



CONFIDENTIAL

Titan Financial Group Ltd.

Risk Disclosure Statement

This brief statement (even though not required for PRIMARY/SECONDARY SECURITIES Trading but applicable to PRIMARY/SECONDARY SECURITIES Trading) does not disclose all of the risks and other significant aspects of trading in leveraged Trading accounts. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other circumstances.

1. Effect of ‘Leverage’ or ‘Gearing’

Transactions in PRIMARY/SECONDARY SECURITIES accounts carry a high degree of risk. The amount of initial margin is small relative to the value of the PRIMARY/SECONDARY SECURITIES contract so that transactions are ‘leveraged’ or ‘geared’. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit; this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

2. Risk-reducing orders or strategies

The placing of certain orders (e.g. ‘stop-loss’ order, where permitted under local law, or ‘stop-limit’ orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as ‘spread’ and ‘straddle’ positions may be as risky as taking simple ‘long’ or ‘short’ positions.

3. Terms and conditions of contracts

You should ask the firm with which you deal about the terms and conditions of the specific PRIMARY/SECONDARY SECURITIES which you are trading and associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of the full PRIMARY/SECONDARY SECURITIES value).

4. Suspension or restriction of trading and pricing relationships

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. suspension of trading in any PRIMARY/SECONDARY SECURITIES because of price limits, government intervention or “circuit breakers”) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions.

5. Deposited cash and property

You should familiarize yourself with the protections accorded money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically



identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

TFG Ltd clients accounts are kept with prime banking institutions which are covered by Government Insurance fund.

6. Commission and other charges

Before you begin to trade/d, you should obtain a clear explanation of all commission, fees, markups, markdowns, rollovers, interest rate differential and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

7. Transactions in other jurisdictions

Transactions on PRIMARY/SECONDARY SECURITIES of other countries in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished client protection. Before you trade/d you should inquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade/d.

8. PRIMARY/SECONDARY SECURITIES risks

The profit and loss in transactions in primary/secondary securities-denominated contracts (whether they are trade/d in your own or another jurisdiction) will be affected by fluctuations in PRIMARY/SECONDARY SECURITIES rates where there is a need to convert from the PRIMARY/SECONDARY SECURITIES denomination of the contract to another PRIMARY/SECONDARY SECURITIES.

9. Trading facilities

PRIMARY/SECONDARY SECURITIES business is not traded/invested on a regulated market and therefore does not require open-outcry. Even though quotations or prices are afforded by many computer-based component systems, the quotations and prices may vary due to market liquidity. Many electronic trading facilities are supported by computer-based component systems for the order-routing, execution or matching of trade/ds. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the bank and/or financial institution. Such limits may vary; you should ask the firm with which you deal for details in this respect.

10. Electronic trading

Trading on an electronic trading system may differ not only from trading in the interbank market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.



Disclaimers:

a) Internet failures:

Since TFG does not control signal power, its reception or routing via Internet, configuration of your equipment or reliability of its connection, we cannot be responsible for communication failures, distortions or delays when you trade/d on-line (via Internet).

b) Market risks and on-line trading:

Trading PRIMARY/SECONDARY SECURITIES involves substantial risk that is not be suitable for everyone. See Client Agreement for more detailed description of risks. Trading on-line, no matter how convenient or efficient, does not necessarily reduce risks associated with PRIMARY/SECONDARY SECURITIES trading.

c) Password protection:

The Client is obligated to keep passwords secret and ensure that third parties do not obtain access to the trading facilities. The Client will be liable to TFG for trade/ds executed by means of the Client's password even if such use may be wrongful.

d) Quoting errors:

Should quoting errors occur due to a dealer's mistype of a quote or an erroneous price quote from a Client, such as but not limited to a wrong big figure quote, TFG will not be liable for the resulting errors in account balances. TFG reserves the right to make the necessary corrections or adjustments on the account involved. Any dispute arising from such quoting errors will be resolved on a basis of a fair market value of a PRIMARY/SECONDARY SECURITIES at the time such an error occurred.

11. Off-exchange transactions

In PRIMARY/SECONDARY SECURITIES, firms are not restricted to effect off-exchange transactions. The firm with which you deal may be acting as your counterpart to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules and attendant risks.

Risk Disclosure Acknowledgment

The undersigned acknowledges having received, read and understood the foregoing Risk Disclosure Statement.

Signature of Client

Date: _____