

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you have any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold all your shares in the capital of United Overseas Bank Limited (“UOB”), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or to the bank, stockbroker or agent through whom the sale was effected for onward delivery to the purchaser.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements or opinions made in this Circular.



UNITED OVERSEAS BANK LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 193500026Z)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE;**
- (2) THE PROPOSED ALTERATION TO THE ARTICLES OF ASSOCIATION OF THE COMPANY;
AND**
- (3) THE PROPOSED AUTHORITY TO ISSUE NEW SHARES PURSUANT TO THE UOB SCRIP
DIVIDEND SCHEME.**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	Wednesday, 28 April 2010 at 3.15 p.m.
Date and time of Extraordinary General Meeting	:	Friday, 30 April 2010 at 3.15 p.m. (or as soon thereafter following the conclusion or adjournment of the Sixty-Eighth Annual General Meeting of UOB to be held at 3.00 p.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	Pan Pacific Singapore Pacific 2-3, Level 1 7 Raffles Boulevard, Marina Square Singapore 039595

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CONTENTS

	Page
DEFINITIONS	2
LETTER TO SHAREHOLDERS	
1. Introduction	5
2. The Proposed Renewal of the Share Purchase Mandate	5
3. The Proposed Alteration to the Articles of Association.	16
4. The Proposed Authority to issue New Shares pursuant to the UOB Scrip Dividend Scheme.	16
5. Application of the UOB Scrip Dividend Scheme to the FY09 Final Dividend	20
6. Interests of Directors and Substantial Shareholders	21
7. Directors' Recommendations	22
8. Extraordinary General Meeting.	23
9. Action to be taken by Shareholders	23
10. Directors' Responsibility Statement.	23
11. Documents Available for Inspection	24
APPENDIX 1	
The Proposed Alteration to the Articles of Association.	25
APPENDIX 2	
The Proposed UOB Scrip Dividend Scheme Statement	27
NOTICE OF EXTRAORDINARY GENERAL MEETING	36
PROXY FORM	

DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires:

“Articles”	:	The Articles of Association of the Company.
“Banking Act”	:	Banking Act, Chapter 19 of Singapore.
“Books Closure Date”	:	With respect to a Qualifying Dividend, the date to be determined by the Directors on which the transfer books and register of members of the Company will be closed for the purpose of determining the entitlements of Shareholders to that Qualifying Dividend.
“CDP”	:	The Central Depository (Pte) Limited.
“2009 Circular”	:	The Company’s Circular to Shareholders dated 8 April 2009.
“Companies Act”	:	Companies Act, Chapter 50 of Singapore.
“Directors”	:	The directors of UOB for the time being.
“Dividend”	:	A dividend (including any interim, final, special or other dividend) to be paid on the issued Shares as resolved or proposed by the Directors or the Company in general meeting.
“EGM”	:	The extraordinary general meeting of UOB, notice of which is given on pages 36 to 38 of this Circular.
“2009 EGM”	:	The extraordinary general meeting of the Company held on 29 April 2009.
“FY09 Final Dividend”	:	The proposed final one-tier tax-exempt dividend of 40 cents per Share for the year ended 31 December 2009.
“Group”	:	UOB and its subsidiaries.
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 23 March 2010.
“Listing Manual”	:	The listing manual of the SGX-ST.
“Market Day”	:	A day on which the SGX-ST is open for trading of securities.
“MAS”	:	The Monetary Authority of Singapore.
“New Shares”	:	New Shares to be issued, credited as fully paid, pursuant to the UOB Scrip Dividend Scheme.
“NTA”	:	Net tangible assets.

DEFINITIONS

“Overseas Shareholders”	:	With respect to a Qualifying Dividend, Shareholders with registered addresses outside Singapore and who have not provided the Company or CDP, as the case may be, not later than five Market Days (or such other cut-off date as the Directors may determine) prior to the Books Closure Date for that Qualifying Dividend with addresses in Singapore for service of notices and documents.
“Price Determination Period”	:	With respect to a Qualifying Dividend, the period to be determined by the Directors prior to the announcement of the application of the UOB Scrip Dividend Scheme to that Qualifying Dividend as the period by reference to which the issue price of a New Share with respect to that Qualifying Dividend is to be determined.
“Qualifying Dividend”	:	A Dividend to which the UOB Scrip Dividend Scheme applies, as determined by the Directors.
“Relevant Period”	:	The period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date the next annual general meeting is held or is required by law to be held, whichever is the earlier.
“ROE”	:	Return on equity.
“Securities Account”	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Share Purchase Mandate”	:	The mandate enabling the Company to purchase or otherwise acquire its issued Shares.
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with Shares.
“Shares”	:	Ordinary shares in the capital of the Company.
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers.
“S\$”, “\$” and “cents”	:	Singapore dollars and cents, respectively.
“UOB” or the “Company”	:	United Overseas Bank Limited.
“UOB Scrip Dividend Scheme”	:	The UOB Scrip Dividend Scheme, the terms and conditions of which are set out in Appendix 2 to this Circular, as amended from time to time.
“%” or “per cent.”	:	Per centum or percentage.

DEFINITIONS

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular only shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise specified.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

LETTER TO SHAREHOLDERS



UNITED OVERSEAS BANK LIMITED

(Incorporated in the Republic of Singapore)
(Registration No.: 193500026Z)

Board of Directors:

Wee Cho Yaw (*Chairman*)
Wee Ee Cheong (*Deputy Chairman & Chief Executive Officer*)
Ngiam Tong Dow
Prof Cham Tao Soon
Wong Meng Meng
Philip Yeo Liat Kok
Prof Lim Pin
Reggie Thein

Registered Office

80 Raffles Place
UOB Plaza
Singapore 048624

5 April 2010

To: The Shareholders of United Overseas Bank Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 **EGM.** The Directors of UOB are convening the EGM to be held on 30 April 2010 to seek Shareholders' approval for the following proposals:

- (a) the proposed renewal of the Share Purchase Mandate;
- (b) the proposed alteration to the Articles; and
- (c) the proposed authority to issue New Shares pursuant to the UOB Scrip Dividend Scheme, (collectively, the "**Proposals**").

1.2 **Circular.** The purpose of this Circular is to provide Shareholders with information relating to the Proposals.

1.3 **SGX-ST.** The SGX-ST takes no responsibility for the accuracy of any statement or opinion made in this Circular.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 **Background.** The Companies Act requires a company to obtain the approval of its shareholders to purchase or otherwise acquire its own shares. The Share Purchase Mandate was first approved by Shareholders on 29 April 2004 and was last renewed at the 2009 EGM (the "**2009 Share Purchase Mandate**"). The rationale for, and the authority and limitations on, the 2009 Share Purchase Mandate were set out in the 2009 Circular and the Ordinary Resolution set out in the Notice of the 2009 EGM.

LETTER TO SHAREHOLDERS

The 2009 Share Purchase Mandate will expire on the date of the forthcoming Sixty-Eighth Annual General Meeting of the Company to be held on 30 April 2010. Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the EGM immediately following the Sixty-Eighth Annual General Meeting of the Company convened to be held on the same date and at the same place.

2.2 **Rationale for the Proposed Renewal of the Share Purchase Mandate.** The proposed renewal of the Share Purchase Mandate would give UOB the flexibility to undertake the purchase or acquisition of its issued Shares as and when appropriate to:

- (a) manage the capital structure of UOB, with a view to achieving an efficient capital mix;
- (b) manage surplus capital, such that surplus capital and funds which are in excess of UOB's requirements may be returned to Shareholders in an expedient and cost-efficient manner;
- (c) improve ROE, which is one of the key objectives of UOB; and
- (d) manage and minimise the dilution impact (if any) associated with any staff incentive scheme as may be implemented by UOB from time to time.

The Share Purchase Mandate will be exercised by the Directors in circumstances where it is considered to be in the best interests of UOB, after taking into account factors such as the amount of surplus cash available and working capital requirements of UOB, the prevailing market conditions, liquidity and orderly trading of the Shares.

2.3 **Authority and Limits on the Share Purchase Mandate.** The authority and limits on the Share Purchase Mandate are summarised below.

2.3.1 *Maximum Number of Shares*

The total number of Shares that may be purchased or acquired by UOB pursuant to the Share Purchase Mandate is limited to that number of Shares representing five per cent. of the total number of issued Shares of UOB as at the date of the EGM at which this renewal of the Share Purchase Mandate is approved (the "**Approval Date**") unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued Shares shall be taken to be the total number of the issued Shares as altered by such capital reduction. Only Shares which are issued and fully paid-up may be purchased or acquired by UOB. The Shares which are held as treasury shares will be disregarded for the purposes of computing the five per cent. limit.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the five per cent. limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out up to the full five per cent. as authorised, or at all.

LETTER TO SHAREHOLDERS

2.3.2 *Duration of Authority*

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date up to:

- (a) the date on which the next Annual General Meeting of UOB is held or required by law to be held; or
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied,

whichever is the earlier.

2.3.3 *Manner of Purchase or Acquisition of Shares*

Purchases or acquisitions of Shares may be made by:

- (a) on-market purchases ("**Market Purchases**") transacted on the SGX-ST through the SGX-ST's trading system, through one or more duly licensed dealers appointed by UOB for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchases**") effected pursuant to an equal access scheme.

The purchases or acquisitions may be subject to such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act as the Directors may consider fit in connection with or in relation to any equal access scheme or schemes.

Off-Market Purchases must satisfy all the following conditions:

- (i) offers for the purchase or the acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If UOB wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (I) the terms and conditions of the offer;
- (II) the period and procedures for acceptances; and
- (III) the information required under Rule 883(2), (3), (4) and (5) of the Listing Manual.

LETTER TO SHAREHOLDERS

2.3.4 **Maximum Purchase Price**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105 per cent. of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 110 per cent. of the Average Closing Price of the Shares,

in either case, excluding related expenses of the purchase or acquisition (the “**Maximum Price**”).

For the above purposes:

“**Average Closing Price**” means the average of the last dealt prices of the Share over the five consecutive Market Days on which the Shares were transacted on the SGX-ST immediately preceding the date of the Market Purchase by UOB or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period; and

“**date of the making of the offer**” means the date on which UOB announces its intention to make an offer for an Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

- 2.4 **Source of Funds.** The Companies Act permits UOB to purchase or acquire its own Shares out of capital, as well as from its distributable profits.

UOB intends to use its internal sources of funds to finance its purchase or acquisition of the Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital of UOB and the Group would be materially adversely affected.

- 2.5 **Reporting Requirements.** Pursuant to Rule 886 of the Listing Manual, UOB will notify the SGX-ST of any purchase or acquisition of Shares under the proposed Share Purchase Mandate as follows:

- (a) in the case of a Market Purchase, by 9.00 a.m. on the Market Day following the day on which it purchased the Shares; and
- (b) in the case of an Off-Market Purchase, by 9.00 a.m. on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8.3.1 of the Listing Manual) must include, *inter alia*, details of the maximum number of Shares authorised for purchase, the date of the purchase, the total number of Shares purchased, the number of Shares cancelled, the number of Shares held as treasury shares, the purchase price per Share or the highest and

LETTER TO SHAREHOLDERS

lowest prices paid for such Shares (as applicable), the total consideration (including stamp duties, brokerage and clearing charges) paid or payable for the Shares, the number of Shares purchased as at the date of announcement (on a cumulative basis), the number of issued Shares excluding treasury shares and the number of treasury shares held after the purchase.

2.6 **Status of Purchased Shares.** Under the Companies Act, Shares purchased or acquired by UOB shall be deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on cancellation) unless such Shares are held by UOB as treasury shares. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by UOB, which are cancelled and are not held as treasury shares.

2.7 **Treasury Shares.** UOB reserves the right to hold all or part of the purchased or acquired Shares as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below.

2.7.1 ***Maximum Holdings***

The number of Shares held as treasury shares cannot at any time exceed 10 per cent. of the total number of issued Shares.

2.7.2 ***Voting and Other Rights***

UOB cannot exercise any right in respect of treasury shares, including any right to attend or vote at meetings.

In addition, no dividend may be paid, and no other distribution of UOB's assets may be made, to UOB in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed and such bonus shares shall be treated for the purposes of the Companies Act as if they were purchased by UOB at the time they were allotted. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.7.3 ***Disposal and Cancellation***

Where Shares purchased or acquired by UOB are held as treasury shares, UOB may at any time but subject always to the Take-over Code:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

LETTER TO SHAREHOLDERS

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

- 2.8 **Financial Effects.** The financial effects on the Group arising from purchases or acquisitions of Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time. The financial effects on the Group for the financial year ended 31 December 2009 are based on the assumptions set out below.

2.8.1 ***Purchase or Acquisition out of Capital or Profits***

Where the consideration paid by UOB for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of dividends by UOB will not be reduced.

Where the consideration paid by UOB for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of dividends by UOB.

2.8.2 ***Number of Shares Acquired or Purchased***

The maximum number of Shares which can be purchased by UOB will depend on the number of issued Shares, excluding treasury shares, of UOB as at Approval Date. As at the Latest Practicable Date, the issued share capital of UOB comprised 1,506,018,696 Shares, excluding treasury shares. No Shares were reserved for issue by UOB as at the Latest Practicable Date.

Purely for illustrative purposes, on the basis of 1,506,018,696 Shares in issue, excluding treasury shares, as at the Latest Practicable Date, not more than 75,300,934 Shares (representing five per cent. of the Shares in issue, excluding treasury shares, as at that date) may be purchased or acquired by UOB pursuant to the proposed Share Purchase Mandate.

2.8.3 ***Maximum Price Paid for Shares Acquired or Purchased***

Assuming that UOB purchases or acquires the maximum number of Shares at the Maximum Price, the amount of funds required is approximately:

- (a) in the case of Market Purchases of Shares, S\$1,510,536,736 based on S\$20.06 for one Share (being the price equivalent to five per cent. above the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive Market Days immediately preceding the Latest Practicable Date); and

LETTER TO SHAREHOLDERS

- (b) in the case of Off-Market Purchases of Shares, S\$1,582,072,623 based on S\$21.01 for one Share (being the price equivalent to ten per cent. above the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive Market Days immediately preceding the Latest Practicable Date).

2.8.4 *Illustrative Financial Effects*

For illustrative purposes only, on the basis of the assumptions set out in paragraphs 2.8.2 and 2.8.3 above, as well as the following:

- (a) the Share Purchase Mandate had been effective on 1 January 2009 and UOB had purchased 75,300,934 Shares (representing five per cent. of the total Shares in issue as at the Latest Practicable Date, excluding the Shares held in treasury) on 1 January 2009;
- (b) no Shares were purchased by UOB after the Latest Practicable Date; and
- (c) the purchase consideration was funded by UOB from excess funds deployed in the inter-bank market with an effective pre-tax yield of 0.44 per cent., being the inter-bank one-month offer rate as at 23 March 2010, and at the tax rate of 17 per cent.,

the financial effects on the audited financial accounts of the Group for the financial year ended 31 December 2009 are set out below:

Market Purchases

As at 31 December 2009	Before Share Purchases	After Share Purchases⁽¹⁾
Total Shareholders' equity (S\$'000)	18,986,133	17,470,080
Number of issued Shares ('000)	1,506,019	1,430,718
Weighted average number of issued Shares ('000)	1,505,729	1,430,428
Net profit attributable to Shareholders (S\$'000)	1,901,679	1,896,163

Financial Ratios

NTA per Share (S\$) ⁽²⁾	8.36	7.74
Earnings per Share – Basic (S\$) ⁽³⁾	1.19	1.25
ROE (%) ⁽³⁾	11.9	13.2
Total Capital Adequacy Ratio (%)	19.0	17.6

Notes:

- (1) The disclosed financial effects remain the same irrespective of whether the purchase of Shares are:
(a) effected out of capital or profits; and
(b) held in treasury or cancelled.
- (2) Preference shares were excluded from the computation.
- (3) Calculated based on profit attributable to Shareholders net of preference share dividends for the financial year.

LETTER TO SHAREHOLDERS

Off-Market Purchases

As at 31 December 2009	Before Share Purchases	After Share Purchases⁽¹⁾
Total Shareholders' equity (S\$'000)	18,986,133	17,398,282
Number of issued Shares ('000)	1,506,019	1,430,718
Weighted average number of issued Shares ('000)	1,505,729	1,430,428
Net profit attributable to Shareholders (S\$'000)	1,901,679	1,895,901

Financial Ratios

NTA per Share (S\$) ⁽²⁾	8.36	7.69
Earnings per Share – Basic (S\$) ⁽³⁾	1.19	1.25
ROE (%) ⁽³⁾	11.9	13.3
Total Capital Adequacy Ratio (%)	19.0	17.5

Notes:

- (1) The disclosed financial effects remain the same irrespective of whether the purchase of Shares are:
(a) effected out of capital or profits; and
(b) held in treasury or cancelled.
- (2) Preference shares were excluded from the computation.
- (3) Calculated based on profit attributable to Shareholders net of preference share dividends for the financial year.

The financial effects set out above are for illustrative purposes only. Although the Share Purchase Mandate would authorise UOB to purchase or acquire up to five per cent. of the issued Shares (excluding the Shares held in treasury), UOB may not necessarily purchase or acquire or be able to purchase or acquire any or all of the five per cent. of the issued Shares (excluding the Shares held in treasury). In addition, UOB may cancel all or part of the Shares repurchased and/or hold all or part of the Shares repurchased as treasury shares.

UOB will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a purchase or acquisition of Shares before execution.

2.9 Details of Share Buy Backs in the last 12 months. As at the Latest Practicable Date, UOB had not purchased or acquired any Shares in the preceding 12 months.

2.10 Listing Status of the Shares. The Listing Manual requires a listed company to ensure that at least ten per cent. of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed, must be held by public shareholders. The "public", as defined in the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of a listed company and its subsidiaries, as well as associates (as defined in the Listing Manual) of such persons. As at the Latest Practicable Date, approximately 76 per cent. of the issued Shares (excluding the Shares held in treasury) are held by public shareholders. Assuming UOB had purchased or acquired Shares from the public up to the full five per cent. limit pursuant to the proposed Share Purchase Mandate on the Latest Practicable Date and these Shares had been

LETTER TO SHAREHOLDERS

held as treasury shares, the percentage of issued Shares held by public shareholders would be reduced to approximately 75 per cent. of the issued Shares (excluding the Shares held in treasury).

Accordingly, UOB is of the view that there is a sufficient number of Shares in issue held by public shareholders which would permit UOB to undertake purchases or acquisitions of its Shares through Market Purchases up to the full five per cent. limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST.

2.11 **Shareholding Limits.** Under the Banking Act:

- (a) no person shall enter into any agreement or arrangement, whether oral or in writing and whether express or implied, to act together with any person with respect to the acquisition, holding or disposal of, or the exercise of rights in relation to, their interests in voting shares of an aggregate of five per cent. or more of the total votes attached to all voting shares in a designated financial institution, without first obtaining the approval of the Minister designated for the purposes of the Banking Act (the “**Minister**”) (the “**5% Limit**”); and
- (b) no person shall be a 12% controller (as defined below) or a 20% controller (as defined below) of a designated financial institution without first obtaining the approval of the Minister.

For the purposes of the Banking Act:

“**designated financial institution**” means (i) a bank incorporated in Singapore; or (ii) a financial holding company;

“**total number of issued shares**”, in relation to a company, does not include treasury shares;

“**12% controller**” means a person, not being a 20% controller, who alone or together with his associates, (i) holds not less than 12% of the total number of issued shares in the designated financial institution; or (ii) is in a position to control voting power of not less than 12% in the designated financial institution; and

“**20% controller**” means a person who, alone or together with his associates, (i) holds not less than 20% of the total number of issued shares in the designated financial institution; or (ii) is in a position to control voting power of not less than 20% in the designated financial institution.

For purposes of the Banking Act, the percentage of the total number of issued Shares held by a Shareholder (whose Shares were not the subject of a share purchase or acquisition by UOB) and the percentage voting rights of a Shareholder (whose Shares were not the subject of a share purchase or acquisition by UOB) in the issued Shares immediately following any purchase or acquisition of Shares will increase should UOB hold in treasury or cancel the Shares purchased or acquired by UOB.

UOB wishes to draw the attention of Shareholders to the following consequences of a purchase or acquisition of Shares by UOB pursuant to the Share Purchase Mandate, if the proposed renewal of the Share Purchase Mandate is approved by Shareholders:

A PURCHASE OR ACQUISITION OF SHARES BY UOB MAY INADVERTENTLY CAUSE THE INTEREST IN THE SHARES OF ANY PERSON TO REACH OR EXCEED THE 5% LIMIT OR CAUSE ANY PERSON TO BECOME A 12% CONTROLLER OR A 20% CONTROLLER.

LETTER TO SHAREHOLDERS

Shareholders whose shareholdings are close to the limits set out in the Banking Act **are advised to seek the prior approval of the MAS** to continue to hold, on such terms as may be imposed by the MAS, the number of Shares which they may hold in excess of any of such limits, as a consequence of a purchase or acquisition of Shares by UOB. Shareholders who are in doubt as to the action that they should take should consult their professional advisers at the earliest opportunity.

2.12 **Take-over Implications.** Appendix 2 of the Take-over Code contains the Share Buy-back Guidance Note. The take-over implications arising from any purchase or acquisition by UOB of its Shares are set out below.

2.12.1 *Obligation to make a Take-over Offer*

If, as a result of any purchase or acquisition by UOB of its Shares, a Shareholder's proportionate interest in the voting capital of UOB increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in the change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert acquires or consolidates effective control of UOB, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for UOB under Rule 14 of the Take-over Code.

2.12.2 *Persons Acting in Concert*

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, the following individuals and companies to be persons acting in concert with each other:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and

LETTER TO SHAREHOLDERS

- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10 per cent. or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, and any person who is accustomed to act in accordance with his instructions, companies controlled by any of the above persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by UOB are set out in Appendix 2 to the Take-over Code.

2.12.3 ***Effect of Rule 14 and Appendix 2***

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of UOB purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30 per cent. or more, or in the event that such Directors and their concert parties hold not less than 30 per cent. and not more than 50 per cent. of UOB's voting rights, if the voting rights of such Directors and their concert parties would increase by more than one per cent. in any period of six months. In calculating the percentage of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 to the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of UOB purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30 per cent. or more, or, if such Shareholder holds not less than 30 per cent. and not more than 50 per cent. of UOB's voting rights, the voting rights of such

LETTER TO SHAREHOLDERS

Shareholder would increase by more than one per cent. in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by UOB should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

3. THE PROPOSED ALTERATION TO THE ARTICLES OF ASSOCIATION

- 3.1 **Proposed Alteration to Articles to facilitate UOB Scrip Dividend Scheme.** The Company proposes to have a UOB Scrip Dividend Scheme, details of which are set out in paragraph 4 below. To facilitate the implementation of the UOB Scrip Dividend Scheme by the Directors, a new Article 135A is proposed to be inserted in the Articles to, *inter alia*, enable Shareholders to elect to receive New Shares credited as fully paid in lieu of the cash amount of a Qualifying Dividend, in accordance with the UOB Scrip Dividend Scheme.
- 3.2 **Appendix 1.** The text of new Article 135A is set out in Appendix 1 of this Circular. The proposed alteration to the Articles is subject to Shareholders' approval.

4. THE PROPOSED AUTHORITY TO ISSUE NEW SHARES PURSUANT TO THE UOB SCRIP DIVIDEND SCHEME

- 4.1 **Rationale and Purpose.** The UOB Scrip Dividend Scheme will provide Shareholders with the option to elect to receive a Qualifying Dividend in the form of New Shares in lieu of cash.

The UOB Scrip Dividend Scheme will enable Shareholders to acquire additional Shares without having to incur transaction or other related costs. The Company will also benefit from the participation by Shareholders in the UOB Scrip Dividend Scheme as, to the extent that Shareholders elect to receive a Qualifying Dividend in the form of New Shares, the Company's share capital base will be enlarged and the cash retained for the Group's general corporate purposes.

The terms and conditions of the UOB Scrip Dividend Scheme are set out in Appendix 2 of this Circular and a summary description and explanation is provided in paragraphs 4.2 to 4.13 below.

- 4.2 **Implementation of UOB Scrip Dividend Scheme.** On 19 February 2009, the SGX-ST announced that scrip dividend schemes are no longer required, until 31 December 2010, to be approved by shareholders so long as they are provided with an option to elect for their distributions to be paid in cash.

Under the UOB Scrip Dividend Scheme, Shareholders will receive their entitlements to any Qualifying Dividend in cash if they do not elect to receive their entitlements to a Qualifying Dividend in the form of New Shares. Accordingly, Shareholders' approval will not be sought for the implementation of the UOB Scrip Dividend Scheme but rather for the authority to be given to the Directors to issue New Shares to Shareholders who have elected to receive their entitlements to a Qualifying Dividend in the form of New Shares.

- 4.3 **Election to Receive Qualifying Dividends in the Form of New Shares in lieu of Cash.** Under the UOB Scrip Dividend Scheme, whenever a Dividend has been announced and the Directors have determined that in respect of their entitlement to the Dividend Shareholders

LETTER TO SHAREHOLDERS

may elect to receive New Shares credited as fully paid, each Shareholder has the following two choices in respect of the Dividend:

- (a) to receive a cash Dividend on all, and not part only, of his existing Shares held; or
- (b) elect to receive an allotment of New Shares in lieu of all, and not part only, of the cash amount of the Dividend entitlement credited as fully paid.

An announcement will be made by the Company as soon as practicable following the determination by the Directors that the UOB Scrip Dividend Scheme is to apply to a particular Dividend, and in any event, by no later than the Market Day immediately following the Books Closure Date for that Dividend.

A Shareholder will, at the absolute discretion of the Company, receive one or more notices of election ("**Notices of Election**") in relation to all of his holding of Shares. A Shareholder may elect to receive New Shares in respect of all, and not part only, of his entitlement to the Qualifying Dividend to which each Notice of Election relates. A Shareholder may also make a permanent election to receive New Shares in respect of his entitlement to all future Qualifying Dividends to which each Notice of Election relates. Where a permanent election has been made, the participating Shareholder may, by giving the appropriate notice, cancel his participation and withdraw from the UOB Scrip Dividend Scheme at any time. The cancellation of a permanent election by a Shareholder would not preclude him from making a fresh permanent election, should he wish to do so, at a later date.

A Shareholder receiving two or more Notices of Election may elect to receive New Shares in respect of his entitlement to which one Notice of Election relates and decline to receive New Shares in respect of his entitlement to which any other Notice of Election relates. A Shareholder receiving two or more Notices of Election and wishing to receive New Shares in respect of all of his entitlement to the Qualifying Dividend in respect of all his holding of Shares must complete all the Notices of Election received by him and return the completed Notices of Election to the Company and/or CDP, as the case may be. A Shareholder who is a Depository Agent or nominee company of a bank, merchant bank, stockbroker or other financial institution, holding Shares as custodian, may be allowed at the absolute discretion of the Directors, to make an election to participate in the UOB Scrip Dividend Scheme in respect of part only of the Shares to which each Notice of Election received by it relates.

For the purpose of calculating the number of New Shares to be allotted to Shareholders, the issue price of a New Share shall not be set by the Directors at more than 10% discount to, nor shall it exceed the average of the last dealt prices of the Share on the SGX-ST for each of the Market Days during the Price Determination Period. In the event that there is no trading in the Shares during the Price Determination Period, the issue price of a New Share shall not exceed the average of the last dealt prices of the Share on the SGX-ST for each of the Market Days during a period to be determined by the Directors.

Consequently (where the UOB Scrip Dividend Scheme applies to a particular Dividend), it will not be possible until after the close of business on the last day of the relevant Price Determination Period to determine the exact number of New Shares to which Shareholders electing to receive New Shares will be entitled. An announcement will be made setting out the issue price of a New Share to be used in the calculation of entitlements of Shareholders to the New Shares in respect of such Dividend.

LETTER TO SHAREHOLDERS

The New Shares to be issued pursuant to the UOB Scrip Dividend Scheme will rank *pari passu* in all respects with the existing Shares then in issue save only as regards to participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the UOB Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to, or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors or the Company in General Meeting shall otherwise specify.

Fractional entitlements to the New Shares will be rounded down to the nearest whole number or otherwise dealt with in such manner as the Directors may deem fit in the interests of the Company and as may be acceptable to the SGX-ST.

Shareholders will receive the Qualifying Dividend in cash if they do not explicitly elect to participate in the UOB Scrip Dividend Scheme according to its provisions. Shareholders need not take any action if they wish to receive their entitlement to the Qualifying Dividend in cash.

- 4.4 **Availability of the UOB Scrip Dividend Scheme.** Notwithstanding any provisions of the UOB Scrip Dividend Scheme, if at any time after the Directors have determined that the UOB Scrip Dividend Scheme shall apply to any Dividend and before the allotment and issue of New Shares in respect of such Dividend, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the UOB Scrip Dividend Scheme in respect of such Dividend, the Directors may, in their absolute discretion and as they deem fit in the interest of the Company, cancel the application of the UOB Scrip Dividend Scheme to such Dividend. In such event, the Dividend shall be paid in cash to Shareholders in the usual way.
- 4.5 **Eligibility.** All Shareholders are eligible to participate in the UOB Scrip Dividend Scheme, subject to the restrictions on Overseas Shareholders, more particularly described in paragraph 4.8 below, and further subject to the requirement that such participation by the Shareholder will not result in a breach of any other restriction on such Shareholder's holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or the Memorandum of Association of the Company or the Articles.
- 4.6 **Shareholding Limits.** Please refer to paragraph 2.11 above for details on shareholding limits imposed under the Banking Act.

Accordingly, in light of the shareholding limits under the Banking Act, Shareholders may not participate in the UOB Scrip Dividend Scheme in relation to any Qualifying Dividend where such participation may result in such Shareholder, whether alone or together with his associates (as defined in the Banking Act), holding or controlling Shares in excess of any of the prescribed limits without first obtaining the requisite approvals under the Banking Act.

The Directors reserve the right not to allot any Shares under the UOB Scrip Dividend Scheme to any person if, in their opinion, such allotment will result in any of the prescribed limits being exceeded, and that person who would otherwise be entitled to receive Shares will instead be paid his total entitlement to the Qualifying Dividend in cash in the usual way.

LETTER TO SHAREHOLDERS

- 4.7 **Take-over Implications.** The attention of Shareholders is drawn to Rule 14 of the Take-over Code. In particular, a Shareholder should note that he may be under an obligation to extend a take-over offer for the Company, if:
- (a) he acquires, by participating in the UOB Scrip Dividend Scheme in relation to any dividend, whether at one time or different times, Shares which (taken together with Shares held or acquired by him or persons acting in concert with him) carry 30% or more of the voting rights of the Company; or
 - (b) he, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the Company and he, or any person acting in concert with him, acquires in any period of six months additional Shares carrying more than 1% of the voting rights of the Company by participating in the UOB Scrip Dividend Scheme in relation to any dividend.

Please refer to paragraph 2.12 for further details.

- 4.8 **Shareholders Resident Outside Singapore.** For practical reasons and to avoid any violation of securities laws applicable in countries outside Singapore where Shareholders may have their registered addresses, the UOB Scrip Dividend Scheme may, at the absolute discretion of the Directors, not be offered to Overseas Shareholders. No Overseas Shareholder shall have any claims whatsoever against the Company as a result of the UOB Scrip Dividend Scheme not applying to such Overseas Shareholder. Overseas Shareholders who wish to be eligible to participate in the UOB Scrip Dividend Scheme should provide an address in Singapore for the service of notices and documents by notifying the Company, c/o the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 (or such other address as may be announced by the Company from time to time), or, if the Overseas Shareholder is a Depositor, CDP, at 4 Shenton Way #02-01, SGX Centre 2, Singapore 068807 (or such other address as may be announced by the Company from time to time) no later than five Market Days prior to the Books Closure Date. Shareholders should note that all correspondence and notices will be sent to their last registered addresses with the Company or, as the case may be, CDP.
- 4.9 **Listing on the SGX-ST.** Approval in-principle has been granted by the SGX-ST for the listing of and quotation for the New Shares to be issued pursuant to the UOB Scrip Dividend Scheme. Such approval is not to be taken as an indication of the merits of the UOB Scrip Dividend Scheme, the New Shares or the Company.

It is expected that share certificates will be posted at the risk of those entitled or, as the case may be, the New Shares will be credited to the relevant securities accounts of Depositors, on or about the payment date for the Qualifying Dividend, which shall be a date not less than 30 Market Days but not more than 35 Market Days after the Books Closure Date for that Qualifying Dividend.

- 4.10 **Taxation.** The Company takes no responsibility for the taxation liabilities of Shareholders or Depositors who choose to participate in the UOB Scrip Dividend Scheme or the tax consequences of any election made by Shareholders or Depositors. As individual circumstances and laws may vary considerably, specific taxation advice should be obtained by Shareholders and Depositors if required. The Company accepts no responsibility for the correctness or accuracy of any information as to tax liability contained in the UOB Scrip Dividend Scheme Statement set out in Appendix 2 of this Circular.

LETTER TO SHAREHOLDERS

Without prejudice to the foregoing paragraph, as a general indication, however, it is understood that as the date hereof, under the income tax legislation in Singapore, the tax liability of a Shareholder will not alter, nor is there any advantage to be gained, by reason of having elected to participate in the UOB Scrip Dividend Scheme.

- 4.11 **Odd Lots.** A Shareholder who elects to receive New Shares in lieu of the cash amount of the Qualifying Dividend may receive such New Shares in odd lots.
- 4.12 **Modification and Termination.** The UOB Scrip Dividend Scheme may be modified or terminated at any time by the Directors as they deem fit on giving notice in writing to all Shareholders.

In the case of a modification, the UOB Scrip Dividend Scheme will continue as modified in relation to each Shareholder who has made a permanent election under the UOB Scrip Dividend Scheme unless and until the Company, or as the case may be, CDP (where the Shareholder is a Depositor) receives a notice of cancellation in respect of a Notice of Election submitted by the Shareholder.

- 4.13 **General.** It should be noted that all Shareholders, including Directors and substantial shareholders of the Company who hold Shares are entitled to participate in the UOB Scrip Dividend Scheme in respect of any Qualifying Dividend, subject to the restrictions referred to in paragraph 4.5 above.

In connection with the proposed issue of New Shares in lieu of a cash Dividend, the Directors consider it appropriate to obtain the approval of Shareholders to the allotment and issue of such number of New Shares as may be required to be issued pursuant to the election by Shareholders under the UOB Scrip Dividend Scheme.

5. APPLICATION OF THE UOB SCRIP DIVIDEND SCHEME TO THE FY09 FINAL DIVIDEND

On 5 April 2010, the Company announced (the “**Scrip Dividend Scheme Announcement**”) that it was proposing a UOB Scrip Dividend Scheme and apply it to the proposed FY09 Final Dividend to give Shareholders the option to receive the FY09 Final Dividend in the form of New Shares, subject to Shareholders approving:

- (a) the alteration to the Articles to authorise the Directors to determine the terms of the UOB Scrip Dividend Scheme and apply the UOB Scrip Dividend Scheme to any dividend;
- (b) the authority to issue New Shares pursuant to the UOB Scrip Dividend Scheme; and
- (c) the FY09 Final Dividend.

Details of the application of the UOB Scrip Dividend Scheme to the FY09 Final Dividend are set out in the Scrip Dividend Scheme Announcement, a copy of which is available at www.sgx.com.

LETTER TO SHAREHOLDERS

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

6.1 **Directors.** As at the Latest Practicable Date, the interests of the Directors in the Shares and Class E Preference Shares (as defined below) as recorded in the Register of Directors' shareholdings are as follows:

Director	Ordinary Shares			
	Shares registered in the name of Directors	%(¹)	Shares in which Directors are deemed to have an interest	%(¹)
Wee Cho Yaw	16,390,248	1.09	248,208,142	16.48
Wee Ee Cheong	2,865,357	0.19	147,064,793	9.77
Ngiam Tong Dow	—	—	13,600	—
Prof Cham Tao Soon	—	—	9,775	—
Wong Meng Meng	—	—	—	—
Philip Yeo Liat Kok	—	—	—	—
Prof Lim Pin	—	—	—	—
Reggie Thein	—	—	—	—

Note:

(¹) Based on 1,506,018,696 issued Shares in the capital of UOB, excluding treasury shares, as at the Latest Practicable Date.

Class E non-cumulative non-convertible preference shares (Class E Preference Shares)

Director	Class E Preference Shares registered in the name of Directors	%(¹)	Class E Preference Shares in which Directors are deemed to have an interest	%(¹)
Wee Cho Yaw	—	—	167,700	1.27
Wee Ee Cheong	20,000	0.15	167,700	1.27
Ngiam Tong Dow	2,000	0.02	2,000	0.02
Prof Cham Tao Soon	—	—	1,000	0.01
Wong Meng Meng	—	—	—	—
Phillip Yeo Liat Kok	—	—	1,000	0.01
Prof Lim Pin	2,500	0.02	—	—
Reggie Thein	1,000	0.01	—	—

Note:

(¹) Based on 13,200,000 issued Class E Preference Shares as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

6.2 **Substantial Shareholders.** As at the Latest Practicable Date, the interests of the substantial shareholders of UOB as recorded in the Register of Substantial Shareholders are as follows:

Substantial Shareholder	Ordinary Shares				Total Interest	
	Shareholdings registered in the name of Substantial Shareholders		Other shareholdings in which Substantial Shareholders are deemed to have an interest			
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Estate of Lien Ying Chow, deceased	316,516	0.02	81,331,554 ⁽²⁾	5.40	81,648,070	5.42
Lien Ying Chow Private Limited	—	—	81,231,771 ⁽²⁾	5.39	81,231,771	5.39
Wah Hin and Company Private Limited	81,221,771	5.39	10,000 ⁽³⁾	—	81,231,771	5.39
Sandstone Capital Pte Ltd	10,000	—	81,221,771 ⁽⁴⁾	5.39	81,231,771	5.39
Wee Cho Yaw	16,390,248	1.09	245,459,557 ⁽⁵⁾	16.30	261,849,805	17.39
Wee Ee Cheong	2,865,357	0.19	147,030,553 ⁽⁵⁾	9.76	149,895,910	9.95
Wee Ee Chao	141,164	0.01	116,802,696 ⁽⁵⁾	7.76	116,943,860	7.77
Wee Ee Lim	1,606,834	0.11	147,033,758 ⁽⁵⁾	9.76	148,640,592	9.87
Wee Investments Private Ltd	112,809,021	7.49	171,021	0.01	112,980,042	7.50

Notes:

- (1) Based on 1,506,018,696 issued Shares in the capital of UOB, excluding treasury shares, as at the Latest Practicable Date.
- (2) Estate of Lien Ying Chow, deceased and Lien Ying Chow Private Limited are each deemed to have an interest in the 81,231,771 UOB shares in which Wah Hin and Company Private Limited has an interest.
- (3) Wah Hin and Company Private Limited is deemed to have an interest in the 10,000 UOB shares held by Sandstone Capital Pte Ltd.
- (4) Sandstone Capital Pte Ltd is deemed to have an interest in the 81,221,771 UOB shares held by Wah Hin and Company Private Limited.
- (5) Wee Cho Yaw, Wee Ee Cheong, Wee Ee Chao and Wee Ee Lim are each deemed to have an interest in Wee Investments Private Ltd's total direct and deemed interests of 112,980,042 UOB shares.

7. DIRECTORS' RECOMMENDATIONS

7.1 **The Proposed Renewal of the Share Purchase Mandate.** The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of UOB. Accordingly, they recommend that Shareholders vote in favour of Resolution 1, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the EGM.

LETTER TO SHAREHOLDERS

- 7.2 **The Proposed Alteration to the Articles of Association.** The Directors are of the opinion that the proposed alteration to the Articles to enable the implementation of the UOB Scrip Dividend Scheme is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 2, being the Special Resolution relating to the proposed alteration to the Articles to be proposed at the EGM.
- 7.3 **The Proposed Authority to issue New Shares pursuant to the UOB Scrip Dividend Scheme.** The Directors are of the opinion that the proposed authority to be given to Directors to issue New Shares pursuant to the UOB Scrip Dividend Scheme is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 3, being the Ordinary Resolution relating to the proposed authority to be given to Directors to issue New Shares pursuant to the UOB Scrip Dividend Scheme to be proposed at the EGM.

In addition, it should be highlighted that the passing of Resolution 3 is contingent upon the approval of Resolution 2, being the Special Resolution relating to the proposed amendment to the Articles. If Resolution 2 is not approved, Resolution 3, being the Ordinary Resolution relating to the proposed authority to issue New Shares pursuant to the UOB Scrip Dividend Scheme, cannot be carried out by UOB.

8. EXTRAORDINARY GENERAL MEETING

- 8.1 **EGM.** The EGM, notice of which is set out on pages 36 to 38, will be held at Pan Pacific Singapore, Pacific 2-3, Level 1, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Friday, 30 April 2010 at 3.15 p.m. (or as soon thereafter following the conclusion or adjournment of the Sixty-Eighth Annual General Meeting of UOB to be held at 3.00 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing the Ordinary Resolutions and the Special Resolution set out in the Notice of EGM.
- 8.2 **Depositor.** If you are a Depositor, you shall not be entitled to attend and vote at the EGM unless you are shown to have Shares entered against your name in the Depository Register at least 48 hours before the time fixed for holding the EGM, as certified by CDP to UOB.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Appointment of Proxies. There is enclosed with this Circular a notice of EGM and a Proxy Form. If any Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, such Shareholder should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's office at 80 Raffles Place #04-20 UOB Plaza 2, Singapore 048624, (Attention: The Company Secretary) not later than 48 hours before the time fixed for the EGM. Completing and returning a Proxy Form does not preclude the Shareholder from attending and voting in person at the EGM in place of his proxy.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm that they have taken reasonable care to ensure that the facts stated and the opinions expressed in this Circular are fair and accurate in all material respects as at the date of this Circular and that there are no material facts the omission of which would make any statement in this Circular misleading.

LETTER TO SHAREHOLDERS

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the office of the Company Secretary of UOB at 80 Raffles Place #04-20 UOB Plaza 2, Singapore 048624, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association of UOB;
- (b) the annual report of UOB for the financial year ended 31 December 2009; and
- (c) the 2009 Circular.

Yours faithfully,
For and on behalf of
the Board of Directors
UNITED OVERSEAS BANK LIMITED

Wee Cho Yaw
Chairman

APPENDIX 1

THE PROPOSED ALTERATION TO THE ARTICLES OF ASSOCIATION

The alteration which is proposed to be made to the Articles is set out below.

New Article 135A

By inserting new Article 135A immediately following Article 135 as follows:

- “135A. (1) Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:
- (i) the basis of any such allotment shall be determined by the Directors;
 - (ii) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article 135A;
 - (iii) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
 - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the “**elected ordinary shares**”) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose (notwithstanding the provisions of Article 139), the Directors shall (a) capitalise and apply the amount standing to the credit of any of the Company’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis, or (b) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.

APPENDIX 1

- (2) (i) The ordinary shares allotted pursuant to the provisions of paragraph (1) of this Article 135A shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
- (ii) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Article 135A, with full power to make such provisions as they think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these Articles, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the members).
- (3) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article 135A, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of this Article 135A shall be read and construed subject to such determination.
- (4) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article 135A, further determine that:
- (a) no allotment of shares or rights of election for shares under that paragraph shall be made available or made to members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlements of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared; and
- (b) no allotment of shares or rights of election for shares under that paragraph shall be made available or made to any person, or any person and its associates (as defined in the Banking Act), if such allotment or rights of election would, in the opinion of the Directors, cause any such person, or such person and its associates, to hold or control voting shares in excess of any of the limits which are prescribed in the Banking Act, without the approval of the Minister for Finance.
- (5) Notwithstanding the foregoing provisions of this Article 135A, if at any time after the Directors' resolution to apply the provisions of paragraph (1) of this Article 135A in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstances (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the application of paragraph (1) of this Article 135A to any dividend, the Directors may at their absolute discretion and as they deem fit in the interest of the Company, cancel the application of paragraph (1) of this Article 135A."

APPENDIX 2

THE PROPOSED UOB SCRIP DIVIDEND SCHEME STATEMENT

Scrip Dividend Scheme Statement

This Statement contains the terms and conditions of the United Overseas Bank Limited Scrip Dividend Scheme (“**Scrip Dividend Scheme**”) under which persons registered in the Register of Members of United Overseas Bank Limited (“**Bank**”) or, as the case may be, the Depository Register (as defined below) as the holders of fully paid ordinary shares in the Bank (“**Members**”) may elect to receive fully paid ordinary shares in the capital of the Bank (“**Shares**”) in lieu of the cash amount of any dividend (including any interim, final, special or other dividend) which is declared on the Shares held by them.

Summary of Main Features

The Scrip Dividend Scheme provides Members with the option to elect to receive Shares in lieu of the cash amount of any dividend (including any interim, final, special or other dividend) (“**Dividend**”) declared on their holding of Shares.

Under present law in Singapore, there is no brokerage, stamp duty or other transaction costs payable on Shares allotted under the Scrip Dividend Scheme.

All Members are eligible to participate in the Scrip Dividend Scheme subject to the Prescribed Limits (as defined below) and the restrictions on Overseas Members (as defined below), more particularly described below and except for such other Members or class of Members as the Directors of the Bank (“**Directors**”) may in their absolute discretion decide.

Members may elect to participate in respect of all, and not part only, of their holding of Shares to which each Notice of Election (as defined below) relates in respect of any Qualifying Dividend (as defined below) and may make a permanent election to participate in respect of all of their holding of Shares to which each Notice of Election relates for all future Qualifying Dividends. Members receiving more than one Notice of Election may elect to participate in respect of their holding of Shares to which one Notice of Election relates and elect not to participate in respect of their holding of Shares to which any other Notice of Election relates. Where a permanent election has been made, participating Members may, by giving the appropriate notice, cancel their participation and withdraw from the Scrip Dividend Scheme. However, the cancellation of a permanent election by a Member would not preclude him from making a fresh permanent election, should he wish to do so at a later date.

The Directors may, in their absolute discretion, determine that the Scrip Dividend Scheme will apply to any particular Dividend. An announcement will be made by the Bank as soon as practicable following the determination by the Directors that the Scrip Dividend Scheme is to apply to a particular Dividend, and in any event, by no later than the next Market Day (as defined below) immediately following the Books Closure Date (as defined below) in respect of that particular Dividend. Unless the Directors have determined that the Scrip Dividend Scheme will apply to any particular Dividend, the Dividend concerned will be paid in cash to the Members in the usual way.

APPENDIX 2

Shares allotted under the Scrip Dividend Scheme will rank *pari passu* in all respects with the Shares then in issue save only as regards participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to, or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.

Participation in the Scrip Dividend Scheme is optional.

How to Join

A Member wishing to receive Shares in respect of any Qualifying Dividend or to make a permanent election to receive Shares in respect of all future Qualifying Dividends to which a Notice of Election received by him relates should complete such Notice of Election and return it to the Bank at the address indicated on the Notice of Election or, if the Member is a depositor (as defined below), to CDP (as defined below). A Member receiving more than one Notice of Election and wishing to receive Shares in respect of all of his entitlement to the Qualifying Dividend in respect of all his holding of Shares or to make a permanent election to receive Shares in respect of all future Qualifying Dividends must complete all the Notices of Election received by him and return the completed Notices of Election to the Bank and/or CDP, as the case may be.

To be effective in respect of any Qualifying Dividend to which a Notice of Election relates, such duly completed Notice of Election must be received by the Bank or (as the case may be) CDP no later than the date to be specified by the Directors in respect of that Qualifying Dividend.

Terms and Conditions of Scrip Dividend Scheme

1. Establishment

The Scrip Dividend Scheme has been established by the Directors.

2. Terms and Conditions

The following are the Terms and Conditions of the Scrip Dividend Scheme. In these Terms and Conditions:

- (1) “**Act**” shall mean the Companies Act, Chapter 50 of Singapore (or its successor statute), as amended from time to time;
- (2) “**Banking Act**” shall mean the Banking Act, Chapter 19 of Singapore (or its successor statute), as amended from time to time;
- (3) “**Books Closure Date**” shall mean the date to be determined by the Directors on which the Transfer Books and Register of Members of the Bank will be closed for the purpose of determining the entitlements of Members to a Dividend;
- (4) “**CDP**” shall mean The Central Depository (Pte) Limited or any successor entity thereto;

APPENDIX 2

- (5) “**depositor**”, “**depository agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in the Act;
- (6) “**Market Day**” shall mean a day on which the SGX-ST (as defined below) is open for trading in securities;
- (7) “**Prescribed Limits**” shall mean the shareholding limits applicable to the Bank and the Shares as prescribed by the Banking Act from time to time;
- (8) “**Qualifying Dividend**” shall mean any Dividend to which the Scrip Dividend Scheme (as determined by the Directors as provided below) applies; and
- (9) “**SGX-ST**” shall mean Singapore Exchange Securities Trading Limited or any successor entity thereto.

3. **Eligibility**

All Members are eligible to participate in the Scrip Dividend Scheme subject to the Prescribed Limits and the restrictions on Overseas Members, more particularly described below, and except that participation in the Scrip Dividend Scheme shall not be available to such Members or class of Members, as the Directors may in their absolute discretion determine, and further subject to the requirement that such participation by the Member will not result in a breach of any other restriction on such Member’s holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, or by the Articles of Association of the Bank.

4. **Prescribed Limits**

Members may not participate in the Scrip Dividend Scheme in relation to any Qualifying Dividend where such participation may result in such Member, whether alone or together with his associates (as defined in the Banking Act), holding or controlling Shares in excess of any of the Prescribed Limits without first obtaining the requisite approvals under the Banking Act.

The Directors reserve the right not to allot any Shares under the Scrip Dividend Scheme to any person if, in their opinion, such allotment will result in any of the Prescribed Limits being exceeded, and that person who would otherwise be entitled to receive Shares will instead be paid his total entitlement to the Qualifying Dividend in cash in the usual way.

5. **Overseas Shareholders**

For practical reasons and to avoid any violation of the securities laws applicable in countries outside Singapore where Members may have their registered addresses, the Scrip Dividend Scheme may, at the absolute discretion of the Directors, not be offered to Members with registered addresses outside Singapore and who have not provided to

APPENDIX 2

the Bank or (as the case may be) CDP, not later than five Market Days (or such other cut-off date as the Directors may determine) prior to the Books Closure Date, addresses in Singapore for the service of notices and documents ("**Overseas Members**").

No Overseas Member shall have any claim whatsoever against the Bank, the Bank's Share Registrar, CDP or any of their respective agents as a result of the Scrip Dividend Scheme not being offered to such Overseas Members.

If the Directors have decided not to offer the Scrip Dividend Scheme to Overseas Members, Overseas Members who receive or come to have in their possession this Statement and/or a Notice of Election may not treat the same as an invitation to them and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Scrip Dividend Scheme as may be applicable to them.

Overseas Members who wish to be eligible to participate in the Scrip Dividend Scheme may provide an address in Singapore for the service of notices and documents by notifying the Bank c/o the Bank's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, currently at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 or, if the Overseas Member is a depositor, to CDP currently at 4 Shenton Way #02-01, SGX Centre 2, Singapore 068807 not later than five Market Days (or such other cut-off date as the Directors may determine) prior to the Books Closure Date. Members should note that all correspondence and notices will be sent to their last registered addresses with the Bank or, as the case may be, CDP.

6. Level of Participation

A member may elect to participate in the Scrip Dividend Scheme ("**Participating Member**") in respect of all, and not part only, of his holding of Shares as at each Books Closure Date to which each Notice of Election received by him relates for a Qualifying Dividend, except in the case of a Member who is a depository agent or nominee company of a bank, merchant bank, stockbroker or other financial institution, holding Shares as custodian, such depository agent or nominee company may, at the absolute discretion of the Directors, be allowed to make an election to participate in the Scrip Dividend Scheme in respect of part only of the Shares to which each Notice of Election received by it relates.

APPENDIX 2

7. Permanent Election

Any permanent election to participate in the Scrip Dividend Scheme is personal to the Member.

A Member may make a permanent election in the manner set out below for participation in respect of all future Qualifying Dividends, and where a permanent election in respect to his holdings of Shares to which a Notice of Election relates has been made, unless and until a notice of cancellation in such form as the Directors may approve (“**Notice of Cancellation**”) in relation to such Notice of Election is received by the Bank or (as the case may be) CDP as provided below, the permanent election shall be effective for all future Qualifying Dividends in respect of such Notice of Election. A notice of cancellation of participation in the Scrip Dividend Scheme on any other form will not be accepted by the Bank or (as the case may be) CDP unless they otherwise decide.

8. Notice of Election to Participate

The Bank will, at its absolute discretion, send to each Member one or more notices of election (in such form as the Directors may approve) (“**Notices of Election**”) unless a permanent election in respect of such Notice of Election has been made.

To be effective in respect of any Qualifying Dividend (unless a permanent election has already been made), a Notice of Election must be received by the Bank or, in the case of a Notice of Election being submitted by a Member who is a depositor, by CDP, by the date to be specified by the Directors in respect of that Qualifying Dividend.

A Member receiving two or more Notices of Election and wishing to receive Shares in respect of all of his entitlement to the Qualifying Dividend in respect of all his holding of Shares must complete all the Notices of Election received by him and return the completed Notices of Election to the Bank and/or CDP, as the case may be. A notice of election to participate in the Scrip Dividend Scheme on any other form will not be accepted by the Bank or (as the case may be) CDP.

If the personal representative(s) of a deceased Member wish(es) to participate in the Scrip Dividend Scheme in respect of any Qualifying Dividend or in respect of all future Qualifying Dividends in relation to the Shares forming part of the estate of the deceased Member, the relevant Notices of Election together with such evidence as may be reasonably required by the Bank, or as the case may be, CDP to prove the authority of the personal representative(s) to execute such Notices of Election, must be submitted by such personal representative(s) in accordance with these Terms and Conditions.

If a Notice of Election in relation to a permanent election is received after the date specified by the Directors for any particular Qualifying Dividend, the Notice of Election will not, unless otherwise determined

APPENDIX 2

by the Directors, be effective for that Qualifying Dividend or for any future Qualifying Dividends in respect of such Notice of Election.

A Notice of Election (other than in relation to a permanent election) in respect of any Qualifying Dividend shall not, upon its receipt by the Bank or (as the case may be) CDP, be withdrawn or cancelled.

A permanent election made in the Notice of Election will remain in force until cancelled in the manner provided below or until it becomes ineffective as provided in these Terms and Conditions. A Member receiving more than one Notice of Election and wishing to make a permanent election in respect of all his holding of Shares must complete all the Notices of Election received by him and return the Notices of Election to the Bank and/or CDP, as the case may be.

9. Extent of Application of Scrip Dividend Scheme to each Dividend

The Directors may, in their absolute discretion, in respect of any Dividend, determine whether the Scrip Dividend Scheme shall apply to such Dividend. If, in their absolute discretion, the Directors have not determined that the Scrip Dividend Scheme is to apply to a Dividend, such Dividend shall be paid in cash to Members in the usual way.

10. Share Entitlement

By electing to participate in the Scrip Dividend Scheme in respect of any Notice of Election received by him, a Member elects in respect of any Qualifying Dividend to which such Notice of Election relates to receive Shares in lieu of the cash amount of the Qualifying Dividend.

In respect of any Qualifying Dividend, the number of new Shares to be allotted and issued to the Participating Member in respect of a Notice of Election shall be calculated in accordance with the following formula:

$$N = \frac{S \times D}{V}$$

Where:

N is the number of new Shares to be allotted and issued as fully paid to the Participating Member in respect of such Notice of Election.

S is the number of Shares held by the Participating Member as at the Books Closure Date for which such Notice of Election relates.

D is the amount of the Qualifying Dividend to which such Notice of Election relates expressed in Singapore Dollars and fractions thereof per Share.

APPENDIX 2

V is the issue price of a Share, which shall for the purpose of calculating the number of new Shares to be allotted and issued as fully paid to a Participating Member, pursuant to the Scrip Dividend Scheme, be an amount in Singapore Dollars determined by the Directors (“**Relevant Amount**”), which Relevant Amount shall not be set at more than 10% discount to, nor shall it exceed the average of the last dealt prices of the Share on the SGX-ST for each of the Market Days during such period as may be determined by the Directors prior to the announcement of the application of the Scrip Dividend Scheme to such Dividend (“**Price Determination Period**”). In the event that there is no trading in the Shares during the Price Determination Period, the Relevant Amount shall not exceed the average of the last dealt prices of the Share on the SGX-ST for each of the Market Days during a period to be determined by the Directors.

The Directors shall have full power to make such provisions as they think fit where the number of Shares calculated in accordance with the above formula becomes attributable in fractions, including provisions as to rounding, or whereby fractional entitlements are otherwise dealt with in such manner as they may deem fit in the interests of the Bank and which is/are acceptable to the SGX-ST.

11. Terms of Allotment

All Shares allotted under the Scrip Dividend Scheme will be allotted as fully paid.

All such Shares shall rank *pari passu* in all respects with all existing Shares then in issue save only as regards participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to, or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors or the Company in General Meeting shall otherwise specify.

Participating Members who are depositors will have the Shares credited to their CDP accounts. In other cases, certificates for the Shares will be despatched to Members, to their registered addresses in Singapore by ordinary post, at their own risk.

12. Cost to Participants

Under present law in Singapore, brokerage or other transaction costs and Singapore stamp duty will not be payable by Participating Members on Shares allotted under the Scrip Dividend Scheme.

APPENDIX 2

13. Termination of Permanent Election

A Participating Member or an Authorised Representative (as defined below) may cancel the Participating Member's permanent election to participate in the Scrip Dividend Scheme in relation to any Notice of Election by completing and returning to the Bank or (as the case may be) CDP, a Notice of Cancellation in such form as the Directors may approve (a notice of cancellation of participation in the Scrip Dividend Scheme in any other form will not be accepted by the Bank) in relation to such Notice of Election.

To be effective in respect of any Qualifying Dividend, the Notice of Cancellation must be received by the Bank or (as the case may be) CDP, by the date to be specified by the Directors for that Qualifying Dividend, failing which the Notice of Cancellation will not, unless otherwise determined by the Directors, be effective for that Qualifying Dividend in respect of such Notice of Election. The Notice of Cancellation will however be effective from the next Qualifying Dividend.

Where a Participating Member or an Authorised Representative gives notice to the Bank or, if the Participating Member is a depositor, to CDP, of a change of his registered address for the service of notices and documents from an address within Singapore to an address outside Singapore, he shall thereupon be considered an Overseas Member. Any permanent election to participate in the Scrip Dividend Scheme by such Participating Member shall be deemed to have been cancelled by him, if his registered address as at Books Closure Date is outside Singapore.

An "**Authorised Representative**" would include any guardian of an infant who is a Participating Member, and any committee or other legal curator of a lunatic person who is a Participating Member, and any person becoming entitled to the legal title in a Share in consequence of the death or bankruptcy of Participating Member (who is an individual), or the winding-up of a Participating Member (which is an entity) upon producing such evidence of legal title to the Share as the Bank or, as the case may be, CDP may require.

14. Cancellation of Application of the Scrip Dividend Scheme

Notwithstanding any provision in these Terms and Conditions, if at any time after the Directors have determined that the Scrip Dividend Scheme shall apply to any particular Dividend and before the allotment and issue of Shares in respect of the Dividend, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Scrip Dividend Scheme in respect of the Dividend, the Directors may, at their absolute discretion and as they may deem fit in the interest of the Bank, cancel the application of the Scrip Dividend Scheme to the Dividend. In such event, the Dividend shall be paid in cash to Members in the usual way.

APPENDIX 2

15. Modification and Termination of the Scrip Dividend Scheme

The Scrip Dividend Scheme may be modified or terminated at any time by the Directors as they deem fit on giving notice in writing to all Members.

In the case of a modification, the Scrip Dividend Scheme will continue as modified in relation to each Member who has made a permanent election under the Scrip Dividend Scheme unless and until the Bank or, if the Member is a depositor, CDP receives a Notice of Cancellation in accordance with these Terms and Conditions.

16. Governing Law

This Statement, the Scrip Dividend Scheme and these Terms and Conditions shall be governed by, and construed in accordance with, the laws of Singapore.

SGX-ST Listing

The Shares allotted under the Scrip Dividend Scheme have in-principle been accepted for listing by the SGX-ST and will be quoted upon completion of allotment procedures. However, the SGX-ST accepts no responsibility for any statements made in this Statement.

Taxation

The Bank takes no responsibility for the taxation liabilities of Participating Members or the tax consequences of any election made by Members. As individual circumstances and laws vary considerably, specific taxation advice should be obtained by Members if required.

The Bank accepts no responsibility for the correctness or accuracy of any information as to taxation liability set out in this Statement.

As a general indication, however, it is understood that as at the date of this Statement, under tax legislation in Singapore, a Member's tax liability will not alter, nor is there any tax advantage to be gained, by reason of having elected to participate in the Scrip Dividend Scheme.

Other Terms

The Shares are offered on the terms and conditions set out in this Statement and in the applicable provisions of the Articles of Association of the Bank.

Enquiries

Enquiries about any aspect of the Scrip Dividend Scheme should be directed to the Company's Share Registrar:

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Responsibility Statement

This Statement has been seen and approved by all the Directors and they collectively and individually accept responsibility for the accuracy of the information given and confirm that they have taken reasonable care to ensure that there are no material facts the omission of which would make any statement in this Statement misleading.

NOTICE OF EXTRAORDINARY GENERAL MEETING



NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the members of United Overseas Bank Limited (the “**Company**”) will be held at Pan Pacific Singapore, Pacific 2–3, Level 1, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Friday, 30 April 2010 at 3.15 p.m. (or as soon thereafter following the conclusion or adjournment of the Sixty-Eighth Annual General Meeting of the Company to be held at 3.00 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing the following Resolutions, of which Resolutions 1 and 3 will be proposed as Ordinary Resolutions and Resolution 2 will be proposed as a Special Resolution:

Resolution 1: Ordinary Resolution **The Proposed Renewal of the Share Purchase Mandate**

THAT:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,
- and otherwise in accordance with all other laws and regulations and rules of SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next annual general meeting of the Company (“**AGM**”) is held; and
 - (ii) the date by which the next AGM is required by law to be held;

NOTICE OF EXTRAORDINARY GENERAL MEETING

(c) in this Resolution:

“Relevant Period” means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution;

“Maximum Limit” means that number of Shares representing five per cent. of the total number of issued Shares (excluding any Shares which are held as treasury shares) as at the date of the passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued Shares shall be taken to be the total number of the issued Shares as altered by such capital reduction (excluding any Shares which are held as treasury shares as at that date); and

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a market purchase of a Share, 105 per cent. of the Average Closing Price of the Shares; and
- (ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, 110 per cent. of the Average Closing Price of the Shares,

where:

“Average Closing Price” means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares were transacted on the SGX-ST immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for an off-market purchase, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

Resolution 2: Special Resolution

The Proposed Alteration to the Articles of Association of the Company

THAT the Articles of Association of the Company be altered in the manner as set out in Appendix 1 to the Company’s Circular to Shareholders dated 5 April 2010 (the **“Circular”**).

NOTICE OF EXTRAORDINARY GENERAL MEETING

Resolution 3: Ordinary Resolution

The Proposed Authority to issue new Shares pursuant to the UOB Scrip Dividend Scheme

THAT, contingent upon the passing of Resolution 2 above, the Directors of the Company be and are hereby authorised, pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of new shares in the Company as may be required to be allotted and issued pursuant to the UOB Scrip Dividend Scheme (as defined in the Circular).

BY ORDER OF THE BOARD

Vivien Chan

Company Secretary

United Overseas Bank Limited

5 April 2010

Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be effective, the instrument appointing a proxy or proxies must be deposited at the Company's office at 80 Raffles Place #04-20 UOB Plaza 2, Singapore 048624, (Attention: The Company Secretary) not less than 48 hours before the time fixed for holding the Extraordinary General Meeting.
3. The Company intends to use its internal sources of funds to finance its purchase or acquisition of the Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the Consideration paid at the relevant time.

Based on the total number of issued Shares as at 23 March 2010 (the "**Latest Practicable Date**"), the purchase by the Company of five per cent. of its issued Shares (excluding the Shares held in treasury) will result in the purchase or acquisition of 75,300,934 Shares.

Assuming that the Company purchases or acquires 75,300,934 Shares at the Maximum Price, the maximum amount of funds required is approximately:

- (a) in the case of Market Purchases of Shares, S\$1,510,536,736 based on S\$20.06 for one Share (being the price equivalent to five per cent. above the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive market days immediately preceding the Latest Practicable Date); and
- (b) in the case of Off-Market Purchases of Shares, S\$1,582,072,623 based on S\$21.01 for one Share (being the price equivalent to ten per cent. above the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive market days immediately preceding the Latest Practicable Date).

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial accounts of the UOB Group for the financial year ended 31 December 2009, based on certain assumptions, are set out in paragraph 2.8.4 of the Circular.



UNITED OVERSEAS BANK LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 193500026Z)

IMPORTANT

1. This Circular is sent to investors who have used their CPF monies to buy shares of United Overseas Bank Limited, FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

PROXY FORM FOR EXTRAORDINARY GENERAL MEETING

I/We _____ (Name)

of _____ (Address)

being (a) member/members of United Overseas Bank Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or *

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

* Please delete as appropriate.

or failing him/her, **the Chairman of the Meeting** as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Pan Pacific Singapore, Pacific 2-3, Level 1, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Friday, 30 April 2010 at 3.15 p.m. (or as soon thereafter following the conclusion or adjournment of the Sixty-Eighth Annual General Meeting of the Company to be held at 3.00 p.m. on the same day and at the same place) and at any adjournment thereof.

(Please indicate with an "X" in the space provided how you wish your proxy/proxies to vote. In the absence of specific directions, the proxy/proxies will vote as the proxy/proxies deem fit.)

	For	Against
Ordinary Resolution 1 To approve the proposed renewal of the Share Purchase Mandate		
Special Resolution 2 To approve the proposed alteration to the Articles of Association of the Company		
Ordinary Resolution 3 To approve the proposed authority to issue New Shares pursuant to the UOB Scrip Dividend Scheme		

Dated this _____ day of _____ 2010.

Signature(s) or Common Seal of Shareholder(s)

Shares in:	No. of Shares
(i) Depository Register	
(ii) Register of Members	
Total	

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

1. Please insert the number of shares held by you and registered in your name in the Register of Members and in the Depository Register of The Central Depository (Pte) Limited. If no number is inserted, the instrument of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the Company's Office at 80 Raffles Place #04-20 UOB Plaza 2, Singapore 048624 (Attention: The Company Secretary) not less than 48 hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be signed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Company) must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by a resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.
8. The Company shall be entitled to reject the instrument of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.
9. Agent Banks acting on the request of CPF Investors who wish to attend the Meeting as observers are required to submit in writing, a list with details of the investors' names, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary at 80 Raffles Place #04-20 UOB Plaza 2, Singapore 048624 not later than 48 hours before the time fixed for holding the Meeting.

UOB

Postage will be paid by addressee. For posting in Singapore only.

**BUSINESS REPLY SERVICE
PERMIT NO. 07399**



The Company Secretary
UNITED OVERSEAS BANK LIMITED
80 Raffles Place, #04-20 UOB Plaza 2
Singapore 048624

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