

Notice of Annual General Meeting

United Overseas Bank Limited

(Incorporated in the Republic of Singapore)
Company Registration No. 193500026Z

Notice is hereby given that the **73rd Annual General Meeting** of members of the Company will be held at Pan Pacific Singapore, Pacific 2-3, Level 1, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Friday, 24 April 2015, at 3.00 pm to transact the following business:

AS ORDINARY BUSINESS

- Resolution 1** To receive the Financial Statements, the Directors' Report and the Auditor's Report for the year ended 31 December 2014.
- Resolution 2** To declare a final one-tier tax-exempt dividend of 50 cents per ordinary share and a special one-tier tax-exempt dividend of five cents per ordinary share for the year ended 31 December 2014.
- Resolution 3** To approve Directors' fees of \$2,070,000 for 2014 (2013: \$2,055,000).
- Resolution 4** To approve an advisory fee of \$800,000 to Dr Wee Cho Yaw, the Chairman Emeritus and Adviser, for the period from January 2014 to December 2014 (2013: \$800,000).
- Resolution 5** To re-appoint Ernst & Young LLP as Auditor of the Company and authorise the Directors to fix its remuneration.
To re-elect the following Directors:
- Resolution 6** Mr Hsieh Fu Hua
- Resolution 7** Mr Wee Ee Cheong
- Resolution 8** Mrs Lim Hwee Hua
- Resolution 9** To re-appoint Dr Wee Cho Yaw under Section 153(6) of the Companies Act, Cap 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions:

- Resolution 10** "THAT authority be and is hereby given to the Directors to:
- (a) (i) issue ordinary shares in the capital of the Company (**Shares**) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, **Instruments**) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,
- at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, notwithstanding that the authority conferred by this Resolution may have ceased to be in force,
- provided that:
- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with paragraph (2) below);

- Resolution 10 (continued)**
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (**SGX-ST**)) for the purpose of determining the aggregate number of Shares that may be issued under paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of Shares;
 - (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
 - (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.”

Resolution 11 “THAT authority be and is hereby given to the Directors to allot and issue from time to time such number of ordinary Shares as may be required to be allotted and issued pursuant to the UOB Scrip Dividend Scheme.”

Resolution 12 “THAT

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) (**Market Purchase**) on the SGX-ST; and/or
 - (ii) off-market purchase(s) (**Off-Market Purchase**) (if effected otherwise than on SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,and otherwise in accordance with all other laws, regulations and rules of SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (**Share Purchase Mandate**);
- (b) the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next Annual General Meeting (**AGM**) of the Company is held or required by law to be held;
 - (ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in a general meeting;

Notice of Annual General Meeting

Resolution 12 (continued)

(c) In this Resolution 12:

“**Relevant Period**” means the period commencing from the date on which the last AGM of the Company was held and expiring on the date the next AGM of the Company is held or is required by law to be held, whichever is the earlier, after the date of this Resolution;

“**Maximum Limit**” means that number of Shares representing five per cent of the total number of issued Shares (excluding any Shares which are held as treasury shares) as at the date of the passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued Shares shall be taken to be the total number of the issued Shares as altered by such capital reduction (excluding any Shares which are held as treasury shares as at that date); and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, 105 per cent of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase, 110 per cent of the Average Closing Price of the Shares,

where:

“**Average Closing Price**” means the average of the last dealt prices of the Shares over the five consecutive market days on which the Shares were transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period; and

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.”

Notes to Resolutions

Resolution 2 is to approve the final and special dividends. The Transfer Books and Register of Members will be closed from 5 May 2015 to 6 May 2015, both dates inclusive, for the preparation of the final and special dividends. Registrable transfers received up to 5.00 pm on 4 May 2015 will be entitled to the final and special dividends. If approved, the final and special dividends will be paid on 13 May 2015.

Resolution 4 is to approve a fee of \$800,000 for the period from January 2014 to December 2014 to Dr Wee Cho Yaw, Chairman Emeritus and Adviser of the Bank, for providing advice and guidance to Management drawn from his vast experience, knowledge and expertise acquired over more than 50 years with the Bank.

Resolution 6 is to re-elect Mr Hsieh Fu Hua who will, if re-elected, continue as chairman of the Board and an independent member of the Executive, Nominating, Remuneration and Board Risk Management Committees.

Resolution 7 is to re-elect Mr Wee Ee Cheong who will, if re-elected, continue as deputy chairman and non-independent member of the Executive, Nominating and Board Risk Management Committees.

Resolution 8 is to re-elect Mrs Lim Hwee Hua who will, if re-elected, continue as an independent member of the Board Risk Management Committee.

Resolution 9 is to re-appoint Dr Wee Cho Yaw who will, if re-appointed, remain as Chairman Emeritus and Adviser and continue as the non-independent chairman of the Executive, Remuneration and Board Risk Management Committees and a non-independent member of the Nominating Committee.

Resolution 10 is to empower the Directors to issue ordinary shares in the capital of the Company and to make or grant instruments (such as warrants or debentures or options) convertible into ordinary shares, and to issue ordinary shares in pursuance of such instruments, up to an amount not exceeding in total 50 per cent of the total number of issued shares, excluding treasury shares, in the capital of the Company, but with a sub-limit of 20 per cent for issue of shares other than on a pro-rata basis to shareholders (**General Mandate**). For the purpose of determining the aggregate number of ordinary shares that may be issued pursuant to the General Mandate, the percentage of issued shares in the capital of the Company shall be based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time that Resolution 10 is passed, after adjusting for (a) new ordinary shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 10 is passed, and (b) any subsequent bonus issue, consolidation or subdivision of ordinary shares.

Resolution 11 is to authorise the directors to issue ordinary shares pursuant to the UOB Scrip Dividend Scheme (**Scheme**) should the Company decide to apply the Scheme to any dividend declared by the Company from the date of this AGM until the date of the next AGM of the Company.

Resolution 12 is to renew the Share Purchase Mandate, which was originally approved by shareholders on 29 April 2004 and was last renewed at the annual general meeting of the Company on 24 April 2014.

The Company intends to use its internal sources of funds to finance its purchase or acquisition of the shares. The amount of financing required for the Company to purchase or acquire its shares and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of AGM as these will depend on, *inter alia*, the aggregate number of shares purchased or acquired and the consideration paid at the relevant time.

Based on the total number of issued shares as at 5 March 2015 (**Latest Practicable Date**), the purchase by the Company of five per cent of its issued shares (excluding the shares held in treasury) will result in the purchase or acquisition of 80,141,713 shares.

Notice of Annual General Meeting

Assuming that the Company purchases or acquires 80,141,713 Shares at the Maximum Price, the maximum amount of funds required is approximately:

- (a) in the case of Market Purchases of Shares, \$1,941,833,706 based on \$24.23 for one Share (being the price equivalent to five per cent above the Average Closing Price of the Shares immediately preceding the Latest Practicable Date); and
- (b) in the case of Off-Market Purchases of Shares, \$2,034,798,093 based on \$25.39 for one Share (being the price equivalent to ten per cent above the Average Closing Price of the Shares immediately preceding the Latest Practicable Date).

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial accounts of the UOB Group for the financial year ended 31 December 2014, based on certain assumptions, are set out in paragraph 2.8 of the Appendix to this Notice of AGM to shareholders of the Company dated 1 April 2015.

Please refer to the Appendix to this AGM Notice for details.

BY ORDER OF THE BOARD

Vivien Chan

Secretary

Singapore
1 April 2015

Notes

- 1 A member entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- 2 To be effective, the instrument appointing a proxy must be deposited at 80 Raffles Place, #04-20, UOB Plaza 2, Singapore 048624 (Attention: The Company Secretary) not less than 48 hours before the time set for holding the AGM of the Company.

If you have any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold or transferred all your shares in the capital of United Overseas Bank Limited, you should immediately forward this Annual Report/Appendix to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward delivery to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements or opinions made in this Appendix.



UNITED OVERSEAS BANK LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 193500026Z)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

DATED 1 APRIL 2015

Appendix

Renewal of Share Purchase Mandate

1. Introduction

- 1.1 **General.** The purpose of this Appendix is to provide Shareholders¹ with information relating to Resolution 12 set out in the Notice of Annual General Meeting of United Overseas Bank Limited (**UOB**) in respect of the proposed renewal of the mandate (**Share Purchase Mandate**) enabling UOB to purchase or otherwise acquire its issued ordinary shares in the capital of UOB (**Shares**).
- 1.2 **SGX-ST.** The Singapore Exchange Securities Trading Limited (**SGX-ST**) takes no responsibility for the accuracy of any statement or opinion made in this Appendix.

2. The Renewal of the Share Purchase Mandate

- 2.1 **Background.** The Companies Act requires a company to obtain the approval of its shareholders to purchase or otherwise acquire its own Shares. The Share Purchase Mandate was first approved by Shareholders on 29 April 2004 and was last renewed at the annual general meeting (**2014 AGM**) of UOB held on 24 April 2014 (**2014 Share Purchase Mandate**).

The 2014 Share Purchase Mandate will expire on the date of the forthcoming 73rd annual general meeting of UOB to be held on 24 April 2015 (**73rd Annual General Meeting**). The approval of Shareholders is being sought for the renewal of the Share Purchase Mandate at the 73rd Annual General Meeting.

- 2.2 **Rationale for the Proposed Renewal of the Share Purchase Mandate.** The proposed renewal of the Share Purchase Mandate would give UOB the flexibility to undertake the purchase or acquisition of its issued Shares as and when appropriate to:

- (a) manage the capital structure of UOB, with a view to achieving an efficient capital mix;
- (b) manage surplus capital, such that surplus capital and funds which are in excess of UOB's requirements may be returned to Shareholders in an expedient and cost-efficient manner; and
- (c) improve return on equity (**ROE**), which is one of the key objectives of UOB.

In addition, the issued Shares which are purchased or acquired pursuant to the Share Purchase Mandate may be held as treasury shares which may be used for the purposes of or pursuant to any staff incentive scheme as may be implemented by UOB from time to time.

The Share Purchase Mandate will be exercised by the Directors of UOB (**Directors**) in circumstances where it is considered to be in the best interests of UOB after taking into account factors such as the amount of surplus cash available and working capital requirements of UOB, the prevailing market conditions, liquidity and orderly trading of the Shares.

- 2.3 **Authority and Limits on the Share Purchase Mandate.** The authority and limits on the Share Purchase Mandate are summarised below.

2.3.1 Maximum Number of Shares

The total number of Shares that may be purchased or acquired by UOB pursuant to the Share Purchase Mandate is limited to that number of Shares representing five per cent of the total number of issued Shares of UOB as at the date of the 73rd Annual General Meeting at which this renewal of the Share Purchase Mandate is approved (**Approval Date**) unless UOB has effected a reduction of the share capital of UOB in accordance with the applicable provisions of the Companies Act, at any time during the period commencing from the date of the 73rd annual general meeting (**AGM**) and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, in which event the issued Shares shall be taken to be the total number of the issued Shares as altered by such capital reduction. Only Shares which are issued and fully paid-up may be purchased or acquired by UOB. The Shares which are held as treasury shares will be disregarded for the purposes of computing the five per cent limit.

While the Share Purchase Mandate would authorise the purchase or acquisition of Shares up to the five per cent limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out up to the full five per cent as authorised, or at all. In particular, no purchase or acquisition of the Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of UOB.

¹ Refers to registered holders of Shares, except that where the registered holder is The Central Depository (Pte) Limited (**CDP**), the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the Depositors (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore (**Companies Act**)) whose securities accounts are maintained with CDP (but not including securities sub-accounts maintained with a Depository Agent (as defined in Section 130A of the Companies Act)) and credited with Shares.

2.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date up to:

- (a) the date on which the next AGM of UOB is held or required by law to be held;
- (b) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by UOB in a general meeting,

whichever is the earliest.

2.3.3 Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares may be made by:

- (a) on-market purchases (**Market Purchases**) transacted on the SGX-ST through the SGX-ST's trading system, through one or more duly licensed dealers appointed by UOB for the purpose; and/or
- (b) off-market purchases (**Off-Market Purchases**) effected pursuant to an equal access scheme.

The purchases or acquisitions in connection with or in relation to any equal access scheme or schemes may be subject to such terms and conditions as the Directors may consider fit in the interests of UOB provided that such terms and conditions are consistent with the relevant provisions of the Share Purchase Mandate, the listing manual of the SGX-ST (**Listing Manual**) and the Companies Act.

Off-Market Purchases must satisfy all the following conditions:

- (i) offers for the purchase or the acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of the offers shall be the same, except that:
 - (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; and
 - (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares, shall be disregarded.

If UOB wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (I) the terms and conditions of the offer;
- (II) the period and procedures for acceptances; and
- (III) the information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

Appendix

Renewal of Share Purchase Mandate

2.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105 per cent of the Average Closing Price of the Shares; and
 - (b) in the case of an Off-Market Purchase, 110 per cent of the Average Closing Price of the Shares,
- in either case, the “**Maximum Price**”.

For the above purposes:

“**Average Closing Price**” means the average of the last dealt prices of the Shares over the five consecutive market days on which the Shares were transacted on the SGX-ST immediately preceding the date of the Market Purchase by UOB or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period; and

“**date of the making of the offer**” means the date on which UOB announces its intention to make an offer for an Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share, and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.3.5 No Purchases During Certain Periods.

The share buy-back will not be carried out during the period commencing two weeks before the announcement of the financial statements for each of the first three quarters of its financial year and one month before the announcement of UOB’s full year financial statements.

- 2.4 **Source of Funds.** The Companies Act permits UOB to purchase or acquire its own Shares out of capital, as well as from its distributable profits.

UOB intends to use its internal sources of funds to finance its purchase or acquisition of the Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital of UOB and its subsidiaries (**Group**) would be materially adversely affected.

- 2.5 **Reporting Requirements.** Pursuant to Rule 886 of the Listing Manual, UOB will notify the SGX-ST of any purchase or acquisition of Shares under the proposed Share Purchase Mandate as follows:

- (a) in the case of a Market Purchase, by 9.00 am on the market day following the day on which it purchased the Shares; and
- (b) in the case of an Off-Market Purchase, by 9.00 am on the second market day after the close of acceptances of the offer.

The announcement (in the form prescribed under the Listing Manual) shall include, *inter alia*, details of the maximum number of Shares authorised for purchase, the date of purchase, the total number of Shares purchased, the number of Shares cancelled, the number of Shares held as treasury shares, the purchase price per Share or the highest and lowest prices paid for such Shares (as applicable), the total consideration (including stamp duties, brokerage and clearing charges, and other related expenses) paid or payable for the Shares, the cumulative number of Shares purchased to date, the number of issued Shares excluding treasury shares, and the number of treasury shares held after the purchase.

- 2.6 **Status of Purchased Shares.** Under the Companies Act, Shares purchased or acquired by UOB shall be deemed cancelled immediately upon purchase or acquisition (and all rights and privileges attached to the Shares will expire on cancellation) unless such Shares are held by UOB as treasury shares. Accordingly, in the event that the purchased Shares are cancelled, the total number of issued Shares will be reduced by the number of Shares so cancelled.

Depending on the needs of UOB, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares.

2.7 **Treasury Shares.** The Shares purchased or acquired may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below.

2.7.1 **Maximum Holdings**

The number of Shares held as treasury shares cannot at any time exceed ten per cent of the total number of Shares.

2.7.2 **Voting and Other Rights**

UOB cannot exercise any right in respect of treasury shares, including any right to attend or vote at meetings.

In addition, treasury shares are not entitled to dividends or other distribution of UOB's assets but fully paid bonus shares may be allotted in respect of treasury shares and such bonus shares shall be treated for the purposes of the Companies Act as if they were purchased by UOB at the time they were allotted. Accordingly, such bonus shares may be held as treasury shares or dealt with in the manner described in paragraphs 2.7.3(a) to 2.7.3(e) below. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.7.3 **Disposal and Cancellation**

Where Shares purchased or acquired by UOB are held as treasury shares, UOB may at any time but subject always to the Singapore Code on Take-overs and Mergers (**Take-over Code**):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employee share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rule 704(28) of the Listing Manual, an immediate announcement containing, *inter alia*, the following details must be made in respect of any sale, transfer, cancellation and/or use of the treasury shares (each an **event**):

- (i) date and purpose of event;
- (ii) number and value of treasury shares involved in the event;
- (iii) number of treasury shares involved before and after the event; and
- (iv) percentage of the number of treasury shares against the total number of Shares (of the same class as the treasury shares) before and after the event.

Appendix

Renewal of Share Purchase Mandate

2.8 **Financial Effects.** The financial effects on the Group arising from purchases or acquisitions of Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time, and whether the Shares purchased or acquired are held in Treasury or cancelled. The financial effects on the Group for the financial year ended 31 December 2014 are based on the assumptions set out below.

2.8.1 Purchase or Acquisition out of Capital or Profits

Where the consideration paid by UOB for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of dividends by UOB will not be reduced.

Where the consideration paid by UOB for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of dividends by UOB.

2.8.2 Number of Shares Acquired or Purchased

The maximum number of Shares which can be purchased by UOB will depend on the number of Shares, excluding treasury shares, of UOB as at the Approval Date. As at the Latest Practicable Date prior to the printing of this Appendix, being 5 March 2015 (**Latest Practicable Date**), the issued share capital of UOB comprised 1,602,834,279 Shares, excluding treasury shares.

Purely for illustrative purposes, on the basis of 1,602,834,279 Shares in issue, excluding treasury shares, as at the Latest Practicable Date, not more than 80,141,713 Shares (representing five per cent of the Shares in issue, excluding treasury shares, as at that date) may be purchased or acquired by UOB pursuant to the proposed Share Purchase Mandate.

2.8.3 Maximum Price Paid for Shares Acquired or Purchased

Assuming that UOB purchases or acquires the maximum number of Shares at the Maximum Price, the amount of funds required is approximately:

- (a) in the case of Market Purchases of Shares, S\$1,941,833,706 based on S\$24.23 for one Share (being the price equivalent to five per cent above the Average Closing Price of the Shares immediately preceding the Latest Practicable Date); and
- (b) in the case of Off-Market Purchases of Shares, S\$2,034,798,093 based on S\$25.39 for one Share (being the price equivalent to ten per cent above the Average Closing Price of the Shares immediately preceding the Latest Practicable Date).

2.8.4 Illustrative Financial Effects

For illustrative purposes only, on the basis of the assumptions set out in paragraphs 2.8.2 and 2.8.3 above, as well as the following:

- (a) the Share Purchase Mandate had been effective on 1 January 2014 and UOB had on 1 January 2014 purchased 80,141,713 Shares (representing five per cent of the total Shares in issue as at the Latest Practicable Date, excluding the Shares held in treasury);
- (b) no Shares were purchased by UOB after the Latest Practicable Date; and
- (c) the purchase consideration was funded by UOB from excess funds deployed in the inter-bank market with an effective pre-tax yield of 0.69 per cent, being the inter-bank one-month offer rate as at 5 March 2015, and at the tax rate of 17 per cent,

the financial effects on the audited financial accounts of the Group for the financial year ended 31 December 2014 are set out below:

Market Purchases

As at 31 December 2014	Before Share Purchases	After Share Purchases ⁽¹⁾
Total Shareholders' equity (S\$'000)	29,569,350	27,616,377
Number of issued and paid-up Shares ('000)	1,602,834	1,522,692
Weighted average number of issued and paid-up Shares ('000)	1,591,356	1,511,214
Net profit attributable to Shareholders (S\$'000)	3,249,101	3,237,962
Financial Ratios		
Net Tangible Assets (NTA) per Share (S\$) ⁽²⁾	14.50	13.98
Earnings per Share – Basic (S\$) ⁽³⁾	1.98	2.07
Return on Equity (ROE) (%) ⁽³⁾	12.3	13.2
Total Capital Adequacy Ratio (%)	16.9	15.8

Notes:

- (1) The above financial effects remain the same irrespective of whether:
 - (a) the purchases of Shares are effected out of capital or profits; and
 - (b) the Shares repurchased are held in treasury or cancelled.
- (2) Preference shares and capital securities are excluded from the computation.
- (3) Calculated based on profit attributable to Shareholders net of preference share dividends and capital securities distributions for other capital for the financial year.

Off-Market Purchases

As at 31 December 2014	Before Share Purchases	After Share Purchases ⁽¹⁾
Total Shareholders' equity (S\$'000)	29,569,350	27,522,880
Number of issued and paid-up Shares ('000)	1,602,834	1,522,692
Weighted average number of issued and paid-up Shares ('000)	1,591,356	1,511,214
Net profit attributable to Shareholders (S\$'000)	3,249,101	3,237,429
Financial Ratios		
Net Tangible Assets (NTA) per Share (S\$) ⁽²⁾	14.50	13.92
Earnings per Share – Basic (S\$) ⁽³⁾	1.98	2.07
Return on Equity (ROE) (%) ⁽³⁾	12.3	13.3
Total Capital Adequacy Ratio (%)	16.9	15.8

Notes:

- (1) The above financial effects remain the same irrespective of whether:
 - (a) the purchases of Shares are effected out of capital or profits; and
 - (b) the Shares repurchased are held in treasury or cancelled.
- (2) Preference shares and capital securities are excluded from the computation.
- (3) Calculated based on profit attributable to Shareholders net of preference share dividends and capital securities distributions for other capital for the financial year.

Appendix

Renewal of Share Purchase Mandate

The financial effects set out above are for illustrative purposes only. Although the Share Purchase Mandate would authorise UOB to purchase or acquire up to five per cent of the issued Shares (excluding the Shares held in treasury), UOB may not necessarily purchase or acquire or be able to purchase or acquire any or all of the five per cent of the issued Shares (excluding the Shares held in treasury). In addition, UOB may cancel all or part of the Shares repurchased and/or hold all or part of the Shares repurchased as treasury shares.

UOB will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a purchase or acquisition of Shares before execution.

- 2.9 **Details of Shares Purchased in the last 12 months.** As at the Latest Practicable Date, UOB had not repurchased or acquired any Shares in the preceding 12 months.
- 2.10 **Listing Status of the Shares.** The Listing Manual requires a listed company to ensure that at least ten per cent of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed, be held by public shareholders. The “public”, as defined in the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of a listed company and its subsidiaries, as well as associates (as defined in the Listing Manual) of such persons. As at the Latest Practicable Date, 1,221,889,509 Shares, or approximately 76 per cent of the total Shares (excluding the Shares held in treasury), are held by public shareholders. Assuming UOB had purchased or acquired Shares from the public up to the full five per cent limit pursuant to the proposed Share Purchase Mandate on the Latest Practicable Date and these Shares had been held as treasury shares, the percentage of issued Shares held by public shareholders would be reduced to 1,141,747,796 Shares, or approximately 75 per cent of the total Shares (excluding the Shares held in treasury).

Accordingly, UOB is of the view that there is a sufficient number of Shares in issue held by public shareholders which would permit UOB to undertake purchases or acquisitions of its Shares through Market Purchases up to the full five per cent limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

- 2.11 **Shareholding Limits.** Under the Banking Act, Chapter 19 of Singapore (**Banking Act**):
- (a) no person shall enter into any agreement or arrangement, whether oral or in writing and whether express or implied, to act together with any person with respect to the acquisition, holding or disposal of, or the exercise of rights in relation to, their interests in voting shares of an aggregate of five per cent or more of the total votes attached to all voting shares in a designated financial institution, without first obtaining the approval of the Minister designated for the purposes of the Banking Act (**Minister (Five Per Cent Limit)**); and
 - (b) no person shall be a 12 per cent controller (as defined below) or a 20 per cent controller (as defined below) of a designated financial institution without first obtaining the approval of the Minister.

For the purposes of the Banking Act:

“**designated financial institution**” means (i) a bank incorporated in Singapore; or (ii) a financial holding company;

“**total number of issued shares**”, in relation to a company, does not include treasury shares;

“**12 per cent controller**” means a person, not being a 20 per cent controller, who alone or together with his associates, (i) holds not less than 12 per cent of the total number of issued shares in the designated financial institution; or (ii) is in a position to control voting power of not less than 12 per cent in the designated financial institution; and

“**20 per cent controller**” means a person who, alone or together with his associates, (i) holds not less than 20 per cent of the total number of issued shares in the designated financial institution; or (ii) is in a position to control voting power of not less than 20 per cent in the designated financial institution.

For the purposes of the Banking Act, the percentage of the total number of Shares held by a Shareholder (whose Shares were not the subject of a share purchase or acquisition by UOB) and the percentage voting rights of a Shareholder (whose Shares were not the subject of a share purchase or acquisition by UOB) immediately following any purchase or acquisition of Shares will increase should UOB hold in treasury or cancel the Shares purchased or acquired by UOB.

UOB wishes to draw the attention of Shareholders to the following consequences of a purchase or acquisition of Shares by UOB pursuant to the Share Purchase Mandate, if the proposed renewal of the Share Purchase Mandate is approved by Shareholders:

A PURCHASE OR ACQUISITION OF SHARES BY UOB MAY INADVERTENTLY CAUSE THE INTEREST IN THE SHARES OF ANY PERSON TO REACH OR EXCEED THE FIVE PER CENT LIMIT OR CAUSE ANY PERSON TO BECOME A 12 PER CENT CONTROLLER OR A 20 PER CENT CONTROLLER.

Shareholders whose shareholdings are close to the limits set out in the Banking Act **are advised to seek the prior approval of the Monetary Authority of Singapore (MAS)** to continue to hold, on such terms as may be imposed by the MAS, the number of Shares which they may hold in excess of any of such limits, as a consequence of a purchase or acquisition of Shares by UOB. **Shareholders who are in doubt as to the action that they should take should consult their professional advisers at the earliest opportunity.**

2.12 **Take-over Implications.** Appendix 2 to the Take-over Code contains the Share Buy-back Guidance Note. The take-over implications arising from any purchase or acquisition by UOB of its Shares are set out below.

2.12.1 **Obligation to make a Take-over Offer**

If, as a result of any purchase or acquisition by UOB of its Shares, a Shareholder's proportionate interest in the voting rights of UOB increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a Shareholder or group of Shareholders acting in concert acquiring or consolidating effective control of UOB, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for UOB under Rule 14 of the Take over Code.

2.12.2 **Persons Acting in Concert**

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

In addition, the Take-over Code presumes certain persons to be acting in concert with each other unless the contrary is established. For example, the following individuals and companies will be presumed to be acting in concert with each other:

(a) the following companies:

- (i) a company;
- (ii) the parent company of (i);
- (iii) the subsidiaries of (i);
- (iv) the fellow subsidiaries of (i);
- (v) the associated companies of any of (i), (ii), (iii) or (iv);
- (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
- (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;

Appendix

Renewal of Share Purchase Mandate

- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, and any person who is accustomed to act in accordance with his instructions, companies controlled by any of the above persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

2.12.3 Effect of Rule 14 and Appendix 2

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by UOB are set out in Appendix 2 to the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 to the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of UOB purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30 per cent or more, or in the event that such Directors and their concert parties hold between (and including) 30 per cent and 50 per cent of UOB's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent in any period of six months. In calculating the percentage of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 to the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of UOB purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30 per cent or more, or, if such Shareholder holds between (and including) 30 per cent and 50 per cent of UOB's voting rights, the voting rights of such Shareholder would increase by more than one per cent in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on the information in the Register of Shareholders as at the Latest Practicable Date, no Shareholder will be obliged to make a take-over offer for UOB under Rule 14 of the Take-over Code as a result of the purchase or acquisition of Shares by UOB pursuant to the Share Purchase Mandate of the maximum limit of five per cent of its Shares.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by UOB should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

3. Directors' Recommendation

The Directors are of the opinion that the renewal of the Share Purchase Mandate is in the best interests of UOB. Accordingly, they recommend that Shareholders vote in favour of the proposed ordinary resolution for the renewal of the Share Purchase Mandate at the 73rd Annual General Meeting.

4. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Share Purchase Mandate and UOB and its subsidiaries in relation to the Share Purchase Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.