



Conflicts of Interests Policy

eToro (Europe) Ltd

Introduction

This Policy is only for informational purposes and is not intended to and does not create third party rights or duties that would not already exist if the Policy had not been made available. The Policy does not form part of any contract between eToro (Europe) Ltd. (or any of its affiliates) or any client or prospective client. This Policy demonstrates that eToro (Europe) Ltd. is taking all reasonable steps to identify and avoid conflicts of interest situations that may arise between eToro (Europe) Ltd. and its employees and its clients or among its clients during the course of the provision of investment and crypto-assets services. It is the duty of the Compliance Officer to develop and maintain this Policy so as to prevent and resolve potential conflicts of interest.

Identifying Conflicts of Interest

For the purposes of identifying the types of conflict of interest which may arise in the course of providing crypto-assets services or investment and ancillary services or a combination thereof and whose existence may damage the interests of a client, eToro (Europe) Ltd. need to take into account, by way of minimum criteria, the question of whether eToro (Europe) Ltd. or a relevant person or a person directly or indirectly linked by control to eToro (Europe) Ltd., is in any of the following situations, whether as a result of providing crypto-assets services or investment or ancillary services or investment activities or otherwise:

- a) eToro (Europe) Ltd. or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the client.
- b) eToro (Europe) Ltd. or that person has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome.
- c) eToro (Europe) Ltd. or that person has financial or other incentives to favor the interest of another client or group of clients over the interests of the client.
- d) eToro (Europe) Ltd. or that person carries on the same business as the client.
- e) eToro (Europe) Ltd. or that person receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

In addition to the above-mentioned types of conflicts of interest, a non-exhaustive list of the types of situations where conflicts may arise, including conflicts in relation to the

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provision of investment and ancillary services eToro (Europe) Ltd may provide, are listed below:

- Personal transactions of relevant persons where the employees may engage in the trading of crypto-assets services or securities or other instruments for their own account. Such trading activities may put those employees and officers, or the Company, in conflict with the interests of our clients, for example, by having a personal interest in a transaction with a client, or by front-running transactions with clients.
- Where employees of eToro (Europe) Ltd may come into possession of material non-public information and the improper use of such information by staff members could cause a conflict with the interests of the eToro (Europe) Ltd clients, or between the interests of the eToro (Europe) Ltd clients, and may also be unlawful under Market Abuse Regulation which may result in a civil or criminal conviction.
- Where there is an inappropriate flow of information between relevant persons within separate areas of the business who should be acting independently and where the absence of this independence could be detrimental to the client.
- Where management and employees hold outside business interests, such as directorships or shareholdings, in-service providers, or other Companies.
- Where interests of a certain client are preferred to those of another client with the purpose of a deriving personal benefit by an employee.
- Where eToro (Europe) Ltd wishes to make an investment for its own account in crypto-assets or in financial instruments in which Clients are also seeking to invest.
- When trading using our CopyTrading service, in addition to the conflicts in the above paragraph, you should be aware that we may compensate popular eToro traders who you and/or others have elected to follow and/or copy.
- Where the eToro (Europe) Ltd market analysts are not objective and impartial in their analysis of financial markets, crypto markets, specific financial instruments or crypto-assets.
- eToro (Europe) Ltd or its employees are incentivized via equity-linked compensation schemes (e.g. share options) to pursue commercial outcomes that are not aligned with client's best interests.
- Account managers receive variable pay linked to client acquisition in specific products without compliance oversight.

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- eToro (Europe) Ltd parent group holds commercial interests in token issuers or crypto service providers admitted to the platform.
- Directors, officers or employees perform multiple duties within the Group.

Managing or Preventing Conflicts of Interest

Where we identify a potential conflict of interest, we may adopt one or more of our procedures to manage or prevent the conflict. These procedures include (but are not limited to):

- a) separating the duties of our employees engaged in different business activities where the duties, if shared, would amount to a potential conflict. This could include, for example, the operation of information barriers, physical separation of staff, and the segregation of duties and responsibilities.
- b) ensuring that we do not give you preferential treatment over another client when executing an order, or vice versa.
- c) not disclosing the details of your trades to other clients or to third parties without your consent.
- d) ensuring clear and transparent communications between our employees;
- e) controlling the use of dealing on personal accounts for all employees and their associates, regardless of how senior they are.
- f) adopting appropriate limits and procedures when assessing our employees' remuneration in order to ensure that they are rewarded for acting in your best interests and not against them.
- g) requiring all remuneration structures involving client acquisition or product-specific performance to be reviewed by Compliance and HR.
- h) adopting policies and procedures to monitor and, if necessary, limit or refuse gifts and personal benefits.
- i) adopting policies and procedures to prevent insider trading, market manipulation, and the misuse of market or price-related information.
- j) Requiring all our directors who are not directly employed by us to declare any outside business interests.
- k) ensuring that market analysts producing marketing information on behalf of the Company, which includes market analysis, are free from the influence of conflicting

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business or personal interests. Any existing conflict of interest must be disclosed alongside the published material.

- l) Maintains a register of employees holding equity/options and monitors for performance-linked bias.
- m) Applies token listing and onboarding criteria that are independent from group or affiliate interests.

eToro (Europe) Ltd. has also established and implemented “*Chinese Walls*” in order to prevent the transfer of confidential/inside information between departments and/or companies of the same group. Chinese Walls are essential information barriers which are used to prevent inside or highly confidential information possessed by one part of the business from being inappropriately passed to, or obtained by, another part of the business.

eToro (Europe) Ltd. has taken appropriate measures to restrict the flow of information between certain functions of eToro (Europe) Ltd.:

- a) The Chief Compliance Officer has unrestricted access to all information and to all departments;
- b) All control functions i.e. the Regulatory Compliance Officer, the Risk Manager, Internal Auditor, External Auditor, are reporting directly to the Board of Directors and are strictly prohibited from making available their annual or other reports to the any employee, from any department prior to communicating the reports to the Board of Directors and obtaining management’s consent.

Given that eToro (Europe) Ltd. and some of its providers of outsourced services belong to eToro Group, there is a potential risk that the Company may indirectly exercise control over the provider of the outsourced services or could otherwise affect its actions.

For that purpose the General Manager and Compliance Officer of eToro (Europe) Ltd. make sure that no such control will take place and will ensure that all outsourced functions will objectively report to the Board of Directors – where applicable. The Company also monitors the performance of such outsourced service providers according to the predefined KPIs which were agreed between the Company and the relevant eToro Group entity.

Finally, the Compliance Department maintains a Conflicts of Interest Register of all situations in which a conflict of interest has been identified and/or arisen, containing the measures taken to mitigate or manage the conflict of interest identified and/or arisen, a description of the circumstances which constituted or may have constituted a conflict of interests.

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The Conflicts of Interest Register is updated whenever a conflict of interest is identified or arises, or may have arisen, and at least annually. Furthermore, the senior management of eToro (Europe) Ltd. receives frequent, and at least annual, written reports on situations where investment or crypto-asset services or activities carried out by or on behalf of eToro (Europe) Ltd have resulted in, or may result in, a conflict of interest that poses a risk of harm to the interests of one or more clients.

Disclosing Conflicts of Interest

Where a conflict of interest arises, eToro (Europe) Ltd. will, if made aware of it, disclose it to a client or potential client prior to undertaking investment or crypto-assets business for that client. If eToro (Europe) Ltd. does not believe that disclosure is appropriate to manage the conflict, we may choose not to proceed with the transaction or matter giving rise to the conflict. eToro (Europe) Ltd. reserves the right to review and/or amend its Policy whenever it deems this necessary/appropriate.

Record Keeping

In addition to the organizational and administrative arrangements which we have in place to identify, manage, or prevent, and disclose conflicts, we aim to keep a record of the kinds of activity we carry on in which a conflict could arise or has arisen. This includes the activities of other eToro group companies, where relevant.

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