UBS

FOR INTERNAL USE ONLY

WM Referral Program

Briefing of Local Referral Desks

February 2008

Purpose of document: familiarize you with your new role

- Giving you **background** on referral efforts
- Explain referral **process & tool**
- Describe **your role** in the process
- Show the **support** available to you

SECTION 1

Background on referrals

What is a referral?

A referral brings additional NNM to UBS

SHIFTS

- Transfer of existing client relationships or existing clients assets or part thereof
- Between UBS units
- NNM neutral for UBS
- Split: 100/0
- Control in the hands of CAs (accept/reject)

Asset Transfer Adjustments (ATA)

REFERRALS

- Introduction of a new client to another UBS unit part of the referral agreement
- New account in other location/desk
- Additional NNM for UBS
- Split: 50/50

Referral Tool (ReNeW)

Only referrals will be entered into the Referral Tool!

What are the rules on referrals?

Confirmed by the BC on April 23, 2007

Excerpt from BC minutes

7. WMI Prospect Referrals

D. Ziegler and S. Zilker ask the WMI BC for input on how to handle referrals of client prospects among Booking Centers. The BC confirms its decision from August 2006, to:

- integrate all existing WMI referral schemes (across and within BUs) into a single one with 50/50 NNM sharing,
- use the newly developed referral tool for secure and straight-through prospect transfer.

Discretionary managerial adjustments for performance measurement purposes are possible on an exceptional basis.

- Referring and receiving CA share the **NNM 50/50**
  - Over a period of one year
  - Thus possible that they have to share outflow(s) in a quarter/several quarters

- Sharing of **revenues** depends on the origin of the referral
  - Inside WMI: no revenue sharing
  - Referrals from WM US: 33% of revenues transferred to WMUS on quarterly basis, over a total of four years

Why did we build the tool?

Automating process and ensuring client confidentiality

- Before we had the tool
  - NNM and revenue for each referral tracked manually through BU Controlling and Business Management
  - CAs often did not know whom to contact in another booking center for a referral
  - If they knew, CAs faced challenge to send prospect details in compliance with client confidentiality laws
  - If CAs managed these barriers, they were not guaranteed to receive their share of the NNM (if receiving CA did not "remember" anymore to have received referral)

- With the new tool
  - Tracking has been reduced to one call to the receiving CA after referral conversion, to ask for account number. Tracking is then done by tool
  - CAs can pick a booking center for a referral in tool and (optional) nominate receiving CA – if no receiving CA, Local Referral Desk will find suitable CA
  - Prospect data is sent over encrypted; "refer and step away process" ensures that client confidentiality is maintained
  - The receiving CA needs to agree in tool to NNM sharing before seeing referral data. NNM sharing is then executed automatically

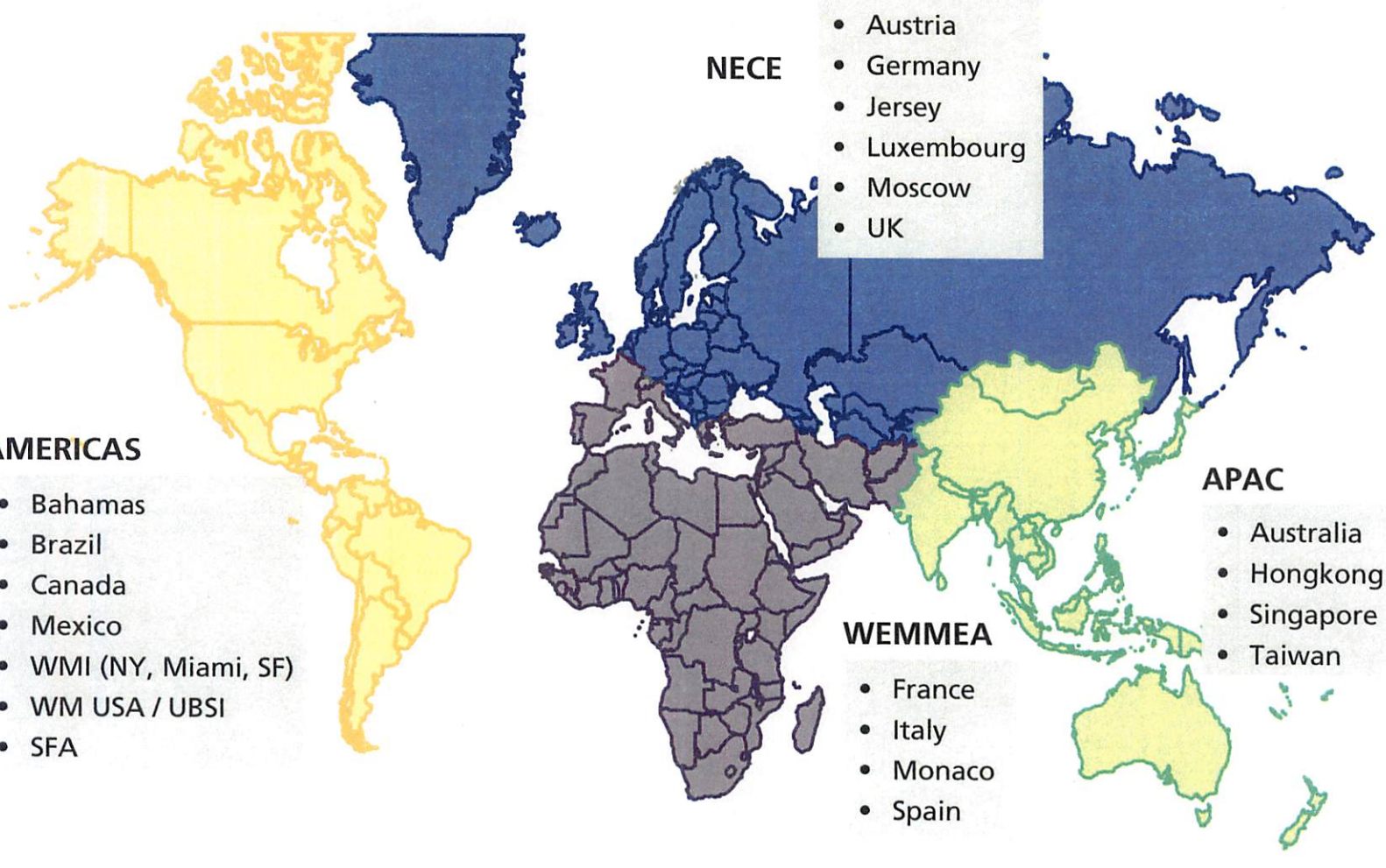
Your role: assign new referrals for your booking center to a CA, and follow up periodically on status and account numbers

SECTION 2

Your role: referral process and tool

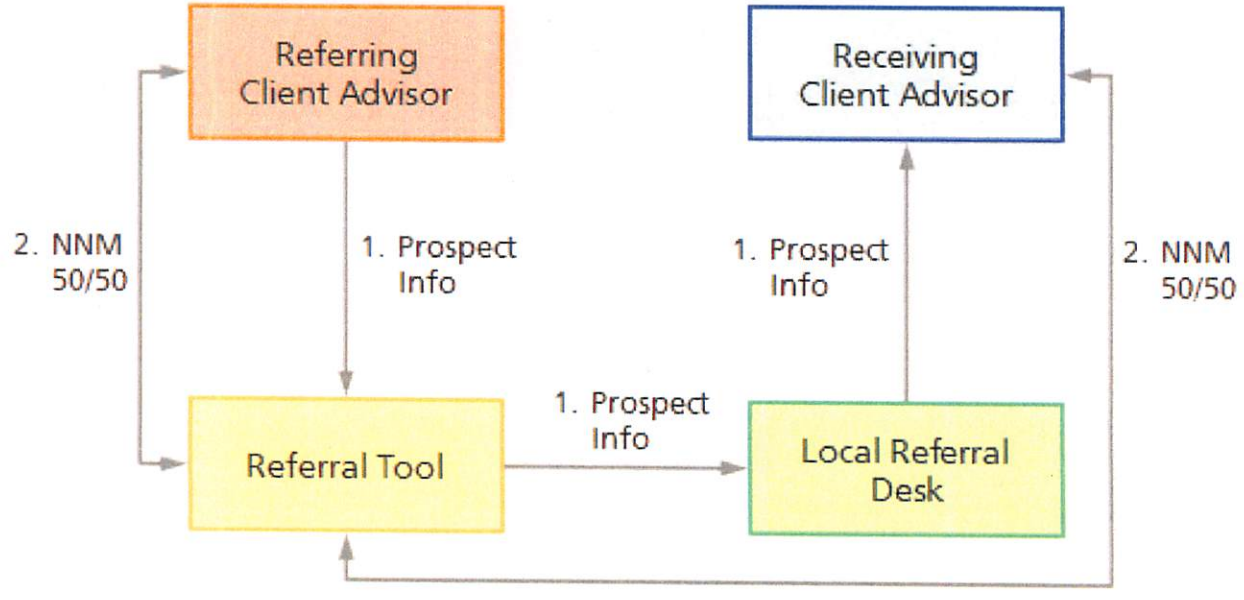
Who is participating?

Cross-border referrals between the following booking centers are currently supported



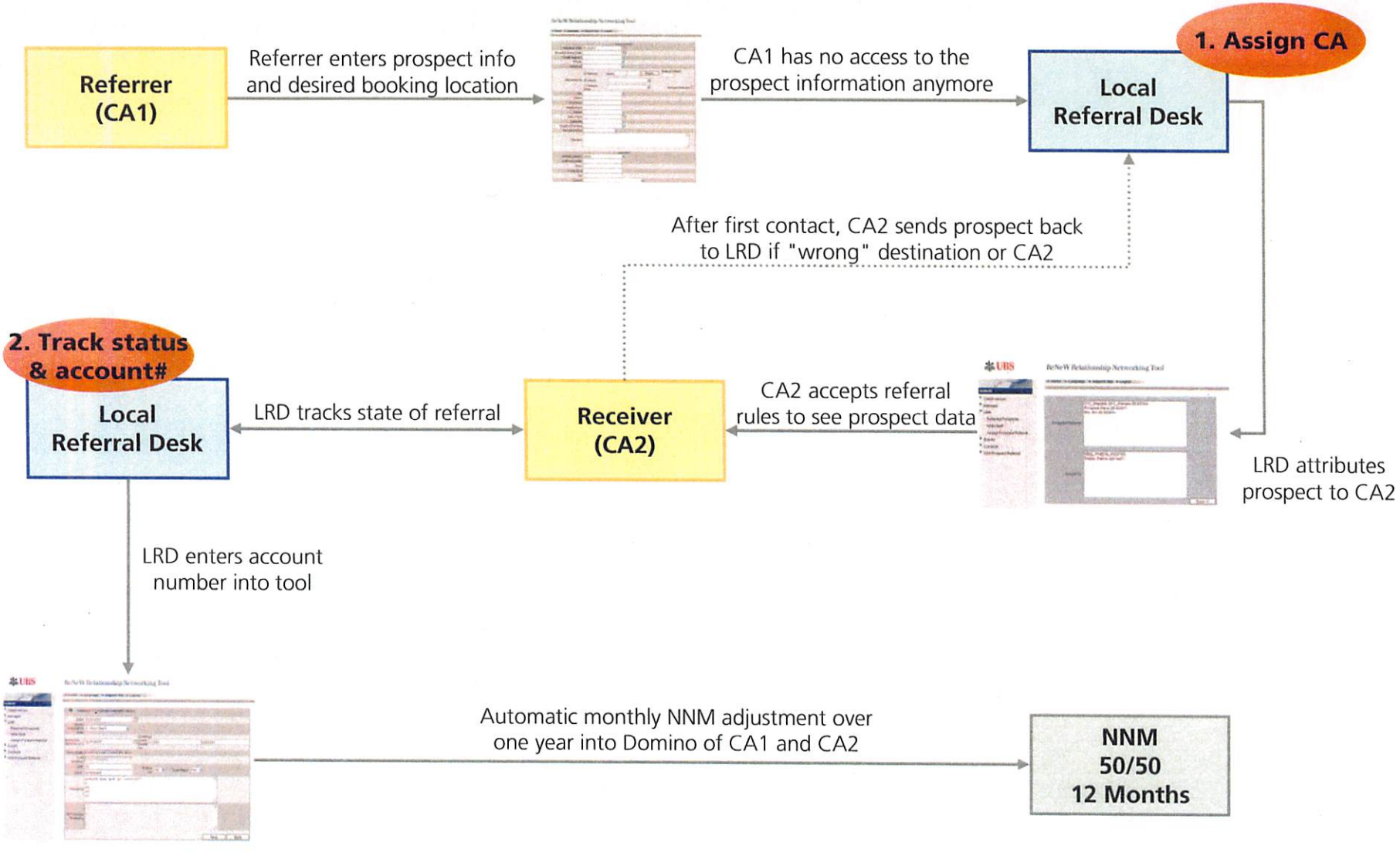
And in Switzerland:
Americas/APAC/Austria&EE/Germany/UK/EMMEA/France/Italy/Spain Intl

Overview of referral process



- Identify prospect wishing to book in another booking centre or desk
- Inform prospect that you transfer his/her data to another booking centre or desk and that he/she will be contacted from this Client Advisor (Note: server is in Switzerland)
- Enter prospect data into WM Referral Tool
- Local Referral Desk will check eligibility of the referral and attribute the prospect to the CA suggested by you or chose a receiving CA (if not eligible, you will be contacted by the referral responsible of the selected location)
- NNM will be attributed automatically 50/50 over one year (twelve adjustments), starting at account opening date
- Refer and step away –> no feedback will be given about a specific referral and no cross border tracking will be allowed due to regulatory and compliance reasons (e.g. prospect status, account opening, NNM inflow etc.)

Local Referral Desk is involved at two points



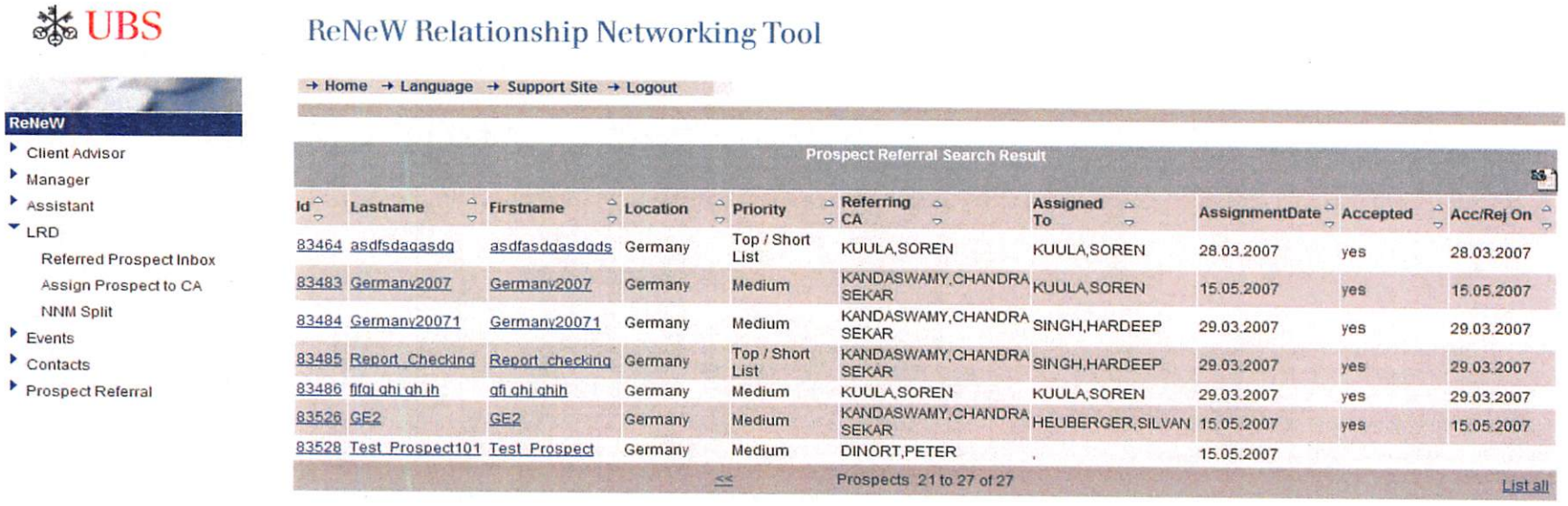
Details of the process

- Referrer (CA1) enters prospect data into tool (Name, phone number, domicile etc.)
- Referrer selects the location (or entity) where the prospect is looking to open an account, suggests the receiving CA (if available) and sends the data off – the referrer has now no longer access to the referral information ("refer and step away")
- The local referral desk (LRD) in the selected service location receives the prospect information
- The LRD is responsible to check whether the prospect's name is already on prospect lists in the location. If yes, a decision in collaboration with the Global Referral Desk is required on whether to qualify this prospect entry as a referral
- If the entry qualifies as a referral, the LRD assigns the prospect to the suggested or to a suitable receiver (CA2)
- Only the LRD sees which referrer entered the referral (receiving CA does not)
- The receiver (CA2) gets to see the prospect's information after accepting the referral rules (e.g. to communicate the account number to the LRD once the prospect becomes a client for NNM split)
- If the receiver is not suitable (e.g. the prospect wants to book in another unit or the receiver is of a wrong segment), he has the possibility to give the prospect back to the LRD . The referral destinations continue to be restricted based on the original referrer's location and the prospect's residency
- By accepting the prospect, the receiver is committed to communicate the account number to the LRD once the prospect becomes a client
- LRD enters the scrambled GMIS number and the account opening date into the referral tool to start the tracking period
- NNM tracking is performed for one year – with NNM adjustments between referrer and receiver executed monthly (e.g. account opening 15.01.07 – tracking would be done until end of December 08)
- NNM correction is taking place between receiver and referrer
- If the account number changes, LRD can apply necessary changes (e.g. name account to joint account)

1. Assigning a Client Advisor to a referral

- Starting point: referrer (CA1) sends a referral to your booking center
  - You will receive an email notification into your shared mailbox sh-referral-desk-*COUNTRY*

- Next step: log into ReNeW tool to assign prospect to suggested/suitable receiver (CA2)
  - Please check first, whether prospect is not already on a prospect list in your booking center (then referral does not qualify)



Tool needs to have current OUs covering all your Client Advisor teams (how to register those via BBS, see Appendix B)

2. Tracking status of referral & initiate NNM sharing

Once the referral becomes a client, LRD needs to feed account number into the tool

- Due to technical & legal limitations the tool can not
  - Search for a prospect's name in a database of all of our global clients
  - Check with receivers whether they pursued the prospect

- Thus, Local Referral Desk needs to do a monthly follow-up (before 15th of each month) with all CAs who received a referral
  - Check status and re-assign referral, if required
  - Collect account number and account opening date, if referral was converted

- The tool works with scrambled GMIS numbers so that client account numbers are kept confidential
  - Outside CH: Please refer to your local Controlling in order to convert the account numbers collected from your CAs
  - Inside CH: just add "3032-"in front of account number (e.g. 3032-0230-00123456)

- Once opening date and scrambled number are registered in the referral tool, NNM sharing runs automatically (except revenue payments done from local controlling)
  - If account number should change, please change accordingly in tool

LRD Task Summary

- Communicate referral process and tool in your Booking Center
  - Using suitable platforms (web, meetings, ...), adapting messages in line with local regulations

- Daily: check your shared inbox for new referrals
  - Check for duplicate prospects: reject, reroute or assign
  - Assign referral to suitable receiver on same day

- Monthly: check status of existing referrals (before 15th of the month)
  - Remind CAs to pursue opportunity, re-assign prospect if no activity
  - Collect account number and opening date for converted referrals; capture info in tool

- Monthly: conference call with Global Referral Desk
  - Status update and exchange of information, questions

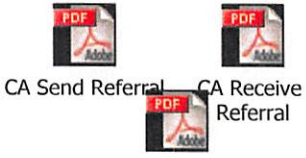
- When required: process maintenance
  - Capture changes of account numbers and Client Advisor OUs (see appendix)

SECTION 3

Support available

Support available

- **Documentation**
  - Overview: Referral Portal
  - Tool documentation for CAs
  - Tool documentation for LRDs

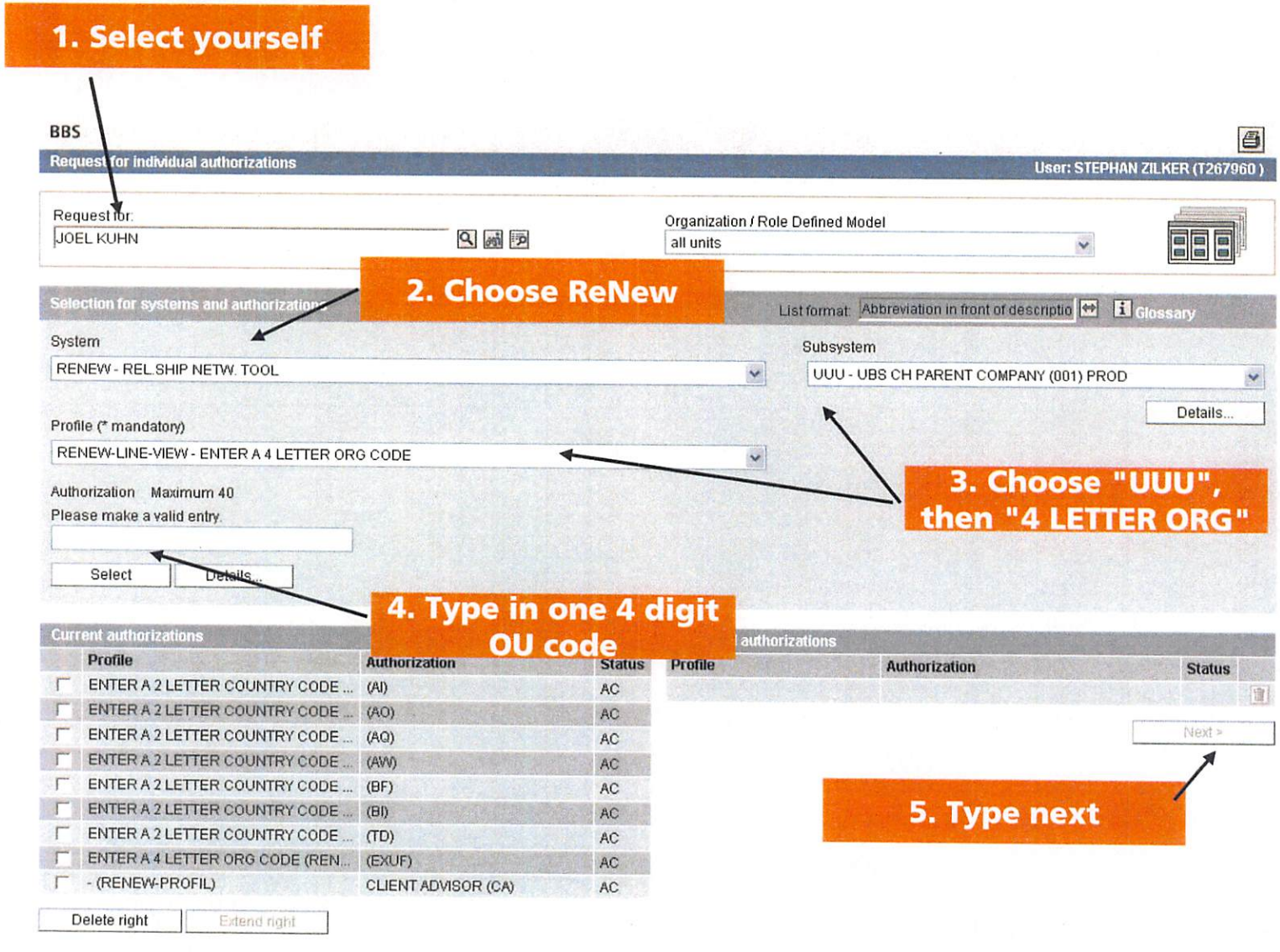


- **Tool support**
  - Technical support: ASC

- **Process support**
  - Figures & Controlling issues: Controlling Info Center at +41 (0) 800 880 888, international numbers see webpage

APPENDIX A

Capturing Client Advisor OUs in ReNeW

Adding new OUs with Client Advisors

Works via BBS system