

CONFIRMATION OF BUSINESS RELATIONS

Place/Date: /

Sender:

Recipient:

Order of

Ref.:

We confirm that the customer

maintained the business relations listed below at our
organizational unit(s)

on under customer number(s)

1. Positions
1.1 <i>Account and passbook positions</i> 1. 2. 3.
1.2 <i>Loans</i> 1. 2. 3.
1.3 <i>Custody account holdings</i> 1. 2. 3.
1.4 <i>Fixed deposits</i> 1. 2. 3.

1.5 <i>Fiduciary investments and other fiduciary transactions</i>
2. Credit lines 1. 2. 3.
3. Repurchase and lending transactions with assets other than money
4. Derivative products and structured transactions
5. Forward and swap transactions 1. 2. 3.
6. Contingent liabilities 1. 2. 3.
7. Restriction on disposal
8. Signatures and special services 8.1 <i>Signatures</i> 1. Signature card enclosed 2.
8.2 <i>Special services</i> 1. 2.

This confirmation of business relations contains the information which in the bank's view is necessary for the function of the auditors, however at the very least it contains the information required under Item 6 of the Information Bulletin of the Swiss Bankers Association. This confirmation may only be used for audit purposes.

This confirmation of business relations consists of _____ components, each signed separately by the bank and is only complete when all components are taken together.

In so far as the bank has used the appropriate due diligence in preparing this confirmation, it is not liable for any damages resulting if the contents of this confirmation are incomplete or incorrect.

Sincerely yours

Note of partial confirmation (under §3.4 of the Information Bulletin):

--

Enclosures: noted

SWISS BANKERS ASSOCIATION

Information Bulletin "Confirmation of Business Relations"

The auditors of domestic and foreign corporate customers of the banks need various confirmations about the complete business relations between the persons requesting confirmation and the banks listed in their books of account in order to fulfil their audit assignment. The Swiss banks may use the enclosed sample form to provide such confirmations. In any event, it is recommended that the following regulations regarding the conditions, form and scope for providing such confirmations be complied with.

1. Definition

At the very least, a confirmation of business relations is to provide information about the claims and obligations of customers vis-à-vis clearly defined organizational units (OU) of the bank (branches and offices in Switzerland) as noted in this Information Bulletin on any given reference date - but not for a period of time.

2. Basic principles

- The person requesting the confirmation is the customer or a person he has authorized. The order is to be on hand in writing and may be used for a one-time confirmation or for regular confirmations (cf. also Item 4).
- A confirmation covers one or more relationship or customer numbers. The confirmation should include the existing business relations to the clearly defined OU. At its discretion, the bank may summarize and confirm several OU together depending on its structure and technical possibilities. However, the confirmation must clearly indicate the composition of the OU.
- The confirmation is to refer to a clearly designated reference date (accounting date) but not to whole periods of time.

To ensure that these principles are properly taken into account, the following wording is recommended:

"We herewith confirm that on XX.XX.XXXX (date) the customer (name of the customer) maintained the business relations listed below under the customer/relationship number (s) at our OU (branches and offices incl. location)."

3. Completeness

3.1. Basic principle

Business relations are to be confirmed fully, clearly and correctly in terms of contents. At the very least, they cover the transactions defined in Item 6 as concluded at the OU designated by the customers including all the relationship and customer numbers belonging to the customers, regardless of whether they are in their names, under a number or under a pseudonym. The name of the customer or the customer relationship - not an individual relationship or customer number - is decisive for the confirmation.

3.2. Number and pseudonym

So that the meaning and purpose of business relations not listed under the customer's name (numbered accounts, accounts under pseudonyms, etc.) can be taken into account and to prevent knowledge of these business relations, it is recommended that these business relations be confirmed separately from those business relations maintained under the name of the customer (relations with named accounts) unless the customer issues instructions to the contrary and taking into account Item 3.3.

3.3. Separate confirmation

If business relations within the defined OU are confirmed separately, it is recommended that the following statement be noted on each partial confirmation:

"This confirmation of business relations consists of (number of) components, each signed separately by the bank and is only complete when all components are taken together."

3.4. Restrictions concerning completeness

General restrictions concerning completeness may not be entered on the confirmations. If the customer explicitly requests that only certain claims or obligations are confirmed vis-à-vis the auditor, the following statement should be noted:

"This confirmation is incomplete and covers - also for audit purposes - only a part of the claims and obligations of the customer."

4. Sending

A confirmation of business relations is sent according to the instructions received from the customer.

5. Accounting versus value date

Confirmations of business relations are only provided on the accounting date. If the customer requires a confirmation according to value date then an account statement for the desired period beginning from the accounting date can be provided to the customer or a third person designated by him. Unless the customer desires otherwise, a period of 10 (ten) days from the accounting date is recommended. The confirmation of business relations and the related account statements are sent at the same time.

6. Confirmation and classification of the types of transactions

According to the current view, a confirmation of business relations should contain at the very least the following information. The classification (6.1. to 6.8.) is not compulsory, nevertheless it is recommended that the banks assume and use these categories.

6.1. Positions

- 6.1.1. ACCOUNT AND PASSBOOK POSITIONS
all accounts conducted as of the reference date (current accounts, savings and deposit accounts, precious metal accounts, provident accounts, etc.) and passbooks (savings and deposit accounts, etc.). Above-mentioned accounts with a balance of zero (0) are also to be confirmed.
The minimum to be confirmed: account number, type of account, currency and account or passbook balance.
- 6.1.2. LOANS
all balances of loans, mortgages, fixed advances and fiduciary loans held on the reference date.
The minimum to be confirmed: account number, type of account (type of lending), currency and balance.
- 6.1.3. CUSTODY ACCOUNT HOLDINGS
all opened and closed custody account holdings maintained on the reference date. Custody accounts without holdings are also to be listed.
The minimum to be confirmed: custody account number, type of custody account (currency and amount), all assets recorded in the custody accounts.
- 6.1.4. FIXED POSITIONS
all customers' deposits on a call basis and/or with fixed maturity (time deposits).
The minimum to be confirmed: brief designation (contract number), currency and amount, maturity date.
- 6.1.5. FIDUCIARY INVESTMENTS AND OTHER FIDUCIARY TRANSACTIONS
all fiduciary investments on a call basis and/or with fixed maturity and other fiduciary transactions
The minimum to be confirmed: brief designation (contract number), currency and amount, maturity date.

6.2. Credit lines

all credit lines confirmed vis-à-vis customers
The minimum to be confirmed: currency and amount/line, reference to agreement ("under the agreement of ...").

6.3. Repurchase and lending transactions with assets other than money

all repurchase and reverse repurchase transactions (repos) and all lending transactions with non-monetary assets, such as money market paper, securities, precious metals, commodities (e.g. securities lending and borrowing).
The minimum to be confirmed: type and scope of the existing transactions.

6.4. Derivative products and structured transactions

all standardized forward contracts (futures) and options (warrants) and all structured products. Investment instruments consisting of at least two components (such as bonds, precious metals, stocks, derivatives, etc.), but which are offered as one unit are considered as structured products.
The minimum to be confirmed: type of instruments and scope of the existing transactions.

6.5. Forward and swap transactions

all forward transactions in securities, forward exchange and commodities as well as interest-rate and foreign exchange swap transactions.
The minimum to be confirmed: quantity or currency and denomination, due date, counter amount or remuneration.

6.6. Contingent liabilities

all contingent liabilities such as irrevocable commitments and commitment facilities (guarantees, sureties and other guarantees, commitments from documentary credits, residual risk from export finance, bill discounting, etc.).
The minimum to be confirmed: type and scope of existing transactions.

6.7. Restriction on disposal

all assets which may not be freely disposed of vis-à-vis third parties (third party pledgers) and blocked accounts/custody accounts, in so far as they have not been listed separately under 6.1.
The minimum to be confirmed: account/custody account, amount.

6.8. Signatures and special services

- 6.8.1. SIGNATURES
all persons authorized to sign on the date of the confirmation.
The minimum to be confirmed: name and type of authority (collective, individual, etc.).
- 6.8.2. SPECIAL SERVICES
Video-Tex, Internet agreements, home banking, etc.; telex and/or fax code
The minimum to be confirmed: contract/agreement of...

7. Reference to confirmation

The confirmation of business relations should contain a reference similar to the following:

"This confirmation of business relations contains the information which in the bank's view is necessary for the function of the auditors, however at the very least it contains the information required under Item 6 of the Information Bulletin of the Swiss Bankers Association. This confirmation may only be used for audit purposes."

8. Signing the confirmation

Confirmations may be signed by the bank with original or facsimile signatures.

9. Liability

Every confirmation should include a liability clause. We recommend the following wording:

"In so far as the bank has used the appropriate due diligence in preparing this confirmation, it is not liable for any resulting damages if the contents of this confirmation are incomplete or incorrect."