Special Terms and Conditions for Forex

1. AGREEMENT AND TRADING PLATFORMS

1.1 Swissquote Bank Ltd (hereinafter the "**Bank**") offers Trading Platforms for the trading of currencies, precious metals and other supported Financial Instruments, including, as the case may be, contracts for differences and currency options (hereinafter altogether the "**Forex Instruments**"), such as Advanced Trader and MetaTrader (including their web and mobile versions) and other Trading Platforms as may be offered from time to time (hereinafter individually, a "**Forex Platform**" and collectively, the "**Forex Platforms**").

1.2 These Special Terms and Conditions for Forex govern the use of the Forex Platforms and the Transactions performed on them (hereinafter the "**Forex Transactions**"), whether these Forex Transactions are initiated electronically or with the assistance of the Bank's Trading Desk (hereinafter the "**Trading Desk**").

1.3 These Special Terms and Conditions for Forex form an integral part of the Agreement, which shall apply to the Service provided by the Bank in connection with the Forex Transactions.

1.4 The Client has read and understood, and accepts all the provisions of these Special Terms and Conditions for Forex, as well as the information contained in the documents to which these Special Terms and Conditions for Forex refer, and in particular the Forex Risk Disclosure Statement, the Bank's website, any Trading Rules (as defined below) and the various prospectuses, fact sheets and other information sheets available on the Bank's website or on any Forex Platform. All the aforementioned documents form an integral part of these Special Terms and Conditions for Forex. The Client acknowledges and agrees that the Bank considers that once the Client has completed a Forex Transaction subject to or in accordance with a prospectus, factsheet or other information sheet available on the Bank's website or on a Forex Platform, the Client has accepted the terms of that document.

1.5 Except if otherwise stated herein, the definitions set out in the General Terms and Conditions shall apply for the purposes of these Special Terms and Conditions for Forex.

1.6 The Client acknowledges and agrees that in the event of contradiction between these Special Terms and Conditions for Forex and the General Terms and Conditions or any other contractual document, these Special Terms and Conditions for Forex take precedence unless otherwise agreed.

1.7 The Bank reserves the right to amend these Special Terms and Conditions for Forex in accordance with the provisions of the General Terms and Conditions.

2. TRADING RULES

2.1 The Client acknowledges and agrees that the Bank is free to set the terms of use of the Forex Platforms (hereinafter the "**Trading Rules**"), which it will set out on its website or in any form that it considers appropriate. In particular, the Bank may at its discretion set:

a) the hours of operation of the Forex Platforms;
b) the hours of closure of the Forex Platforms (*e.g.* the hours over the weekend during which Forex Transactions are not possible);
c) the hours of operation of the Trading Desk;
d) the minimum, incremental and maximum Forex Transaction amounts;
e) the Forex Instruments available on the Forex Platforms (including their availability for trading);
f) the maximum leverage effect and the Required Margin (as defined below) during the hours of operation or closure of the Forex Platforms;
g) the currency, frequency, and other terms related to the booking of realised and unrealised profits and losses (also called "Profit and Loss" or "PnL"), as well as to the Roll-over Credit/Debit (as defined below);
h) the cut-off time for performing Roll-overs (as defined below) and booking the Roll-over Credit/Debit (as defined below);
i) the frequency, location, and production of Transaction advice notes, statements, and other Reports;
j) the functioning and the method for executing the available types of orders (hereinafter the "**Orders**") to trade a Forex Instrument on a Forex Platform.

2.2 The Trading Rules may differ depending on the Forex Platform, the Client, client groups, the period in question, or other criteria applied by the Bank.

2.3 The Bank shall be entitled to amend or change the Trading Rules at its sole discretion, at any time and without prior Notice.

2.4 By carrying out a Forex Transaction, the Client confirms that he has read the latest version of the Trading Rules before executing the said Forex Transaction and accepts them.

3. POSSIBILITY TO USE A FOREX PLATFORM

3.1 If the Bank considers it necessary for its own protection or that of its contractual partners, the Bank may at any time, on a case by case basis and as it sees fit, decide, without giving prior Notice or giving reasons, to limit or cancel the Client's right to perform Forex Transactions and/or to access a Forex Platform and/or refuse to execute his Orders, to the extent that these Orders do not solely concern the liquidation of Open Positions. The Bank shall inform the Client once such a decision has been taken. In this regard, the Bank recommends that the Client has an account available with another broker or investment services company offering the same services as the Bank so that the Client can perform the desired Forex Transactions if these cannot be performed on the Forex Platforms.

3.2 Except in the case of fraud or gross negligence on its part, the Bank may not be held liable for having prevented the Client from placing an Order or for refusing to execute an Order.

3.3 The Client is aware that access to a Forex Platform might require him to install certain software. It is possible that the Client will not be able to simply connect to his Account to execute Forex Transactions. The Client shall take account of this potential limitation: whenever the Client has Open Positions on a Forex Platform, he shall at all times ensure that he is able to use said platform at very short notice. In situations where the Client needs to carry out Forex Transactions quickly, the potential need to install a software before being able to carry out these Forex Transactions could have negative consequences.

4. MARGIN

4.1 The amount that the Client wishes to use in order to carry out Forex Transactions (hereinafter the "**Forex Margin**") shall at all times be sufficient to cover the margin required by the Client's Open Positions in his Account and, as the case may be, the Client's open Orders (hereinafter the "**Required Margin**") without any notice from the Bank being necessary. The Client shall immediately pay to the Bank any additional monies as a Forex Margin to cover any Required Margin and pay the monies necessary to clear any debit balance on any Account.

4.2 The Bank is free to set, at its sole discretion and irrespective of market conditions, the Required Margin in respect of the Forex Transactions the Client wishes to carry out, the Client's Open Positions and, as the case may be, the Client's open Orders. The Bank reserves the right to modify the Required Margin at any time. Within this framework the Bank may, but is not obliged to, take into account the amount of Open Positions in the Client's Account, the volume of Forex Transactions, the times and days involved, the conditions on the market, such as a pronounced lack of liquidity or a high volatility as well as other criteria the Bank may apply in its sole discretion. The Client should refer to the pages about the Required Margin on the Bank's website in order to ensure that a sufficient Forex Margin is kept in his Account.

4.3 The Bank shall, at its sole discretion, be entitled to refuse to execute any Order if the Forex Margin is considered not to be sufficient to cover the Required Margin in respect of the desired Forex Transactions. The Bank shall be entitled, without being obliged to do so, to exercise the rights set forth in the Article of the General Terms and Conditions on the Event of Default (such as the right to liquidate all or part of the Open Positions, which may result in the loss of all assets deposited by the Client with the Bank or may even lead to losses in excess of the Client's assets deposited with the Bank), in particular where the Client fails to cover the Required Margin and/or where the Liquidation Percentage (as defined below) is reached. The Bank shall, upon the exercise of its rights under this Article, inform the Client accordingly.

4.4 The Client undertakes to monitor the status of any of his Orders until he has been informed of the execution or non-execution of said Orders.

5. LEVERAGE EFFECT

5.1 The Client may decide to use a leverage effect for his Forex Transactions. The maximum leverage effect may differ according to client groups, the period in question, or other criteria applied by the Bank. For example, the maximum leverage effect authorised "overnight" or outside Business Days may differ from the maximum leverage effect normally authorised during Business Days. In this regard, it should be noted that **the transition to a period when the maximum leverage effect is different could bring about the automatic liquidation of all or part of the Client's Open Positions.**

5.2 The Bank may change at its sole discretion the maximum leverage effect and the Required Margin at any time without prior Notice for a fixed or indeterminate period for clients or client groups. In particular, this may occur in extreme market conditions characterised by a lack of liquidity or high volatility. **A change to the maximum leverage effect or to the Required Margin may bring about the automatic liquidation of all or part of the Client's Open Positions.**

5.3 **The Client hereby acknowledges that he shall accept any consequence arising from a change to the maximum leverage effect or to the Required Margin.**

6. ROLL-OVER OF OPEN POSITIONS

6.1 In the event that the Bank does not receive Orders from the Client to liquidate or offset an Open Position by the close of a Business Day, the Bank will generally (but is not obliged to) proceed to a "roll-over" (hereinafter the "**Roll-over**") of the said Open Positions to the next settlement date being a Business Day.

6.2 The Roll-over (also sometimes called "swap" or "tomorrow next (tom-next)") will have an effect on the Account. The Open Positions concerned by the Roll-over will remain open, but the Bank shall credit or debit an amount to the Account which is referred to as the "**Roll-over Credit/Debit**" and which is calculated by the Bank at its sole discretion. A Roll-over Debit may bring about the automatic liquidation of all or part of the Client's Open Positions.

6.3 The Client confirms that he has read and understood the explanations on the principle, the mechanism, the parameters and other details on the Roll-over, as available in these Special Terms and Conditions for Forex, on the Bank's website or in any form that the Bank considers appropriate and has made available to the Client. He further confirms that he has understood and accepts that the Roll-over may be applied differently depending on the Forex Instrument concerned.

7. RISKS ASSOCIATED WITH FOREX TRANSACTIONS

7.1 **The Client acknowledges and understands that trading in Forex Instruments is highly speculative, involves an extreme degree of risk, and is generally appropriate only for persons who can assume and sustain a risk of loss in excess of their Forex Margin.**

7.2 The Client is referred to the Forex Risk Disclosure Statement which outlines some of the risks associated with Forex Transactions and which is attached hereto.

8. CONFIRMATIONS

8.1 As of the date of the opening of the Account, the date of any Transaction or other operation (such as a payment) in relation to the Account and any date on which the Agreement or any part thereof is revised, updated or amended, the Client confirms to the Bank and agrees to the following for the benefit of the Bank that:

a) The Client confirms that he understands the nature of all the Forex Transactions that he carries out, all the circumstances surrounding the Forex Transactions, the Required Margin for such Forex Transactions, the Roll-Over mechanisms, the Automatic Liquidation System (as defined below), the aspects connected to the price, the risk factors, the degree of risk, and the extent of the risk to which he will be exposed by carrying out such Forex Transactions, having particular regard to the upward or downward movements of prices, the possible restrictions linked to the "over-the-counter" (also called "OTC") market, the market rules applicable to Forex Transactions, and the other legal terms and conditions connected to such Forex Transactions.

b) The Client is aware of the market rules applicable to Forex Transactions and agrees to abide by those rules.

c) The Client will only invest assets that he can afford to lose without having to change his standard of living, and the Client will cease trading in Forex Instruments if his financial situation no longer permits it. The Client understands that only assets that are not required for meeting the current expenses of his household and that are proportionate to his income and other assets should be placed at risk by Forex Transactions. The Forex Margin may be considered by the Bank as "risk capital".

9. MANAGEMENT AND MONITORING OF OPEN POSITIONS

9.1 The Client confirms that he is solely responsible for the management and monitoring of his Open Positions and open Orders.

9.2 In order to limit the extent of the risks and/or implement investment strategies, the Client may want to consider using different types of orders, such as Spot orders, Market Best orders, Limit orders, Stop orders, Trailing Stop orders, One Cancels the Other (OCO) orders, If Done orders or If Done One Cancels the Other orders. A definition of all available types of orders is available on the Bank's website or on the Forex Platforms.

9.3 The Client acknowledges that he shall frequently consult his Account, and in particular continually monitor the Forex Margin when he has one or several Open Positions or open Orders in his Account. The Client should also refer to Article 3.3 of these Special Terms and Conditions for Forex.

9.4 Orders shall not be deemed effective until accepted by the Bank.

9.5 In the event that the Bank's website, the Account and/or a Forex Platforms is unavailable (*e.g.* due to technical problems), the Client shall use any available means of placing Orders (*e.g.* calling the Trading Desk) in order to mitigate any Damages.

10. THE BANK AS A COUNTERPARTY, SPREADS AND CONFLICTS OF INTEREST

10.1 The Client acknowledges and accepts that, except if otherwise indicated, **the Forex Transactions shall not be conducted via a regulated market, multilateral trading facility or any similar organisation.**

10.2 The Client acknowledges and accepts that, except if otherwise indicated, **all Forex Transactions of the Client are made and entered into by the Bank as principal, i.e. as counterparty.** The Bank shall enter into all Forex Transactions with the Client in the capacity as buyer when the Client wishes to sell, and as seller when the Client wishes to buy, and not as broker, intermediary, agent, or in any fiduciary capacity. Each Forex Transaction is a contract of sale within the meaning of the Swiss Code of Obligations. For some Forex Instruments, the Bank further acts as a provider for derivatives.

10.3 The Client acknowledges and accepts that **the Bank has no obligation to offer prices at any time.** Forex Transactions shall therefore be entered into at the sole discretion and option of the Bank. In the event that the Bank does not offer a price during a certain period, the Client will not be able to open a new position or liquidate an Open Position via the Forex Platforms and the Client's Orders may not be executed or may be subject to so-called "slippage" once the Bank offers again a price.

10.4 The Client acknowledges and accepts that in certain market conditions, it will be difficult or even impossible to execute Orders at a fixed price or to liquidate certain Open Positions, to assess a fair or acceptable price, and to assess exposure to risk.

10.5 Subject to the other provisions of this Article, the Client acknowledges and accepts that, except if otherwise stated by the Bank, all types of orders given to the Bank and accepted by the Bank are undertaken on a "best efforts basis", that is, the Bank shall execute the said Orders at the next available price plus the Bank's spread mark-up taking into consideration the volume available to buy or sell at that price and the quantity and volume of orders that precede the Client's said Order, in accordance with the relevant regulations and the Trading Rules, as amended from time to time. **The execution of orders on a "best efforts basis" will generate so-called "slippage".** The Client also acknowledges that due to market conditions (such as a lack of liquidity or high volatility) or other circumstances (such as a failure of electronic or telecommunications systems or a Force Majeure Event), the Bank may be unable to execute such Orders or may only executed it at a price significantly worse than the price desired by the Client and the Client agrees that the Bank shall bear no liability in this regard. This includes, but is not limited to, all such Orders that are entered outside the Business Days. In such circumstances, Orders will be executed on a "best efforts basis" once the corresponding Forex Platform is reopened on the next Business Day. The Client acknowledges that execution may not be immediate or at the price dictated by the opening level due to market conditions, market liquidity, price gaps or other circumstances.

10.6 **The Client acknowledges and accepts that the Bank, as counterparty, is not obliged to provide the best price for the Client's Forex Transactions and that the Bank may offer different prices depending on the size of the Client's deposit, the size of the Forex Transaction, or any other reason that the Bank deems appropriate.**

10.7 **The Client acknowledges and accepts that in a Forex Transaction, the Bank's interest is contrary to the Client's. The Client is solely responsible for judging whether the prices offered by the Bank are acceptable to him.** In this regard, the Client is aware that no central source exists for exchange rates and that these rates and prices are negotiated individually, resulting in inefficiencies in their setting.

10.8 The Bank is free to apply the spreads that it sees fit. Indications on spread published on the Bank's website are indicative only and in no way binding. The Bank reserves the right to quote different spreads according to the size of the Client's deposit, the size of the Forex Transaction, or any other reason that the Bank deems appropriate. Spreads will in particular increase in exceptional market conditions, following decisions by central banks, monetary policy decisions, or similar events. The liquidity and the volatility in the market also have an influence on the spreads.

10.9 The Client acknowledges and accepts that the price offered by the Bank is not the same as that obtained by the Bank at the same time. The Bank is in no way obliged to inform the Client of the profit margin obtained by the Bank on Forex Transactions.

10.10 The Client acknowledges and accepts that the Bank may have positions that bet on the same market movement as the Client is betting on, or positions that speculate upon an opposite movement. If the Bank elects not to cover its own trading exposure, then the Client should be aware that the Bank may make more money if the market goes against him. The Bank's interest may conflict with the Client's interest.

10.11 The Client confirms that he has understood and accepts the role of the Bank within the Forex Transactions and the risks and conflicts of interest related thereto.

11. AUTOMATIC LIQUIDATION SYSTEM

11.1 The Client acknowledges and agrees that the Bank has set up a system to automatically liquidate all or part of the Client's Open Positions depending on defined circumstances (hereinafter the "**Automatic Liquidation System**"). The functioning, parameters and other information pertaining to the Automatic Liquidation System, in particular the relevant percentage for the liquidation (hereinafter the "**Liquidation Percentage**") and the cancellation of open Orders are available on the Bank's website or in any form that the Bank considers appropriate and may be amended at the Bank's sole discretion at any time.

11.2 The Client confirms that prior to opening the Account he has studied and understood all the information relating to the Automatic Liquidation System and accepts the Automatic Liquidation System and the terms related thereto. **In particular, the Client acknowledges that he has understood that the activation of the Automatic Liquidation System as soon as the Liquidation Percentage is reached does not mean that the Client's losses will correspond to the Liquidation Percentage; taking into account the rapidity and extent of the fluctuations that apply to prices, the Client's losses may be much higher and, in particular, may be higher than the Forex Margin.**

11.3 The Client acknowledges that **the Bank has no obligation to proceed with a so-called "margin call"**, i.e. request the deposit of additional assets such that the Required Margin is again covered. If the Bank nonetheless proceeds with a margin call, it does so out of goodwill and the application of the Automatic Liquidation System will in no way be changed. The Client hereby accepts any Forex Transaction performed by virtue of the Automatic Liquidation System and acknowledges that the Client is solely liable for Damages resulting from the automatic liquidation of all or part of the Client's Open Positions.

11.4 **The Client acknowledges and accepts that the Automatic Liquidation System has been set up for the sole benefit of the Bank.** While the Automatic Liquidation System aims at avoiding that the Client is losing more than the Forex Margin and while the Bank will ensure that, in the vast majority of cases, the Automatic Liquidation System is activated as soon as the Liquidation Percentage is reached, it is entitled but not obliged to do so. **No warranty is given by the Bank in this regard. The Client may still suffer a loss much higher than the Forex Margin.**

11.5 The Client acknowledges that the Automatic Liquidation System may not function or not produce the desired result. The Client accepts that, except in the case of fraud or gross negligence on its part, the Bank shall not be liable if the Automatic Liquidation System is not activated as soon as the Liquidation Percentage is reached or is otherwise not activated in due time.

11.6 The Client is obliged to ensure that his losses do not exceed the amount of his Forex Margin. The Client confirms that he is solely liable for any Damages resulting from the non-liquidation of his Open Positions.

11.7 **The Client acknowledges and accepts that in certain exceptional circumstances, such as, but not limited to, the non-satisfaction of the Bank's margin requirements towards its counterparties, the unavailability of the Forex Platforms or a Force Majeure Event, the Bank shall be entitled, at its sole discretion, to take any steps that it considers necessary, in particular cease offering prices for some or all Forex Instruments, close any of the Forex Platforms and/or activate the Automatic Liquidation System, even though the Liquidation Percentage has not been reached. In such an event, the Client understands that his Open Positions will be liquidated irrespective of his wishes.**

12. NETTING

12.1 In the event that at the end of any Business Day the Bank and the Client owe each other money due to Forex Transactions carried out, the obligations of each of the Bank and the Client to make the payments in question shall be automatically netted off on that date and if the total amount payable by one party is greater than the total amount payable by the other party, the obligations shall be superseded on that date by the obligation of the party owing the highest amount to pay to the other party the difference between the two amounts.

12.2 Furthermore, for all claims arising from its business relations with the Client, irrespective of their value dates or the currencies in which they are denominated, the Bank shall, with respect to its receivables, have netting rights for all Open Positions and all Financial Instruments held in its custody at the Bank or in another location for the Client's account. The Bank shall also be entitled at any time to net off the Accounts the Client has opened with it, including Accounts with different branches or correspondents, irrespective of their designation and the currency in which they are denominated. Moreover, netting shall be permissible even if the Bank's and the Client's claims are not identical, if the claim to be netted constitutes the return of an object or security deposited with the Bank or its custodians, or is subject to objections or exceptions. The Bank will notify the Client of any netting carried out in accordance with the terms of this paragraph.

12.3 **The Client acknowledges that he may not, in any circumstances, request and obtain the delivery or payment by the Bank of the underlying of the Forex Instruments (*e.g.* the underlying currencies).** He may only request the net amount after the Open Positions have been netted off.

12.4 If the amounts payable are denominated in a currency other than Swiss franc, they may be converted by the Bank into Swiss franc at an exchange rate to be determined by the Bank.

13. SPECIAL TERMS FOR FX OPTIONS

13.1 The Bank may offer the possibility to trade non-deliverable options on currency pairs and precious metals ("**FX Options**") on one or more Forex Platforms. Transactions on FX Options shall be Forex Transactions and shall be subject to these Special Terms and Conditions for Forex, except if otherwise indicated herein.

13.2 Options are contracts that give their acquirer (the "**Buyer**") the right, but not the obligation, to buy or to sell an underlying asset to the option's seller (the "**Seller**") at a predetermined hour and date (the "**Maturity**") and at a predetermined price or, in the case of FX Options, at a predetermined exchange rate (the "**Strike Rate**"). A "call" option gives the right to buy an underlying asset, and a "put" option gives the right to sell such underlying asset.

13.3 The underlying asset of FX Options shall be a currency or precious metal pair. A particular FX Option shall be labelled as being either "**Call**" or "**Put**". Each option on a currency or precious metal pair (whether a Call or a Put) has both a "call" and a "put" component, as the exercise of the right granted to the buyer of the option leads such buyer to buy (or sell), for example, a currency against another currency, which is sold (or bought). The currency or precious metal that appears first in the designation of the currency or precious metal pair (*e.g.* for "EUR/USD", the Euro) shall be referred to as the "**Base Currency**" and the currency or precious metal appearing second in the designation of the currency or precious metal par (*e.g.* for "EUR/USD", the U.S. dollar) shall be referred to as the "**Quoted Currency**".

13.4 Notwithstanding anything to the contrary in these Special Terms and Conditions for Forex, **the FX Options shall be settled by the delivery of a cash settled spot position on the currency or precious metal pair comprised of the Base Currency and the Quoted Currency.**

13.5 The Bank offers the possibility to open "long" or "short" positions on FX Options. A long position means that the Client is the Buyer of an FX Option and the Bank is the Seller. A short position means that the Client is the Seller (i.e. is "writing") of an FX Option to the Bank.

13.6 To initiate a trade on an FX Option, the Client shall submit a request to the Bank that includes the specifications of the FX Options that the Client wishes to buy or sell (the "**Requested FXO**"), using a dedicated form or tool made available by the Bank. The specifications shall include, in particular, whether the Client intends to buy or to sell the FX Option, instrument symbol, whether the option shall be a Call or Put, the Maturity and Strike Price. After receipt of the request, if the Bank is willing to issue or acquire the Requested FXO (as applicable), it shall make an offer to the Client for the Requested FXO (the "**Offer**"), which may include the payment of a premium (the "**Premium**"). The trade on the Requested FXO shall be entered into upon the Client accepting such Offer within the timeframe allocated by the Bank for such acceptance and on the terms set out in the Offer. The Bank is however entitled to reject the Client's request and, in such a case, shall communicate to the Client within a reasonable deadline that it will not issue or acquire the Requested FXO.

13.7 Transactions on FX Options shall not be subject to Roll-over.

13.8 The Client understands and acknowledges that, in order to offer its services relating to FX Options, the Bank may buy or sell (as applicable) foreign exchange options to third party liquidity providers ("**Liquidity Providers**"). Such options (the "**Mirror FXOs**") have materially the same characteristics as FX Options. Upon request, the Bank shall indicate to the Client whether the Bank has, with respect to a specific Requested FXO, acquired or sold a Mirror FXO.

13.9 As with other Forex Transactions, the Bank is the sole counterparty of the Client with respect to transactions on FX Options. **The Client can open and liquidate positions on FX Options only to the extent that the Bank is willing to enter into a transaction with the Client.** Furthermore, the **pricing of FX Options is determined by the Bank using its own methodology.** Once you have accepted an Offer, **the Bank does not guarantee that it will quote prices for the relevant FX Option** or that such prices will be acceptable to you or will be calculated using a specific formula or methodology. Should the Client wish to enter into a transaction with respect to an FX Option, *e.g.* should you wish to sell (or buy back) an FX Option, you must submit a request to this effect through the Forex Platform through which you received the Offer and the Bank may decline to enter into the relevant transaction.

13.10 The Client acknowledges that there is no market for FX Options and that the Bank is the only source of liquidity for such FX Options. The Bank enters into transactions relating to FX Options at its sole discretion. **The Bank has no obligation to acquire (or sell back) FX Options that the Client has sold to (or acquired from) the Bank. The Bank may, in particular, refuse to enter into a transaction with the Client if the Bank deems it necessary or is unable to enter into a corresponding transaction on a Mirror FXO with a Liquidity Provider.** The Client may thus be unable to acquire FX Options or to sell (or buy back) FX Options it has acquired from (or sold to) the Bank.

13.11 The FX Options shall be exercisable only at Maturity, as indicated in the Offer. The Bank will, without being obliged to and using commercially reasonable efforts, exercise (as the case may be, on behalf of the Client) all FX Options that are "in the money" at Maturity within 12 hours following the Maturity. For the avoidance of doubt, the Bank shall exercise both the FX Options of which the Bank is the Buyer and the FX Options of which the Client is the Buyer. The Client acknowledges that **if the Client is the Buyer of an FX Option that is "in the money" at Maturity, the Bank will seek, without being obliged to, exercise the relevant FX Option on behalf of the Client, even if the Client has given no instruction in this respect. The Bank shall be entitled not to exercise or to consider that an FX Option has not been validly exercised if the Bank, using commercially reasonable efforts, has been unable to exercise the Mirror FXO (if any) or if the Liquidity Provider has defaulted or given indications that it will default on its obligations relating to the Mirror FXO.**

13.12 For the purpose of these Special Terms and Conditions for Forex, an FX Option shall be "in the money":

- if the FX Option is a Call, if the exchange rate between the Base Currency and the Quoted Currency at Maturity and as determined by the Bank (the "**Spot Rate**") is higher than the Strike Rate;
- if the FX Option is a Put, if the Spot Rate is lower than the Strike Rate.

The Client acknowledges that the Spot Rate may be different from rates displayed by the Bank on its website or elsewhere on the Forex Platforms.

13.13 If the FX Option has been exercised in accordance with its terms and these Special Terms and Conditions for Forex, then the Bank and the Client shall enter into a cash settled spot position on the currency or precious metal pair comprised of the Base Currency and the Quoted Currency (the "**Settlement Transaction**"). The Settlement Transaction shall have the following characteristics:

- if the Client would have been required to buy the Base Currency against the Quoted Currency had the FX Option been settled in kind, the Client shall have a "long" spot position on the Settlement Transaction, i.e. the Client would be required to buy the Base Currency against the Quoted Currency if the Settlement Transaction were settled in kind;
- if the Client would have been required to sell the Base Currency against the Quoted Currency had the FX Option been settled in kind, the Client shall have a "short" spot position on the Settlement Transaction, i.e. the Client would be required to sell the Base Currency against the Quoted Currency if the Settlement Transaction were settled in kind;
- the Settlement Transaction is entered into at the Strike Price.

13.14 The Settlement Transaction shall be subject to the terms and conditions applicable to Forex Transactions. Notwithstanding anything to the contrary, the Settlement Transaction is subject to Roll-over and to Forex Margin. **The Settlement Transaction shall be entered into and subject to a Roll-over only if (inter alia) the Client maintains the Required Margin for this Settlement Transaction.** In the event that the Client does not maintain the Required Margin at Maturity, the Bank shall be entitled not to enter into a Settlement Transaction. In such a case, the FX Option will have expired worthless and **the Client will lose any profit made on the FX Option.**

13.15 If the Client is the Buyer of an FX Option, the Bank may allow the Client to trade on margin, i.e. to use leverage, whereby the Client will be allowed to enter into a trade on the relevant FX Option by paying to the Bank only part of the Premium. If the Client is the Seller of FX Options, (i) the Bank shall be entitled to price the FX Options so as not to pay a Premium or to pay such Premium in the form of an amount blocked on the Client's Account and (ii) the Bank may require that the Client deposits a margin on an Account and may also set-off the amount of the margin against the Premium. The Bank sets margin requirements in its sole discretion and in accordance with Article 4 above.

14. EARLY TERMINATION OF FOREX TRANSACTIONS

14.1 In addition to the Article 11 of these Special Terms and Conditions for Forex, the Article of the General Terms and Conditions on the Event of Default shall also apply to Forex Transactions.

15. LIABILITY

15.1 If the Client entered into a Forex Transaction at a price offered by the Bank but that was incorrect due to an error, the Bank shall have the right to make the necessary corrections in the Client's Account or to cancel the concerned Forex Transaction. An incorrect price may in particular be given when the Bank relies on information (including that of the Bank's counterparties or other third parties) that subsequently proves to be incorrect or defective, due to (i) special market circumstances, including, without limitation, a lack of liquidity or high volatility, (ii) technical reasons and/or (iii) a spelling or a similar error. The Client hereby accepts any correction of the said price where the Bank has made a proper and timely correction taking account of a valid price at the time the error was made. Except in the case of fraud or gross negligence on its part, the Bank shall not be liable for any Damages suffered by the Client with respect to the Bank's intervention pursuant to this Article.

15.2 The Client acknowledges and accepts that any third party supplier of software or technology (such as Integral) whose products and services may be used by the Bank within the framework of the offer of the Forex Platforms (hereinafter the "**Third Party Supplier**") shall not be liable for any Damage suffered by the Client as a result of the access to or use of, or failure to access to or use of, the above-mentioned software or technology. In this regard the Third Party Supplier shall be considered as an "intended third party beneficiary".

15.3 The Bank shall not be liable for the acts or omissions of any Third Party Supplier if the Bank has selected and appointed said Third Party Supplier with due care. The Bank shall not be liable for the implementation and functioning of any third party trading and/or advisory solutions, algorithms or systems that the Client uses.

15.4 The provisions of the General Terms and Conditions and of these Special Terms and Conditions for Forex pertaining to liability shall further apply.

16. REMUNERATION AND CHARGES OF THE BANK

16.1 In addition to the spread, the Bank shall be entitled to debit from any Account the fees, commissions and costs stipulated in the current fee schedule appearing on the Bank's website or agreed separately in writing.

17. MISCELLANEOUS

17.1 **Any complaint by the Client (*e.g.* concerning the execution or non-execution of any Order, and any objections concerning a Report or a Notice from the Bank) must be made in writing immediately upon receiving the corresponding Report or Notice, but not later than one Business Day after receipt.**

17.2 By accepting these Special Terms and Conditions for Forex, Clients whose Accounts are managed by external money managers agree to extend the authorisation given to the external money manager to all Forex Transactions to the extent necessary.

17.3 The Client acknowledges that the Bank may use a Third Party Supplier's software for the purpose of offering Forex Platforms and that the IP address of the computer or device on which the Client uses the said software may become known to that Third Party Supplier, who may be located abroad. The Client accepts all the consequences that may be linked to that fact, particularly in terms of confidentiality and banking secrecy.

18. APPLICABLE LAW AND JURISDICTION

18.1 **The Agreement and part thereof, including these Special Terms and Conditions for Forex, shall exclusively be governed by and construed in accordance with substantive Swiss law.**

18.2 **The place of performance, the place of enforcement against Clients residing abroad and the exclusive place of jurisdiction for any dispute arising from or in relation to the Agreement or any part thereof, including these Special Terms and Conditions for Forex, shall be at the seat of the Bank in Gland/VD in Switzerland.** However, the Bank reserves the right to bring such proceedings before the competent courts having jurisdiction at the Client's place of residence or domicile or before any other competent court, in which case substantive Swiss law shall remain exclusively applicable.