

Risk Warning Notice

Effective date: July 2018



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The purpose of this Notice is to provide information concerning the trading services offered by LMAX New Zealand (“we”, “us”, “our”, “ours” and “ourselves” as appropriate), together with guidance on and warnings of some of the risks associated with those services.

This Notice cannot and does not explain all of the risks associated with our services nor does it contain a detailed explanation as to how our services operate. For a detailed explanation on how our services operate, you should read the following documents, which together with this Notice, form our agreement with you.

- Terms of Business
- Instrument Information
- Trading Manuals
- Order Execution Policy
- Summary Conflict of Interest policy
- Privacy Policy and Cookie policy
- You should not commence trading with us until you have read and understood the documents referred to above.

We offer trading services in Contract For Differences (CFD), rolling spot FX contracts, and rolling spot bullion contracts. These are **considered complex products which may not be suitable for everybody. You should carefully review all documents that make up the Customer Agreement to ensure you have a comprehensive understanding of how our products may function in different market conditions.**

Our trading service carries a high level of risk and is not suitable for everyone. You should not trade with us unless you understand the nature of the transaction you are entering into and the extent of your potential loss from a trade. You must satisfy yourself that it is suitable for you in the light of your circumstances, financial resources and investment objectives. If you are in any doubt you should seek independent advice. You trade entirely at your own risk.

Our trading service is execution-only. This means that we carry out your trading instructions. We do not provide you with any investment advice.

In deciding whether this type of trading is suitable for you, you should have regard to the following risks.

LMAX New Zealand is the trading name of LMAX New Zealand Limited, a company incorporated in New Zealand (number 5626391) who is a registered Financial Service Provider (register number FSP612509). Our registered address is Quigg Partners, Level 7, 36 Brandon Street, Wellington, 6011, New Zealand. Our operating address is LMAX c/o Generator, Level 10-12, 11 Britomart Place, Britomart, Auckland 1143, New Zealand. LMAX New Zealand is part of LMAX Exchange Group which is also the holding company of LMAX Exchange and LMAX Global.

- Our services involve a high degree of gearing or leverage. For the majority of the trades you place with us, you will be required to deposit a relatively modest proportion of the overall contract value to open the trade. This can work for and against you as a relatively small movement in the price of the financial instrument being traded can have a disproportionate effect on your trade. This may result in you achieving a good profit but equally may result in you incurring significant losses. These losses may be in excess of the cash you have deposited with us.
- It is your responsibility to monitor your account at all times. It is important that you monitor your positions closely due to the speed at which profits or losses can be incurred. If you have working orders and open trades you should always be in a position to access and manage your account. You may do this on-line, 24 hours a day, 7 days a week. We may rectify mistakes, but only if you notify us as soon as possible and in any event within 24 hours of the trade.
- You must understand that the price of the financial instruments being traded is determined by fluctuations in markets outside our control and that the historical performance of a financial instrument is no indication as to its future performance.
- You may be required to deposit additional funds into your account at short notice in order to support your open trades and working orders. A failure to deposit additional funds when required to do so may result in all of your open trades being closed out and your working orders cancelled by us without notice to you.
- There may be circumstances, for example where you have a large position and/or where there is low liquidity, where it is not possible to close your open trades immediately. It may take days or even weeks to do so. During this period the value of your open trades could fall, possibly by a significant sum, and you will be liable for the full amount of the losses that arise.
- Some of our financial instruments are quoted and settled in currencies other than the base currency of your account. Trading in these instruments carries additional risk as the exchange rate at the time you close a trade and when your balance is converted to your base currency at the close of business on the same day may have fluctuated. Therefore, if you trade in an instrument that is not quoted in the base currency of your account, currency exchange fluctuations will impact upon your profits and losses.
- We do not guarantee that an order you place to limit the loss on a trade will be filled at the price that you specify. In a fast moving market, your order may be liable to 'gap through', with the result that your trade is closed at an increased loss as compared with the level of the order that you placed. In the event that a 'gap through' occurs there can be a markedly different price in the financial instrument being traded with no opportunity to close your trade in-between. Therefore, an order you place to limit the loss on a trade should not be treated as a guarantee to limit your loss on that trade to a specific amount.
- Changes in, or the introduction of new, rules, regulations and laws or the way in which they are applied or interpreted may impact your trading with us. You may be exposed to the risks arising under the rules, laws and regulations of jurisdictions other than the jurisdiction in which you are located and/or with which you are familiar.

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- Our charges are set out on in our Trading Manual and on the Instrument Information on our Trading Platform. You should ensure that you aware of all the charges that apply to you and understand how our charging system operates before you commence trading with us.
- One or more of your trades may be affected by a corporate action type event, the occurrence of which may have a dramatic effect on that trade or trades and/or on your account generally. Please see the Terms of Business and Trading Manual for further information and a worked example. We recommend that before you open a trade with us you carry out your own research into whether the trade that you intend to open is liable to be the subject of a corporate action type event and if so the likely effect of that action on the trade that you wish to open.

To the fullest extent permitted by law, in no event shall we or any of our directors, employees or agents have any liability whatsoever to you 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 customised interface or third party equipment, hardware or software, such as MT4 (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”).

We have a formal complaints procedure. We aim to handle complaints as effectively as possible in order to achieve a speedy resolution. In order to aid this process, we require you to advise us of any complaint you have, and to provide all supporting documents, in a timely manner. A copy of our complaints handling procedure can be found on our website. If you are an eligible complainant and are dissatisfied with our resolution of your complaint you have the right to refer the matter to the Financial Dispute Resolution Service.

Address: Level 4, 142 Lambton Quay, Wellington Central, Wellington 6011, New Zealand

Telephone: 0508 337 337

Email: enquiries@fdrs.org.nz

Website: www.fdrs.org.nz

If there is anything in this Notice you do not understand, please contact our Helpdesk.

Email us at info@LMAX.NZ

Call us on +64-4-889-4510

Our Client Services team is available for 24-hour support, Sunday 22.00 – Friday 22.00 UK time.

Please note telephone calls will be recorded and/or monitored.

Write to us at:

LMAX New Zealand, Level 10-12, 11 Britomart Place, Britomart, Auckland 1143, New Zealand.

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