

People's Securities, Inc.

A subsidiary of  People's United Bank

This contract explains the terms and conditions that govern my option account(s) with you. In consideration of your opening one or more option account(s) on my behalf, I agree to the following terms and conditions.

1. Definitions

- A. The words "I", "me", and "my" shall mean the person(s) (whether individual, partnership, corporation or otherwise) in whose name the option account is opened. As used in this agreement the singular shall include the plural if the account is jointly owned, except where otherwise indicated.
- B. The words "you" and "your" shall mean People's Securities, Inc.

2. I will not enter any order for options until I have received, read and understood the appropriate Options Disclosure Document(s) of The Options Clearing Corporation. I specifically affirm the following disclosures as set forth in said Document(s):

- A. That both the purchase and the writing of options contracts involve a high degree of risk, are not suitable for many investors and, accordingly, should be entered into only by Investors who understand the nature and extent of their rights and obligations and are fully aware of the inherent risk involved, especially during extreme market volatility or trading volumes.
- B. That I should not purchase any option unless I am able to sustain a total loss of the premium and transaction costs and (i) that I should not write a call option unless I either own the underlying security (or a security convertible, exchangeable or exercisable into such underlying security) or am able to sustain substantial financial losses and (ii) that I should not write a put option unless I am able to sustain the loss resulting from purchasing the underlying security at the exercise price.
- C. That the price of an options contract is affected by various factors such as the relationship between the exercise price and the market price of the underlying security, the expiration date of the option and the price fluctuations or other characteristics of the underlying stock.
- D. That the exchanges or other regulatory bodies may restrict transactions in particular options or the exercise of options contracts in their discretion from time to time.
- E. That all index option exercises are settled by cash payment and not by the delivery of securities; and that all index option exercises are based on the closing index value and that any "in the money" index options exercised prior to the availability of the closing index value face the risk of closing out of the money due to a subsequent adverse change in the index value.

3. I have noted particularly those sections of The Options Clearing Corporation Disclosure Document(s) which summarize the risk factors involved in options trading and I have determined that, in view of my financial situation and investment objectives, options trading is suitable for me. I shall advise you of any changes in my investment objectives, financial situation and needs insofar as such changes are material to my options transactions. The financial and other information listed on this application is accurate.

4. I understand that you have no obligation to give me prior notice of option expiration dates. I will bear full responsibility for taking action to exercise an option. I will pay the full aggregate exercise price for the underlying securities covered by the option contract. If I do not notify you to exercise a valuable option by the prescribed time and you are unable to exercise such option for any reason on my behalf, I hereby waive any and all claims for damage or loss which I might have at that time or anytime thereafter against you arising out of the fact that the option was not exercised.

5. All transactions shall be subject to the constitutions, rules, regulations, customs and usages of The Options Clearing Corporation and any exchange or other marketplace where executed. In addition, I am aware of, and agree to be bound by, the rules of the Financial Industry Regulatory Authority (FINRA) and The Options Clearing Corporation applicable to option contracts.

6. I, alone or in concert with others, will not violate the position limits or the exercise limits of the options exchanges and FINRA as set forth in The Options Clearing Corporation Disclosure Document(s).

7. I understand that before writing any option contract, I must have in my account a minimum equity or appropriate position in such amount as you may specify from time to time, and that no withdrawals of cash or securities will be permit-

ted from the account which would reduce either the equity or the position below your requirements. I further understand that in order to maintain such minimum maintenance requirements, at your sole discretion you may refuse any of my orders to sell securities in my account. Accordingly, I agree not to hold you responsible or liable for any loss I may sustain due to your refusal to permit the sale of such securities during this period.

- 8. A number of PSI customers may at any one time have option positions which are subject to being exercised. When the Options Clearing Corporation assigns exercise notices to PSI, the exercise is not linked to a specific PSI customer's position. In accordance with regulatory requirements, PSI will use a fair method to assign exercise notices to particular customers. I understand that you will use the random selection method of allocation. This method randomly selects from all customers' short option positions, including positions established on the day of assignment, those option contracts which are subject to exercise. I further understand that all American-style option positions are liable for assignment at any time after it has been written until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period. A detailed description of this method is available upon written request.
- 9. The exercise and assignment of options will be subject to the rules of The Options Clearing Corporation and People's Securities as may be in effect from time to time. I am aware of your requirements and time limitations for accepting instructions from me or my authorized agent with respect to my options positions. **Manual exercise by customers:** In the event that I fail to instruct you by 4:20 p.m. (ET) on the business day immediately preceding the expiration date to exercise an equity option which is in-the-money by less than \$0.02, I hereby agree to waive any and all claims for damage or loss that I might have against you, at the time or any time thereafter, arising out of the fact that an in-the-money option is not exercised. **Automatic exercise by The Options Clearing Corporation:** I am aware that I must notify NFS no later than 4:20 p.m. (ET) on the business day immediately preceding the expiration date if I do not want The Options Clearing Corporation to exercise on my behalf an equity option which is "in-the-money" by \$0.02 or more, or an index option which is in-the-money by \$0.01 or more. In the event my option contract(s) are exercised, I understand that all resulting positions will be maintained in my account and I must instruct you to close such positions if I wish to do so. If the position(s) that arises from an exercise cannot be maintained (e.g., short stock in a retirement account, no shares available for a short sale, etc.), I understand that you will liquidate the position at my sole risk, for which I shall be charged two commissions. I agree to make full and timely settlement for any underlying security covered by the exercised option contract(s).
- 10. In case of my insolvency, death or the attachment of my property, you may, with respect to any open options contract position, take such steps as you may consider necessary or appropriate to protect yourself against loss. All obligations and liabilities arising under this account are joint and several and may be enforced by my Broker/Dealer against any or all account holders.
- 11. If I am approved for equity spreads, I will be required to apply for margin trading. The provisions of the People's Securities Margin Agreement and Margin Disclosure will also apply to my account, except to the extent which it conflicts with this agreement. In the event of a conflict, this agreement shall control, and where there is no conflict, each provision of each agreement and disclosure shall apply.
- 12. The provisions of People's Securities Customer Agreement and any other agreement applicable to my account with you, whether signed by me previously or hereafter, shall also apply to such options transactions, except to the extent which it conflicts with this agreement. In the event of a conflict, this agreement shall control, and where there is no conflict, each provision of each agreement shall apply.