

United Overseas Bank Limited, Hong Kong Branch - Global Markets' Customer Order Best Execution Disclosure Statement ("Statement")

Introduction

United Overseas Bank Limited ("UOB"), Hong Kong Branch - Global Markets (hereafter referred to as "**we**", "**us**", "**our**" or "**GM**") seek:

- (a) to place or execute or both, as the case may be, customers' ("**Customers**", each a "**customer**") orders (for purchase or sale of any GM products regulated under the Securities and Futures Ordinance ("SFO")¹) on the best available terms; and
- (b) to place or execute or both, as the case may be, comparable customers' orders in accordance with the time of receipt of such orders.

While a number of business units within the United Overseas Bank have published disclosure statements related to the execution of customer orders, including Best Execution, this Statement is only applicable to the handling of your orders in relation to Global Markets business managed by UOB employees located in Hong Kong.

We are committed to meeting the best execution requirements and fulfilling the best execution obligations under the relevant UOB policies and guidelines and the applicable laws and regulations. Our commitment to provide you with best execution does not mean that we owe you any fiduciary or other duties over and above the specific regulatory obligations placed upon us.

This Statement aims to disclose to you:

- (i) the circumstances where best execution will be provided by us;
- (ii) our best execution principles and guidelines;
- (iii) how we take into account best execution factors when we execute orders for different types of capital markets products and in certain circumstances.

Best Execution Framework

We adhere to our best execution governance framework in place which we review the business on an on-going basis to monitor for compliance with our best execution obligations. We will monitor the effectiveness of the procedures and its implementation in order to identify and correct any deficiencies.

Best Execution Applicability

We provide you with this Statement in your capacity as a Customer. This Statement is directed at or intended for GM's Customers, including institutional and/or corporate customers.

Where the best execution obligation applies, when executing orders or quotes, we will take all sufficient steps to obtain the best possible outcome for our customers. In doing so, we will take into account execution factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the placement and/or execution of an order.

Principal Trading

Best execution obligation is applicable when we act in a principal capacity AND you are legitimately relying on us to protect your interest in relation to the execution of a transaction. When assessing whether the Customer places legitimate reliance on us to provide best execution, we consider the following four key factors:

1. Which party initiates the transaction?
2. Is it the common market practice or convention that the Customer is able to "shop around" for such asset class, product or transaction type?
3. Within the relevant market where pricing is sourced or transaction is executed, is there a reasonable level of price transparency?
4. Is there any information provided by us to the Customer on the execution terms and conditions or any agreement with the Customer?

Subject to any separate agreement with or specific arrangement for our Customer where our Customer is deemed to have placed legitimate reliance on us to provide best execution, where our consideration of the above factors lead us to conclude that the Customer is not legitimately relying on us, then best execution will usually not apply.

Best Execution Factors

Where best execution applies to your transaction, we will consider a range of factors when determining the best outcome for you. Please note that certain factors may be prioritized over others in accordance with your specific instructions and/or the then prevailing market conditions, aiming at fulfilling our best execution obligations to you. Key best execution factors include the following:

¹ Securities as defined in Schedule 1 of the SFO



- (a) Price
- (b) Costs payable by Customer as result of the execution
- (c) Speed of execution and settlement
- (d) Likelihood of execution and settlement
- (e) Size on the transaction
- (f) Nature of transaction
- (g) Other considerations that are relevant to execution of the order

Their relative importance may vary, taking into account the following criteria:

- (a) Types of the customers, including the categorization of customer such as retail or otherwise.
- (b) Types of capital market products (e.g. asset class) that are the subject of that order.
- (c) Characteristics of the execution venues or brokers to which that order can be directed.
- (d) Characteristics of the customer order (e.g. order size or type).

Generally, we consider the most important best execution factor for our Customers to be the price. There may be circumstances where the more important best execution factor is not price and therefore price is no longer the dominant factor. The above best execution factors indicate the importance of exercising appropriate judgment in the best interests of the Customer given the differing needs and requirements of each Customer and each transaction of the same Customer.

During the trading process when applying consideration to each best execution factor, we will use our experience and expertise to achieve the best balance across the full range of factors where a degree of conflict exists between one factor and another. Overall, this may mean that GM does not always achieve the best price for every Customer transaction, but the best result that can be reasonably expected given the information available during the execution process.

We follow your specific instructions when we undertake a transaction and you therefore acknowledge that your specific instructions may prevent GM from taking the steps that it has designed and implemented as disclosed to you in this Statement to obtain the best possible result for the execution of your order from an objective perspective. When we place and/or execute an order following your specific instructions, it would be regarded as having satisfied best execution obligations only in respect of the part or aspect of the order to which your instructions relate.

Please note that market conditions, regulatory limitations, risk thresholds and our infrastructure and processes may also affect the execution outcomes.

Execution Venues

GM uses one or more of the following venues ("Execution Venues") when executing a Customer's transaction:

- Recognized exchanges;
- UOB and its affiliates where we internalize the orders (the "Internal Venue");
- market makers and third party liquidity providers.
- We endeavor to choose the Execution Venue in order to achieve the best possible result for you. Subject to your specific instructions, we may adopt the usual practice as follows:
- We may choose to execute the order or part of the order from our own principal book where we have concluded that the Internal Venue provides you with best execution. In such a case, we will treat our principal book as an Execution Venue.
- In respect of certain products, we may choose a third-party broker when executing your orders. Where best execution is applicable to your products, we will ensure that the chosen brokers provide the appropriate level of experience and expertise when executing in the market, thus, we may be satisfied that best execution is being met on a consistent basis and any conflicts are managed appropriately.

Fees, Commissions and Spread

We are required to take sufficient steps to get the best possible price for a Customer where the best execution obligation arises. In quote-driven markets, GM imposes a mark-up or spread between where it may buy an instrument and where it may sell the same. GM will ensure that mark-ups or spreads charged on transactions where best execution is owed are within a range that we consider commercially reasonable for the transaction type, tenor, size and other relevant features.

Material Changes to Best Execution Arrangements

This Statement and our best execution arrangements may change from time to time. The latest version of this Statement will be maintained on our website. Any material changes made to our best execution arrangements will be notified to you by electronic communication and/or on our website accordingly.

Should you have any queries relating to this communication and/or UOB Hong Kong's dealings with you, please do not hesitate to contact your



UOB Hong Kong representative. Please note that this communication may be updated from time to time in order to address changing regulatory, industry and other developments.

Important Legal Information

This Statement is issued by United Overseas Bank, Hong Kong Branch solely for information purposes and for the recipients' sole use. The terms listed herein may be amended from time to time. In the case of a material change to this Statement, United Overseas Bank, Hong Kong Branch will inform its customers by publication of an updated version of this Statement on its website.

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