Terms and Conditions for Cryptocurrency Trading

Addendum to the Terms & Conditions for Cryptocurrency Services

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 quadcodemarkets.com is owned and operated exclusively by the Company.

This Addendum to the Terms & Conditions for Cryptocurrency Services (hereinafter the "Addendum") are incorporated into and form a part of the Terms & Conditions in the Agreement for the Provision of Investment Services, Activities, and Ancillary Services to a Client (hereinafter the "Agreement"). This Addendum sets out the terms and conditions for trading Contracts for Differences ("CFDs") on Cryptocurrencies (hereinafter referred to as the "Cryptocurrency Services").

In case of conflict between the provisions of this Addendum and the Agreement, the provisions of this Addendum will prevail. All capitalized terms used in this Addendum and not otherwise defined shall have the meaning ascribed to them in the Agreement.

Before Clients use the Cryptocurrency Services offered by the Company, they should read this Addendum carefully, the Agreement, the Risk Disclosure, the General Fees and any other documents and information posted on the Company's Website. Clients acknowledge and agree by using, and/or by continuing to use the Services, that they are entering into a legally binding contract and have read, understood and accepted this Addendum. A copy of this Addendum should be printed and retained in the Clients' records.

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1. Interpretation of Terms

In this Addendum, except where the context otherwise requires, the following terms shall have the following meaning:

“Cryptocurrency/Virtual Currency” means a digital representation of value that is not issued or guaranteed by a central bank or a public authority, is not necessarily attached to a legally established currency and does not possess a legal status of currency or money, but is accepted by natural or legal persons as a means of exchange and which can be transferred, stored and traded electronically”.

“Cryptocurrency Network” means a decentralized, independent, public peer-to-peer network which functions as a digital ledger of transactions in Cryptocurrencies.

“Underlying Market” means an exchange, Market Maker, Retail Service Provider and/or other similar body and/or liquidity pool on which the Cryptocurrencies are traded as the context requires;

“Market Maker”, “Retail Service Provider”’ means a firm that provides on request buy and sell prices for Cryptocurrencies.

2. Cryptocurrency Services

The Company offers the following Cryptocurrency services:

1. CFDs on Cryptocurrencies

    CFDs on Cryptocurrencies, where the Client can enter into short/sell transactions in relation to a CFD contract on an underlying Cryptocurrency and which is traded over the counter (“OTC”), i.e., concluded outside a regulated exchange or venue and between the Clients and the Company where the Company agrees to

settle in cash the performance of the Cryptocurrency the Clients decides to speculate on.

The features offered by the Company when trading CFDs on Cryptocurrencies are:

a) Position auto-closing, where it allows Clients to set their profit and loss levels for a specific trade. (b) Manual closing of positions if Clients' position is not automatically closed as a result of position auto-closing being triggered. Alternatively, the Company may at its own discretion offer by default the following contract expiration times for all CFD products: daily/weekly/monthly and/or no expiration at all. (c) Trailing Stop Loss Order: whereby the Client specifies the loss limit, which is automatically shifted up or down depending on the price of the underlying asset and only in case the latter moves in the specified direction. d) Maintenance Margin: The maintenance margin is the minimum amount of equity required to maintain open positions.

The Maintenance Margin is the minimum amount of equity in a position required to maintain an open CFD position. Should this amount fall below 50% the Company will automatically reserve an additional amount from the Client's trading account balance equivalent to 20% of the initial investment amount in order for the CFD position to remain open. When the available funds in the Client's trading account which are reserved to maintain the CFD position open fall below 50%, the CFD position will automatically close, and the funds reserved from the Client's account to maintain the CFD position open, will be permanently deducted.

Clients should familiarize with the fees when trading on CFDs on Cryptocurrencies as set out on the Website under the General Fees section, since applicable fees shall affect the payout received for a specific trade.

3. Risk Warnings in Relation to CFDs on Cryptocurrency Services

1. The CFDs on Cryptocurrency Services are not suitable for all investors. The CFDs on Cryptocurrency Services are highly complex and as such Clients must always make sure that are fully aware and understand the specific characteristics and risks regarding the said CFDs on Cryptocurrency Services and have extensive knowledge and/or expertise of the CFDs on Cryptocurrency Services and of the underlying assets of the financial instruments offered by the CFDs on Cryptocurrency Services.
2. Trading on financial instruments offered by the CFDs on Cryptocurrency Services carries a high risk of losing your invested capital.
3. Trading prices of the financial instruments and underlying assets offered by the CFDs on Cryptocurrency Services carry high volatility and 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 may mean that technological difficulties experienced by the Company may prevent the access to or use of the CFDs on Cryptocurrency Services.
5. The financial instruments offered by the CFDs on Cryptocurrency Services have specific distinct risks from financial instruments offered by the Company with underlying assets, currencies or commodities. 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 currencies, backed by technology

and trust. There is no central bank that can take corrective measures to protect the value of Cryptocurrencies in a crisis or issue more currency.

4. Trading in Cryptocurrencies

Where the Company allows the Client to open a short position on Cryptocurrencies/ enter into short transactions on Cryptocurrencies and/or may be offered the possibility to use leverage/multiplier, these transactions will be classified as CFD transactions.

Principal to the transaction

The Client understands that by providing the Client with Cryptocurrency trading services, the Company acts as a principal and not as an agent on the Client's behalf and therefore the Company is always the counterparty of the transaction.

Client Orders

The Client acknowledges and agrees that he/she will use all reasonable endeavors to make sure that the order that the Client places within the Company is consistent with the acceptable market practices and conduct in the applicable Underlying Market.

The Company may at its absolute discretion decline a Client's order for several reasons which include (but not limited to), breach of the Company's Terms and Conditions or the present Addendum, size of an order, market conditions, risk considerations, any fraud suspicions, money laundering suspicions, insufficient margin or inadequate securities or liquid funds in the Client's trading account.

The Company is entitled to disregard or cancel a Client's order that was previously accepted by the Company where an event takes place and the Company is unable to act on that order, for instance where the Company has ceased to offer the requested order.

Any sums payable by the Clients shall be paid when entering into a transaction and shall be paid in accordance with the Company's Payment Policy and General Fees.

The Client understands and agrees that it may be impossible to modify or cancel his/her order, and the Company is not obliged to proceed with the modification or cancellation of the Client's order. In such a case, the Client will be bound by any execution of the original order. The Client further agrees that he/she is responsible to know the status of his/her pending orders before entering additional orders and whether the Client is not sure or clear regarding the status of his order he/she should communicate immediately with the Company.

The Client accepts that he/she is responsible for monitoring all of his/her orders that were entered into the Company's Trading Platform until the Client receives the Company's confirmation of such orders and/or the Company's cancellation notice.

The Client's execution price, which the Company reports to the Client by a relevant confirmation, shall only reflect the price that was offered at the time the execution took place and shall not reflect the price for the underlying Cryptocurrency as quoted on the relevant exchanges in which the Cryptocurrency is traded and/or any market information. The Company bears no responsibility for such inconsistencies and/or disparencies.

The Client understands and agrees that the Company is not obliged to quote a specific price from any exchange and/or comply with the trading rules or market practices consistent with any exchanges, since the Company's trading platform is independent of any such exchanges. The Client further agrees that the Company's prices may be different from the current prices on the relevant exchanges.

The Client accepts that when placing an order for Cryptocurrencies, he/she agrees to the bid and ask prices set for Cryptocurrencies in which the transaction will be executed as shall be reflected as binding and final on the Company's Trading Platform.

The Company further reserves the right to refuse executing an order for Cryptocurrencies and/or to close any open positions of the Client, without informing the Client, in the following circumstances:

1. The Client's order intended to manipulate or defraud the market;
2. The Client's order violates any applicable Legislation/Regulation
3. Liquidity providers are unable to provide liquidity to the Company
4. Significant disruption of trading in the underlying Cryptocurrency in the market on which the underlying Cryptocurrency is traded
5. Premature close of the underlying Cryptocurrency in the market on which the underlying Cryptocurrency is traded
6. Abnormal market conditions
7. Force Majeure
8. Declared or undeclared war
9. Acts of God
10. Regulatory or governmental authority that interrupts trading in the relevant security;
11. The Cryptocurrency subject to the Client's order is delisted and/or for any reason the Company no longer supports the trading in such Cryptocurrency.

Volatility of the Market

The Client understands and agrees that in times of high market volatility, the Company will not be held liable for any such price fluctuations caused by the Market volatility.

Custodian Services:

The Company has been acting as the sole custodian and held Cryptocurrencies on behalf of its Clients in accordance with the terms of this Addendum until the 30th of December 2022. Subsequently, any Cryptocurrencies purchased by the Client were

held and administered by the Company in a dedicated wallet, in which all Clients' Cryptocurrencies were pooled together.

Nevertheless, the Company under this Addendum and at its absolute discretion, had the power to delegate certain custody services to third party service providers or to any other person as a sub-custodian or otherwise to hold Cryptocurrencies, which may be unaffiliated and/or affiliate Company including unregulated Companies which may be located inside or outside the EEA.

The Company has exercised all reasonable skill and care in the selection, appointment and periodic review of these affiliates, agents and any service providers, but the Client agreed and understood that the Company cannot be held liable for any acts or omissions of these third party service providers, including cases of dissolution or insolvency.

Further, the Client agreed that he/she could not be entitled to any interest regarding his/her Cryptocurrencies held by the Company as the custodian for the Client's account and any interest were retained by the Company.

Cryptocurrencies Records:

The Company maintains records of all the Clients' Cryptocurrencies held by the Company on the Client's behalf.

6. Acknowledgement of Risks and Limitation of Liability

Clients, by using the Cryptocurrency Services offered by the Company, acknowledge, understand and assume full liability for the risks associated with trading on CFDs on Cryptocurrencies, including but not limited to those set out in this Addendum and/or in the Company's Terms and Conditions and in any other relevant information found on the Company's Website.

Clients shall indemnify and keep indemnified the Company and its directors, officers, employees or representatives against all direct or indirect liabilities (including without limitation all losses, damages, claims, costs or expenses), incurred by the Company or any other third party in respect to any act or omission by the Clients in the performance of their obligations under this Addendum, unless such liabilities result from gross negligence, willful default or fraud by the Company. This indemnity shall survive termination of this Addendum and the Agreement.

Clients acknowledge that, under certain market conditions and in particular where the Company has reached or surpassed internal exposure levels, the Company may have to close all or a part of Clients' positions in CFD contracts with Cryptocurrencies as underlying assets. The Company undertakes to provide adequate notification to the Clients in case a CFD position will be liquidated by the Company and shall provide no less than 5 (five) working days' notice before proceeding with the liquidation.

Clients agree and acknowledge that any use of the Cryptocurrency Services for the furtherance of money laundering, terrorist financing and/or any other illegal activity and/or activity in breach of this Addendum and/or the Agreement and/or the Anti Money Laundering (AML) and Know Your Customer (KYC) Policy and/or of relevant provisions from information posted on the Website, entitles the Company to terminate and/or suspend and/or limit the access to the Cryptocurrency Services and/or take any other necessary steps at the Company's sole discretion and/or as per its regulatory obligations.

The Company does not own or control the underlying software protocols which govern the operation of the Cryptocurrency Network and/or the Cryptocurrencies and therefore the Company does not guarantee of their functionality, security, or availability and assumes no liability for any changes that may affect the characteristics and/or the value of the Cryptocurrencies.

Clients are solely responsible for keeping safe their personal information including but not limited to credentials of their trading account and wallet and the Company shall not

be responsible for any losses incurred from loss and/or unauthorized access to such information by a third party, unless such liabilities result from gross negligence, willful default or fraud by the Company.

Clients acknowledge that the Company shall not be responsible for any communication failures, disruptions, errors, distortions or delays you may experience when trading via the Cryptocurrency Services, howsoever caused.

7. Amendments

The Company reserves the right to amend, revise, modify, and/or change this Addendum at any time without prior notice. All changes shall take effect immediately and such updated version of the Addendum shall be published in the Company's Website.

Clients who do not agree with any amendment, review and/or change of this Addendum may request to terminate their use of the Services and close their account. The Company shall not be liable for any modification or termination of the Cryptocurrency Services further to the amendment, review and/or change of this Addendum.

8. Applicable Law and Jurisdiction

This Addendum shall be governed by and construed in accordance with the laws of Cyprus and both the Company and the Clients agree that for all disputes within the scope of this Addendum, the courts of the Republic of Cyprus shall have sole and exclusive jurisdiction.

9. Contact Details

For any information not found in this Addendum or the Company's website at quadcodemarkets.com contact us by email at info@quadcodemarkets.com or by post to 82nd road, 4 Kato Polemidia, 4153, Limassol, Cyprus.