

RISK DISCLOSURE AND ACKNOWLEDGEMENT

Earn

Online Broker

July 2023

Important Notice: This document does not disclose, contain or explain all of the risks and other significant aspects involved in dealing in all Financial Instruments and Investment Services offered by the Company. This document was designed to explain in general terms the nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis in accordance with the Law. Furthermore, if the Client decides to enter into a business relationship with the Company, they are advised to get familiar and understand all the risks involved before undertaking trading. In case the Client does not understand the risk they shall seek professional advice from an independent financial adviser or not trade at all.

1. Introduction

Top Markets Solutions Ltd (“the Company”), operating under the trade name Earn, is a Cyprus Investment Firm incorporated and registered under the laws of the Republic, with registration No. HE272810. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) under the license No. 158/11. This notice is provided to all prospective clients in accordance with Law. 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets.

1.1 All prospective Clients should read carefully the following risk warnings contained in this document. However, it is noted that this document cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in Financial Instruments (including derivative financial instruments such as CFDs). The notice was designed to explain in general terms the nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis.

1.2 The Client should not engage in any investment directly or indirectly in Financial Instruments unless he knows and understands the risks involved for each one of the Financial Instruments. The Company will not provide the Client with any investment advice relating to investments or possible transactions in investments or in Financial Instruments or make investment recommendations of any kind. So, prior to applying for a trading account with the Company, or making an order the Client should consider carefully whether investing in a specific Financial Instrument is suitable for him in the light of his circumstances and financial resources. If the Client does not understand the risks involved he should seek advice and consultation from an independent financial advisor. If the Client still does not understand the risks involved in trading in any Financial Instruments, he should not be involved in trading under any circumstances.

The Client should acknowledge that he runs a great risk of incurring losses and damages as a result of the purchase and/or sale of any Financial Instrument and accepts that he is willing to undertake this risk.

2. General Risks & Warnings associated with transactions in Financial Instruments

- The Client is warned of the following risks:
- The Company does not and cannot guarantee the initial capital of the Client’s portfolio or its value at any time or any money invested in any financial instrument.
- The Client should acknowledge that, regardless of any information which may be offered by the Company, the value of any investment in Financial Instruments may

fluctuate downwards or upwards and it is even probable that the investment may become of no value.

- The Client should acknowledge that he runs a great risk of incurring losses and damages as a result of the purchase and/or sale of any Financial Instrument and accepts that he is willing to undertake this risk.
- The Client should not engage in any investment directly or indirectly in Financial Instruments unless he knows and understands the risks involved for each one of the Financial Instruments.
- Information of the previous performance of a Financial Instrument does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Financial Instruments to which the said information refers.
- Some Financial Instruments may not become immediately liquid as a result e.g. of reduced demand and the Client may not be in a position to sell them or easily obtain information on the value of these Financial Instruments or the extent of the associated risks.
- When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may have a negative effect on its value, price and performance.
- A Financial Instrument on foreign markets may entail risks different to the usual risks of the markets in the Client's country of residence. In some cases, these risks may be greater. The prospect of profit or loss from transactions on foreign markets is also affected by exchange rate fluctuations.
- A Derivative Financial Instrument (i.e. option, future, forward, swap, etc) may be a non delivery spot transaction giving an opportunity to make profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. The value of the Derivative Financial Instrument may be directly affected by the price of the security or any other underlying instrument which is the object of the acquisition.
- The Client must not purchase a Derivative Financial Instrument unless he is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred.
- The prices and characteristics of over-the-counter transactions are individually negotiated and there is no central source for obtaining prices, therefore there is a risk of inefficiencies in transaction pricing.
- Under certain market conditions it may be difficult or impossible to execute an order.
- Placing Stop Loss Orders serves to limit losses. However, under certain market conditions the execution of a Stop Loss Order may be worse than its stipulated price and the realized losses can be larger than expected.
- Should the margin capital be insufficient to hold current positions open, the Client may be called upon to deposit additional funds at short notice or reduce exposure. Failure

to do so in the time required may result in the liquidation of positions at a loss and they will be liable for any resulting deficit.

- A Bank or Broker through whom the Company deals with could have interests contrary to the Client's interests.
- The insolvency of the Company or of a Bank or Broker used by the Company to effect its transactions may lead to positions being closed out against the Client's wishes.
- There is a risk that the Client's trades in Financial Instruments may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable. The Client should be responsible for any taxes and/or any other duty which may accrue in respect of his trades.
- Where the Company provides generic market recommendations, such generic recommendations do not constitute a personal recommendation or investment advice and have not considered any of the Client's personal circumstances or their investment objectives, nor is it an offer to buy or sell, or the solicitation of an offer to buy or sell. Each decision by the Client to enter into a transaction with the Company and each decision as to whether a transaction is appropriate or proper for the Client is an independent decision by Client. The Company is not acting as an advisor. Client agrees that the Company has no liability in connection with and is not responsible for any liabilities, claims, damages, costs and expenses, including attorneys' fees, incurred in connection with Client following Company's generic trading recommendations or taking or not taking any action based upon any generic recommendation or information provided by the Company.
- The generic market recommendations provided by the Company are based solely on the judgment of the Company's personnel and should be considered as such. Client acknowledges that it enters into any Transactions relying on its own judgment. Any market recommendations provided are generic only and may or may not be consistent with the market positions or intentions of the Company and/or its affiliates. The generic market recommendations of the Company are based upon information believed to be reliable, but the Company cannot and does not guarantee the accuracy or completeness thereof or represent that following such generic recommendations will reduce or eliminate the risk inherent in trading financial instruments.
- The Company will not provide the Client with investment advice relating to investments or possible transactions in investments or make investment recommendations of any kind.
- There are no guarantees of profit nor of avoiding losses when trading financial instruments. Client has received no such guarantees from the Company or from any of its representatives. The client is aware of the risks inherent in trading financial instruments and is financially able to bear such risks and withstand any losses incurred.

- In case of any quoting error occur (including responses to Client requests, typing errors, etc), the Company is not liable for any resulting errors in account balances and reserves the right to make necessary corrections or adjustments to the relevant account.
- Before the Client begins to trade, he should obtain details of all commissions and other charges for which the Client will be liable. If any charges are not expressed in money terms (but for example as a dealing spread), it is the Client's responsibility to request and obtain a clear written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.
- The Company requires the Client to pass through an appropriateness test during the application process and warns the Client, if on the basis of information provided, the trading on various financial instruments is not appropriate based on the Client's profile.
- All relevant costs and charges will be provided by the Company or set out in the Company's website. Clients should be aware of such costs and charges that may influence the account profitability of the Client.
- The client is obligated to keep passwords secret and ensure that third parties do not obtain access to the client's online account. The client will be liable for trades executed by means of his password even if such use may be wrongful.
- The Company may be required to hold the client's money in an account that is segregated from other clients and the Company's money in compliance with current regulations, but this may not afford complete protection.

3. Risk acknowledgement

3.1 Technical Risk

The Client shall be responsible for the risks of financial losses caused by the failure of information, communication, electronic and other systems. The result of any system failure may be that his order is either not executed according to his instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure.

While trading via the Client Terminal the Client shall be responsible for the risks of financial losses caused by but not limited to:

- Client's or Company's hardware or software failure, malfunction or misuse;
- Poor Internet connection either on the side of the Client or the Company or both, or interruptions or transmission blackouts or public electricity network failures or hacker attacks, overload of connection;
- The wrong settings in the Client Terminal;
- Delayed Client Terminal updates;

- The Client disregarding the applicable rules described in the Client Terminal user guide and in the Company's website;
- Failure of internet, servers, mobile networks or other communications lines either on the Company's side, the Client side or both.

In case of a such failure, the Client acknowledge that it may lead to delays in the execution or settlement of a transaction, or the client order may not be executed according to the client's instructions or the transaction may not be executed at all.

The Client acknowledges that at times of excessive deal flow the Client may have some difficulties connecting over the telephone with a Dealer, especially in a Fast Market (for example, when key macroeconomic indicators are released).

The Company shall not be liable for any claims, losses, damages, indemnifications, costs or expenses caused directly or indirectly by the malfunctions as described but not limited to the above.

3.2 Abnormal market conditions

The Client acknowledges that under Abnormal Market Conditions the period during which the Instructions and Requests are executed may be extended. The Client acknowledges that under certain market conditions it may be difficult or impossible to execute an order.

3.3 Suspensions of Trading

Under certain market conditions such as financial instability of the world economics, it may be difficult or impossible to liquidate a position. In this case the Company reserves the right to either suspend or restrict the trading on a specific instrument.

3.4 Trading platform

The Client acknowledges that the only reliable source of Quotes Flow information is that of the real/live Server's Quotes Base. Quotes Base in the Client Terminal is not a reliable source of Quotes Flow information because the connection between the Client Terminal and the Server may be disrupted at some point and some of the Quotes simply may not reach the Client Terminal.

The Client acknowledges that when the Client closes the order placing/modifying/deleting window or the position opening/closing window, the Instruction or Request, which has been sent to the Server, shall not be cancelled.

In case the Client has not received the result of the execution of the previously sent Instruction but decides to repeat the Instruction, the Client shall accept the risk of making two Transactions instead of one.

The Client acknowledges that if the Pending Order has already been executed but the Client sends the Instruction to modify its level and the levels of If-Done Orders at the same time, the only Instruction, which will be executed, is the Instruction to modify Stop Loss and/or Take Profit levels on the position opened when the Pending Order triggered.

4. Interpretative Risk

The Client must acknowledge that information on the previous performance of a Financial Instrument does not guarantee its current and/or future performance.

The usage of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Financial Instruments to which they said information refers.

5. Communication

The Client shall accept the risk of any financial losses caused by the fact that the Client has received with delay or has not received at all any notice from the Company.

The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.

The Client is fully responsible for the risks in respect of undelivered Trading Platform internal mail messages sent to the Client by the Company.

The Client is wholly responsible for the privacy of the information received from the Company and accepts the risk of any financial losses caused by the unauthorized access of the third party to the Client's Trading Account.

The Company has no responsibility if authorized third persons have access to information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between the Company or any other party, using the internet or other network communication facilities, telephone, or any other electronic means.

6. Force Majeure Event

In the case of a Force Majeure Event the Client shall accept the risk of financial losses.

7. No Representation, No Warranty

The Company uses reasonable efforts to obtain information from reliable sources, but the materials on the Company website is provided "as is" without warranty of any kind. The Company makes no representation (either express or implied) that the information, analysis and opinions expressed on the Company website or otherwise is accurate, complete or up to date.

Information contained on the Company website is checked and updated by the Company on a regular basis. This notwithstanding, data and information provided may become subject to changes while posted on the Company website. Therefore, Company does not assume any liability towards nor gives any guarantee to any subscriber, client, partner, supplier, counterparty or third party for the timeliness, accuracy and completeness of the information provided herein or on other websites that may be accessed through hyperlinks. The Company reserves the right to change or amend the information provided at any time and without prior notice.

8. Risk Warning Notice for Foreign Exchange and Derivative Products

8.1 Products

This notice cannot disclose all the risks and other significant aspects of foreign exchange and derivative products such as futures, options, and Contracts for Differences. You should not deal in these products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position.

Although Forex and derivative instruments can be utilized for the management of investment risk, some of these products are unsuitable for many investors. You should not engage in any dealings directly or indirectly in derivative products unless you know and understand the risks involved in them and that you may lose entirely all of your money. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points:

8.2 Effect of Leverage

Under Margin Trading conditions even small market movements may have great impact on the Client's Trading Account. It is important to note that all accounts trade under the effect of Leverage.

The Client must consider that if the market moves against the Client, the Client may sustain a total loss greater than the funds deposited.

The Client is responsible for all the risks, financial resources the Client uses and for the chosen trading strategy.

It is highly recommended to place Stop Loss to limit potential losses, and Take Profit to collect profits, when it is not possible for the Client to manage the Client's Open Positions.

The Client shall be responsible for all financial losses caused by the opening of the position using temporary excess Free Margin on the Trading Account gained as a result of a profitable position (cancelled by the Company afterwards) opened at an Error Quote (Spike) or at a Quote received as a result of a Manifest Error.

8.3 High volatile instruments

Some Instruments trade within wide intraday ranges with volatile price movements. Therefore, the Client must carefully consider that there is a high risk of losses as well as profits. The price of Derivative financial instruments is derived from the price of the underlying asset in which the instruments refer to (for example currency, stock, metals, indices etc). Derivative financial instruments and related markets can be highly volatile. The prices of instruments and the underlying asset may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company. Under certain market conditions it may be impossible for a Client's order to be executed at declared price leading to losses.

This may occur for example at the following circumstances:

- Market opening hours
- Release of macroeconomic data
- Rapid price movement
- Insufficient liquidity to execute specific volume.

The prices of instruments and the underlying asset will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace. Therefore, the Stop Loss order cannot guarantee the limit of loss.

The Client acknowledges and accepts that, regardless of any information which may be offered by the Company, the value of Instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value. This is owed to the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trade. If the underlying market movement is in the Client's favor, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly

result in the loss of the Clients' entire deposit but may also expose the Client to a large additional loss.

8.4 Liquidity

Some of the underlying assets may not become immediately liquid as a result of reduced demand for the underlying asset and Client may not be able to obtain the information on the value of these or the extent of the associated risks.

8.5 Slippage

Slippage is a difference between the expected price of a transaction and the price at which the transaction was executed. It may occur during high volatility or when large transactions are executed at a price at which there is no demand.

8.6 Additional Risks

The nature and extent of the risks mentioned above vary from country to country and depend on the Financial Instrument on which the investment shall be effected. In general, the risk factor is affected inter alia by:

1. The type of the intended investment.
2. The manner in which the specific investment is effected or the specific Financial Instrument is offered or negotiated or sold.
3. The needs and profile of the investor.
4. The market in which the Financial Instruments are negotiated and whether such market is regulated or not.
5. The political risk in the country of the relevant Market or the country of the issuer.
6. The clearing and settlement system applicable to the relevant Market.
7. The place of registration or business, the capitalisation and the main business of the issuer.
8. The risk of insolvency of the issuer.
9. The complexity of the transaction.
10. Whether the transaction is connected with margin payment or the granting of credit or deposit of collateral or whether it is a leveraged transaction.
11. The counter-party risk.

8.7 Contracts for Differences

The CFDs available for trading with the Company are non-deliverable spot transactions giving an opportunity to make a profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. If the underlying

instrument movement is in the Client's favor, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Clients' entire deposit but also any additional commissions and other expenses incurred. So, the Client must not enter into CFDs unless he is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred.

Clients are required to deposit funds in their trading account in order to open a position. The Margin requirement will depend on the underlying instrument of the CFDs. Margin requirements can be fixed or can be calculated from the current price of the underlying instrument. The Company will not notify the Client of any Margin Call to sustain a loss making position. However, client has an option to enable the margin call notification on his platform.

Transactions in CFDs are not undertaken on a recognized exchange. Rather they are undertaken via Company's Trading Platform whereby execution is effected by Company or other financial institutions and, accordingly, CFDs may expose the Client to greater risks than regulated exchange transactions. Trading Platform for transactions in CFDs used by the Company does not fall into the definition of a recognized exchange as this is not a Multilateral Trading Facility because Company may be in a client transaction. The terms and conditions and trading rules are established solely by the counterparty which may be Company or some other financial institution to be disclosed to the Client. The Client may be obliged to close an open position of any given CFD during the opening hours of Company' Trading Platform.

Before the Client begins to trade, he should obtain details of all commissions and other charges for which the Client will be liable, which may be found on Company's website. Some charges may not be expressed in money terms but may, for example, be expressed as a dealing spread.

The Client takes the risk that his trades in CFDs may be or become subject to tax and/or any other duty, for example, because of any changes in legislation or changes to his personal circumstances. Company does not warrant that no tax and/or any other stamp duty will be payable. The Client should be responsible for any taxes and/or any other duty which may accrue in respect of his trades.

9. Risks and Warnings associated with transactions on CFDs related to Cryptocurrencies

- Engaging in trading CFDs with underlying asset a cryptocurrency, and due to high volatile nature of the cryptocurrency, the Client might be exposed to higher risks than trading the assets themselves or trading other CFDs with other underlying assets.

- In the case of CFDs with the underlying asset a Cryptocurrency, there might be sudden changes in prices of certain instruments which may result in significant loss over a short period of time. This can happen during economic event or market announcements or geopolitical events, news, or even due to adverse media or fake news. Gaps can occur when markets open or close or even during normal trading hours. If the market is closed when these factors occur, the opening price of the underlying asset can be substantially different from the closing price, giving the Client no opportunity to close their trade in-between. Pricing gaps can result in significant losses. In addition, CFDs on cryptocurrencies may be subject to large price fluctuations and in some instances, due to the early stages of their lifecycle, they may lose entire value.
- Virtual currencies are traded on non-regulated decentralized digital exchanges. Accordingly, price formation and price movements of the cryptocurrencies depend solely on the internal rules of the particular digital exchange, which may significantly differ from the rules and practices observed by the regulated exchanges and may be subject to change at any point in time and without notice. This often leads to very high intra-day volatility in the prices of the cryptocurrencies which may be substantially higher compared to other Financial Instruments. Therefore, by Trading CFDs in cryptocurrencies the Client accepts a significantly higher risk of loss of their invested capital which may occur within a very short timeframe as a result of sudden adverse price movements of the cryptocurrencies.
- the pricing formation rules of the cryptocurrency exchanges are not subject to any regulatory supervision and may be changed at the relevant digital exchange's discretion at any time. Likewise, such digital exchanges may introduce trading suspensions or take other actions that may result in the suspension or cessation of trading or the price and market data feed becoming unavailable to us. The above factors could result in material adverse effect on the Client's open positions, including the loss of all of their invested capital. Where a temporary or permanent disruption to or cessation of trading occurs on any digital exchange any positions in such Cryptocurrency will be priced at the last available price for the relevant Cryptocurrency and the Client may be unable to close or liquidate their position or withdraw any funds related to such position until the trading on the relevant digital exchange resumes (if at all). The Client accepts that where trading resumes again at either the relevant initial digital exchange or on any successor exchange, there may be significant price differential ('price gapping') which may impact the value of the Client's CFD positions in the relevant Cryptocurrencies and result in significant profits or losses. Where trading does not resume, all of the Client's invested capital could potentially be lost.
- It is the Client's responsibility that at all times they monitor their account, margin level and profit/loss, and act as needed to protect their equity.

10. Advice and Recommendations

The Company will not provide the Client with any investment advice relating to investments or possible transactions in investments or make investment recommendations of any kind. Therefore, each decision by Client to trade any financial instruments with the Company and each decision if a transaction is appropriate for Client, is an independent decision made by the Client.

11. No Guarantee of Profits

The Company does not guarantee any profits or avoiding losses when trading in derivative financial instruments. The Client acknowledges and accepts that has not received any guarantees from the Company or from any of its representatives. The Client warrants that is aware of the risk inherent in such trading and is financially able to bear risks and withstand any losses incurred.

12. Other implications

The Company may pass money received from the Client to a third party (e.g. a bank, a market, intermediate broker, OTC counterparty or clearing house) to hold or control in order to effect a Transaction through or with that person or to satisfy the Client's obligation to provide collateral (e.g. initial margin requirement) in respect of a Transaction. The Company has no responsibility for any acts or omissions of any third party to whom it will pass money received from the Client.

The third party to whom the Company will pass money may hold it in an omnibus account and it may not be possible to separate it from the Client's money, or the third party's money. In the event of the insolvency or any other analogous proceedings in relation to that third party, the Company may only have an unsecured claim against the third party on behalf of the Client, and the Client will be exposed to the risk that the money received by the Company from the third party is insufficient to satisfy the claims of the Client with claims in respect of the relevant account. The Company does not accept any liability or responsibility for any resulting losses.

The Company may hold Client money on the Client's behalf outside the EEA. The legal and regulatory regime applying to any such bank or person will be different from that of Cyprus and in the event of the insolvency or any other analogous proceedings in relation to that bank or person, the Client money may be treated differently from the treatment which would apply if the money was held with a bank in an account in Cyprus. The Company will not be liable for the insolvency, acts or omissions of any third party referred to in this paragraph.

The Company may deposit Client money with a depository who may have a security interest, lien or right of set-off in relation to that money.

A Bank or Broker through whom the Company deals with or Company itself may act in the same market as Client, and could have interests contrary to the Client's Interests.

13. Investor Compensation Fund (ICF)

The Company is a member of the Investor Compensation Fund (ICF), which means that client funds may be eligible to receive compensation for any claims arising from the inability or failure of the members of the Fund to fulfill its financial obligations. Securing claims depends on several factors. You can check eligibility terms in our [Investor Compensation Fund legal document](#).