



TRADING REGULATIONS

NOTE: Understanding these Trading Regulations is essential information. These regulations govern your Global Forex Trading (a Division of Global Futures & Forex, Ltd., a Michigan Corporation, hereinafter referred to as "GFT") execution, account maintenance margin and delivery procedures.

DEPOSIT REQUIREMENTS & MISCELLANEOUS FEES (Fees shown in USD base currency.

Click here to view fee schedule for other base currencies http://www.gftforex.com/documents/processing_fees.pdf)

- All deposits are accounted for in the base currency chosen for that account. However, if a client wishes to deposit funds into his account that are not in the base currency, GFT will be happy to convert the currency at the prevailing currency conversion rate for the currency you wish to deposit.
- Click here to view the minimum deposits http://www.gftforex.com/documents/processing_fees.pdf .
- All checks must be made payable to Global Forex Trading.
- Deposits will not be posted to trading accounts and trading orders will not be accepted prior to a check clearing the bank from which it is drawn.
- Before any payments from a trading account may be disbursed the account holder must sign and mail or fax a Funds Request Form.
- GFT may not make or receive any payments or deposits via a third party.
- An account will be deemed inactive if no trading activity has occurred for a period of 60 days or more. A monthly inactivity fee of seventy-five dollars USD (\$75.00) and any additional applicable fees will be charged to these inactive accounts. Base 10 accounts will be charged an inactivity fee of \$25.00 Click here to view fee schedule for other base currencies http://www.gftforex.com/documents/processing_fees.pdf
- All banking fees, including but not limited to wire transfers, are the responsibility of the Client and will be charged to the Client's trading account.
- A charge of twenty-five dollars (\$25.00) USD will be debited from a Client's trading account when a Client's check is not honored due to insufficient funds or a stop payment order having been issued. Click here to view fee schedule in other base currencies http://www.gftforex.com/documents/processing_fees.pdf
- Optional ITX orders are charged a commission fee of \$10 USD per round turn lot. Click here to view fee schedule in other base currencies: http://www.gftforex.com/documents/processing_fees.pdf

TRADING HOURS

- A Client may execute a trade twenty-four (24) hours a day beginning at 17:00 hours (5:00 p.m.) on Sunday and ending at 17:00 hours (5:00 p.m.) on Friday. Times referenced in these Trading Regulations are Eastern Standard Time (E.S.T.) or Eastern Daylight Time (E.D.T.) whichever is in effect.
- At 17:00 hours (5:00 p.m.) each Friday, trading will be disabled until Sunday 17:00 hours (5:00 p.m.).
- At approximately 15:00 hours (3:00 p.m.) daily client positions will be rolled into the next applicable value date; unless client has noticed GFT two business days prior (or one business day prior in the case of US dollar/Canadian dollar transactions) of intent to receive delivery on currency position. GFT uses the Tom/Next swap rate as the bench mark for these currency rollovers. All transactions done after 15:00 hours (3:00 p.m.) will in the new value date.
- Clients will be informed in advance by GFT on a best efforts basis of changes in operating hours due to holidays and special system maintenance requirements.

AUTOMATIC ROLL OVER OF TRADES NOT NOTICED FOR DELIVERY

- All contracts for foreign currency are executed for actual delivery, but where trades are not noticed for settlement by delivery by GFT customer before 15:00 hours (3:00), the foreign currency transaction will be rolled via swap transaction into the next

applicable spot value date. GFT will continue to roll customer positions until client notices GFT of intent to take delivery or closes out the currency position. There are no commission charges for these "rollover" transactions.

SLIPPAGE

- Slippage on all stop orders is possible during times when GFT is closed, around fundamental announcements, and times of extreme market volatility. Slippage relates to orders being filled at a price which is worse than the stop price requested by the customer.
- GFT is closed from Friday at 5pm EST until Sunday at 5pm EST. During this time markets may move. All stops which are due for execution will be filled at the opening rate which GFT is quoting at 5pm EST on Sunday.
- The customer has the ability to control slippage on direct deal orders. When the customer submits an order, they can select the amount of slippage that they will accept. The customer enters a range in pips, either better or worse, than the direct rate entered. If the market is within this range, they will be filled at the new price. The fill may, however, be different than the direct deal price that they submitted.

Stops may also be slipped during fundamental announcements and extreme market volatility. The release of fundamental data and extreme world events many times causes increased volatility in the market. When economic data or world events are announced, the market may "gap" in a particular direction. This means that there are no tradable prices between the actual price the market was trading prior to fundamental release or world event and the price available after the market has adjusted, following the release or event. Prices move very quickly and orders are filled in some cases at prices very far away from the stop price. This can be a consequence in any market that is affected by an influx of data around these times

PRICE SPIKES

- No working orders (stops or limits) will be filled if an invalid price spike occurs. Bad price spikes occur when an incorrect price is entered into DealBook. Bad price spikes are removed from the price charts quickly to alleviate confusion.

MINIMUM MARGIN REQUIREMENTS

- Margin requirements are subject to change without notice, and when issued shall apply to all new and existing positions. Margin Requirements may vary between customers. GFT reserves the right to increase or decrease margin requirements on a per customer basis at GFT's sole discretion.
- A trading account's Initial Margin Requirement is the initial based currency margin amount that is required to be in an account to cover all of a client's open trading positions. For an account to be in good margin status, the equity balance must be higher than the prescribed Initial Margin Requirement. For valuation purposes all open currency positions are converted to the base currency equivalents on a marked to market basis.
- GFT maintains the right to offset any open positions in any currency traded through its facilities for any reason it deems appropriate, particularly in light of where margin is deficient or threatening to become so, notwithstanding the then present Initial Margin Requirement. Generally, an account will be deemed margin deficient whenever the account's equity is less than one hundred percent (100%) of the Initial Margin Requirement. The account holder is then responsible for bringing the account above the Initial Margin Requirement. Should GFT permit an account to maintain a position that is less than what the Initial Margin Requirement dictates, it still maintains the right to close out the currency position at any time, and the investor should expect that notwithstanding any communication to the contrary from GFT, if the account at any time falls to or below twenty five percent (25%) of the Initial Margin Requirement all positions in the account will be closed out.
- When an account becomes margin deficient, which is any time the account equity is less than the Initial Margin Requirement, trading in the account is automatically disabled from opening any new positions. The account's ability to establish new positions remains disabled until sufficient margin has been deposited into the account or a sufficient amount of the currency is closed out in order to bring the account's equity balance above the Initial Margin Requirement. Failure to immediately respond to a margin deficient account may, at GFT's sole discretion; lead to all of the Client's trading positions being closed out. Should the account enter into any new positions for whatever reason, while being margin deficient, GFT reserves the right to close out at its sole discretion and at the sole liability of the account holder, any currency positions that may have been initiated.

ORDER EXECUTION

- Stop Orders: Stop Orders are activated at the price designated by the client. The next price that is available is where the stop order will be executed. Buy Stop orders are executed at the next available offer price and Sell Stop orders are executed at the next available bid price.
- Limit Orders: Limit Orders are executed at the price designated by the client.
- Market Orders: Market Orders are executed at the best available price. The price that appears in the client's ticket prior to submission is the last price only and does not constitute the actual execution price. Once the submitted order is received it will be executed at the next best available price.

- **Direct Deals:** Direct Deals are one click trades that a client may submit at any time. The price at which a direct deal is executed depends upon market conditions at the time the order is received. If the market still warrants the price the client requested, the client's order will be executed as received. If the market does not warrant the price the client requested, the client's order submission will be requoted at a new updated market price ready for re-submission.
- **Placing an Order.** Orders are accepted through the Internet or by telephoning the GFT Dealing Desk.
- **Recording of Orders.** All telephone calls placed through the Dealing Desk, are recorded by telephone recording devices, with the recording generally being kept on file for at least two (2) weeks. All conversations concerning price quote requests, order placement and execution, confirmations, and any other trading related issues, are also generally recorded to ensure fairness and accuracy for all parties involved in the delivery and execution of a trading order and are generally kept on file for at least two (2) weeks.
- **Disputed Orders.** All orders placed through the dealing desk are confirmed by the system and appear on the system's trading reports. An order will be deemed fair, accurate, and undisputed unless a Client disputes an order within forty-eight (48) hours of the trade being executed.
- **Confirmed Orders.** Once an order has been confirmed electronically through the dealing desk, its terms are final and the obligation of the Client is established unless within the appropriate time a dispute is registered and per the sole discretion of GFT, a correction is to be made by GFT.
- **Non-Permissive Orders.** Any order placed by a Client whose account lacks sufficient equity will be deemed to be an improper trade, and thus may not be executed by the System. Similarly, Stop and Limit orders executed outside of the Available Margin may not be executed. Orders that are deemed, as improper trades may not be recorded into the System. Nevertheless, if, notwithstanding this rule, GFT executes such a trade, the Client will be responsible for the account's performance. Furthermore, if any such trade is made, GFT, at its sole discretion, may immediately close out any such position.
- **Working Orders while GFT is closed.** When GFT is closed, such as holidays and weekends, working orders (Stops, Limits and OCO orders) are not active and will not be filled until GFT reopens for business. Orders will then only be filled based on real-time prices and not previous prices that might have occurred while GFT was closed.

INSTRUCTIONS FOR PLACING A TELEPHONE ORDER WITH THE DEALING DESK

1. Call the Dealing Desk at 1-877-465-0787 or (616) 974-3670.
2. Once the telephone is answered, have ready the following information for the dealer who has answered your call:
 - Your Account Number
 - Whether You are Buying or Selling
 - The Volume of Your Order
 - The Currency You Wish to Trade
 - The price at which you would like your order placed
 - The type of order ex. (limit, stop, and/or OCO)

DELIVERY

- Delivery instructions will be initiated only when a client has sufficient funds in his/her/its account to pay for the foreign currency and an amount sufficient to meet any costs, fees, duties or taxes on delivery. Once the delivery notice is received at GFT, those funds necessary to pay for delivery and compensate for costs, fees, duties and taxes incurred, a sum which is in GFT's sole discretion to determine, will no longer be available to be employed as margin for other foreign currency transactions, at least until the delivery is complete.
- Delivery Notice must be posted with GFT by 15:00 hours (3:00 p.m.) two business days before the Value Date (except for United States dollar/Canadian dollar transactions, for which notice of delivery may be provided one business day before the Value Date). Because of time zone matters, various unique rules and regulations in various nations and then in diverse banking institutions, and the natural delays that may occur when and where delivery is made to non-English speaking locations, delivery dates are approximate dates. Thus, delivery on a date specific is the objective but not the absolute obligation of GFT, and no liability will accrue for early or late delivery.
- Intent to take delivery must be communicated to the trading desk via email or phone. Following the customer will be required to complete a delivery form and return to GFT. All of the actions listed must take place prior to 15:00 EST two days prior to the trade's value date. At a minimum the Client seeking delivery to its own account at GFT or its account at an acceptable banking institution must identify the specific trade by identification number, to be delivered and provide the delivery deposit, institution's name, address, telephone number, ABA routing numbers, and the "for credit to" account name and number. GFT reserves the right to seek further information it may deem appropriate before executing any such transaction.
- Where delivery is to be made payable to a third party, GFT, in addition to requiring the above information concerning the transaction, will require information on the payee comparable to the information required to open an account at GFT and proof

of debt owed, such as an invoice, or contract indicating payment due in the converted currency for a obligation that is legal under U.S. law.

THE CLIENT MUST ADHERE TO THE FOREGOING TRADING REGULATIONS AT ALL TIMES. GFT RESERVES THE RIGHT TO CHANGE THE TRADING REGULATIONS WITHOUT PRIOR NOTIFICATION TO THE CLIENT. THE EFFECTIVE VERSION OF GFT'S TRADING REGULATIONS WILL BE POSTED ON GFT'S WEB SITE, AND ANY CHANGES IN THE TRADING REGULATIONS SHALL BE EFFECTIVE IMMEDIATELY UPON POSTING OF THE VERSION OF THE TRADING REGULATIONS CONTAINING SUCH CHANGES. ANY QUESTIONS YOU MAY HAVE REGARDING THE TRADING REGULATIONS CONTAINED HEREIN OR ANY CHANGES THAT MAY BE MADE HERETO SHOULD BE DIRECTED TO GFT CUSTOMER SERVICE.

FOR A MORE COMPLETE LISTING OF BOTH GFT'S AND CLIENT RIGHTS AND OBLIGATIONS, PLEASE REFER TO THE FOREIGN CURRENCY AND OPTIONS ACCOUNT AGREEMENT.