

DBS Vickers Securities (Singapore) Pte Ltd

Best Execution Policy

1 Introduction and Purpose

- 1.1** Under the MAS Notice on Execution of Customers' orders (SFA 04-N16), DBS Vickers Securities (Singapore) Pte Ltd ("**DBSV**") is required to establish and implement written policies and procedures ("**Best Execution Policy**") which commensurate with the nature, scale and complexity of its business:
- (i) To place or execute or both, as the case may be, customers' orders on the best available terms; and
 - (ii) To place or execute or both, as the case may be, comparable customers' orders in accordance with the time of receipt of such orders.
- 1.2** This Best Execution Policy sets out the considerations and approach taken by DBSV to provide best execution for its customers.

2 Definition and Scope

- 2.1** Best execution broadly refers to a broker's duty to place or execute or both, customers' orders on the best available terms.
- 2.2** Best execution is applicable when executing customers' orders directly on an execution venue or placing customers' orders with another capital markets intermediary or person who is licensed, authorised, regulated, or otherwise exempted in relation to dealing in capital markets products in a foreign jurisdiction, for execution.
- 2.3** This Best Execution Policy applies to all customers of DBSV.

3 Receipt and transmission of orders and instructions

- 3.1** To the extent that DBSV follows specific instructions received from a customer, DBSV is deemed to have satisfied its best execution obligations when it places the customer's order in accordance with those instructions and subject to compliance with local regulation. Where the instructions relate to only part of an order, DBSV will continue to apply this Best Execution Policy to those aspects of the order not covered by specific instructions.

4 Quality of execution

- 4.1** DBSV will ensure that any order is executed in accordance with the Best Execution Policy herein (or will otherwise act in accordance with the best interests of customers when transmitting orders to other persons for execution).
- 4.2** There may be cases where, as a result of circumstances outside DBSV's control, it may be appropriate to use an execution method or venue other than one

described in this Best Execution Policy. This may be due, for example, to the order size, inadequate liquidity in the security concerned on the relevant exchange, or the availability of an agency cross. In such cases, DBSV will nevertheless take all sufficient steps to obtain the best possible result taking into account the execution factors below, or will otherwise act in accordance with the best interests of customers when transmitting orders to other persons for execution.

5 Execution factors and criteria

Execution factors

- 5.1** When executing orders on behalf of customers, DBSV will consider a range of execution factors to achieve the best execution terms for its customers. While some execution factors may merit a higher relative importance, there are situations where the relative importance of these factors may change in accordance with the instruction provided by customer or the general broader market conditions.
- 5.2** The general factors considered are as follows:
- (i) Price;
 - (ii) Liquidity;
 - (iii) Speed of Execution;
 - (iv) Likelihood of Execution;
 - (v) Costs;
 - (vi) Settlement;
 - (vii) Size of the Order; and
 - (viii) Other relevant factors.
- 5.3** Price will generally merit a high relative importance, but DBSV will take into account the following criteria when determining the relative importance of the execution factors referred to above, such as:
- (i) the types of customers it serves, whether retail customers or otherwise;
 - (ii) the types of products for which it accepts, places or executes orders;
 - (iii) the characteristics of the execution venues or brokers to which the order can be directed; and
 - (iv) the characteristics of the customer's orders.
- 5.4** DBSV will use its reasonable judgment in considering the relevant factors when deciding how to provide best execution.

6 Execution venues and Brokers

- 6.1** DBSV will determine the appropriate execution venue where the customer's orders can be executed by DBSV, or the appropriate third-party participants or brokers to which the customer's orders can be transmitted by DBSV for execution.
- 6.2** DBSV generally applies the following considerations in the selection of execution venues: (a) in the case of equity securities, the primary market on which the issuer's securities are listed and traded, and (b) in the case of a warrant or depositary receipt, the exchange of the instrument's primary listing.
- 6.3** Where a security is listed on more than one trading venue, orders will normally be executed on its primary market, as it is considered that such execution is most likely to achieve consistently the best possible result for customers taking into account the execution factors above and their relative priority.
- 6.4** For the transmission of customer orders to other brokers, DBSV will use brokers possessing specific and adequate arrangements to satisfy the requirements for best execution. DBSV selects its brokers based on internal selection procedure during onboarding and annual periodic review.
- 6.5** At onboarding, brokers are subject to DBSV's counterparty due diligence checks, which include an evaluation of the following criteria. Brokers are assessed on an annual basis on the following assessment criteria:
- (i) Financial standing;
 - (ii) Creditworthiness and reputation;
 - (iii) Culture and governance;
 - (iv) AML/CFT checks; and
 - (v) Internal / external audit.
- 6.6** In addition, DBSV also performs an annual evaluation of brokers' suitability, based on the following set of criteria:
- (i) Cost of execution;
 - (ii) Execution speed;
 - (iii) Trade confirmation;
 - (iv) Financial Information eXchange (FIX) connection;
 - (v) Likelihood of execution;
 - (vi) Manpower/staffing adequacy;
 - (vii) Custody services;
 - (viii) Quality of execution;
 - (ix) Research support; and
 - (x) News and Market colours.

7 Customer order handling

(i) Order Execution

- 7.1** Individual orders (including comparable orders) will generally be executed or transmitted sequentially in accordance with their time of receipt and promptly after receipt by the broker.
- 7.2** For customer orders received outside the normal exchange business hours of the market, DBSV will transmit the order when exchange trading resumes. Customer orders received outside DBSV's business hours will be handled promptly as soon as DBSV opens.

8 Monitoring and Review

- 8.1** DBSV has put in place appropriate governance processes to monitor the compliance with its Best Execution Policies and the effectiveness.
- 8.2** DBSV monitors the execution of orders to enable DBSV to take proactive steps in delivering best execution.
- 8.3** DBSV also performs post-execution review on its trade executions on a monthly basis.
- 8.4** There are several potential reasons that might impact execution quality and contribute to a large deviation from benchmark, and these include volatility, illiquidity, and tick size.
- (i) Volatility – may result in a larger trading range and therefore a higher chance of executions deviating from benchmark
 - (ii) Illiquidity – may impact execution quality if price points and volume are scarce
 - (iii) Tick size – influences the cost of crossing the spread and depending on the price band, the tick size may have large variations

9 Updates to the Best Execution Policy

- 9.1** DBSV will review the Best Execution Policy on a periodic basis and reserves the right to update this Best Execution Policy as appropriate. Customers will be notified of material changes to the Best Execution Policy by updates on DBSV's website.
- 9.2** Customers who require further information on the Best Execution Policy may contact their usual trading representative.