

Provisions for specific exchange-traded derivatives

Valid from 1 December 2018

Note: Although for purposes of readability the masculine gender form is used to reference persons in the relevant sections, this is, of course, always deemed to include members of both genders. The same applies to the plural form.

1. Special provisions for options

1.1 General rules on buying, selling and exercising

1.1.1 Buying options

When buying an option (call or put option), the Bank client pays the Bank an options price under the value date regulations of the stock exchange in question.

1.1.2 Selling options

1.1.2.1 Covered call options

The Bank will only execute sell orders for covered call options if the Bank client has a corresponding number of underlying assets in their safe custody account. By issuing an order to the Bank, the Bank client instructs the Bank to undertake to deliver the underlying assets to its trading partner in the event of an option strike. The Bank client acknowledges and agrees that in addition to the separately agreed pledge under clause 5.3 of the Framework Agreement for Exchange-Traded Derivatives (hereinafter referred to as the "Framework Agreement"), the Bank shall block the underlying assets required for the covered call options and the Bank client may no longer access them.

1.1.2.2 Put options and uncovered call options

The Bank executes sell orders for call options for which the Bank client has not deposited any underlying asset collateral in accordance with section 1.1.2.1 above (uncovered call options), or for put options, only if the Bank client indemnifies the Bank for its obligations arising from the sale for the entire duration of the transaction under clause 5 of the Framework Agreement.

1.1.3 Exercising options

1.1.3.1 A European option may be exercised only on the exercise date until the exercise cut-off time. An American option may be exercised on the exercise date until the exercise cut-off time and on any other bank working day during the exercise period until the respective stock exchange's normal close of trading. Any exercise declarations received after the respective stock exchange's normal close of trading will be valid for the following bank working day. Unless agreed otherwise in the confirmation, the exercise period begins on the transaction trade date.

1.1.3.2 The exercise cut-off time is fixed by the respective stock exchange in the contract specifications.

1.1.3.3 Although the Bank is under no obligation, it may, in the Bank client's interest, exercise any long position in options that is in the money at the exercise cut-off time on the exercise date, unless the Bank receives instructions to the contrary from the Bank client by 12 p. m. (CET) at the latest two bank working days before the exercise date.

1.1.3.4 The Bank will not exercise any long position in options that is at the money or out of the money at the exercise cut-off time on the exercise date, unless the Bank receives instructions to the contrary from the Bank client by 12 p. m. (CET) at the latest two bank working days before the exercise date.

1.1.3.5 Although the Bank is under no obligation, it may, in the Bank client's interest, sell or close out any long position in options that is in the money, at the money or out of the money on the day before the exercise date, unless the Bank receives instructions to the contrary from the Bank client by 12 p. m. (CET) at the latest two bank working days before the exercise date.



1.1.3.6 It is the Bank client's responsibility to give the Bank instructions on time. The Bank client has no claims against the Bank arising from the exercising or non-exercising or selling/closing out of an option under sections 1.1.3.3 to 1.1.3.5 above, except in cases where the Bank has failed to trade in accordance with the Bank client's instructions that were given in time. The provisions of clause 3 of the Framework Agreement apply to any potential liability on the part of the Bank.

1.1.3.7 Short positions (options sold by the Bank client) are not automatically closed out prior to exercise (e.g. by the options buyer buying back the position). It is the Bank client's responsibility to give appropriate instructions in time by 12 p.m. (CET) two bank working days before the exercise date.

1.1.3.8 An exercised option is fulfilled through physical delivery of the underlying assets or through cash settlement. The contract specifications of the respective stock exchange apply.

1.1.3.9 If a call option is exercised and the Bank client does not have the necessary underlying assets, the Bank is entitled to buy the necessary underlying assets for the account of the Bank client.

1.1.3.10 In exercising the options right, the same taxes, fees and commissions are due as with a direct stock exchange transaction.

1.1.3.11 For options on underlying assets that are on a nominal basis, it is the buyer's responsibility to seek the agreement of the issuer of the underlying assets for entry in the relevant register. If this agreement is refused, the validity of exercising the option will not be affected.

1.2 Procedure for capital measures

Capital changes of listed companies limited by shares may have an impact on the related share options and single stock futures. To maintain the original contract value, adjustments may be made in such cases. Adjustments are made under the adjustment methods of the respective stock exchange.

2. Special provisions for futures

For futures contracts to be fulfilled through delivery and that were not closed out with an offsetting transaction, the Bank client may ask for delivery or acceptance of the underlying assets if such underlying assets are not commodities. For futures contracts where the underlying assets are commodities, the Bank client only has the option of closing out or rolling over the futures contracts. If the Bank client's instructions to the Bank that actual delivery, or closing out or rolling over of the futures contract with an offsetting transaction should be effected, are not received by the Bank by 12 p.m. (CET) at the latest two bank working days before the exercise date or two bank working days before the first notice day (FND) for futures contracts with an FND, the Bank will be authorised to close out any futures contract or roll it over into the next main trading month or most liquid trading month as of that point in time. Futures contracts with cash settlement (i.e. no physical delivery) that were not closed out by the Bank client may be liquidated through cash settlement.

3. Amendment of these provisions

The Bank retains the right to make any amendments to these provisions for specific exchange-traded transactions. These will be communicated to the Bank client in writing or in another appropriate manner and will be deemed to have been accepted by the Bank client unless an objection is made to them within a set period.