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Best Execution Policy for Customers' Orders

1. Introduction

In line with the *Notice on Execution of Customers' Orders* (Notice No: SFA 04-N16) and *Guidelines to MAS Notice SFA 04-N16 on Execution of Customers' Orders*, we are required to put in place Best Execution policies for placing or executing or both, as the case may be, your orders on the best available terms. This document sets out our Best Execution Policy when handling your order.

2. When Best Execution is owed

2.1 This policy applies only to corporate banking customers classified as accredited investors¹ and who deal in capital markets products which are over-the-counter (OTC) derivatives with us. This policy does not apply to any other type of investors including institutional investors² and their affiliates which are institutional investors or any other type of product offered by us.

2.2 The best execution obligation is applicable where we are acting in a principal capacity and you are relying on us to protect your interest in relation to execution of the transaction. In determining reliance, we will consider the following factors:

2.2.1 Who initiated the order: Where you initiate the transaction, it is less likely that you are placing reliance on us. In circumstances where the Bank may communicate trade ideas, market communications or indicative processes as part of our general business, we regard these communications as purely for information purposes and such communications shall not be deemed to have initiated the transaction.

2.2.2 Market practice and existence of a convention to "shop around": Where it is conventional market practice for clients to "shop around" by approaching several dealers for quotes, it is less likely that you will be placing legitimate reliance on us.

2.2.3 Relative levels of price transparency: In circumstances where pricing information is transparent and it is reasonable that you have access to such information, it is less likely that you are placing reliance on us.

¹ Per Section 4A(1)(a) of the Securities and Futures Act 2001 ([here](#))

² Per Section 4A(1)(c) of the Securities and Futures Act 2001 ([here](#))

2.2.4 The information provided by you and any agreement reached: Where any agreements or arrangements with you do not indicate or suggest that an understanding has been reached that you will place any legitimate reliance on us or that we have agreed to provide best execution in our transactions with you.

This policy does not apply to you if we have assessed that you are not relying on us to achieve best execution of in-scope products determined in accordance to the above.

2.3 This policy applies to you when we execute your orders for in-scope products directly on an execution venue or placing your orders with or passing your orders to others for execution.

3. Specific Instructions

Where there are specific instruction(s) received from you, we will execute the order as far as reasonably possible and we will deem that best execution is achieved. Where the instruction relates to only part of the order and best execution is deemed to be achieved, we will satisfy the remaining part in accordance with the criteria set out in this policy.

4. Best Execution Factors

4.1 When executing orders, we may consider the following factors amongst other factors:

- i. Price - Price at which the order is executed.
- ii. Costs - Costs relating to possible market impact, external costs such as exchange or clearing fees and internal costs such as internal spreads.
- iii. Speed - The time it takes to execute your order.
- iv. Likelihood of execution and settlement - The likelihood that we will be able to complete your order.
- v. Size - The size and nature of the order may affect the price of execution.
- vi. Nature of the order and any other considerations relevant to the placement and/or execution of the order

4.2 In determining the relative importance and/or the applicability of the factors, we consider the following characteristics:

- i. the characteristics of customers we serve. In general, all of our in-scope customers are accredited investors with access to other FIs and are not restricted from "shopping around" for better rates.
- ii. the types of financial products for which we are accepting execution orders for;
- iii. the characteristics of the execution venues or brokers to which the order can be directed. Where there is more than one execution venue or broker, we will consider the respective merits of each venue or broker and document the basis for selecting the venue or broker; and
- iv. the characteristics of your orders

4.3 The application of best execution policy involves the exercise of commercial judgement in the context of available information. Upon you engaging us, we will seek to execute your order on the best available terms in the manner as set out in this policy.

5. Execution Venues

5.1 Our Best Execution policy will apply to in-scope customers in relation to in-scope products which are executed by us on a principal basis with you as the counterparty to the transaction. Our Branch does not undertake any transaction with in-scope customers where we are acting in an agent capacity.

5.2 Specifically for OTC Derivatives, which are executed by our Branch bilaterally on a principal basis, our Branch will act as the execution venue.

6. Monitoring and Review

6.1 We will carry out the monitoring to ensure compliance with our Best Execution policy and arrangements periodically or whenever a material change occurs that affects our ability to achieve the best possible outcome on a consistent basis for your transactions with us.