

General Terms and Conditions for Options Transactions

The Client authorizes the Bank to engage in options transactions in its name but for the account and at the risk of the Client.

All transactions concluded on behalf of the Client are subject to the rules and regulations governing the relevant derivative markets. This agreement applies to all individual orders and/or a management mandate, given by the Client to the Bank in connection with options transactions.

Persons authorized to dispose of the Client's account, in accordance with the signature card provided by the Client to the Bank, are also empowered to issue orders under the terms of this agreement.

Characteristics and Risks of Options Transactions

By signing the Agreement the Client confirms that he has received the information memorandum (according to the sample text provided by the Swiss Bankers' Association) on options transactions describing the risks inherent to those contracts. He also confirms that he knows the characteristics and contract specifications of options transactions particularly in relation to contracts transacted on foreign markets.

The Client is fully aware that the volatile nature of these investments can make them subject to substantial losses.

Specific Transactions

The Client will transmit the details of each transaction (purchase/sale, opening/closing, call/put, number of contracts, striking price, expiry date) to the Bank verbally or in writing. If a management mandate exists, it shall prevail.

The Bank will provide the Client with a written confirmation of every contract concluded. Should the Client observe discrepancies between his instructions and the written confirmation, he will notify the Bank within one banking day in Zurich after receiving the confirmation concerned. Should the Client fail to make such notification, the written confirmation of the contract shall be deemed to have been approved. Should the Client not receive a written confirmation, he is to notify the Bank immediately after the usual mail delivery period has elapsed. Should the mail be retained by the Bank (Hold Mail Agreement), the Client must complain at the time the mail would have been available there.

The Client undertakes to issue only such orders to the Bank as are within the scope of his financial means. The Client bears the full consequences of these orders and the Bank is excluded from all responsibility.

The Bank reserves the right to refuse acceptance of the Client's orders at any time, wholly or in part, without having to provide any explanation.

Business Procedure

For options bought on the EUREX exchange (call or put option) the Client pays the Bank the option price on the business day following the purchase of the option by the Bank. For option transactions on other exchanges, the value date regulations governing the individual exchanges shall apply.

The Client undertakes to provide the Bank at its first request with margin coverage acceptable to the Bank for its claims arising from options transactions. The Bank is entitled to change its margin requirements at any time and to make further margin calls to the Client.

The Bank is entitled to close open options contracts at any time without prior notice if its cover requirements are no longer fulfilled, e.g. if the Client cannot provide the required margin coverage in time or if the value of the collateral provided has declined.

Exercise of Options

In case options to which the Client is a party are exercised, the Bank is authorized to deliver without prior notice securities, precious metals and foreign exchange etc. to the counterpart at its first request against receipt of the contract value and to debit the corresponding delivery expenses, or to take delivery of securities, precious metals or foreign exchange etc. against payment of the contract value.

If the Client does not supply the underlying securities specified for delivery immediately upon request, the Bank is entitled to cover any short position at the expense of the Client (call options).

The Bank will execute Client orders to write call options only if the Client disposes of a corresponding number of underlying securities in his custody account at the Bank. This type of transaction is not subject to margin requirements. By issuing such instructions to the Bank, the Client transfers ownership of the assets concerned to the Bank as security and authorizes the Bank to provide them as security to its correspondent or the options exchange by granting them a security interest or transferring title. Any transfer of ownership by way of security is valid only as long as the Client's relevant short position remains open.

Closing a Position

The Bank is entitled to close any long option position that is „in the money“ one day prior to the expiry date (exercise cut-off date/last trading day), unless it receives instructions from the Client to the contrary by 12.00 (Zurich local time) on the second last trading day at the latest.

Commissions, Fees and Expenses

The Bank will charge the Client for commissions, fees and expenses in accordance with its currently valid schedule of fees and commissions as in effect from time to time. Furthermore, the Bank is entitled to debit the Client for the commissions, fees and expenses of third parties.

Position Limits

The Client takes note that the options exchanges stipulate position limits. The Client is obligated to observe the limits specified by the relevant options exchange in his overall contracts position.

General

The Bank's General Conditions as contained in the Account Opening Documentation are applicable to this agreement.

Applicable law, Jurisdiction

All relations between the Client and the Bank shall be exclusively subject to Swiss law. The place of performance, the exclusive place of jurisdiction for all legal proceedings as well as the legal venue, the latter solely applicable to clients resident outside Switzerland, is Zurich. The Bank, however, reserves the right to take legal action before the courts of the Client's domicile or before any other competent court or authority. In particular, the Client relinquishes the invocation of more favorable conditions at its domicile or place of residence in another place of jurisdiction.