

Information on SMBC Singapore Branch's Best Execution Policy

1. Purpose and Scope

This document applies to explain Sumitomo Mitsui Banking Corporation Singapore Branch (SMBC SNG)'s best execution policy for when SMBC SNG places or executes a customer's order for the purchase or sale of capital markets products. This document is issued pursuant to Notice No: SFA 04-N16 NOTICE ON EXECUTION OF CUSTOMERS' ORDERS.

This document is designed to provide a general understanding to customers of SMBC SNG on SMBC SNG's best execution policies. Please note that

- this policy does not apply to customers defined as Institutional Investors or customers not relying on SMBC SNG for best execution, as determined by SMBC SNG, based on an assessment of the following factors:
 - a) which party initiates the transaction
 - b) market convention to shop around
 - c) relative level of price transparency in the market or customers' access to price information
 - d) other factors including specific instructions from the customer or agreement reached between the customer and SMBC SNG

Our commitment to provide a customer with best execution does not mean we owe any fiduciary duty or any duty or obligation beyond the regulatory requirements to which we are subject.

2. What is Best Execution?

Best Execution is the requirement to take reasonable steps to obtain, when executing orders, the best possible result for the customer, taking into account various execution factors relevant to the execution of an order, and for comparable orders in accordance with the time of receipt of such orders. The execution factors are in general:

- Price – the price at which a capital markets product is executed
- Costs of execution – the implicit costs such as the possible impact on general market stability, explicit external costs e.g. exchange, transaction or clearing fees, infrastructure costs and explicit internal costs which represent SMBC SNG's remuneration through commission or spread
- Speed of execution – the time it takes to execute a customer transaction
- Size of the order – the size of the transaction executed for a customer accounting for how this affects the price of execution
- Nature of the transaction – the particular characteristics of a customer transaction

- Likelihood of execution and settlement – the likelihood that SMBC SNG will be able to complete a client transaction and the likelihood that the transaction settles
- Other considerations relevant to the placement and/or execution of a customer order for example the creditworthiness of the counterparties

In general, when dealing with Expert or Accredited Investors, SMBC SNG considers that the price is the most important factor. However, there may be circumstances, when coming to a determination of the priority of such execution factors, that a variety of criteria are taken into account which may include, but are not limited to, the type of financial instrument that is the subject of the order, the type of order and its specific characteristics, such as the size of the order or the liquidity of the underlying, as well as the execution venues to which the order could be directed. Appropriate consideration will be made based on a transaction by transaction basis and will vary by asset class. This may mean we do not always achieve the best price for every customer transaction, or execute comparable orders in accordance with the time of receipt, but a result that can be reasonably expected given information available and the circumstances at play during the execution process.

There may be circumstances where reliance is placed on a third party to execute customer orders. In such situations, the best execution policies of that party will apply to the order.

3. Specific instructions

Where SMBC SNG receives specific instructions from a customer in relation to an aspect of a transaction, we will execute the transaction as far as reasonably possible in accordance with those instructions and, by doing so, satisfy our obligation to provide Best Execution in relation to the order. However, SMBC SNG may not execute the order if SMBC SNG determines that actual market rate has not reached the limit price designated by the customer.

In case such specific instruction is received, this best execution policy is not applicable in respect of the execution factors specified by the customer. This includes, for example, leave orders and requests for quotes initiated by the customer. The customer is understood to be making its own assessment on whether to enter into a particular transaction and as such should not be relying on SMBC SNG to provide best execution in these scenarios.

4. Execution Venue

All business we transact with customers to whom this policy applies are traded on a principal basis which means you will be dealing either with SMBC SNG or another SMBC group entity. As such the execution venues we use are generally to clear our own market risk

The factors affecting choice of execution venue are similar to those set out in Paragraph 2. Our choice of venue may be constrained by the fact that there may be only one venue where an order can be executed due to the nature of the instrument, customer's order or requirements. When we are executing financial instruments OTC this could have certain consequences (i.e. for the counterparty risk) as SMBC SNG will be your execution venue.

5. Monitoring

We will monitor the effectiveness of our best execution policy and execution arrangements and assess periodically whether our arrangements have provided the best possible terms on a consistent basis for orders we executed on behalf of customers.

A review of our execution arrangements will be conducted both periodically and whenever a material change occurs.

6. Changes to best execution policy

Changes may be made from time to time to this policy. The updated version will be made available on our website.