

ETORO (EUROPE) LIMITED

ADDENDUM TO TERMS AND CONDITIONS FOR SECURITIES TRADING

This Securities Trading Addendum (the “**Securities Addendum**” or the “**Addendum**”) supplement eToro (Europe) Limited’s [Terms & Conditions](#) (the “**General Terms and Conditions**”) together with the Privacy Policy, the General Risk Disclosure, Best Execution and Order Handling Policy and other terms of use as published in our website under Regulation and License section, as amended from time to time (the “**Terms and Conditions**”). This Addendum sets out the terms under which you can trade Securities. The Terms and Conditions shall apply mutatis mutandis on trading Securities along with this Addendum and in case of conflict between this Addendum and the Terms and Conditions, this Addendum will prevail. All capitalized terms used herein and not otherwise defined shall bear the meaning ascribed to them in the Terms and Conditions.

Before you use our service, you should read this Addendum carefully, the Terms and Conditions, the General Risk Disclosure Notice, the Privacy Policy, the Best Execution and Order Handling Policy and any other documents that we have supplied or in the future will supply to you.

Please note - Our Securities Trading Service is not suitable for everyone. A full explanation of the risks associated with our Securities Trading Service is set out in the General Risk Disclosure, in the Best Execution and Order Handling Policy and in the Terms and Conditions and you should ensure you fully understand such risks before entering into this Agreement with us.

IMPORTANT NOTE - ETORO DOES NOT ACCEPT ANY USERS IN THE USA (RESIDENTS AND CITIZENS), JAPAN, BRAZIL, TURKEY, CANADA (INCLUDING ONTARIO & QUEBEC), DEMOCRATIC PEOPLE’S REPUBLIC OF KOREA (DPRK), IRAN, CUBA, ALBANIA, SERBIA, SUDAN OR SYRIA.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS ADDENDUM AND/OR THE GENERAL RISK DISCLOSURE, FRENCH RESIDENTS SHALL BE ELIGIBLE TO AN INTRINSIC PROTECTION. ACCORDINGLY AND INDEPENDENTLY OF THE MARKET VOLATILITY, THEIR MAXIMUM LOSS WITH RESPECT TO EACH TRANSACTION SHALL BE THE TOTAL AMOUNT INVESTED IN SUCH TRANSACTION, AS UPDATED BY SUCH USER FROM TIME TO TIME.

This Addendum was published and last updated on September 6th, 2018. You should print a copy for your references.

1. INTRODUCTION

- 1.1. This Addendum sets out the basis on which we will receive and handle orders from you, enter into transactions and hold the underlying Securities (Securities - including stocks, exchange-traded fund (“**ETFs**”), bonds, or other debt instrument, gilt, investment trust, unit trust or other security or investment in respect of which we offer to deal) (“**Securities**”) and money on your behalf (“**Securities Trading Service**”). This Addendum governs each order issued or outstanding and each transaction entered into on or after this Addendum comes into effect and all Securities and money held by us on your behalf relating to transactions entered into on or after this Addendum comes into effect.

- 1.2. This Addendum only applies to buy transactions made under leverage of 1 including Copytrading and CopyPortfolio transactions.

It is hereby clarified that the the transactions described in clause 1.3 below are excluded from the above.

- 1.3. For the avoidance of any doubt any other transaction except for the transactions described in section 1.2 above shall be classified as a CFD transactions and shall only be governed by the provisions of the General Terms and Conditions and not this Addendum.

Without derogating from the generality of clause 1.2 above, the following transaction (but not only) shall be classified as CFDs transactions: (1) Securities buy transactions with leverage above 1; (2) all short transactions; (3) all types of transactions (including Copytrading and CopyPortfolio) made by users from the countries listed in [Appendix A, Excluded Countries](#), as shall be amended from time to time at our sole discretion; (4) all types of transactions in stocks which are listed and traded in each of the Stock Exchanges set in [Appendix B, Excluded Exchanges](#) as shall be updated from time to time; (5) all types of transaction in certain Securities, as shall be determined by eToro at its sole discretion. Such transactions are set and presented in the trading platform as CFDs transactions; (6) Securities Copytrading (including CopyPortfolio) transactions which are classified as CFD in the account of the copied investor, including any change in such classification from the Underlying Securities to a CFDs transaction.

- 1.4. The effective dates for the services rendered under this Addendum are as set in [Appendix C, Effective Dates](#), as shall be updated from time to time.

- 1.5. We reserve the right to amend, revise, modify, and/or change this Addendum and/or any terms and/or features of the Securities

Trading Service at any time without prior notice. All changes shall take effect immediately and such updated version of the Addendum shall be published in our website. You are responsible for checking this page on our website/applications periodically in order to review the current version of the Addendum.

- 1.6. By providing you with the Securities Trading Service we will act as your execution-only broker and will provide a dealing services with respect to the underlying Securities. We will act on your behalf as principal.
- 1.7. We will also hold and administer your money and Securities as custodian. We may delegate certain obligations under this Securities Addendum to associated companies (any holding company or subsidiary company) and third parties.
- 1.8. if you are an employee or contractor of a financial services firm or any other firm that has controls over the financial transactions in which its employees and contractors deal, you will give us proper notice of this and of any restrictions that apply to your dealing;

2. THIRD PARTIES

We may, at our reasonable discretion, arrange for an order to be executed with or through a third-party which may be an unaffiliated company, or an affiliate of eToro. Any authority granted by you to the eToro, and/or any limitation of liability of eToro, shall also extend to include in the grant and limitation its affiliates, agents and any service provider. eToro and the agents, affiliates or service providers acting on behalf of eToro under this Addendum are authorized to perform the services contemplated by this Addendum. You consent to eToro providing your identifying information to any requesting service provider of the Company.

We will not be liable to you for any act or omission of any such third-party including but not limited in regard to information provided by such third-party, except where we have acted negligently, fraudulently or in willful default in relation to the appointment of the third-party.

3. SECURITIES TRADING SERVICES

- 3.1. In addition to all Services described in the Terms and Conditions we will provide you with the following services:
 - 3.1.1. brokerage services, consisting of Securities Trading Service (including buying and selling Securities);
 - 3.1.2. arranging for you the services described in 3.1.1 above as principal;
 - 3.1.3. custody services in relation to your Securities.
- 3.2. Dealings with you will be carried out by us on an execution-only basis and you agree that, unless otherwise provided in this Addendum , we are under no obligation:
 - 3.2.1.to satisfy ourselves as to the suitability of any transaction for you;
 - 3.2.2.to monitor or advise you on the status of any order;
 - 3.2.3.to monitor or advise you of the status of the Securities held by us on your behalf;
- 3.3. All Securities Trading shall be made within the Trading Platform and you will be unable to transfer the Securities out of your account into your own name or another nominee.
- 3.4. We are not providing you with any investment, legal, regulatory, tax or other form of advice. You are required to rely on your own judgement in entering into, or refraining from, providing us with an order or from entering into, or refraining from entering into, a transaction. You are not entitled to ask us to provide you with investment advice relating to Securities, or a transaction or to make any statement of opinion to encourage you to enter into a particular transaction. You may wish to seek independent legal advice in relation to any transaction you propose to enter into under this Addendum.
- 3.5. We may, at our absolute discretion, provide information:
 - 3.5.1. in relation to any Securities, transaction or order about which you or your agent have enquired, particularly regarding procedures and risks attaching to that Security, transaction or order and ways of minimizing risk; and
 - 3.5.2. by way of factual market information;

However, we will be under no obligation to disclose such information to you and in the event of us supplying such

information it will not constitute investment advice.

- 3.6. You acknowledge that the product details that apply at the time when you make a transaction will be those displayed on our website(s), which may be updated from time to time.

4. YOUR USE OF MARKET DATA

- 4.1. In case of Securities “**Market Data**” are data produced by an exchange. The data may include (without limitation) current market prices (“real time” or delayed), opening and closing market prices and ranges, high-low market prices, estimated and actual market volumes and the size, number and existence of current market bids and offers.
- 4.2. Any Market Data eToro provides to you, or you access through our website, will be provided or made accessible for convenience and information only solely to assist you to make your own investment decisions, and does not amount to investment advice. THE DATA WILL THEREFORE BE PROVIDED OR MADE ACCESSIBLE TO YOU WITHOUT ANY LIABILITY AND YOU SHOULD NOT RELY UPON THE MARKET DATA IN ANY WAY. In particular, any price quoted in the Market Data may differ from the execution price you actually obtain.
- 4.3. Market Data constitute valuable confidential information. As such, the data are the exclusive property of the exchange or liquidity provider which operates the market. Accordingly, you may use it only for your own trading purposes under the rules of the relevant exchange and you may not redistribute the data in any way. You should consult the website of the relevant exchange for full details of the rules.
- 4.4. You will not use the prices we make available to you for any purpose other than, and you agree not to redistribute the prices we make available to you to any other person whether such redistribution be for commercial or other purposes.
- 4.5. You authorize eToro to enter into any agreement on your behalf with any exchange(s) relating to the proper use of market data as eToro sees fit.

5. ORDERS

5.1. General

- 5.1.1. You will place orders solely on your own behalf and not on behalf of another person whether as a nominee, trustee, fiduciary or otherwise
- 5.1.2. You warrant and represent that you will use reasonable endeavors to ensure that any order placed by you with us are consistent with accepted market practice and conduct in the applicable Underlying Market. (“**Underlying Market**” shall mean - an exchange, Market Maker, Retail Service Provider and/or other similar body and/or liquidity pool on which the is traded or trading as the context requires; “**Market Maker**”, “**Retail Service Provider**” - means a firm that provides on request buy and sell prices for Securities)
- 5.1.3. We may, in our sole discretion and at our sole option, decline to execute any orders for a variety of reasons, including, but not limited to, the size of an order, market conditions, your breach of this Addendum or the Terms and Conditions, a violation of any applicable rules or regulations related to your orders, insufficient or inadequate securities or liquid funds in your Account (including all commission, charges, taxes and any amount in addition to the current price of the Security that we reasonably consider may be necessary), insufficient margin, risk considerations, we want to check the instruction with you for some reason (e.g., suspected fraud), we are concerned that the order may not have come from you or an authorized person on your behalf, you have exceeded any limit applicable to you or in respect of your dealings with us and other matters that affect trading generally.
- 5.1.4. If we accept an order and then an event takes place which means that it is no longer reasonable for us to act on that order, we will be entitled to disregard or cancel your order and we shall not have any liability to you as a result of such action. Examples include but are not limited to:
- 5.1.4.1. a change in the applicable regulations, so that the order or the transaction to which the order relates is no longer in compliance with the applicable regulations;
- 5.1.4.2. an event takes place in respect of eToro whose shares represent all or part of the subject matter of the order, for example, a corporate event or the insolvency of eToro; or
- 5.1.4.3. if we cease to offer the Order you have requested.

- 5.1.5. We may be required to cancel a transaction if requested by an exchange or may be required to cancel an order if requested or recommended by an exchange and you agree to use all reasonable endeavors to assist us in this regard.
- 5.1.6. You are responsible for the monitoring of all of your orders entered into our electronic systems until such orders are confirmed or a cancellation is confirmed by us.
- 5.1.7. There is no guarantee that your order will be filled in full or in part. Where a delay occurs for any reason, we will attempt to execute the order as soon as reasonably practicable. You acknowledge and accept that the market price of the Securities may have moved during the time between our receipt and acceptance of your order and our attempt to execute order. In these circumstances, the third-party who has provided the quotation to us is not obliged to honor the indicative price you have received and, if that is the case, we may reject your order. Such movements in price may be in your favor or against you.
- 5.1.8. You acknowledge and agree that eToro reserves the right to cause any of your orders to be routed for execution to one or more exchanges, associations, electronic communications networks or markets if we, in our sole discretion, determine that doing so will result in the better execution of your orders.
- 5.1.9. Unless we agree otherwise, all sums payable by you are due immediately and must be paid on entering into the transaction and will be paid in accordance with term 11.
- 5.1.10. Each order given by you will be binding on you notwithstanding that by entering into the order as applicable, you may have exceeded any limit applicable to you or in respect of your dealings with us.
- 5.1.11. You acknowledge that it may not be possible to cancel or modify an order. Any attempt to cancel or modify an order is simply a request to us to do so. We are not liable to you if we are unable to cancel or modify an order. You understand and agree that, if an order cannot be cancelled or modified, you are bound by any execution of the original order. You further acknowledge that attempts to modify or cancel and replace an order can result in an over-execution of the order or the execution of duplicate orders, that our systems do not prevent such over-executions or duplications from occurring, and that you shall be responsible for all such over-executions or duplications. If you enter a cancellation request, you agree to confirm that the cancellation request has been effected prior to entering a replacement order. You agree not to assume that any order has been executed or cancelled until you have received written confirmation from us. You are responsible for knowing the status of your pending orders before entering additional orders. You agree to contact us immediately if you are unclear on the status of an order.

5.2. **Limit Order**

If you place an order (whether during normal market hours or when the market is closed), you agree to pay or receive the prevailing market price at the time your market order is executed. You understand that the price you pay may be significantly higher or lower than you had anticipated at the time you placed the order. To avoid paying a higher price and possibly exceeding your purchasing power, or selling it at a lower price than you would like, you may choose to enter a Limit Order.

We will publish a Limit Order if it relates to Securities admitted to trading on a regulated market and that order cannot immediately be executed under prevailing market conditions, unless we expressly agree not to publish your unexecuted Limit Orders.

“**Limit Order**” means an order to buy or sell a specific Instrument at a specified price limit or better. For example, an order to sell an Instrument at a price that is higher than the current Underlying Market price or an order to buy an Instrument a price that is lower than the current Underlying Market price;

5.3. **Suspension and Insolvency**

- 5.3.1. If at any time trading on the Underlying Market is suspended in any Security that forms the subject of your order, then the applicable order will also be suspended and you will not be able to sell any Security we hold on your behalf until such suspension is terminated and trading recommences.

Following lifting of suspension, any order that you may have given us with respect to the Security that have been triggered will be executed as soon as is reasonable in the circumstances having regard to liquidity in the Underlying Market. We cannot guarantee that your order will be executed at the first available Underlying Market price; or

- 5.3.2. Where the Instrument is in respect of a company, that company is delisted from the Underlying Market, goes into insolvency or is dissolved, at which point your order will be cancelled and any Security we hold on your behalf will be dealt with in accordance with the terms of the delisting, insolvency or dissolution, as applicable.

5.4. **Delisting**

If Company is notified that a security you hold in your Account is likely to be delisted, the Company will promptly inform you, and then promptly sell the security on your behalf at such time and price, and in such manner, as it determines.

5.5. **Transaction Restrictions**

5.5.1. **Prohibition On Going Short**

You may only sell Securities held on your account. If you have instructed us to sell a Security that you do not own at the time of the sale and that is not held on your account ("**Short Transaction**"), such instruction shall be an order of CFD transaction, regardless of the leverage as fully described in the Terms and Conditions.

5.5.2. **US Securities**

We do not accept US Persons (as defined by the IRS) to trade in Securities. If We subsequently identify You as a US Person, We are entitled to close any open positions you may hold and block or close your account. We may also be required to deduct US withholding tax on income and gross proceeds from your investments in US securities.

We will ask non-US Persons to sign a W-8BEN form before we accept an order from you to buy a Security in relation to shares listed in the US. If you have not previously provided us with a valid W-8BEN, and you already hold US shares, we will ask you to complete a W-8BEN. If you do not return the signed and completed W-8BEN form before the date we specify, we reserve the right to sell your US shares. You have an ongoing obligation to inform us if you are no longer eligible for W-8BEN status.

We will apply the default rate of taxes applied by the relevant tax authorities.

5.6. **Off Exchange**

We may deal through exchanges and a number of Retail Service Providers and Market Makers. We may place your order outside of an Exchange if this satisfies our Order Execution Policy. By signing this Addendum, you agree to us entering into transactions on your behalf outside a regulated market or a Multilateral Trading Facility (multilateral trading system operated by an investment firm or market operator which brings together multiple third-party buyers and sellers in financial instruments and which is subject to non-discretionary rules);

6. **YOUR SECURITIES REGISTRATION**

Securities which are held by eToro for your Account will be registered in the name of eToro, as your custodian or (b) a nominee other than eToro, including a sub-custodian or a recognized depository clearing organization. Your ownership of your securities will be reflected in eToro's records.

7. **AGGREGATION**

We may aggregate orders received from our clients. Aggregation means that we may combine your order with those of other clients of ours for execution as a single order. We may combine your order to deal with those of other clients if we reasonably believe that this is in the overall best interests of our clients as a whole. However, on occasions, aggregation may result in you obtaining a less favorable price once your order has been executed. You acknowledge and agree that we shall not have any liability to you as a result of any such less favorable price being obtained.

8. **YOU ARE A BROKERAGE CUSTOMER OF ETORO**

Upon acceptance of your Account application by eToro, you will become a brokerage customer of eToro.

All Securities transactions made by you through the Trading Platform will be settled and executed by eToro as your principal.

9. **OMNIBUS ACCOUNT**

All liquid funds (that is, cash) held by eToro for a Client will be deposited by eToro in an omnibus client bank account in the name of eToro and will therefore be pooled with liquid funds of other Clients. All Securities held by eToro for a Client will be deposited by eToro

in an omnibus Client account with a third party depository in the name of eToro and will therefore be pooled with Securities of other Clients. In such case, it may not be possible to separate your funds and Securities from those of other Clients or any third party's money.

The Client acknowledges and confirms that no interest will be received on the balance of your account.

Omnibus Account Risk: The risk of loss emanating from the use of omnibus accounts in third parties, i.e. financial or credit institutions. The above risk may hold other types of risks including legal, liquidation risk, haircut risk, third party risk etc.

In the event of the insolvency or any other analogous proceedings in relation to that third party, eToro 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 eToro from the third party is insufficient to satisfy the claims of the client with claims in respect of the relevant account. eToro does not accept any liability or responsibility for any resulting losses.

10. CUSTODY

- 10.1. Client Assets - You instruct us to hold any Security bought on your behalf until we receive further instruction from you to sell. We will act as custodian and will hold Instruments on your behalf in accordance with any applicable regulations.
- 10.2. We may, subject to any applicable regulations, appoint any other person as a sub-custodian or otherwise to hold Securities, including documents of title or certificates evidencing title to such Securities. We will exercise reasonable skill and care in the selection, appointment and periodic review of sub-custodians but we are not liable for their acts, omissions, insolvency or dissolution. Any discrepancy in terms of client assets and any resulting shortfall will be dealt with in accordance with any applicable regulations.

Detailed records of all your Securities held by us will be kept at all times to show that your Securities are held on your behalf, for your benefit and do not belong to us or any sub-custodian.
- 10.3. Your Instruments will be registered in the same name as those of other clients (pooled together with other clients' Instruments in an omnibus co-mingled custody account, like with like). If we or our third-party nominee were to become insolvent there may be delays in identifying individual assets, and possibly an increased risk of loss if there should be a shortfall because additional time will be needed to identify the assets held for specific clients. In addition, in the event of an unreconciled shortfall caused by the default of a custodian, you may share proportionately in that shortfall.
- 10.4. You authorize us and any sub-custodian to hold or transfer Securities (or entitlements to them) to a securities depository, clearing or settlement system. Securities that cannot be settled through a central securities depository system may be held overseas by a third-party (including custodian, sub-custodian, registrar, bank, intermediate broker, or settlement agent) in the name of eToro or a third-party nominee. Details of the name that an Instrument is registered in are available on request.
- 10.5. You agree that because of the nature of applicable laws or market practices in certain jurisdictions, we may decide that it is in your best interest for your Securities held with us to be registered or recorded in our name or in the name of the person who is a custodian, and if it is not feasible for us to do this, then:
 - 10.5.1. your Securities may be registered or recorded in the name of the Company or custodian as the case may be;
 - 10.5.2. your Securities may not be segregated and separately identifiable from the investments of the firm or custodian in whose name your Instruments are registered; and
 - 10.5.3. as a consequence, in the event of a failure, your Instruments may not be as well protected from claims made on behalf of our general creditors. You should note that when we arrange for a third-party to hold your Instruments overseas there may be different settlement, legal and regulatory requirements than those applied in the Cyprus.
- 10.6. You remain the beneficial owner of the Securities and money that we hold on your behalf and agree that you will not try to sell, mortgage or otherwise deal in or part with beneficial ownership of the Instruments and money held on your account with us.
- 10.7. You will not be entitled to any interest in respect of Securities and/or money held by us as custodian and any interest will be retained by us.
- 10.8. We may be required to give your details (including your email address) and details of your shareholding to the companies' registrars.

- 10.9. In the event that we have not received instructions from you in relation to any of the Securities held in your account (e.g. to purchase, sell or move the assets) for a period of at least twelve years (notwithstanding any receipts of dividends or interest or similar items and irrespective of any movement of your account balance) and we are unable to trace you despite having taken reasonable steps to do so, you agree that we may cease to treat your assets as client assets.
- 10.10. eToro will maintain true, complete and accurate records relating to the liquid funds and Securities held by it for each Client. eToro will take reasonable care in the selection and ongoing supervision of the bank and depository with which the liquid funds and securities are deposited, but will not be liable for the acts or omissions of the bank or depository. Your assets may be at risk if the bank or depository becomes insolvent. If any of the liquid funds or securities held for you by eToro are properly passed to the account of a third party in connection with a transaction or in order to meet margin or collateral obligations, the funds or securities may be at risk if the third party becomes insolvent. Since your liquid funds and securities will be pooled by the bank or depository with liquid funds and securities belonging to other Clients, you will not have a legal claim against a specific sum of money or a specific security. Instead, any claim will be against the pool in general. If there is an irreconcilable shortfall in the pool of liquid funds or Securities following a default by the bank or depository (for example, if it becomes insolvent), you may not receive your full entitlement to the liquid funds or Securities. If so, you will share in the shortfall pro rata. Pooling of securities may also result in your allocation in a share issue being less than it would otherwise have been, if the share issue's allocation policy is designed to favor small investors and under the policy you are not considered qualify as a small investor.

The laws of some territories outside Cyprus do not recognize the legal concept of a "client account". If eToro becomes insolvent and any of your liquid funds or Securities are held in the name of eToro by a bank or depository in such a territory, those funds or Securities will therefore be available to eToro's creditors generally and so may be at risk. If your liquid funds or Securities are held by a bank or depository outside the EEA, the applicable legal and regulatory regime may differ from that of the EEA. Your rights may differ accordingly, particularly if the bank or depository defaults.

11. FEE

- 11.1. You will be subject to certain fees and commissions. You agree to pay brokerage commissions, charges, foreign exchange dealing commissions on currency conversions, credit card processing fees and other fees promptly as set forth in the eToro's then-current Fee Page (<http://www.etoro.com/en/customer-service/fees/>) (the "Fee Page") as applicable to your account and the transactions and Services you receive. You also agree to pay all applicable country, federal, state and local taxes. You authorize the Company automatically to debit your account for any such commissions, charges, fees and taxes. eToro may modify the fee schedule at any time.
- 11.2. Additional charges may also be incurred by you in the case of delayed or failed settlement of a transaction. Any such amounts will be your responsibility and where appropriate will be deducted from your account.
- 11.3. We may charge you for the provision by us to you of market data or any other account feature or such other fees as we reasonably advise you from time to time.

12. SETTLEMENT OF YOUR TRADES

- 12.1. To execute a purchase order for Securities, eToro requires that your account contains available funds equal to or greater than the purchase price of the securities plus any associated fees and commissions and that all payments for the purchase be made without set-off, counterclaim or deduction.
- 12.2. To execute sell orders for Securities, eToro requires that your account contains the Securities which are the subject of the sell order and that such securities are free and clear of any liens, charges or encumbrances and are in good deliverable form or that it contains the required collateral for the short sale (if applicable). You agree that any purchase or sell order accepted (inadvertently or otherwise) by us without sufficient funds or Securities in your Account, will be subject to liquidation in the case of a purchase order, or buy-in in the case of a sell order, at your expense.
- 12.3. Settlement of purchases and sales will be at your risk. Accordingly, eToro will not be liable to you if any other counterparty to an order defaults. Applicable law may require eToro, the Execution Broker, any other counterparty, a bank or a depository to deduct tax from sale proceeds before they are credited to your account or remitted to you from your account.
- 12.4. eToro will effect any currency conversions necessary in order to settle a purchase or sale at such rates, and in such manner, as it may, in its discretion, determine.
- 12.5. Where available, we use central securities depositories for the settlement of the applicable Security. If an Instrument ceases to be able to be settled through the applicable central securities depository, you accept that we may have to use alternative dealing

facilities to fulfill your order and/ or levy an increased charge for such order.

- 12.6. Transactions Settlements Date shall be usually made on a T+3 basis (meaning that the transaction settles three business days after it is made). Your statement shows the trade date. The Settlement Date cannot be changed once you offer to enter into a transaction. Securities dealt on any Settlement Date greater than T+3 may obtain a worse price than those dealt on a T+3 settlement. We cannot usually accommodate deals for extended settlement beyond a T+10 basis.
- 12.7. We are not responsible for any delay in the settlement of a transaction resulting from circumstances beyond our control, or the failure of any other person or party (including you) to perform all necessary steps to enable completion on the settlement date. Our obligation is only to pass on to you, or to credit to your account, such deliverable documents or sale proceeds (as the case may be) as we actually receive.
- 12.8. If you are dealing in Securities that are not settled through a central securities depository system (ie residuals), settlement delays are likely to occur.
- 12.9. We may refuse to allow a withdrawal on any account that you have with us if it would leave insufficient funds in the account to pay for any unsettled transactions. Where you make payment into your account and then make a withdrawal shortly afterwards, we reserve the right to delay settlement for up to eight business days to ensure your payment has cleared.
- 12.10. If you buy an instrument, the consideration for the transaction and, in addition, commission payable and all applicable charges and taxes to that transaction will be your responsibility and will be deducted from your account and held by us pending settlement. Monies deducted will not be treated as client money on the day of expected settlement. If settlement does not occur on the day of expected settlement the monies will be treated as client money. It is your responsibility to ensure at all times that sufficient cleared funds are on your account to satisfy settlement of any transaction and all commission, charges and taxes associated with that transaction.
- 12.11. If you sell an Instrument, the consideration for the transaction less commission and all applicable charges and taxes to that transaction will be available on your account for reinvestment but will be unable to be withdrawn from your account until the transaction has settled. It is your responsibility to ensure at all times that sufficient cleared funds are on your account to satisfy settlement of any transaction and all commission, charges and taxes associated with that transaction.
- 12.12. Should the transaction fail to settle for any reason, we may reverse the transaction, return any commission and all applicable charges and taxes for that transaction and cancel the debit of any cash from your account and amend your account to reflect the same.
- 12.13. **“Settlement Date”** – Date on which funds and Instruments must exchange hands between a buyer and a seller; as opposed to the transaction date (trading date) on which an order is executed.

13. WE MAY LOAN ANY OF YOUR SECURITIES HELD IN A MARGIN ACCOUNT

- 13.1. You authorize the Company to lend, as your agent, to ourselves or others any securities held in your account (if any) and neither we nor they shall have any obligation to retain under our or their possession and control a similar amount of such securities. In connection with such loans, we may receive and retain certain benefits (including stock lending fees and interest on posted collateral) to which you shall not be entitled. Such loans may limit, in whole or in part, your ability to exercise any voting rights relating to the securities lent. Any securities lent may be lent, in turn, by the borrower.

14. CORPORATE ACTIONS

- 14.1. **“Corporate Actions”** means something that will bring about a change to the Securities you hold, such as a rights entitlement issue. This includes but not limited to stock splits, reorganizations, mergers, take-over offers (and similar), name and symbol changes, dividends, option symbol changes and option deliverables, and any available insurance coverage, including the limitations on such coverage.
- 14.2. We will make an effort to adjust your account in respect of a Corporate Action depending on the circumstances of each event and according to our sole discretion attributable to any specific Security held by You. Such adjustment shall be calculated by us, net of any taxes which may apply with respect thereto. In doing so we will make our best efforts to effect such adjustment on the basis of good faith and fairness and, where appropriate, by taking such action as is consistent with market practice and/or taking into account the treatment we may receive from our counterparties or any relevant third party.
- 14.3. Nothing contained herein shall be construed as an obligation of eToro to provide you such right resulting out of a Corporate

Action.

- 14.4. Once we receive from any third party any periodic payments accruing to your account, such as dividends on your behalf, we will credit them to your account on or shortly after the date the funds are received by or on behalf of eToro, converted to the base currency used for your account. The payer may deduct tax from the payment before we receive it, in order to comply with applicable law. Applicable law may also require eToro to deduct tax from the payment before it, or the balance, is credited to your Account and/or before the payment (or the remaining balance) is remitted to you from the account.
- 14.5. If the Security becomes subject to an adjustment as the result of a takeover or transformation action, we may determine the appropriate adjustment to be made to the Security price or contract quantity as we consider appropriate to account for said event, all according to our sole discretion. Such adjustment shall represent the economic equivalent of the rights and obligations of us and you next to the time of the action.
- 14.6. We reserve the rights to close out any open positions at the market price as soon as practical following such Corporate Event taking place in order to make any required adjustment (price, quantity or any other adjustment) resulting out of the Corporate Action.
- 14.7. We are not obliged to notify you of or arrange attendance at any annual general meetings or extraordinary general meetings applicable to your Securities, and/or arrange the exercise of any voting rights attaching to Securities we hold on your behalf, whether exercisable at an annual general meeting or otherwise.
- 14.8. It is your responsibility to ensure you have sufficient monies on your account to satisfy any purchase of Securities pursuant to a Corporate Action.
- 14.9. Where Securities or cash are due to you as a result of a Corporate Action as we decided according to our sole discretion, these will be credited to your account as soon as possible after we receive them, net of any commission, payment and applicable tax. Where a Corporate Action results in a fractional entitlement to part of a Security, then we may aggregate those fractional entitlements and sell such fractional Securities and credit your account with a cash value which may be subject to a minimum charge. Details of this charge are set out in the Fees Page.
- 14.10. Where Corporate Actions affect some but not all Securities held in a pooled account, we shall allocate the Securities which are affected to relevant clients in such a fair and equitable manner as we reasonably consider is appropriate.
- 14.11. Any income payments or tax credits that we collect on your behalf will be credited to your account as soon as is practicable. We will not be liable for any loss of interest due to any delay outside our control in crediting any income to your account. Income payments will usually be credited in cash net of applicable taxes
- 14.12. We will not be responsible for claiming and receiving dividends, interest payments and other income payments accruing to your Securities we hold on your behalf.
- 14.13. We may at our election claim or reclaim tax credits on dividends or other income on Securities.
- 14.14. As we will hold your Securities in one or more pooled accounts, you may receive dividends or distributions net of applicable taxes which has been paid or withheld at rates that are less beneficial than those that might apply if the Securities were held in your own name or not pooled.
- 14.15. We will reflect a Corporate Action on your account as soon as practicable after we have received confirmation that the Corporate Action has been completed from our custodians.
- 14.16. If we are notified of a class action or group litigation that is being proposed or taken concerning Securities that we are holding on your behalf, we are not required to tell you about this or otherwise act on that notification.

15. SECURITY INTEREST

- 15.1. Right of set-off: All your money, securities, currencies, cryptocurrencies and other property which eToro may at any time be holding for you (either individually, jointly with others) are subject to right of set-off by eToro for your liabilities to eToro.
- 15.2. You grant to the Company, for protecting its interest, a first fixed charge on, a general lien over, and a right of set-off in respect of, all Securities held by, delivered or paid (or due to be delivered or paid) to the Company for your account. You appoint the Company as your agent to take any action necessary to perfect this security.
- 15.3. If you fail to comply with any of the provisions of this Addendum, the Security will be enforceable by eToro. If you fail to comply

as stated, eToro may accordingly, without notice to you, cancel, close out or reverse any transaction it has entered into for you, and sell or otherwise dispose of any assets held by it for you, at whatever price and in whatever manner it, acting in good faith, sees fit (with no responsibility for any diminution in price). In addition, it may enter into any other transaction, or do (or not do) anything, which would (or is intended to) have the effect of reducing or eliminating its liability under any transaction it has entered into for you. eToro will not be liable to you for its choice of Securities sold or otherwise disposed of. eToro will apply the proceeds of disposal (net of costs) in or towards your liabilities to it and will pay you the balance. If the proceeds do not discharge the whole of your liabilities to eToro, you will remain liable to the eToro for the balance.

16. MARKET ABUSE

- 16.1. You represent and warrant to us that You will comply with all applicable laws and regulations in relation to this Addendum and any transaction; in particular, you covenant that you will not use the Trading Platform for the purposes of insider dealing, market manipulation, front-running or any other form of securities fraud or market abuse;
- 16.2. Without derogating from the generality of clause 16.1 above You will not place an order with us in connection with:
- 16.2.1. a placing, issue, distribution or other analogous event;
 - 16.2.2. an offer, take-over, merger or other analogous event; or
 - 16.2.3. any other corporate finance style activity, in which you are involved or otherwise interested; and
 - 16.2.4. you will not place and have not placed an order that contravenes any primary or secondary legislation or other law against insider dealing or market manipulation.
 - 16.2.5. In the event that (a) you have placed an order in breach of the representations and warranties given above; or (b) we have reasonable grounds for suspecting that you have done so, we may, at our absolute discretion and without being under any obligation to inform you of our reason for doing so, treat any outstanding proposed transactions as having been cancelled and sell any Securities held by us on your behalf at the time.

17. EFFECT OF TERMINATION

- 17.1. On termination of this Addendum and the Terms and Conditions and your account and registration with us, subject to the Terms and Conditions, following receipt of your instructions, we will as soon as reasonably practicable arrange for your Securities to be sold. All proceeds of sale will be paid into an account in your name. .
- 17.2. We will charge fee and any other applicable charges and taxes on the sale of your Securities and the remaining balance of the sale proceeds will be held by us for you as client money in accordance with the Terms and Conditions.
- 17.3. Where Securities are sold, you may suffer a shortfall between the amount you invested and the amount you get back after sale. We are not responsible for any shortfall that arises. Any shortfall will be borne by you.

18. LIABILITY

Without prejudice to any other terms of this Addendum and the Terms and Conditions, we will have no liability to you in relation to any loss, costs or expenses that you suffer as a result of any delay or change in market conditions before we execute an order or before a transaction settles;

19. SITUATION NOT COVERED BY THIS AGREEMENT

In the event that a situation arises that is not covered under this Addendum and/or the Terms and Conditions, we will resolve the matter on the basis of good faith and fairness and, where appropriate, by taking such action as is consistent with market practice.

20. APPLICABLE LAWS AND REGULATIONS

Without derogating from section 1.19 of the Terms and Conditions You acknowledge that this Addendum and all orders and transactions executed in your account with regards to the Services provided will be subject to all applicable laws and regulations, and the constitution, rules, regulations, customs, usages, rulings and interpretations of the exchange or market and its clearing house (if any) where such orders and transactions are executed.

21. **ASSIGNMENT**

Subject to applicable regulations, upon notice to You, eToro may assign this Addendum and/or any of our rights and/or obligation hereunder to another registered or authorized or unauthorized investment professional.

22. **CONTACT DETAILS AND CUSTOMER SUPPORT SERVICES**

eToro is committed to provide the most professional customer support services: You are welcome to contact Us in any question and/or concern You may have in the following contact methods:

Our Address:

eToro (Europe) Limited

KIBC (Kanika International Business Center) 7th floor, 4 Profiti Ilias Street, Germasogia Limassol Cyprus, 4046

Contact Us:

<http://www.etoro.com/application/help/contact.aspx>- Technical questions, troubleshooting

For more information on how to file a complaint with us or about our complaint handling procedures, please visit here

Trading-related or account questions <http://www.etoro.com/help>.

Appendix A
Excluded Countries

All Securities transactions made by users from the countries listed below (Citizens and/or Residents) are CFDs transactions:

1. Afghanistan
2. Angola
3. Australia
4. Belarus
5. Congo
6. Congo Republic
7. Cote d'Ivoire
8. Iraq
9. Liberia
10. Libya
11. Macedonia
12. Myanmar
13. Nauru
14. New Zealand
15. Nigeria
16. Sierra Leone
17. Zimbabwe

Appendix B

Excluded Exchanges

- Italy Stock Exchange (Borsa Italiana);
- Helsinki Stock Exchange;
- Copenhagen Stock Exchange;
- Oslo Stock Exchange.

Appendix C
Effective Dates

The Effective dates are as follows:

1. **ETF manual transaction** - Commencement Date: April 23rd, 2017.
Exclusions:
 - Australia - see section 2 below.
 - Excluded Countries (Appendix A, except for Australia) – see section 34 below.
2. **ETF Copytrading and CopyPortfolio** - Commencement Date: July 8th, 2018.
Excluded countries listed in **Appendix A** – see section 34 below.
3. **Non-ETF Securities transactions (manual, Copytrading and CopyPortfolio):**
 - a. Israel, Ireland and Saudi Arabia - Commencement Date: January 11th, 2018
 - b. Spain, Italy, France, Austria and Mexico - Commencement Date: March 22nd, 2018.
 - c. Russia, Switzerland, Virgin Islands, Singapore, United Arab Emirates, Netherlands, Austria, South Africa, Norway, Belgium, Argentina, Brazil, Malaysia, Hong Kong, Romania, Denmark, Portugal: Commencement Date: April 22nd, 2018.
 - d. Clients from other countries other than those countries referred to in sub-sections (a)-(c) above and the Excluded Countries, **Appendix A** - Commencement Date: April 30th, 2018.
4. **Excluded Countries (Appendix A, except for Australia):**
 - a. **ETFs manual transactions** - As of July 8th, 2018 such transaction shall be classified as CFDs. Commencing on April 23rd, 2017 and until July 8th, 2018 such transactions were classified as underlying Securities transaction.
 - b. **ETFs Copytrading and CopyPortfolio** - CFDs
 - c. **Non-ETF Securities transactions** - CFDs.
5. **Australia – all Securities trading** - always classified as CFDs transaction.

For the avoidance of any doubt it is hereby clarified that all transactions described above are subject to clause 1.2 of the addendum to terms and conditions for securities trading.