of the following grounds for disqualification:

- (1) Is found to have connections to antisocial forces; or
- (2) Is found to have violated a law, ordinance or internal company regulation in the course of his or her duties, or a law or ordinance in a personal matter, or where there are other similar circumstances.

### **Article 4      Reelection of Executive Officers**

Taking into consideration the deliberations of the Nominating Committee, the Board of Directors will consider the reelection of an executive officer by taking into account the executive officer's performance, contribution to management, etc., during such executive officer's term as an executive officer at SMFG in addition to the standards provided for in the relevant Articles above.

### **Article 5      Dismissal of Executive Officers**

If an executive officer ceases to satisfy the basic policy set out in Article 2, if an executive officer falls under the grounds for disqualification set out in Article 3, or in other cases such as if it is otherwise found that it is difficult for the executive officer to appropriately perform duties as an executive officer of SMFG, the Board of Directors will consider the dismissal of the executive officer, taking into consideration the deliberations of the Nominating Committee.

End.

### **Reference 6: Outside Director Independence Standards**

In order for an outside director of SMFG to be judged independent, they must not fall under, or have recently(i) fallen under, any of the following:

#### **1. Major Business Partner**<sup>(ii)</sup>

- (1) A person who has SMFG/SMBC as a major business partner, or, if that person is a Juridical Person, Etc. (meaning a juridical person or other organization), an executive director, officer, or other person engaged in the execution of business of that Juridical Person, Etc..
- (2) A person who is a major business partner of SMFG/SMBC, or, if that person is an Juridical Person, Etc., an executive director, officer, or other person engaged in the execution of business of that Juridical Person, Etc..

## 2. Specialist

- (1) A consultant, accounting expert or legal expert who has received money or other property from SMFG/SMBC averaging more than JPY 10 million per year over the last three years, in addition to any compensation received as a director or corporate auditor.
- (2) A member of an Juridical Person, Etc. that provides specialist services, such as a law firm, accounting firm, or consulting firm, which has received large amounts of money or other property<sup>(iii)</sup> from SMFG/SMBC.

## 3. Donations

A person who has received – or an executive director, officer, or other person engaged in the execution of business of an entity which has received – on average over the last three years, donations or other payments from SMFG/SMBC in excess of the greater of JPY 10 million per year and 2% of the recipient’s annual revenue.

## 4. Major Shareholder

A major shareholder of SMFG, or, if that shareholder is an Juridical Person, Etc., an executive director, officer, or other person engaged in the execution of business of that Juridical Person, Etc. (including anyone who has been a major shareholder, or an executive director, officer, or other person engaged in the execution of business of a major shareholder, within the last three years).

## 5. Close Relative<sup>(iv)</sup>

A close relative of any person (excluding non-material personnel<sup>(v)</sup>) who falls under any of the following:

- (1) A person who falls under any of 1 through 4 above; or
- (2) A director, corporate auditor, executive officer or other person including an executive engaged in the execution of business of SMFG or a subsidiary thereof.

### [Footnotes:]

#### (i) “Recently” means:

Where a time can be deemed to be substantively the same as the present; for example, a person is not independent if that person was a major business partner at the time when a resolution of the shareholders meeting was passed electing that person as an outside director.

(ii) “Major business partner” means:

- (1) Where a person has SMFG/SMBC as a major business partner: said person’s sales to SMFG/SMBC exceed 2% of the person’s consolidated annual revenue; and
- (2) Where a person is a major business partner of SMFG/SMBC: said person receives loans from SMBC in excess of 1% of SMFG’s consolidated total assets.

(iii) “Large amounts of money or other property” means:

Money or other property in excess of 0.5% of SMFG’s consolidated ordinary profit

(iv) “Close relative” means:

A spouse or family member within the second degree of kinship.

(v) Examples of “material personnel”:

- A director, corporate auditor, or manager-level employee of a company; or
- In the case of an accounting or legal expert: a Certified Public Accountant, Attorney-at-Law, or holder of a similar professional qualification.

End.