

RISK DISCLOSURE STATEMENT



Risk Disclosure Statement

This brief statement does not disclose exhaustive risks involved in transactions of foreign exchange contracts and other major issues. In view of such risks, Clients shall only conduct transactions based on their understanding of the contractual nature, the contractual relationship to be established by Clients and the degrees of risk to be confronted by Clients. Some Clients may not be suitable for getting involved in foreign exchange contracts. Clients shall deliberate on whether the transaction would be suitable for them based on their experience, purpose, financial resources and other related situations, etc.

GMI trading services are not suitable for everyone so if Client is unsure about any investment or financial decision, he/she should seek expert independent advice. Please note that the value of Client's investments may rise or fall depending on market conditions and that Client may not always recoup his/her initial investment. In addition, past performance should not be seen as an indication of future performance.

- **Leverage effect.** In leverage transactions, foreign exchange contracts are of high risk. Compared with the value of foreign exchange contracts, the value of initial margin is relatively low. The relatively less market fluctuation may lead to greater proportional impact on the funds deposited or to be deposited by clients, which may develop adversely or beneficially to Clients. Clients might lose all initial margin and any other deposits in order to maintain Clients' position. The Client is responsible for all the risks, financial resources the Client uses and for the chosen trading strategy.
- **Risk reduction orders and strategies.** Issuing "stop-loss" or "price-limited" orders and other conditional orders, especially under very volatile market conditions, would not necessarily limit Clients' losses within the expected amount because market conditions may lead to the impossible execution of such orders. The use of combined positions strategies such as "arbitrage" and "straddle trading" may be as dangerous as simply maintaining "long position" or "short position". The Client acknowledges and accepts that, regardless of any information which may be offered by GMI, the value of Instruments may fluctuate downwards or upwards and it is even a possibility that the investment may diminish to no value.
- **Charge of fees.** Prior to any transaction, Clients should have a clear understanding of all the fees which might be charged. This charge of fees will affect Clients' net profits (if any) or increase losses of Clients.
- **Electronic transactions.** Transactions carried out by electronic trading systems are

not only different from those of open outcry markets, but also different from other electronic trading systems. If Clients made transactions through electronic trading systems, Clients would face the risks associated with electronic trading systems, including any hardware and software breakdowns. The result of any system breakdowns may cause Clients' orders not to be followed by Clients' instructions or not to be executed at all. Since GMI cannot control the signal power, its reaction path, or the Internet path, the configuration of clients' equipment or reliability of its connection, GMI cannot be liable for any communication breakdown, disorder or delay, in online transaction (via the Internet). In no event shall GMI be liable for speculative or anticipated damages for future potential profit losses.

- **Limitation of liability.** When clients accept any "original" trading system provided by GMI, GMI does not provide any express or implied warranty, including but not limited to the merchantability or any implied warranty of conforming to the specific purpose or application; any warranty for undisturbed timeliness; or any implied warranty caused during the transactions, the process or performance of transactions. In any case, GMI shall not be liable for any consequential, indirect, incidental loss or damage, including but not limited to any loss of business, earning or goodwill, etc. GMI is not liable for any service or transmission delay or interruption caused by any reason (including but not limited to hardware or software faults; regulatory measures; natural disasters; war, terrorism or intentional behavior, etc.). Clients accept that there may be delays or interruptions in the use of systems, including but not limited to any delay or disruption caused by GMI for the purpose of maintaining the system. GMI cannot guarantee to provide alternative trading arrangements in a specific time. GMI shall not be liable for any delay in placing any order.

To the fullest extent permitted by law, in no event shall GMI or any of GMI directors, employees or agents have any liability whatsoever to Clients or any other person for any direct or indirect loss, liability, cost, claim, expense or damage of any kind, whether in contract or in tort, including negligence, or otherwise, arising out of or related to your use of with any customized interface or third party equipment, hardware or software, such as MT4/MT5/GMI Edge (a "Software Trading Tool") or any form of interaction between any Software Trading Tools and your Account (including but not limited to API and/or FIX interactions, a "Software Bridge").

- **Margin.** The margin policy of GMI requires that there shall be a

reasonable margin in Client's account. Failure to meet margin requirements might result in termination and loss of any existing position. If the margin of an account is less than the minimum margin required by the margin policy of GMI, GMI reserves the right to terminate all positions without any prior notice.

- **Quotation error.** If the quotation errors occur (including but not limited to GMI input errors not representing the fair market price quotations, GMI quotation errors reported by GMI employees, including but not limited to large numbers of wrong quotations or wrong quotations caused by hardware, software or communication lines or systems and/ or quotation error due to inaccurate external data sources provided by third party suppliers), GMI shall not be liable for any fault of the account balance. The above list is not exhaustive when quotation errors occur. GMI reserves the right to make necessary corrections or adjustments to the accounts involved. If there is a system error that interests or interest payments in accordance with the plan are not charged, GMI reserves the right to withdraw or distribute the interest at any time.
- **The third-party authorization.** If Clients grant third party trading advisors (including but not limited to fund managers) the trading authority or rights of controlling accounts whether full authorization or non-full authority, in no case shall GMI be liable for or make any suggestion for Clients' choices of any third-party trading advisor. GMI does not make any statement or guarantee to any trading advisor; GMI is not responsible for any loss, which Clients may suffer and is caused by any trading adviser's conduct. GMI does not acknowledge any third-party trading advisor's trading methods either in explicit or implied way. If Client authorized a fund manager to exercise any right to the Client's account, the Client shall be at his/her own risks and the Client shall periodically check the activities of the account to ensure that any transaction operated by the fund manager has been approved by the Client.
- **Risk disclosure in bankruptcy protection.** Transactions conducted by Clients through GMI are different from other transactions conducted on the Exchange. The protection of Client's funds may be different from that of the funds with a priority in bankruptcy or the protection of futures and options contracts secured by the Exchange. The funds invested in OTC Forex trading and online derivatives contracts or other online trading products cannot obtain the same priority. For example, if GMI were insolvent while Clients lodged claim for deposits or profits from GMI, the claims of Clients as general creditors would not obtain the priority and thus Clients would be paid the remaining amount

until after the payment of the claims with priority even if GMI separated its Clients' funds from its own operating funds.

- **Volatile market conditions.** Transactions are sometimes subject to the volatile market. For example, the release of critical news may make Clients face additional risks, including but not limited to the risk that Clients may not be able to get the price they ask for. GMI cannot guarantee any price for any Clients in the volatile market.
- **Transactions in demo accounts.** Trading in demo accounts might be different from real transactions. Therefore, it should not be assumed that Clients trading in demo accounts would come across the same results in real transactions.
- **Force Majeure Event.** In case of a Force Majeure Event the Client shall accept the risk of financial losses.