

1. INTRODUCTION

QuantumTrade Global Market Limited (“QTGM”, “we”, “us”, “our”) is committed to treating our clients fairly and to creating a suitable trading environment for all of our clients. To that end, we have prepared this Policy to assist you in understanding the risks associated with specific products being offered by us and, consequently, to allow you to be in a position to make investment decisions on an informed basis. This Policy cannot disclose all of the risks of the products in which you may choose to invest by trading with us. Relationship with us may differ depending on the product and style of the transaction chosen. Different products involve different levels of exposure to risk and may not act in the same way. You should independently analyze all potential risks associated with our investment products prior to making any investment decision.

Trading and investing in financial instruments, particularly in Complex Products, involve a high degree of risk that you will lose your money due to the use of leverage, particularly in fast moving markets, where a relatively small movement in the price can lead to a proportionately larger movement in the value of your investment. This can result in losses that exceed the funds in your account.

The information set out in this Policy is provided for your information only, and is not intended to be relied upon as legal, tax, investment or other advice. This Policy is also not intended to be any kind of recommendation, inducement or invitation to engage in any kind of investment activity.

Capitalized terms used in this Policy that are not defined will have the meaning given to such terms in our Terms of Business.

2. TRADING IN FINANCIAL INSTRUMENTS MAY NOT BE APPROPRIATE FOR YOU

When you apply to open an account with us, using our application form, we ask you to provide information about your knowledge, experience, financial assets and earnings. We will assess whether trading leveraged products is appropriate for you based on the information you provide. Our systems will perform this assessment electronically where you have used our online application form. We will warn you if trading Complex Products is not appropriate for you, during your application for an account with us. If you receive a warning, any decision to open an account and subsequently trade is your responsibility.

It is your responsibility to assess whether your financial resources are adequate for your financial activity and your risk appetite in the products or services you use. You must satisfy yourself that the relevant products or services are suitable for you in the light of your circumstances, financial resources, investment objectives and knowledge of those products and services.

3. EXECUTION ONLY SERVICES

We offer an execution only service, and will not provide you with any investment advice.

All decisions to enter into transactions in financial instruments are based upon your own independent assessment of the risks associated with investing in such instruments, including, but not limited to, issuer risk, liquidity risk, country risk, legal and regulatory risk, currency fluctuation risks, investment timing, credit risk, market risk, volatility risk and price risk. Capital protection is not provided against any risk

materializing. We may sometimes provide you with information on a purely factual basis but this will not take into account your personal circumstances. You are therefore responsible for making your decision to invest in financial instruments (or not) without reliance upon us or the information that we may provide. We recommend that you seek independent advice if you are in any doubt regarding any risks or financial consequences of any transactions.

4. TRADING USING LEVERAGE

Depending on the specific financial instrument you trade with us, usually for a Complex Product, you will be required to deposit money with us which is usually a proportion of the overall value of the trade, referred to as initial margin. This means that you will be trading using “leverage”, which is an increased buying power that allows you to pay less than full price for a transaction that would not be possible if you were only using your initial investment. However, trading using leverage carries with it a number of risks including but not limited to:

- leverage means that relatively small market movements can have a disproportionately larger impact on the value of your account. If the underlying market movement is in your favor, you may achieve a good profit, but an equally small adverse market movement can quickly result in the loss of your entire investment and it may expose you to a large additional loss over and above your entire investment; and
- you may be required to deposit additional funds (margin) at short notice. If you fail to meet any margin requirement within the time required, your position may be liquidated and you will be responsible for any resulting losses.

It is advisable to engage in speculation with Complex Products using funds that you are willing to risk, considering the potential loss of your entire cash balance, including losses that may surpass your initial investment.

It is recommended to consistently monitor your positions and ensure prompt availability of additional funds to sustain your open positions.

5. TRADING COMPLEX PRODUCTS

All trading that you do with us is off-exchange, which is also known as “over-the-counter”, or “OTC”. The specific risks associated with OTC trading will be discussed below and are relevant to Complex Product trading across different asset classes.

5.1. CONTRACT FOR DIFFERENCE

Broadly speaking, contract for difference (“CFDs”) is a Complex Product and is a type of financial derivative that allow you to speculate on the price movements of various assets without actually owning the underlying asset. These assets can include stocks, commodities, currencies, and indices, among others. Unlike other futures and options, CFDs can only be settled in cash. CFDs do not entitle you to take delivery or sell the asset or property that is referenced by the CFD and you will not have any interest in such asset or property. You will also not have the benefit of any rights that you may have otherwise had if you had invested directly in the underlying asset or property, such as voting rights.

5.2. CRYPTOCURRENCY CFDS

Cryptocurrencies are very high risk, speculative instruments. Cryptocurrencies are generally unregulated and while regulators in some jurisdictions have recently started to regulate certain types of crypto-assets, the regulatory framework is in its infancy. As a relatively new asset class, Cryptocurrencies do not have a meaningful track record. The value of cryptocurrencies, and consequently, the value of CFDs linked to a cryptocurrency as an underlying asset, are susceptible to significant price fluctuations owing to the anonymity factor. They are vulnerable to sharp changes in price due to unexpected events and changes in market sentiment. Cryptocurrencies do not have any intrinsic value and may become worthless. The combination of increased volatility and leverage has the potential to significantly and rapidly increase losses should the market move against you, relative to CFDs with other underlying asset classes.

Where we offer CFD's on cryptocurrency assets, you acknowledge that QTGM does not own or control the underlying software protocols governing the operation of the underlying cryptocurrency. We assume no responsibility for the operation of those underlying protocols and we are not able to guarantee their functionality, security, or availability. In particular, the underlying protocols may be subject to sudden changes in operating rules ("Forks"), and such Forks may materially affect the value, function, and or the name of the affected underlying cryptocurrency. On becoming aware of a Fork, airdrop or similar event affecting an underlying cryptocurrency, QTGM shall, at its sole discretion, evaluate its impact and publish a notification to you in accordance with the Terms of Business.

You should only trade CFDs on cryptocurrencies if you have a high appetite for risk and are able to withstand significant financial loss.

5.3. OTC DERIVATIVES

When trading with us, you will be entering an off-market transaction. This means that you will be entering into a transaction directly with us and can only be closed with us as it is not possible to transfer it to a third party. This involves a greater degree of risk compared to entering into transactions on a transferrable instrument such as equities, traded on an exchange or an alternative trading venue, as your ability to enter and close transactions with us is entirely reliant on our ability to accept transactions. You should be aware of the following risks when entering OTC derivative transactions:

- there is no exchange market on which to close out an open position. As such, it may be impossible to liquidate an existing position, to assess the value of the position arising from an OTC transaction or to assess the exposure to risk;
- the prices that we offer to you are generated by us and may differ from exchange prices or prices offered by our competitors. Different pricing formulas and financial assumptions may yield different values, and different financial institutions may quote different prices for the same or similar transactions;
- the value of an OTC transaction will vary over time and may be affected by many factors, including the remaining time until maturity, the market price, price volatility and prevailing interest rates; and
- all trades that you make with us are settled in cash, and you do not have any rights to any underlying instrument (including voting rights). The value of such transactions is dependent upon, amongst other

things, the value of the relevant underlying instrument, which may be a currency pair, cryptocurrency, equity, index or another financial instrument.

You should read and understand our Order Execution Policy, which explains that we are the sole execution venue for your orders. Our Order Execution Policy is available on our website: <https://www.quantum.com/en/about-qtgm/legal/and/or-electronic-platform>.

6. GENERAL RISK FACTORS

The risk factors discussed in this section apply to all of the financial instruments offered by QTGM. Such factors are additional to those risk factors identified earlier in this Policy.

6.1. UNDERLYING MARKETS

The prices we provide to you are ultimately derived from various underlying markets, which can be volatile. This will have a direct impact on your profits and losses. You should be aware of the risks involved in these underlying markets, which are outside of anyone's control.

6.1.1. Overseas Markets

Any overseas investment or investment with an overseas element can be subject to the risks of overseas markets, which may involve different risks from those of the home market of the investor. In some cases, the risks will be greater. The potential for profit or loss from transactions on foreign markets or CFDs on foreign currency pairs will be affected by fluctuations in overseas exchange rates. Such transactions may also be affected by exchange controls that could prevent or delay performance.

6.1.2. Emerging Markets

Price volatility in emerging markets, in particular, can be extreme. Price discrepancies, low trading volumes, wide pricing spreads and unpredictable movements in the market can be common. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and/or downswings in prices during a very short period of time.

Emerging markets typically exhibit a deficiency in transparency, liquidity, efficiency, market infrastructure, legal certainty, and regulatory frameworks when compared to more developed markets. This means it may be difficult to employ risk and legal risk management practices for emerging markets investments, such as derivatives. In particular, many regulations in emerging markets are unclear in their scope and effect, and there may be a greater risk than in more developed countries of activities conducted in good faith on the basis of professional advice subsequently being regarded as not in compliance with applicable law. In addition, where a system of regulation is present, it may lack any, or any adequate, mechanism to enforce compliance by market participants.

Foreign investment in emerging countries is in some cases restricted. Generally, some of these countries have nonconvertible currencies and the value of investments may be affected by fluctuations in available currency rates and exchange control regulations (which could change at any time). The repatriation of

investors' funds and profits may therefore be restricted or difficult and could involve significant cost. Moreover, considerable delays may occur in the transfer of funds within, and with repatriation of monies out of these countries.

The risks associated with nationalization or expropriation of assets, the imposition of confiscatory or punitive taxation, exchange controls, restrictions on investments by foreigners in an emerging market, sanctions, war and revolution should also be considered.

6.1.3. Out of Hours

During 'out of hours' sessions on index markets, our quotations may reflect our own view of the prospects for a market. This could include referring to price movements in other relevant markets that are open.

6.1.4. Market disruptions

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant market trading is suspended or restricted or if the systems of the relevant market cannot function for any reason.

6.2. PAST PERFORMANCE

Past performance is not an indicator of future performance. You should not rely on any past performance as a guarantee of future investment performance.

6.3. VOLATILITY

Prices may fluctuate rapidly which can have a direct impact on your open positions. Sometimes "gapping" will occur when prices move suddenly from one level to another. There may be a number of events that cause gapping, such as economic data releases, natural disasters or major global political events.

Gapping can happen when markets are closed, meaning that the opening price of an instrument may be considerably different to the closing price. This can have a direct impact on your profit or loss.

6.4. LIQUIDITY

Markets are known as illiquid when instruments are impossible to sell or can only be sold with difficulty or it is not possible to initiate a transaction or liquidate a position at an advantageous price. Market conditions in any underlying instrument may vary and this will affect the size, price and spread of the instruments that we offer to you. Therefore, the terms at which you can close a contract may be different from the terms available when you opened the contract.

The liquidity of an instrument is directly affected by the supply and demand for that instrument and also indirectly by other factors, including market disruptions (for example a disruption on the relevant exchange) or infrastructure issues, such as a lack of sophistication or disruption in the securities settlement process. Under certain trading conditions it may be difficult or impossible to liquidate or acquire a position. This may occur, for example, at times of rapid price movement if the price rises or falls to such an extent that under the rules of the relevant exchange trading is suspended or restricted.

Placing a stop-loss order will not necessarily limit your losses to intended amounts and market conditions may make it impossible to execute such an order at the stipulated price.

6.5. CURRENCY

A movement in exchange rates may have a favorable or an unfavorable effect on the gain or loss achieved in respect of any foreign exchange transactions and transactions in derivatives and securities that are denominated in a currency other than your account currency.

The weakening of a country's currency relative to a benchmark currency or the currency of your portfolio will negatively affect the value of an investment denominated in that currency. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intraday trading. Some countries have foreign exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. Whilst it may be possible to hedge against these risks, they cannot be completely eradicated.

6.6. INTEREST RATE RISK

Interest rates can rise as well as fall. A risk with interest rates is that the relative value of an asset or security will worsen due to an interest rate increase. There are additional interest rate related risks in relation to floating rate instruments and fixed rate instruments; interest income on floating rate instruments cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of floating rate instruments at the time they purchase them or enter into CFDs with such instruments underlying those CFDs, so that their return on investment cannot be compared with that of investments having longer fixed interest periods.

6.7. COMMODITY RISK

The prices of commodities may be volatile, and, for example, may fluctuate substantially if natural disasters or catastrophes, such as hurricanes, fires or earthquakes, affect the supply or production of such commodities. The prices of commodities may also fluctuate substantially if conflict or war affects the supply or production of such commodities. If any interest and/or the redemption amount payable in respect of any product is linked to the price of a commodity, any change in the price of such commodity may result in the reduction of the amount of interest and/or the redemption amount payable. The reduction in the amount payable on the redemption of an investment may result, in some cases, in you receiving a smaller sum on redemption of a product than the amount originally invested in such product.

6.8. POLITICAL RISK

An unstable political environment can have a significant effect on a country's financial stability. Many emerging market countries experience rapid and significant changes in their political environment on a regular basis. Such changes may be due to social, ethnic, or religious strife, often coupled with periods of social unrest. They often result in dramatic changes in governmental policy (including changes in exchange controls and market regulation). The consequences of such instability may make it difficult for investors or their counterparties to predict the effect of such changes on transactions which they enter into.

6.9. SLIPPAGE

We cannot guarantee that the price at which you request us to execute an order will be the same as the actual price at which your order is filled. Technical conditions (for example, the transfer rate of data networks or the quality of your internet connection, as well as rapid market fluctuations) may lead to a change in the applicable price between the time the order is placed by you and the time the relevant order is received by us or the order is executed by our platform. Such changes to the applicable price are due to fluctuations in the financial markets rather than on arbitrary interventions made by us. If such changes occur resulting in a change of price which is worse than the quoted price, we reserve the right to reject the transaction.

6.10. CORPORATE ACTIONS

Some products may be affected by corporate actions such as profit warnings, rights issues, mergers, dividend payments or takeovers. Your position may be treated differently to physical positions and this may have an adverse effect on the outcome of your trade.

Corporate events may be announced at short notice which may have an adverse impact on your profit and loss during the lifetime of your trade.

6.11. INSOLVENCY

In case we become insolvent or otherwise default, it may lead to your positions being liquidated or closed-out without your consent. For Retail Client, Money that we hold on your behalf will be held in a segregated client money bank account separate from our own money, although this may not provide complete protection, for example if the bank we used to hold your money becomes insolvent.

We are exposed to the credit and insolvency risk of our liquidity providers.

There is also insolvency risk in relation to the investment itself, for example of the counterparty to off-exchange derivatives (where the risk relates to the derivative itself and to any collateral or margin held by the counterparty).

6.12. LEGAL AND REGULATORY

Returns on all, and particularly new, investments are at risk from regulatory or legal actions and changes which can, amongst other issues, alter the profit potential of an investment. Changes to related issues

such as tax may also occur and could have a large impact on profitability. Such risk is unpredictable and can depend on numerous political, economic and other factors.

The type of laws and regulations with which investors are familiar may not exist in some places, and where they do, may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Judges and courts in many countries are generally inexperienced in the areas of business and corporate law.

You should familiarize yourself with the protections accorded to you (if any) in respect of money 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.

6.13. ELECTRONIC TRADING RISKS & OPERATIONAL RISKS

Our services are provided over the internet, if you choose to transact with us in this way there are a number of risks that could materialize. Operational risk, such as breakdowns or malfunctioning of essential systems and controls, system errors and outages, maintenance downtime periods, internet connectivity issues or failures of third parties (for example, internet service providers or electricity companies) can impact on all financial products.

These technical risks and other circumstances can pose a significant risk to the execution of your orders or the availability of the trading platform.