



ORDER EXECUTION POLICY

INTRODUCTION

1. NTFX Capital Ltd ("the Firm"), is authorised by the Cyprus Securities & Exchange Commission ("CySEC") under licence number 280/15 to conduct business. Business Office of the Firm is situated at Cyprus, 3101 Limassol 105 Griva Digeni, office 101
2. This Summary Best Execution and Order Handling Policy ("the Policy") is provided to you (our Client or prospective Client) in accordance with the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments (MiFID II) and Amending Directive 2002/92/EC and Directive 2011/61/EU and with the implementation in Cyprus legislation on the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time ("the Law"). Pursuant to the Law, eToro (Europe) Ltd ("the Company") is required to take all sufficient steps to act in the best interest of its Clients when receiving and transmitting Client Orders and to achieve the best execution results when executing Client Orders and to comply, in particular, with the principles set out in the Law when providing investment services.
3. The purpose of this document is to summarise the factors and processes that the Firm will apply to meet its order execution obligations and in particular how it will identify and utilise execution factors which it may take into account when executing orders.
4. This document is not intended to cover all eventualities and all circumstances that may be relevant to a particular order placed with the Firm. It is designed to serve as appropriate disclosure of the principles underpinning the order execution process that the Firm will follow for orders which a client instructs it to execute or to pass to other entities for execution.

APPLICATION

5. This policy applies to both Retail and Professional Clients of the Firm. We are not obliged to provide best execution to you in the following cases:
 - 5.1.1. Where you are classified as an Eligible Counterparty;
 - 5.1.2. Where your order concerns a specific class of Financial Instrument (as defined in paragraph 2.2) in respect of which we have agreed to your request to be treated as an Eligible Counterparty; and
 - 5.1.3. In line with our basic obligation to act in your best interests, where you have given us a **specific instruction in relation to your entire order, or any particular aspect of your order**, in which case our obligation to provide



best execution will be considered to be discharged by virtue of the fact we are following your instruction. While we will not solicit specific instructions from you, we may ask you to express a preference between identified potential execution venues, provided the use of those venues is consistent with this policy. In line with our terms of business, we will not provide you with advice in relation to any orders you propose to place with us. If you provide specific instructions in respect of part of your order only, we will apply this execution policy to the remainder of your order.

6. Our obligations under this policy relate to relevant MiFID business we conduct in relation to orders for financial instruments listed in Annex I of the MiFID Directive (reproduced for reference at Schedule 1) ("Financial Instruments").
7. The Firm's relevant MiFID business is to provide execution services, to transmit and receive orders for execution in all types of Financial Instruments whether or not the relevant Financial Instruments are admitted to trading on a regulated market in an EU member state.
8. Please note that provided we have obtained the relevant express consent from you, we may execute orders for Financial Instruments that are admitted to trading on a regulated market of an EU member state (a "Regulated Market") or a regulated multilateral trading facility ("MTF") outside a Regulated Market or MTF.

We may decline to act for you or accept your instructions in cases where we are unable to manage the risk of providing best execution to you for a specific transaction, e.g. due to unclear instructions, market conditions, or factors beyond our control. In such circumstances we shall inform you prior to accepting any instruction from you that we will be unable to provide best execution and provide you with a summary of the justification for this decision.

CLIENT'S CONSENT

9. **By accepting our Main Agreement, including all addendums, the Client is entering into a Main Agreement with the Firm for the provision of Investment Services and is also consenting to an application of this Order Execution Policy.**

AMENDMENT OF THE POLICY AND ADDITIONAL INFORMATION

10. **The Firm reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate according to the terms of the Main Agreement between the Client and the Firm. Should you require any further information and/or have any questions about this policy please direct your request and/or questions to our Customer Service team at info@ntfxpro.com**

11. The Firm will review this Policy annually and whenever a material change occurs that affects its ability to obtain the best possible result for the execution of client orders.
12. The Firm's Management regularly reviews the overall quality of its order executions and its price formation practices, including its liquidity and price feed' vendors and the available execution and hedging venues. In addition to internally developed assessment parameters, the Firm will compare and analyze relevant data including that made public in accordance with Article 27(3) of Directive 2014/65/EU and respective implementing measures.
13. The Firm will amend this Policy on the basis of such reviews if it considers it to be necessary. Any new policy will be made available on our website and will be in force as from publication.
14. We will regularly monitor and review transactions we execute to verify compliance with this policy and whether or not the best result has been achieved for the client. Monitoring will take place in a manner which is tailored and proportional to the types of orders the Firm receives for execution.

CHANGES TO THE POLICY IN EXTREME MARKET EVENTS

15. Extreme markets or financial crises are volatility resulting in rapid increases or decreases in the prices of assets traded on markets, price crashes and market meltdowns. If these atypical events happen, the Firm may take any of the following steps:
16. The Firm could cease to quote prices if no prices are provided by any of our price providers, so the clients will not be able to close or open positions
 - 16.1. The Firm may use other venues or price sources, which are alternative to our main providers, which may affect the quality of our prices
 - 16.2. The Firm may widen spreads, so the costs of opening and closing trades will be affected
 - 16.3. The Firm will execute orders on the next available price, which can result in slippage
 - 16.4. The Firm may reduce the leverage
 - 16.5. We may re-quote the prices of executed orders
17. **Specifically, extreme market events may significantly affect our ability to execute orders on the best available prices if at all.**



BEST EXECUTION

18. The Firm acts for all the clients as Principal and not as agents on your behalf {UNLESS WE SPECIFICALLY INDICATE TO YOU OUR AGENCY CAPACITY}, and therefore we act as the sole execution venue for all the orders placed.
19. The Company executes transactions for the clients in capacity as market maker and you will be dealing with us and not with the underlying market.
20. Typically, the Company uses automated systems to route and execute client orders such as MT4 / MT5 or NTPRO trading platform.
21. The Company executes the orders against liquidity provided by its own trading book or will route the orders in its Agents' capacity to the chosen execution venues (please refer to the Appendix 1).
22. The prices that the Company makes available to clients under both execution models will be based upon the prices available to it from its selected hedging venues, execution venues or the price providers.
23. While acting as a market makers, and to prevent irresponsible risk taking, we apply prudent risk management model, and as part of it, we may hedge our positions with clients on a back-to-back basis with other execution venues (including using straight-through processing or STP technology) and in this case the quoted prices may differ from the execution prices, resulting in negative or positive slippage.
24. We apply symmetrical slippage for all clients' orders.
25. The main method we use to satisfy our obligations for best execution is by ensuring that our price formation mechanism for our bid/offer prices, used to execute your transactions, we pay due regard to the market price for the underlying reference product to which your transaction relates. This reasonable expectation will be supported by relevant data published in accordance with Article 27 of Directive 2014/65/EU or by other internal analyses conducted by the Firm.

EXECUTION FACTORS AND PROCESS

26. The order execution process is designed to provide our clients with the best overall result for executed orders rather than the best result in respect of each trade. A summary of the Firm's order execution process is included at Schedule 2 for your reference.
27. Unless you give us specific execution instructions, we will use our discretion to determine the execution factors we should take into account with a view to achieving the



best possible result for you. We will seek to tailor the factors that we consider in order to provide best execution for orders, drawing on our investment expertise. The factors we may take into account include, but are not limited to the following:

- 27.1.1. Price: which will vary according to factors such as market liquidity, market rules regarding quotations, bids and offers, etc.;
- 27.1.2. Costs: firstly transaction costs, fees, taxes and charges directly referable to the execution of your order that you will pay to any third parties, secondly venue costs.
- 27.1.3. Size: the influence the size of your order may have on the other execution factors, including the type of Financial Instrument and the type instruction, such as the availability of liquidity for large orders;
- 27.1.4. Speed of Execution: the speed with which we are likely to be able to execute your order on the venues available to us, meaning the time between reception of the order by the venue and the time it is allocated;
- 27.1.5. Likelihood of execution: including the relative liquidity of the venues available for execution; and
- 27.1.6. Certainty of settlement: the relative risk that a counterparty for an order may default on its obligation to settle a trade, taking into account venue rules and applicable legislation, trading conventions, identity of counterparty (where disclosed), technical and operational risk affecting delivery, etc.

28. In considering the application of best execution to your order, we will consider the relative importance of the execution factors by reference to the following criteria in order to provide you with the best result for your order:

- your characteristics as a client, including your categorisation as a Retail or Professional Client;
- the characteristics of your order;
- the characteristics of the Financial Instrument that is the subject of your order; and
- the characteristics of the execution venues or entities to which your order can be directed.

29. Total consideration is defined as the price of the Financial Instrument and the costs related to execution, including all expenses incurred by the client which are directly related to the execution of the order, such as execution venue fees, clearing and settlement fees, and any other fees paid to third parties involved in the execution of the order.

30. **For Retail Clients**, the best possible result shall be determined in terms of the total consideration, unless there is a specific instruction from the Client, representing the price of the Financial Instrument and the costs related to execution, which shall include



all expenses incurred by the Client which are directly related to the execution of the Order.

31. **For Professional Clients**, which may have different needs to Retail clients, in certain circumstances, the importance can be given to the other factors, such as speed and likelihood of execution of orders, the size and nature of the order), in order to achieve best results. Our considerations will also include such factors as who initiated the transactions; current market practices and the existence of the convention to “shop around”, relative level of the price transparency on the market.

EXECUTION VENUES AND ORDER PASSING

32. The Firm uses automated systems to receive and execute client orders. When a client order is received by the Firm, it will be executed by the Firm (acting as principal) against its own proprietary desk or the Firm may in turn route its own orders to other market maker firms, such as a regulated market, a Multilateral Trading Facility (MTF) or a Broker Crossing Network (BCN) as an agent.
33. The Firm will not structure or change its commission in such a way as to discriminate unfairly between execution venues.

LIMIT ORDERS

34. "Limit order" means an order to buy or sell a financial instrument at its specified order limit or better and for specified size.
35. Unless you expressly request us not to do so, if you instruct us with a limit order in respect of shares admitted to trading on a Regulated Market, other than a large scale order, and we do not execute this order immediately under prevailing market conditions, we will take measures to facilitate the earliest possible execution of your order by making your order publicly available to market participants via transmission to a Regulated Market or MTF that operates an order book trading system, or by some other means intended to make the order public and easily executable once market conditions allow.

ORDER ALLOCATION

36. In accordance with our obligations under MiFID, we will endeavour to provide you with prompt, fair and expeditious execution for orders you place with us, relative to other orders from our client or proprietary trading interests of the Firm. In so doing, we will:
- ensure that orders executed on behalf of Clients are promptly and accurately recorded and allocated;
 - carry out otherwise comparable Client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable;



- inform its retail Clients about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.
37. Without further reference to you, we may combine your orders with our own orders, with orders of persons connected with us, or with orders of other clients without further reference to you. However, we will only combine orders in this manner where it is unlikely that the aggregation of orders and transactions will work overall to your disadvantage.
38. Any aggregation of your orders may result in you obtaining on some occasions a more favourable price and on others a less favourable price than if your order had been executed separately.
39. We will aggregate orders in accordance with our internal Order Allocation Policy, which is designed to achieve a fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions.
40. Where we aggregate your order with one or more other orders and your order is partially executed, we will allocate the related trades in accordance with our internal Order Allocation Policy.
41. Where your order is to be aggregated with our proprietary orders, we will allocate trades to you in priority to our proprietary orders, unless we are able to demonstrate on reasonable grounds that we would not have been able to carry out your order on such favourable terms without our aggregation, in which case we will allocate trades proportionally in accordance with our internal Order Allocation Policy
42. We will not be responsible for any delays or inaccuracies in the transmission of orders or the execution thereof in either case due to any cause whatsoever beyond the reasonable control of such party.

COMMUNICATIONS

43. Should you believe that we failed to apply this policy to one of your orders, you may make a written request to us for an explanation of how we applied this policy to the order, including details of how we considered the factors listed in section 5 based on the information available to us at the time of the order.

PUBLICATION OF DATA

44. The Company shall make available to the public, without any charges, data relating to the quality of execution of transactions executed with them in its capacity of the execution venue in accordance with the Commission Delegated Regulation (EU)



2017/575 . The said periodic reports shall include details about price, costs, speed and likelihood of execution for individual financial instruments and shall be published on the Company' website at least quarterly. In addition to this, the annual report in accordance with the Commission Delegated Regulation (EU) 2017/576.

Appendix 1

EXECUTION VENUES

Execution Venues are the entities with which the orders are placed or to which the Company transmits orders for execution.

Our selection process for hedging and execution venues, liquidity and price providers includes detailed due diligence procedures, and diversification criteria, to avoid over-reliance on the single provider and to ensure protection against data redundancy.

Our hedging and execution venues, liquidity and price providers are prioritized for each underlying asset class according to their past performance in providing reliable service and best pricing and market depth.

When the Company acts as a principal, it shall serve as the counterparty to the Client orders placed (i.e. principal to principal) and shall be the sole Execution Venue (as defined in Commission Directive 2006/73/EC implementing MiFID) for the execution of Client's orders.

When the Company acts as an agent as passes your order for execution to third parties, it shall use the following execution venues:

- Alfa Capital Holdings (Cyprus) Ltd
- SaxoBank
- Sucden Financial Limited
- FXCM, Inc
- Swissquote Group Holding Ltd