

ANNOUNCEMENT

Response to Queries on Annual Report

Singapore, 22 April 2016 – On 20 April 2016, the SGX raised the queries set out below in respect of the Company’s Annual Report for the year ended 31 December 2015. The Company’s response is as follows:

Query 1

“Paragraph 9.2 of the Code of Corporate Governance 2012 (the “Code”) states that the Company should fully disclose the remuneration of each individual director and the CEO on a named basis. For administrative convenience, the Company may round off the disclosed figures to the nearest thousand dollars. There should be a breakdown (in percentage or dollar terms) of each director’s and the CEO’s remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives.”

“On page 24 of the Annual Report, the Company disclosed the remuneration of directors in bands of \$250,000. As the Company is required under Listing Rule 1207(12) to make disclosure as recommended in the Code or otherwise disclose and explain any deviation from the recommendation, please disclose whether the Company has complied with the Code on the disclosure of directors’ remuneration to nearest thousand dollars.”

Response: The Company disclosed CEO David Chan Mun Wai’s salary as falling within the band of \$500,000 to \$749,999. His salary was not disclosed to the nearest thousand dollars because given the highly competitive human resource environment and confidential nature of employee remuneration matters, it is not to the advantage or in the best interest of United Overseas Insurance Limited (“UOI”) to disclose detailed information on his remuneration. This was explained on page 15 of the Annual Report. His salary breakdown was shown in percentage terms on page 24 of the Annual Report and is repeated below.

The total directors’ fees of \$182,500 proposed to shareholders for approval is set out in the notice of Annual General Meeting under resolution 3. The total directors’ fees of \$182,500 were approved by shareholders on 21 April 2016, and were divided among the six non-executive directors as shown below.

UOI Directors' Remuneration for the financial year ended 31 December 2015

	Directors' fees	Base or fixed salary	Variable performance bonus	Benefits-in-kind and others	Total
\$500,000 to \$749,999					
David Chan Mun Wai	0%	50.1%	41.7%	8.2%	100%
Below \$250,000					
Wee Cho Yaw	\$47,500	-	-	-	\$47,500
Wee Ee Cheong ¹	\$17,500	-	-	-	\$17,500
Hwang Soo Jin	\$37,500	-	-	-	\$37,500
Yang Soo Suan	\$37,500	-	-	-	\$37,500
N Ganesan	\$25,000	-	-	-	\$25,000
Ho Yew Kee	\$17,500	-	-	-	\$17,500
Total Directors' Fees	\$182,500	-	-	-	\$182,500

¹ Director fee payable to Mr Wee Ee Cheong were paid to United Overseas Bank Limited.

Query 2

"Paragraph 9.3 of the Code states that the Company should name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S\$250,000 and provide a breakdown in percentage or dollar terms) of each key management personnel. When disclosing remuneration in bands, the ceiling of each band must be stated."

"The Company did not disclose the names of the top five key management personnel. As the Company is required under Listing Rule 1207(12) to make disclosure as recommended in the Code or otherwise disclose and explain any deviation from the recommendation, please disclose the aggregate total remuneration paid to the top five key management personnel (who are not directors or the CEO) or otherwise explain the reason(s) for the deviation from the recommendation."

Response: As UOI is a small company, it has only three key management personnel apart from the CEO. The names of these three individuals are stated on the inside back cover of the annual report. They are Assistant General Managers, Faridah Binte Rahmat Ali (Underwriting), Tony Seah Eng Wah (Business Development/Direct Marketing) and Andrew Tang Ming Leung (Corporate Services). Insurance is an industry requiring specialized skills. Given the highly competitive business and human resource environment, and sensitive nature of employee remuneration matters, it will not be to UOI's advantage or in its best interest to disclose the remuneration of the Company's key management personnel whether individually or in the aggregate. A similar reason was given on page 15 of the annual report in relation to the top five non-director executives (which include these three key management personnel).

Mrs Vivien Chan
Company Secretary