

## **Order Handling and Execution Policy**

### **1. Purpose**

This document sets out The Bank of East Asia, Limited, Singapore Branch's ("the Bank") Order Handling and Execution Policy ("the Policy"). It provides clients (henceforth referred to as "client", "you" or "your") with general guidance that explains the Bank's approach towards order handling and providing best execution for clients' orders.

In executing orders on behalf of the Bank's clients, the Bank is committed to take all necessary and reasonable steps to achieve best possible outcome on a consistent basis, when executing orders or receiving and transmitting orders for execution.

In developing and implementing the Policy, the Bank has taken into account a range of factors including the circumstances under which customers' orders are placed or initiated, and counterparties' limits constraints, to ensure that the policies and procedures are commensurate with the nature, size and complexity of the Bank's range of products offered and operations.

### **2. Scope of Application**

Best execution is the obligation to place or execute, or both, clients' order on the best available terms. Accordingly, the Policy will apply whenever the Bank:

- a) accepts an order to execute a transaction on the clients' behalf (so that the client is transacting with another counterparty), or the Bank itself is the counterparty transacting as principal with the client;
- b) places the order with, or passes the order to, other capital markets intermediaries for execution; or
- c) in other circumstances where the Bank has otherwise explicitly agreed to accept such best execution obligation.

### **3. Products**

The Policy is applicable to transactions executed in the following products:

- Interest Rate Swap
- Cross Currency Swap
- Securities
- Structured Notes

The Policy is not applicable to the products with sole product provider.

The Bank of East Asia, Limited (Singapore Branch), UEN: S52FC1059A, is the Singapore branch office of The Bank of East Asia, Limited, a limited company incorporated in Hong Kong.

#### **4. Specific Instructions**

- 4.1 You may at your own discretion provide the Bank with specific instructions in relation to an order. The Bank will execute the order in accordance to those instructions as far as it is reasonably possible. By adhering to those specific instructions, the Bank will have satisfied the obligation to provide you with best execution with regard to that transaction. Specific instructions may include, but are not limited to, requests such as to execute an order over a particular time period or at a specific execution venue.
- 4.2 In situations where you provide the Bank specific instructions that covers only partial aspects of an order, the Bank will have satisfied the obligation to provide you with best execution in relation to the relevant part of the transaction to which the specific instruction applied. For other aspects of that order not covered by your instruction, best execution in accordance with the criteria laid out in the Policy will be applicable.
- 4.3 Kindly note that when the Bank executes an order in line with your specific instructions, adhering to such instructions may hinder the Bank from undertaking the necessary steps to achieve the best possible outcome for the execution of those orders in respect of the components covered by those instructions.

#### **5. Handling and Execution of Comparable Clients' Orders**

Dealers will place or execute, or both place and execute comparable client's orders (i.e. orders of the same instrument type, nature, or demand for market liquidity, etc.) sequentially in accordance with the time of receipt and acceptance of such orders on the best available terms, except for certain situations where it is not feasible nor in the best interests of the client to do so. For instance, while the dominant execution factor for comparable client orders will usually be the time of receipt and acceptance, the relative importance of such factor against the other execution factors may vary as a result of the market environment and conditions at any given time. The prioritisation of execution factor may therefore need to be adjusted to take into account such circumstances in order to ensure the best possible result.

#### **6. Execution Factors**

- 6.1 The Bank takes into account a variety of execution factors to obtain the best available terms when executing a transaction.

The following relevant execution factors are considered:

- a) Price
- b) Costs – including implicit costs and explicit external costs

- c) Speed of execution
- d) Size and nature of the order
- e) Likelihood of execution and settlement
- f) Liquidity
- g) Any other consideration relevant to the placement and/or execution of the order – including particular characteristics of the client's order that may affect how best execution is applied.

6.2 When determining the relative importance and/or the applicability of the execution factors, the Bank will take into account the following considerations:

- a) the characteristics of the client;
- b) the characteristics of the type of product for which the Bank accepts, places or executes orders;
- c) the characteristics of the execution venues or brokers to which the order can be directed; and
- d) the characteristics of the client's orders.

6.3 In general, price will always merit a high relative importance to achieve best possible outcome for clients. However, under certain circumstances where securities are illiquid or during unusual economic or financial events, the likelihood of orders being triggered and settled will take precedence.

6.4 In determining the relative importance of each execution factor, the Bank recognises that every client is unique with differing needs and requirements, and that the relative importance of the execution factors may change depending on the characteristics of the transaction or product and the broader market conditions. The Bank would use its experience and expertise to achieve the best balance across the various execution factors.

## **7. Execution Venues**

The Bank uses a number of reputable execution venues on which it places significant reliance when executing clients' orders. The selection of execution venues will be made at the Bank's discretion on the basis that the Bank can meet its best execution obligation on a consistent basis.

## **8. Monitoring and Review**

8.1 The Bank will monitor the compliance of the Policy and effectiveness of its order execution arrangements on an on-going basis to identify and improve any deficiencies so as to ensure that the Bank can continue to deliver best available terms to you on a consistent basis.

8.2 The Bank conducts reviews and assessments of the Policy and its order execution arrangements at least annually or whenever any material change arises that impacts the Bank's ability to achieve best possible execution. Any changes to the Policy will become effective when the revised Policy is posted on the Bank's Website.