Risk Disclosure

Quadcode Markets is the trade name of IQBROKER EUROPE LTD (formerly IQOption Europe Ltd). IQBroker Europe Ltd with Registration No. HE327751 and registered office at 82nd road, 4 Kato Polemidia, 4153, Limassol, Cyprus (hereinafter referred to as the "Company"), is an investment firm with license no. 247/14 that is authorized and regulated by the Cyprus Securities and Exchange Commission (hereinafter referred to as the "CySEC" or "Commission").

The domain name quadcodemarkets.com is owned and operated exclusively by the Company.

Before you (our client and/or prospective client) apply for a trading account with the Company and begin trading on financial markets, please review carefully the below list of risks in conjunction with the Terms & Conditions.

Risk Warning

The financial products offered by the Company, including Contracts for Difference ('CFDs'), are derivative Financial Instruments that are classified as complex financial products.

Trading leveraged Financial Instruments (such as Contracts For Difference ('CFDs')) carries a high level of risk, since the multiplier (leverage) effect can work both to your advantage or disadvantage. As a result, trading leveraged Financial Instruments, including CFDs, may not be suitable for all investors because you may lose all your invested capital.

The majority of CFDs do not have a set maturity date. Therefore, a CFD position matures on the date you choose to close an existing open position. For as long as positions remain open, you continue to incur market risk, stemming from fluctuations in the value of the underlying asset, and, in the case of leveraged products, such as CFDs, you also incur financing costs, in the form of swap fees.

You should not risk more capital than you are prepared to lose. Before trading you should understand the risks involved and take into account your level of experience. You should seek independent advice if necessary.

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Introduction

This Risk Disclosure is written in accordance with the Provision of Investment Services, The Exercise of Investment Activities, The Operation of Regulated Markets and Other Related Matters Law (L. 87(I)/2017) and is intended to inform you of the general risks that exist in trading the Financial Instruments offered by the Company. You must recognize that these risks entail a chance of losing money while trading. This disclosure is for informational purposes and must not be considered an exhaustive list of all possible risks.

Trading in the Financial Instruments offered by the Company is VERY SPECULATIVE AND HIGHLY RISKY and may involve a risk of loss of all your trading capital. The products offered by the Company are categorized as high-risk complex Financial Instruments and are not suitable for all members of the general public but only for those traders who:

1. are willing to assume the economic, legal and other risks involved. You should be aware of the risks inherent in trading these Financial Instruments and be able to bear such risks.

2. are able to assume financially the loss of their entire traded amount, taking into consideration their personal finances, including resources and obligations.

3. possess the appropriate level of experience and/or knowledge of the specific Financial Instruments offered by the Company. During the process of verifying your account, the Company will apply an Appropriateness Test on the information provided by you. If, based on this information, the Company finds that you do not possess the appropriate level of experience and/or knowledge, you will be informed as such and must understand and accept all associated risks if you decide to continue in the opening of your trading account. It is important for you to ensure that any decision to engage in trading CFDs and other products offered by the Company, is made on an informed basis, and that you understand the nature of the CFDs/products offered and the extent of all the risks associated with such products.

4. Please note that CFDs are leveraged financial products and as such, they are subject to the multiplier (leverage) effect. In simple terms, leverage allows you to use debt to amplify returns on your committed funds. However, it is important to note that leverage can amplify (multiply) losses as well as gains. Trading in

leveraged Financial Instruments, such as CFDs, involves a high risk of loss as price movements in the underlying assets are influenced by the amount of multiplier (leverage) used. For more information, please refer to the Company's Order Execution Policy.

a) Information about specific risks associated with each Financial Instrument and each class of underlying asset can also be found in the Key Information Documents that are posted on the Company's website.

1. Risks Associated with Trading in Financial Instruments

The Financial Instruments offered by the Company derive their value from the performance of the underlying assets/markets. It is important therefore that you understand the risks associated with trading in the relevant underlying asset/market because movements in the performance of the underlying asset/ market will affect the profitability of your trade.

Information on the past performance of Financial Instruments is not an indication of possible future performance. The use of historical data does not lead to safe forecasts.

Trading in the Financial Instruments offered by the Company can put your capital at risk. These Financial Instruments are categorized as high-risk complex products, and you may lose all or part of the amount committed. Trading in the Financial Instruments offered by the Company is not suitable for all categories of investors. Your investment decisions are subject to various market, currency, economic, political, business risks etc., and will not necessarily be profitable. You acknowledge, and without any reservation accept, that the value of any transaction in a Financial Instrument may vary either upwards or downwards. You acknowledge, and without any reservation accept, the existence of a substantial risk of incurring losses as a result of the buying or selling of any Financial Instrument offered by the Company and acknowledge your intent to take such risk.

The Company will not provide you with any investment recommendations or with any advice that is directly or indirectly connected with the trading of Financial Instruments and you acknowledge that the services provided by us do not include investment advice. This includes guidance in relation to underlying assets, the markets where the underlying assets are traded or specific trading strategies.

You should note that the Company may provide you, from time to time, with useful information about relatable subjects created by third parties, but the Company does not approve or endorse this information and/or these tools. Such information may be indicative of trading trends or trading opportunities, and it should be understood that, by taking any actions as a result of this information/tools, you accept and understand that it can cause loss of all your capital. We do not accept liability for any such losses resulting from actions taken by you based on information and/or tools produced by third parties.

The Company may also provide, at its discretion, information, news, market commentary or any other information through its website, agents, or platform but when it does so, it is understood that the information is provided solely to enable you to make your own investment decisions and does not amount to investment advice. You accept that you are solely responsible for the trades you make and that any transaction you enter into is done so based on your own judgment.

Market Risk: refers to the potential for a trader to experience losses due to factors that affect the overall performance of the financial markets. This type of risk arises from changes in market conditions, such as fluctuations in asset prices, interest rates, or foreign exchange rates. Market risk is also known as systematic risk because it affects the entire market or a significant portion of it, rather than a specific asset or company.

Common sources of market risk include:

- Economic factors: Changes in economic indicators like inflation, unemployment, or GDP growth.
- Geopolitical events: Wars, elections, or political instability that can impact market sentiment.
- Interest rate changes: Alterations in central bank policies or interest rates.
- Natural disasters or pandemics: Events that disrupt markets and the economy.

Market risk is generally beyond the control of individual traders or companies and can impact all types of underlying assets, including stocks, bonds, and commodities.

Due to the high volatility of the markets where the underlying assets are traded, prices of most Financial Instruments traded can vary considerably over the course of a day, which may bring you profit as well as loss. Those Financial Instruments with highly volatile price movements should be carefully considered as there are higher risks of loss. Prices may fluctuate due to changes in market conditions which are beyond your

control and that of the Company, and it may not be possible for trades to be executed at the requested prices, resulting in losses in excess of what was anticipated. Market volatility can be affected by, indicatively, any of the factors stated hereabove, as well as changes in the supply and demand, national and international policy, geopolitical instability and economical/political events or announcements.

Liquidity Risk: refers to the potential difficulty a trader may face in buying or selling a Financial Instrument without significantly affecting its price. It arises when there is not enough market activity or demand for a particular Financial Instrument or underlying asset, which makes it harder to quickly enter/exit positions in the affected Financial Instrument. In practical terms, a trader may not be able to buy or sell a Financial Instrument at the desired price due to a lack of buyers or sellers in the market for the underlying asset.

Even though the Company takes liquidity of the underlying assets into account when deciding what Financial Instruments to make available to its Clients, you must acknowledge that some products offered by the Company may suffer from liquidity constraints due to adverse market conditions for the markets where the underlying instruments are traded, and as such, the underlying asset may be volatile and have a higher degree of risk. The volatility may be reflected in a larger spread between the ASK and BID prices, resulting in a change in the price of the product.

OTC/Counterparty Risk: refers to the potential risk that the other party involved in a financial transaction may fail to meet its obligations. Given the Company's business model, the Company is the counterparty in any transaction, the Client being the other counterparty in the transaction. Financial Instruments offered by the Company are Over-the-counter (OTC) or off-exchange traded. This means that trading is done directly between the two parties in the transaction, without any supervision of an exchange. The Company sets the conditions for trading according to its obligations to provide the best execution for its clients.

The practical implications of the Financial Instruments offered by the Company being bespoke Over-The-Counter products and the fact that the said Financial Instruments can only be traded with the Company as the counterparty, are that:

- Clients are exposed to default risk, that is, the risk that the Company will not be able to fulfill its financial obligations due to insolvency, bankruptcy, or other financial difficulties. It should be noted that the Company, by virtue of being a European authorized and regulated investment firm, is subject to many controls

aimed at averting the risk of default. It should also be noted that, in the event of the default of the Company, retail clients are, subject to certain conditions pertaining, accorded certain protections by the Investor Compensation Fund. Additional information about the cover accorded by the Investor Compensation Fund can be found on the Company's website.

- Clients can only trade at prices made available to them by the Company. As a mitigating factor, the Company is, by virtue of being a European authorized and regulated investment firm, under the best execution obligation, that is, an obligation to execute orders on terms most favorable to the Client.

Foreign Exchange Risk: refers to the potential for financial loss or gain resulting from fluctuations in the exchange rate between two currencies. If a Financial Instrument is traded in a currency other than the currency of your account, changes in exchange rate may affect the value of the transaction negatively, resulting in financial losses.

2. Risks associated with trading in CFDs on cryptocurrencies

1. Services on CFDs on Cryptocurrencies are not suitable for all investors. CFDs on Cryptocurrencies are highly complex and as such Clients must always make sure that they are fully aware and understand the specific characteristics and risks regarding the said CFDs on Cryptocurrencies and have extensive knowledge and/or expertise on CFDs on Cryptocurrency Services and of the underlying assets of the Financial Instruments offered by the CFDs on Cryptocurrency Services.
2. Trading CFDs on Cryptocurrencies carries a high risk of losing all your capital placed in your trading account and/or committed to a specific trade.
3. Trading prices of the underlying assets of CFDs on Cryptocurrencies are highly volatile and as such, the prices of CFDs on Cryptocurrencies thereby can widely fluctuate or become temporarily or permanently unavailable; therefore Clients should trade carefully and only with funds that they can afford to lose.
4. The nature of Cryptocurrencies may lead to an increased risk of fraud or cyber-attack and when such events occur, the Company may experience

technical difficulties that may prevent access to or the provision of services on CFDs on Cryptocurrencies.

CFDs on Cryptocurrencies have specific risks that are distinct from the risks associated with other Financial Instruments offered by the Company having currencies or commodities as underlying assets. Unlike most currencies, which are backed by governments or other legal entities, or by commodities such as gold or silver, Cryptocurrencies are a unique kind of digital or virtual currencies, based on blockchain technology. There is no central bank that can take corrective measures to protect the value of Cryptocurrencies in a crisis or issue more currency.

3. Technical Risks

1. The Company is not responsible for financial losses arising from failure, malfunction, interruption, disconnection or malicious actions of information, communication, electricity, electronic or other systems, which are not the result of gross negligence or willful default of the Company.
2. When using the Trading Platform from your (client) terminal, you assume the risks arising from:
    - Failures in your equipment, software, and connection;
    - Errors in your client terminal settings;
    - Failure to update your version of the client terminal or the Trading Platform in a timely manner.
    - Your failure to follow the instructions for using the client terminal or the Trading Platform.
3. The Company is not responsible for errors that occur in the operation of the client terminal and will not compensate for losses resulting from such errors.

    Any third-party attacks against the Company's Systems, which result in disruption of services or loss of funds, are not the responsibility of the Company and any resulting losses will not be compensated by the Company.

The Company undertakes to take all reasonable measures to deter and defend against such attacks and provide you with a secure and smooth trading experience.

4. Please be aware that unencrypted information transmitted by electronic mail messages is not protected from any unauthorized access.

5. You may suffer financial losses caused by the materialization of the above-mentioned risks, and you understand that you shall be responsible for all related losses that you may suffer, assuming that these are not due to the Company's gross negligence or willful default.

4. Abnormal Market Risks

1. You agree that if conditions of the markets where the underlying assets of Financial Instruments offered by the Company for trading become abnormal or erratic, the amount of time required to process your orders and/or instructions may increase. Additionally, you agree that orders may not be executed at requested prices and there is a chance that they may not be executed at all.

2. Abnormal market conditions include but are not limited to times of rapid price movements within the same trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or there is lack of liquidity. Volatility interruptions (circuit breakers) may occur at the opening of trading sessions.

5. Risks Associated With The Laws Of Certain Governments

1. You assume responsibility for trading and non-trading operations performed within countries where such operations are restricted or prohibited by law.

2. Laws regarding financial trading and contracts may be different throughout the world. It is your obligation to make certain that the use of our services is fully compliant with any law, regulation or directive applicable in your country of residence.

3. The ability to access our website or any related website found from a link on our website does not mean that our services or any related activities are legal under

the laws of your country of residence. These services should not be used by anyone in any jurisdiction in which these services are not authorized or unlawful. All users are required and responsible to check trading regulations related directly or indirectly to the Financial Instruments offered by the Company in their respective countries before registering at our trading platform.

6. Risks Associated With The Trading Platform

1. All of your trading instructions (Orders) are sent to our server and executed in chronological order. Therefore, you cannot send a second Order until your previous Order has been executed. If a second Order is received before the first is processed, the second Order will be rejected. You assume responsibility for any unplanned trading operation that may be executed if you re-submit an Order before being notified of the results of the first Order.

2. You must note that closing the order window or position window does not cancel a submitted Order.

3. You acknowledge that only the quotes received from our server are authoritative. If there is a problem in the connection between your client terminal and our server, you can retrieve undelivered quote data from the client terminal's quote database.

4. The new trading engine allows the use of unrealized profits to fund the initial margin required to open new positions. Whilst this practice has its advantages, the most notable one being that Clients do not have to close winning positions to realize their profits to be able to open a new position, positions where the initial margin is funded by unrealized profits are more volatile than equivalent positions funded by cash. The reason is that, whilst in the case where initial margin is funded by cash, the value of initial margin is constant, and does not depend on the performance of any other position, by sharp contract, in case initial margin is funded by unrealized profits, the value of initial margin is variable and depends on the performance of the position that generated the unrealized profits.

5. The old trading engine allows Clients the use of their full cash balance to fund the initial margin required to open a new position, without taking into account unrealized losses, until the moment such losses are realized. On the positive side, Clients may be able to open positions they would not otherwise be able to open if unrealized losses were counted. Nevertheless, when losses are realized,

the value of equity may decrease more sharply in comparison to cases where unrealized losses are counted, thus reducing the amount of funds available to finance initial margin for new positions. Given the larger size of the portfolio, combined with the steeper decline in the value of equity, the close-out threshold may be reached more abruptly by comparison to cases where unrealized losses are counted.

7. Communication Risks

1. Please be aware of the risk that information sent via unencrypted electronic mail messages may be accessed by unauthorized parties.
2. The Company is not responsible for financial losses arising from delayed or failed receipt of any communication or message sent to you by the Company.
3. You are responsible for the security of the credentials for your Personal Area and trading accounts, as well as the confidential information that we send you. The Company is not responsible for financial losses arising from disclosure by you of this information to third parties.

8. Force Majeure Events

1. The Company is not responsible for financial losses arising from force majeure events. These are unexpected and unforeseeable events or circumstances beyond the control of the Company, that cannot be foreseen, prevented, or eliminated, including but not limited to natural disasters (e.g., earthquakes, floods, hurricanes, fires), acts of war or terrorism, government actions or regulations (e.g., changes in law, embargoes, sanctions), strikes or labor disputes, pandemics or epidemics, DDoS attacks and other forms of cyberattacks, data breaches, or other digital disruptions.

9. Third-Party Risks

1. It is understood that we will promptly place all funds received from clients into one or more segregated account(s) (denoted as ‘clients’ accounts’) with reliable financial institutions, within Cyprus or the EEA, such as a regulated credit institution or a bank. It should be noted that, whilst we shall exercise due skill, care, and diligence (in accordance with applicable laws) when selecting the financial institution(s) in which your funds will be placed, the Company is unable

to accept liability and responsibility for circumstances beyond its control and as such the Company does not accept any liability or responsibility for any resulting losses to you as a result of the insolvency or any other comparable proceedings or failure of the financial institution where your money will be held.

2. The financial institutions where segregated client funds will be kept may be within Cyprus or within the EEA. It should be noted that the applicable legislation applied to such financial institutions outside of Cyprus (but within the EEA) may be different from the applicable legislation in Cyprus. In the event of insolvency, your funds may be treated differently from any treatment applicable to funds held in segregated accounts in Cyprus.

3. The Company exercises due skill, care, and diligence in the selection, appointment and periodic review of the credit institutions and banks where Clients' funds are placed. Nevertheless, the Company shall not be held responsible for any diminution in the value of Clients' funds deposited with any credit institution or bank as a result of, indicatively and not exhaustively, the reorganization, resolution, or bankruptcy of any credit institution or bank where Client Funds are deposited. In such an event, any loss or diminution in the value of Clients' funds, will be borne proportionately by all Clients who had funds in their trading account at the time, on a pro rata basis.

4. Financial institutions where Clients' money is deposited may hold it in an omnibus account. Hence, in the event of the insolvency or any other comparable proceedings in relation to that financial institution, we may only have an unsecured claim against the financial institution on your behalf, and you will be exposed to the risk that the money received by us from the financial institution is insufficient to satisfy your claims.

10. Conflicts of Interest

1. It is understood that we execute your Orders on an own account basis, i.e., as principal to principal against you; we are the counterparty in all of your transactions. For more information, please refer to our Order Execution Policy.

2. When you are introduced to the Company by an Affiliate or Introducing Broker (Introducers), by following a link or otherwise, the Introducer may receive a one-off payment (Commission) for the introduction. The said Commission is paid from Company funds and is not deducted from the funds you deposit with the

Company. Furthermore, the Terms and Conditions that apply for introduced Clients are exactly the same as for non-introduced Clients, and introduced Clients are not subject to any extra fees, levies, or surcharges. Upon payment of any fee or Commission in relation to your trading account to any Introducer, you shall receive notification stating the exact amount that was paid to the Introducer.

- For more elaborate information on potential conflicts of interest, please refer to our Conflict of Interest Policy.

11. Investor Compensation Fund

1. The Company participates and is a member of the Investor Compensation Fund, which covers retail Clients of Investment Firms which are regulated in the Republic of Cyprus. Claims of covered clients against the Company may be compensated by the Investor Compensation Fund where the Company is not capable of fulfilling its financial obligations. Compensation shall not exceed twenty thousand Euros (€20.000) for each directly entitled client. For more information, please refer to our Investor Compensation Fund informational document. Clients trading in virtual currencies are not entitled to any investor protection under the Investors Compensation Fund.

12. No Guarantees of Profit

1. The Company is unable to:
    - provide guarantees of profit or of avoiding losses when you trade in the Financial Instruments offered by the Company.
    - provide guarantees, directions, predictions, or guidance in relation to the future performance of your trading account.
    - provide guarantees of any specific level of performance or guarantee that your investment decisions/strategies will yield profit or financial gain.
    - you receive no such guarantees from us or from any of our Affiliates or representatives.

13. Additional Info

If you wish to find out more information, please refer to the 'Guide to Investing' issued by the European Securities and Markets Authority (ESMA) and the 'Investor Warning on Contracts for difference (CFDs)' issued jointly by ESMA and the European Banking Authority (EBA) and/or posted on the Cyprus Securities and Exchange Commission's Financial Education Hub.

14. Glossary

CFD or Contract For Difference:	means a tradable contract entered into between the Client and the Company, who exchange the difference in the value of an Instrument, as specified on the Trading Platform at the time of opening a Transaction, and the value of that Instrument at the contract's end.
Cryptocurrency:	means a digital representation of a value or of a right that is able to be transferred and stored electronically using distributed ledger technology or similar technology;
Financial Instruments:	For the purposes of this document, the term shall refer to: ■ Options Contracts in currency pairs, stocks, commodities, and indices; ■ Contracts for Differences (CFDs) in stocks, currency pairs, ETFs, commodities, Indices and cryptocurrencies.
Trading Platform:	means all programs and technology that present quotes in real time, allow the placement/modification/deletion of orders and calculate all mutual obligations of the Client and the Company.

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