

## XTB Limited Terms of Business

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## 1. Introduction

We are XTB Limited (“**XTB Limited**”, “**we**”, “**us**” or “**our**”). XTB Limited is a company registered in England and Wales (Company Number 07227848) and authorised and regulated by the Financial Conduct Authority (“**FCA**”) (Firm reference number **522157**).

**For your convenience, please find details about the Financial Ombudsman Service below. This information is also available under Section 33: Complaints and Disputes;**

**Retail Clients may also refer matters to The Financial Ombudsman Service, Exchange Tower London E14 9SR. Clients who are not Retail Clients do not have this right. You may also be entitled to use the EU Commission online dispute resolution platform <http://ec.europa.eu/odr>**

**You can access information and rules relating to the Financial Ombudsman Service on [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk). You can access information and rules relating to the FCA (in particular COBS) on [www.fca.org.uk](http://www.fca.org.uk).**

- 1.1 Where You are dealing with us in another name, such as through a white label arrangement, or you have been introduced to us by an intermediary, the services to be provided to You under this agreement will be provided by us. The intermediary is remunerated by us on the basis of the overall profits attributed to the business generated by their efforts. Any additional services provided, to You by them will not be provided by XTB Limited and will not be covered by this agreement.
- 1.2 These Terms of Business are part of the agreement between XTB Limited and its Client (“You” or “customer”) which governs our trading services and all Trades we conduct with You. The agreement between us relating to our trading services consists of the following documents:

- Application Form;
- Terms of Business;
- **Specification Tables** and **Swap points/Overnight Financing Table**, which provides the commercial details for each Financial Instrument, including Market Hours, Margin Factors, commissions, fees and other requirements for dealing in each Market. This is available on our Trading Platform or upon request in paper form;
- Order Execution Policy;
- Risk Warning Notice;
- Key Information Document ("KID") - a document that is drawn up for in accordance with the PRIIPs Regulation, containing information on the Financial Instruments offered by XTB, and provided to You in electronic form prior to the conclusion of this Agreement
- **The Website** – including our Trading Platform via which You or any third party will trade on-line with us.
- **Notices and Policies** – the Declaration of Investment Risk, Risk Warning Notice, Order Execution Policy, Conflicts of Interest Policy, Complaints Procedure, and Privacy Policy (together form "Notices and Policies").

**Our transactions carry a high level of risk and can result in losses that exceed your deposits. The prices of products/ CFDs may change to your disadvantage very quickly. It is possible to lose more than your investment and you may be required to make further payments. Where we classify you as a Retail Client, you cannot lose more than the funds available on your account with us, which include available funds from initial and variation margin, profits made in respect of open transactions or realised profits. Our transactions are only suitable for persons that understand our Risk disclosures to include KID document. You should fully understand the risks involved and if in doubt seek independent advice.**

- 1.3 Together these are referred to as the "Agreement". Copies of which can be located on the XTB Limited Website. You hereby consent to receive this information via the Website.
- 1.4 At Your request, We will provide you, free of charge and on a one-off basis, with a paper version of a KID.
- 1.5 Nothing in this Agreement will exclude or restrict any duty or liability owed by us to You under the Financial Services and Markets Act 2000 or the FCA Rules. If there is any conflict between this Agreement and the FCA Rules, the FCA Rules will prevail.
- 1.6 This **Agreement** supersedes all previous Terms. Any amendments will be effective from the specified date or the date we acknowledge acceptance of Your Application Form.
- 1.7 Please read this Agreement and the Notices and Policies carefully and discuss with us anything which You do not understand. Unless You raise a specific issue, the Agreement will be regarded as setting out all the relevant terms concerning our trading services. Trades that we enter into with You under this Agreement are legally binding and enforceable. By signing the Application Form or by electronically submitting Your application on our Website, You confirm acceptance of the terms of this Agreement. Once the Account is opened, You will be bound by all terms of this Agreement.

## 2. Definitions

In this Agreement, certain words and expressions have the meanings set out below.

<b>Account</b>	An Account that You hold with XTB Limited which enables You to trade either Rolling Spot Forex, CFDs, or other derivatives. All Accounts have separate Account numbers. <b>Note that depending on the type of offer available on the particular market that XTB Limited is offering its services you will be able to choose one or more of particular Accounts offered by XTB Limited on the basis of the agreement. Details of the offer can be found on the XTB Limited Website. You should acquaint yourself with the particular Accounts available before applying for the account. You are hereby made aware that XTB Limited reserves itself the right at its sole discretion to refrain from signing an Agreement with You or opening a particular Account for You for any reason;</b>
<b>Application Form</b>	XTB Limited Application Form that relates to opening an account;
<b>Account Currency</b>	The currency (GBP/USD/EUR) in which we maintain the particular trading account and settle all operations on such the account.
<b>Balance</b>	The remaining amount of funds held on the particular Trading Account after operations listed in clause 4.3 are executed;
<b>Basic Account</b>	Separate, independent Trading Account opened on the basis of this Agreement and instruction given by the Client, in which prices of CFDs, Equity CFDs, ETF and CFDs, are quoted and which allows the Clients to conclude the Transactions with specific Order's execution as specified in this Agreement;
<b>Business Day</b>	The days that XTB Limited is open for business;
<b>Buy Price</b>	The higher of the two prices set by XTB Limited for the same Financial Instrument;
<b>Cash</b>	The balances of Your Account after all credits and debits have been made (for example in respect of closed positions, but not open positions).
<b>Cash Account</b>	Account(s) opened and maintained for the Client, used to service the Operational Register and the Register of Financial Instruments within the Trading Platform;
<b>Cash Instrument</b>	Financial Instrument, for which the Underlying Instrument is an index of an organised market, quoted on the basis of the prices provided by the Reference Institutions;
<b>CFD</b>	A CFD derivative instrument as specified in the Financial Instrument listed on the Regulated Market
<b>CFD Price</b>	A price based on the Market Price of an Underlying Instrument, as reported back by XTB Limited;
<b>Client</b>	A natural person, legal person or organisational entity without legal personality with whom XTB Limited signed the Agreement;
<b>Company's Registered Office</b>	Registered office of XTB Limited;
<b>Contract For Difference (CFD)</b>	Contract for Difference, namely a Financial Instrument specified in the Specification tables being an agreement between two parties. The parties undertake to settle the amount resulting from the difference between the opening price and the closing price of the position.
<b>Corporate Actions</b>	Payment of dividends, issues of subscription rights, mergers and acquisitions, stock splits, spin-off, withdrawal from the market or other events that may affect the Financial Instrument's Price.
<b>Customer Services Team</b>	XTB Limited Customer Services team;
<b>Data</b>	Any information that XTB Limited holds about You;
<b>Eligible Counterparty</b>	has the meaning given to this term in the FCA Rules;
<b>Equity</b>	The balance of the Operational Register as specified by XTB Limited; This includes profit/loss on Transactions on Financial Instruments that have not been yet closed, unsettled swap points/overnight financing and fees payable to XTB in accordance with the condition on Tables; other charges/and or liabilities.
<b>ETF CFD</b>	A CFD specified in the Financial Instrument Specification Table which is a ETF CFD contract for difference with a specific execution as described in these Terms;
<b>Expiration Date</b>	The date on which rights and obligations of the parties under the Financial Expiration

	Day Instrument expire as defined in the Specification Tables;
<b>FCA</b>	Financial Conduct Authority
<b>FCA Rules</b>	The obligations placed upon XTB Limited by the FCA as detailed in the FCA
<b>Financial Counterparty</b>	Financial counterparty in the meaning of Article 2 point 8 of the Regulation Financial (EU) no 648/2012 of the European Parliament and of the Council of 4 July Counterparty 2012 on OTC derivatives, central counterparties and trade repositories;
<b>Financial Instruments</b>	Undertakings for collective investments in transferable securities and Instruments securities, such as Rolling Spot Forex, CFD's and Equity CFD's Financial Instruments in the meaning of the herein Terms;
<b>Free Funds</b>	Funds that are held in an XTB account that are not currently utilised for trading or investing.
<b>Good 'Til Cancelled (GTC)</b>	the order will remain effective until either: a) the order is executed, b) You cancel the order, c) the related position expires, d) You manually close the related position;
<b>Instant Order</b>	An order that will always be executed at the price you have specified or, if it is not possible, it will be rejected.
<b>Instrument</b>	Any stock, share, futures contract, Commodity, precious metal, Exchange Rate or index or any other investment in respect of which XTB Limited may offer to deal;
<b>Instrument Price</b>	The bid or ask price of a particular Financial Instrument published systematically by XTB Limited via Our Trading Platform. The bid or ask price is always quoted two-way with an appropriate Spread;
<b>LEI</b>	(Legal Entity Identifier) A 20-character alphanumeric code assigned by authorized licensed units that unambiguously identifies entities transacting on the world's financial markets. Legal applications can only be concluded once an LEI has been provided to XTB Ltd. LEI's must be diligently renewed otherwise XTB reserves the right to provide services to you.
<b>Login</b>	Client's unique ID sequence of number or/and symbols necessary to execute Trades via the Trading Platform and deposit/withdraw funds;
<b>Lot</b>	A Trade unit of a particular type of Financial Instrument specified in the Financial Instruments Specification Tables;
<b>Long Position</b>	If you take such a position on the market, it means that you buy the particular. Financial Instrument while at the same time expecting its price to increase.
<b>Instant Order</b>	An order that will always be executed at the price you have specified or, if it is not possible, it will be rejected.
<b>Manifest Error</b>	Applies to any error, omission or misquote, (including any misquote by the dealer) which by fault of either XTB Limited or any third party is manifest when taking into account the market conditions and available quotes that prevailed at the time. This may include, wrong price, month or market or any error or lack of clarity of any information, source, commentator, official, official result or pronunciation
<b>Margin</b>	Funds constituting collateral for an Open Position on Financial Instruments;
<b>Margin Call</b>	A request for payment when the Equity on a particular Account falls to a value calculated by XTB Limited in its sole discretion;
<b>Margin Table</b>	A list of funds constituting the Margin, subject to a blockade on the Cash Account at the time when the position is being opened;
<b>Market / Markets</b>	The markets from time to time made available by XTB Limited for Rolling Spot Forex, CFD trading and/or Rolling Spot Forex trading and "Market" means any one of those markets.
<b>Market Price</b>	Current price of Underlying Instrument on the Market indicated by XTB Limited or provided by the source indicated by XTB Limited in the Specification Tables;
<b>Maximum Nominal</b>	Maximum limit of the Nominal Portfolio Value, expressed in Euro, as specified in the Specification Tables;
<b>Nominal Portfolio Value</b>	Total nominal value of Open Positions on all Client Accounts, expressed in Euro, excluding positions on Equity CFDs and ETF CFDs.
<b>Negative Balance Protection (NBP)</b>	A mechanism that protects Client against the Trading Account Balance falling below zero, which might occur as a consequence of settlement of the result of all the Transactions.
<b>Nominal Value</b>	The product of the transaction price and volume
<b>Organised Market Instruments (OMI)</b>	Financial instruments admitted or waiting for admission to trading on an organised market/exchange.



<b>Operational Register</b>	A subsidiary register of the Cash Account used to record an estimated valuation of current receivables and liabilities of the Client in respect of executed Trades, in particular to monitor current level of the Margin;
<b>Over The Counter</b>	A type of a derivative financial instrument traded outside of the regulated market or a
<b>Derivative (OTC)</b>	multilateral trading facility;
<b>Open Position</b>	Trades on Financial Instruments which have not been yet closed,
<b>Order</b>	An order placed by the Client to execute a Trade on his Account;
<b>Password</b>	Client's personal password necessary to execute Trades on the Trading Platform, place Trade Orders and deposit/withdraw funds;
<b>Power of Attorney</b>	Authority assigned by one person or party to another to act on behalf of the assigning party;
<b>Profile</b>	The part of the Trading Platform that contains the information you provide to use the Social
<b>Public Profile</b>	A Profile provided by you that can be observed by other Clients
<b>Product</b>	The OTC derivatives that XTB Limited offers i.e. Rolling Spot Forex and Contracts for Difference
<b>Professional "Pro" Account</b>	Separate, independent Trading Account opened on the basis of this Agreement and instruction given by the Client, in which prices of CFDs, Equity CFDs and ETF CFDs, are quoted and which allows the Clients to conclude the Transactions with specific Order's execution as specified in this Agreement;
<b>Professional Client</b>	Has the meaning given to this term in the FCA Rules;
<b>Quotation</b>	Displaying offers to purchase or sell the Financial Instrument.
<b>Reference Institution</b>	Institutions listed in clause 7.2, being price providers of Underlying Instruments, indicated on the Website;
<b>Reverse Trade</b>	A Trade opposite to the currently held open Trade;
<b>Regulated Market</b>	System of trading in financial instruments admitted to trade, operating on a permanent basis. It provides traders with general, equal and simultaneous access to market information at the time when bids to purchase or sell financial instruments are matched. It also ensures equal terms of buying and selling such instruments.
<b>Retail Client</b>	A retail client refers to an individual or entity that engages in transactions or seeks services with a financial institution. Retail clients are afforded the highest applicable level of protection under Applicable Law.
<b>Short Position</b>	If you take such a position on the market, it means that you sell the particular Financial Instrument while at the same time expecting its value to decrease.
<b>Swap points/Overnight Financing</b>	Transaction cost of keeping the position on the spot market for the following day, resulting from compensation of the difference between interest rates for various currencies (reflecting the disparity of interest rates in various countries) or the so-called storage costs (e.g. for precious metals and raw materials).
<b>Social</b>	Service described in clause 54.1
<b>Swap points/Overnight Financing Table</b>	A list of swap points/overnight financing rates found on XTB Limited's Website; XTB determines swap points/overnight financing rates for CFDs based on exchange rates and Stock CFD on the basis of market interest rates for deposits and loans on the Interbank Market, in case of rollover - additionally on the basis of the base value calculated as the difference between the value of the underlying futures contract with the longer expiration date and the respective value of the instrument with the shorter expiration date in the moment of rollover. For CFDs based on cryptocurrencies, the value of swap points/overnight financing is the cost of storing a position for the following day and depends on market conditions such as interest rate of base currency of Financial Instrument, ease of entering into hedging transaction, liquidity of Underlying Instrument, transactional costs on Underlying Instrument and market level of swap points/overnight financing for those Financial Instruments. In both cases, XTB adds its margin to the obtained values of swap points/overnight financing and presents the final values in the Specification tables. Swap points/overnight financing constitute crediting and debiting Client's account, which may arise from the following factors: the interest rates of given currency on the Interbank Market, the differences in interest rates on two currency pairs on the Interbank Market or cost of financing Open Position related to using leverage.
<b>Sell Price</b>	The lower of two prices set by XTB Limited for the same instrument.
<b>Settlement Account</b>	A bank Account maintained for XTB Limited to make cash settlements of Closed Trades on Financial Instruments between XTB Limited and the Client and used to make payments and withdrawals of Client's funds;

<b>Software</b>	Our computer systems;
<b>Specification Tables</b>	Specification Tables document found on XTB Limited Website, which show: Trading days specifications Tables of Commissions and Fees (including a Table of XTB exchange rates)
	<ul style="list-style-type: none"> <li>- Market opening and closing hours</li> <li>- Commissions and Fees for other services.</li> <li>- Interest charged pursuant to the TOB</li> <li>- Other conditions, requirements and information in accordance with these TOB</li> </ul>
<b>Spread</b>	The difference between the bid and ask price of a particular Financial Instrument;
<b>Standard Account</b>	Separate, independent Trading Account opened on the basis of this Agreement and instruction given by the Client, in which prices of CFDs, Equity CFDs, ETF CFDs, and Options are quoted and which allows the Clients to conclude the Transactions with specific Order's execution as specified in this Agreement;
<b>Stock CFD</b>	CFD derivative instruments as specified in the Condition Tables, where the underlying instrument is the price of the stock of the companies listed on the Regulated Market.
<b>Supplementary Terms</b>	Additional term
<b>Technical Account</b>	Account described in clause 4.43- 4.50
<b>Terms</b>	These Terms of Business;
<b>Trade/Transaction</b>	A purchase or sale of a Financial Instrument via the Trading Platform;
<b>Trade/Transaction Currency</b>	The currency in which the nominal value of a Financial Instrument is specified;
<b>Trade/Transaction Confirmation</b>	Information generated automatically in the Trading platform immediately after each operation is executed on the Client's Account, confirming the Trade execution, in particular a sale or a purchase of a particular Financial
<b>Trading Platform</b>	Internet or downloadable application which is used to directly place Trade orders.
<b>Trading Day</b>	Any day on which Trades can be executed via the Trading Platform;
<b>Underlying Exchange</b>	A regulated Market or a multilateral trading facility (MTF), where the Stock CFD Exchange Underlying Instrument is quoted;
<b>Underlying</b>	An instrument whose market price constitutes the basis to determine the Financial Instrument Price, in particular securities, currency rates, values or stock exchange indices, interest rates, futures and commodities
<b>Underlying Market</b>	Underlying Markets on which the market is based
<b>Underlying Trading Platform Website</b>	relevant XTB Limited website available through <a href="http://www.xtb.com">www.xtb.com</a>
<b>XTB Limited Price</b>	The XTB Limited Sell or Buy Price.an instrument whose Market price constitutes the basis to determine the Financial Instrument Price, in particular securities, currency rates, values of stock exchange indices, interest rates, futures and commodities; a regulated Market or a multilateral trading facility (MTF),

### 3. Services that we provide

- 3.1 This Agreement sets out the basis on which we will enter into Trades with You and governs each Trade entered into after this Agreement comes into effect.
- 3.2 We refer You to the Risk Disclosure Notice that forms part of the Agreement. You should ensure You fully understand such risks before entering into this Agreement with us. This Notice details some of the risks involved with trading Over-The-Counter (OTC) Derivatives but is by no means an exhaustive statement of those risks. Our FX and CFD trading service carries a high level of risk and can result in losses that exceed Your initial deposit. Our trading service is not suitable for everyone. You should always calculate the “worst case” scenario before You trade and only trade if You are prepared to accept that degree of risk. By entering into this Agreement, You warrant that You have read and understood the Risk Disclosure Notice and understand that the act of placing a Trade with XTB Limited.
- 3.3 **Client Categorisation** –We will treat You as a Retail Client (allowing You to receive FCA regulatory protections) unless You request to be categorised as a Professional Client or Eligible Counterparty, but please be aware that we may decline such a request. If You do request a different categorisation and we agree to such a request, You may lose the protections offered under certain FCA rules. In the case of reclassification of the Client for a Professional client, such Client will still be subject to the provisions of these General Terms of Business, Declaration of Investment Risk, Order Execution Policy and Information on general principles of conflict of interest management. Professional clients may have different specific information which applies solely to such a Client, in particular parts of specification tables and margin tables intended for Professional clients.
- 3.4 **Eligible Counterparty** - If we elect to treat You, or You request to be treated, as an Eligible Counterparty, the terms of this Agreement will be supplemented and modified by the Supplementary Terms for Eligible Counterparties, by which You hereby agree to be bound.
- 3.5 **We act as principal** – XTB Limited deals with You on a matched principal basis. This means that we provide You with prices and volumes for Over the Counter Derivatives. We do not trade speculatively for You or for our own book in the Market. Trades will only be executed as a result of Your order to buy or sell at a set price or size. Once the Trade is complete, price, volume and terms are communicated through Trading platform. You will open each Trade with us, as principal, and not as agent for any undisclosed person. This means, unless we have otherwise agreed in writing, we will treat You as our client for all purposes, and this will include any trades placed by any authorised third party. You will be directly responsible for performing Your obligations under each Trade entered into.
- 3.6 **On-Line Dealing** - Trades with XTB Limited are carried out on-line. We are an online broker; therefore, all instructions to enter into Trades must be given by You through the Trading Platform. We will make reasonable endeavour to provide You with telephone support and assistance however, You must be prepared to Trade with us on-line only. It is imperative that You have the facilities to enable You to use our Trading Platform (in particular internet access). At the date of publication of these Terms, all of our products can be traded by way of our Trading Platform.
- 3.7 **Execution only service** - You agree that trading with XTB Limited will be carried out on an execution-only basis. Unless otherwise provided in this Agreement, we are under no obligation:
- to satisfy ourselves as to the suitability of any Trade for You;
  - to monitor or advise You on the status of any Trade;
  - to make Margin Calls.
- 3.8 We provide an execution-only service. In which case You will not be entitled to request any investment advice relating to a Trade and we will not make any statement of opinion or any recommendation to encourage You to open a particular Trade. We may, at our discretion, provide information:



- regarding procedures and risks attaching to that Trade and ways of minimising risk; and
  - factual Market information.
- 3.9 We are obliged under the Conduct of Business rules (**COBS**) to assess whether CFD and Rolling Spot Forex trading is appropriate for You. To do this we will rely on You to provide accurate information when requested. If there is any material change to that information You must tell us as soon as practicable. If we consider from the information provided that CFD trading and/or Rolling Spot Forex trading is not appropriate for You, we will provide You with an appropriate warning.
- 3.10 You are responsible for everything You do or omit to do. You must monitor Your open positions.
- 3.11 We have the right to close Open Positions in certain circumstances. If You wish to maintain Open Positions, you may be required to make payment to us at short notice if Variation Margin issue.
- 3.12 You consent to us communicating with You via electronic communications, such as via the Website, our Trading Platform, or e-mail.
- 3.13 You agree to rely on Your own judgement in opening, closing, or refraining from opening or closing a Trade with us. Any information supplied to You will not constitute investment advice. If, a dealer employed by us nevertheless makes a statement of opinion (whether in response to Your request or otherwise) regarding any Instrument, You agree that it is not reasonable for You to, nor will You be entitled to, rely on such statement and that it will not constitute investment advice.
- 3.14 You agree to rely on Your own judgement in opening, closing, or refraining from opening or closing a Trade with us and that we will not, in the absence of fraud, wilful default or negligence be liable for any losses (including, without limitation, indirect or consequential losses or loss of opportunity or profits arising from any failure by You to make any anticipated profits), costs, expenses or damages suffered by You arising from any inaccuracy or mistake in any information given to You, including information relating to any of Your Trades with us.
- 3.15 We endeavour to take all reasonable steps to provide You with as much transparency as possible when explaining all commissions, fees, funding and other charges for which You will be liable. These charges will affect either Your trading net profits or increase Your losses.
- 3.16 We reserve the right to require You to pay, or reimburse, us for stamp duty in the event of a change in the basis of stamp duty rates or law.
- 3.17 When executing Trades we take all reasonable steps to provide You with Order Execution in accordance with the FCA rules and our Order Execution Policy. The process put in place to give You Order Execution is detailed in our Order Execution Policy a copy of which is provided on the XTB Limited Website. Unless You notify us to the contrary, You will be deemed to consent to our Order Execution Policy when this Agreement comes into effect. If You do not consent, we reserve the right to refuse to provide our services to You.
- 3.18 Certain offers, orders, prices or transactions may be cancelled or withdrawn for reasons being beyond our control. This pertains to offers, orders, prices or transactions which come from or are performed by information agencies, relevant markets, data vendors or Partners, based on which the Financial Instrument's price with market execution was determined. In such cases we shall have the right to withdraw from the respective Transaction. In such cases, we have the right to withdraw from the given Transaction. We will inform you of the withdrawal by electronic means of communication within two days of the withdrawal or cancellation of the order, offer, or transaction. We shall not be liable for any damages caused by the situations described in this clause.
- 3.19 All amounts payable by You to XTB Limited must be paid in Your Base Currency; this includes Initial Margin, Variation Margin, commission, financing charges and losses. If You pay us in a currency other than Your Base Currency, the bank may convert Your funds in to Your Accounts Base Currency. You will be liable for any charges incurred. Under certain circumstances a number of payment intermediaries may be involved in a transaction and deduct a charge. The receiving bank may also levy a charge. The Client is responsible fully for such charges.
- 3.20 Please note that for the purpose of calculating Your Cash and all other relevant matters we will

convert any relevant currencies into Your Base Currency.

- 3.21 As an execution only broker we will not advise You of existing tax laws or changes to tax laws. It is Your obligation to obtain Your own tax advice. Your tax situation will depend on, for example, Your personal circumstances and the tax jurisdiction that applies to You. Tax treatment is subject to change in the future. You are responsible for any and all taxes (including stamp duty and capital gains tax) payable by You in connection with Your Trades. If we have to pay any of these on Your behalf, You must repay us.
- 3.22 Our Specification Tables contain product information, such as available Markets, borrowing charges, trading hours, minimum and maximum trade sizes, commissions etc. The Specification Tables are available on [the Website](#).
- 3.23 We shall publish information related to attendance at general meetings and notices related to Corporate Actions, such as: information on non-monetary dividends, stock buy-out offers, bankruptcy of companies, delisting of companies' stock, etc. on XTB's Website under "Investment Offer", in the "Account Information" section, in the "Specification of Instruments" item in the document entitled "Information on events relevant to shareholders (SRD II)".
- 3.24 The Website contains explanations detailing how CFD and Rolling Spot Forex trading operates. Our sales team will also be able to provide You with working examples and explanations of terminology used.
- 3.25 When entering in Trades in CFD and Rolling Spot Forex with us, You are trading in relation to XTB Limited Price movements. You acknowledge that You are not acquiring the Underlying Instrument or any delivery obligations in relation to it.
- 3.26 A subscription of notifications received in the form of SMS messages, e-mails or on mobile devices relating to the Trading Account, which can be activated by the Client independently in the Client Office or automatically by XTB, constitutes only an additional service in relation to the brokerage services provided to the Client. Messages received as a part of this service are for information purposes only. Activating the notifications does not relieve the Client from the obligation to monitor the status of the Trading Account. Failure to receive or receive late notification may not constitute grounds for lodging claims against XTB.
- 3.27 To the extent required by applicable law and regulations, we will provide negative balance protection to Retail Clients meaning you cannot lose more than the amount of money held by us. For the avoidance of doubt if you have multiple accounts and/or sub accounts we reserve the right to aggregate the sum of monies held on all accounts which will be taken into consideration and offset the negative balance. Where we have categorised you as a Retail Client and only to the extent of applicable regulations, we may close or part close any open Trade on Your Account, if Your Account balance is equal to or less than 50% of the total Initial Margin requirement for your open Trades.  
  
 If You are a Retail Client that has been introduced to us by a third party introducing broker and has agreed with the introducing broker for the payment of fees, commission and/or other remuneration ("IB Fees") in respect of such introduction and/or services to be paid by the Trading Platform we will notify You. You may withdraw or seek to amend the authorisation by giving us at least 1 business day notice in writing.
- 3.28 If You are a Professional or ECP Client, and Your Account has a negative value following a close-out of a Trade or termination of this Agreement that negative cash value represents a debt owed to Us which is due and payable immediately. This clause does not apply to a Retail Client.
- 3.29 Notwithstanding the terms of this Agreement You will have the right to cancel this Agreement within fourteen (14) days of your Account opening. Following a notice of cancellation we will return any money that you have transferred to us, subject closure of any Trades and the deductions of any losses / charges / commissions.

## 4. Authority to place Trades

- 4.1 XTB Limited provides services to clients via an on-line trading platform. All Trades, Orders and other instructions must be placed on-line.

- 4.2** When placing an Order or giving any other instruction through the Trading Platform, You will be required to give Your name and Account number or Login and other information reasonably requested by XTB Limited to identify You. No Order or instruction will be accepted without this information. When amending or cancelling Orders by way of the Trading Platform, You will gain access to Your Account by use of Your Login and Password. Orders and instructions placed by way of the Trading Platform will only be treated as effective on receipt of and acceptance by XTB Limited. Orders placed via the Trading Platform will normally only be confirmed at the time of the Trade by electronic means broadcast over the Trading Platform. If during the process of placing

any trade, order or instruction by way of the Trading Platform, there is a breakdown in communication leading to a cessation of connection between XTB Limited and You it is Your sole responsibility to contact our Customer Services immediately.

- 4.3 Your Login and Password should not be disclosed to any third party. You are required to immediately block your account and contact XTB's customer service department in accordance with the rules described in sections 53 Emergency Lock. . Please note that we will deal with anyone who provides us with Your Login and Password. You can access our platform from any domain and we will not recognise or verify the domain from which instructions are sent. In the case of telephone communication, we cannot be expected to recognise Your voice. You are responsible for everything done or omitted using the information referred to above (including positions opened or closed and Orders placed).
- 4.4 You may use multi-factor authentication to log in to the Trading Platform or Client Office. This involves you having to enter an additional authentication code when logging in, which we will send you via SMS or other electronic means. Unless otherwise indicated, the use of multi-component authentication is not mandatory.
- 4.5 To use multi-component authentication, you must provide your current telephone number and email address.
- 4.6 You can add a device to the list of trusted devices or remove it at any time. Logging in to these devices will not require you to enter an authentication code, even if you are using multi-component authentication.
- 4.7 If you repeatedly enter the authentication code incorrectly, we will temporarily block your access to the Trading Platform and the Client Office. Once the lockout period has expired, further login attempts will be possible
- 4.8 We are not responsible for any consequences resulting from delays in the transmission of the authentication code which are through no fault of our own.
- 4.9 **Power of Attorney** - prior consent is required if You intend to authorise someone to operate Your Account. In such circumstances, You and the person seeking authority to operate Your Account shall be required to execute and deliver to XTB Limited a Power of Attorney, which authorises and appoints such person as "*an Attorney*" with authority to operate Your Account. You will be solely responsible for all acts and omissions of the Attorney.

#### Technical Account

- 4.10 Technical Account is sub-account subordinated to a Trading Account. Technical Account is created automatically for the purpose of proper settlement of Transactions made while using Investment Plan and correct operation of this service. Records within Technical Account are intended to accurately determine the results on Financial Instruments or Fractional Shares recorded in the individual sub-accounts.
- 4.11 Each Trading Account may have subordinated more than one Technical Account. The Technical Account shall not constitute a separate Trading Account.
- 4.12 Financial Instruments or Fractional Shares which are being traded by you under the Investment Plan are recorded in the Trading Account in accordance with the rules set forth in clause 4.2 and 4.26 and are allocated to the corresponding Technical Account. The Technical Account also records the funds that you have earmarked for the Investment Plan.
- 4.13 Open Positions relating to Financial Instruments or Fractional Shares assigned to a particular Technical Account shall be closed using the direct method. This means that the Open Positions that are designated by the Client are closed. In this case, the FIFO (first in first out) rule does not apply, which is referred to in clause 12.6.
- 4.14 The designation referred to in clause is made by you specifying the Technical Account to which the Open Positions you wish to close are assigned. If it is not technically possible for you

to specify exactly which Open Positions you wish to close within a particular Technical Account, you authorise us to close them according to the time they were opened within that Technical Account, starting with the earliest one opened. Abovementioned rule applies regardless of whether you have the same Open Positions in a Trading Account, including another Technical Account.

4.15 Clauses 4.3-4.8 apply accordingly to Technical Accounts.

4.16 Due to technical reasons, we may limit the number of Technical Account you can create.

4.17 Detailed rules for determining opening, maintaining and closing the Technical Account are specified in chapters 5-8 of TOB.

## 5. Placing Trades

5.1 To place an Order You first have to make us an offer to trade which is subject to acceptance by us. You will only have placed an Order if we accept Your offer. The following apply: -

- You can offer to place an “up” Order at the XTB Limited Buy Price if You speculate that the price will rise. If accepted it is known as a “buy” or a “long” position. You can offer to place a “down” trade at the XTB Limited Sell Price if You speculate that the price will fall. If accepted it will be known as a “down” trade, also known as a “sell” or a “short” position.
- Depending on the type of Account and Financial Instrument You are trading, Your offer to trade must be on a “direct deal” or “market order” basis, as follows: -
  - A. “direct deal” means that (if the offer to trade is accepted) You will have placed a trade at the XTB Limited Price current at the time You made the offer to trade. If (by the time we receive Your offer to trade) the XTB Limited Price is no longer valid, Your offer to trade will be rejected and You will need to make a further offer to trade at our then current XTB Limited Price;
  - B. “**market order**” means that (if the offer to trade is accepted) You will have placed a trade at the XTB Limited Price which is current at the time we execute Your trade. Please note that the XTB Limited Price may move between the time we accept Your offer to trade and execution. If You offer to trade on a “**market order**” basis You are accepting the risk in relation to those XTB Limited Price movements.

## 6. Our rights to refuse a trade

6.1 All offers to trade are subject to acceptance by us. We are entitled to refuse to accept an offer to place a trade, but we will act reasonably. We are also entitled to reject Your trades in the following circumstances:

- 
- if accepting such a trade would immediately put the Account into negative Equity when the trade is valued against the current XTB Limited bid or offer as applicable.
- If there is an attempt to misuse NBP, in particular the intentional and multiple execution of transactions intended to activate NBP.
- if any amount You owe (e.g. Variation Margin) is overdue;
- if any Initial Margin requirement relating to that trade has not been complied with;
- if the trade is not at the relevant XTB Limited Price in and/or within the appropriate minimum/maximum trade sizes;
- if we reasonably believe the trade would breach the Terms of this Agreement or any law (English or elsewhere) or the regulatory system or we have reasonable concerns regarding money laundering or insider dealing or market abuse;
- if You become insolvent;
- You die or become a patient under relevant mental health legislation, or we have reasonable grounds to believe that You have done so;
- if we think it would not be commercially viable to accept that trade;
- For instant orders, if the Financial Instrument Price deviates significantly from the Order Price. The effective deviation level is described in the Order Execution Policy.
- if we think the trade is too large or too small. For example, we may hedge Your trades in the Underlying Instrument; depending on the size of Your proposed trade our exposure to the Underlying Instrument share/equity may amount to a declarable interest in the relevant company and/or require us to make a takeover offer if we think this may occur we are entitled to refuse the trade;



- we cannot determine the market price with reasonable accuracy due to an extraordinarily high level of Spread for the market data currently available,
- the price is non-transactional due to a lack of available volume for the market data currently available, if the opening of the Transaction causes an excess of the Maximum Nominal Portfolio Value.

**6.2** You must contact us immediately if You have any concerns as to whether an Order or any other instruction placed through the Trading Platform has been accepted.

## **7. XTB Limited Price**

**7.1** Current XTB Limited Prices are available on our Trading Platform.

**7.2** The following applies to our prices:

**7.3** our prices are set by us in our absolute discretion;

**7.4** We shall systematically quote on Trading Days the Prices of the Financial Instruments on the basis of prices of the corresponding Underlying Instruments. These prices are quoted on the Interbank Market or other financial market and the trading volume of the above-mentioned Underlying Instruments is the highest and most liquid. Clients shall conclude Transactions at the prices available in the transaction system taking into account the liquidity, available for all the Clients, assigned to each Quotation. We refresh the book of offers each time a price appearing in the transaction system changes. You acknowledge that each Transaction you conclude reduces the liquidity available for a particular Quotation and, if the entire liquidity available for a given bid price or ask price is used in full, the subsequent bid price or ask price with available liquidity in the orders sheet shall become the binding.

**7.5** Transaction prices shall be quoted on an ongoing basis on the Accounts, on the basis of current prices made available by the following institutions:

- A. banks;
- B. investment firms and brokers;
- C. underlying instruments markets and derivatives markets;
- D. prestigious information agencies

**7.6** We shall use its best efforts to ensure that Transactions prices do not differ materially from the prices of Underlying Instruments made available in real time by the Reference Institutions, however we can change or withdraw the XTB Limited Price at any time and in particular, can do so at any time before Your offer to trade on that XTB Limited Price has been accepted;

- By accepting the Agreement, you grant us indefinite (limited by the term of the Agreement) authorisation to execute, or accept and transfer Orders and Instructions submitted by you in accordance with this Agreement via the Trading Platform on your behalf.
- You cannot trade on a XTB Limited Price which is no longer valid. Our Trading Platform will make clear if an XTB Limited Price has ceased to be valid (e.g. by giving a different XTB Limited Price or otherwise clearly indicating that it is no longer valid);
- we shall not quote prices of the Financial Instruments, accept Transaction Orders and/or execute Client's Instructions on days other than Trading Days, with the reservation that we may accept stop and limit Orders on selected trading platforms for selected Financial Instruments specified in the Specification Tables outside of the Trading Day;
- Please be advised that it might be possible that the Prices of Financial Instruments as shown on the chart available on the Trading Platform lack certain market prices at which Client Orders are executed. This results from limits on the quantity of data processed by the Trading Platform in a particular unit of time. The risk of occurrence of the above-described situation is higher at times of increased volatility of the Underlying Instrument's Market Price or publication of relevant economic data. We make every effort to ensure that the charts reflect as accurately as possible the prices at which Orders are executed. Execution or activation of an Order at a price that is not shown on the chart shall not mean that the Order was executed at an erroneous price.
- Some of XTB Limited's Prices are just given for guidance purposes and You cannot trade on these.

**7.7** For each Market we quote XTB Limited Price as follows:

- the XTB Limited Buy Price, this is the higher price for the Market concerned;
- the XTB Limited Sell Price, this is the lower price for the Market concerned.

**7.8** The difference between the Buy and Sell XTB Limited Price on any given Financial Instrument is the Spread.

**7.9** Indications of Spreads on particular Markets can be found in the Specification Tables. When setting XTB Limited Prices we reserve the right to add the Spread of the Underlying Instrument to the XTB Limited Price, in particular in the case of an Event outside Our Control and/or a Market Disruption Event. We have the right to vary Spreads.

**7.10** XTB shall not be liable towards the Client for any damage caused by erroneous price, if the error in the price was caused by circumstances for which XTB shall not be liable on the basis of generally applicable law as well as in the case in which the client was aware about the erroneous price.

#### **Fixed Spread**

- For some Financial Instruments we apply a principle of quoting XTB Limited Prices with a fixed Spread specified in the Specification Tables.
- XTB Limited reserves the right, without the prior notice to the Client, to increase the above mentioned fixed Spread in the following circumstances:
  - A higher than average volatility of prices of a particular Instrument;
  - B low liquidity on the market of a particular Underlying Instrument;
  - C unexpected political and economic events;
  - D Force Majeure events.

#### **Floating Spread**

- For some Financial Instruments and some Accounts XTB Limited applies a principle of quoting XTB Limited Prices with the use of variable Spread which reflects the prevailing market conditions and volatility of Underlying Instruments' prices.
- For the floating spread Financial Instruments, the Spread will be constantly changing, as it reflects the prevailing market conditions and volatility of the Instruments' prices.

#### **Market Execution Prices**

- For Financial Instruments with market execution "market order", prices shown in the Account should be deemed as indicative and it is not guaranteed that the Client will deal at this quotation. The price of Client's Order execution will be based on the best price which XTB Limited can offer at the particular moment without obtaining any additional confirmations from the Client. The current price of a Financial Instrument with market execution at which the Transaction is concluded will be reported back by XTB Limited. The price of a concluded Transaction will be visible in the Account.
- Some offers, orders, prices or transactions coming or performed with foreign partners, information agencies, relevant markets or data vendors based on which Financial Instrument's price with market execution was determined, may be cancelled or withdrawn for reasons beyond XTB Limited's control. In such a case, XTB Limited has the right to withdraw from respective Transaction on that Financial Instrument concluded by the Client. In such a situation, confirmation of withdrawal will be documented and presented to the Client within two days after withdrawal or cancellation of an order, offer or transaction. XTB Limited bears no responsibility for damages caused by situations described in herein point
- You agree that our bid and offer prices are provided to you solely for the purpose of entering into transactions with us and you shall not rely or use our bid and offer prices for any other

## **8. Minimum and maximum trades**

**8.1** There are limits on the trade size of any trade You wish to place. You cannot place any trade unless it is within the relevant minimum and maximum trade size.

**8.2** You must make sure You know the current minimum and maximum trade sizes applicable to any

trade You wish to place. You must also ensure that You understand how to calculate maximum trade sizes. Please contact Your Account Manager or Customer Services.

- 8.3 If the size of your Order exceeds the maximum size as specified in the Specification Tables (e.g. a maximum Order value in Lots), We are entitled to request you meet additional requirements as well as offer special terms for the Transaction. We shall notify you about such facts directly the moment the Order is placed. You may accept the offered conditions solely at your own discretion.

## 9. Other Charges and Adjustments

A financing charge applies to position based Rolling Spot Forex Trades and some CFD trades. This may result in a daily funding charge to You. Where You have opened a sell in respect of a particular instrument, you will incur a borrow charge. The borrow charge varies per instrument (see our borrowing charges which vary from time to time). This borrow charge will also increase your margin requirements. Commission applies to all opening and closing trades on a Retail Pro Account and applies to Stock CFD trades across all accounts. Adjustments also apply in the case of any Corporate Action. We may charge You for the provision of market data or any other account feature or such other charge as we advise from time to time.

## 10. Initial Margin

- 10.1 Initial Margin is due to XTB Limited on each opening Trade You place. Initial Margin must be maintained in respect of all Open Positions.
- 10.2 Initial Margin (IM) is calculated differently for CFDs and Rolling Spot Forex. You must make sure You know how IM is calculated and the relevant IM Factor for any trade You propose to place. IM Factors are in the Specification Tables located on the Website. If in doubt, please contact Your Account Manager or Customer Services.
- 10.3 XTB Limited can:
- waive Initial Margin in relation to any particular trade;
  - vary IM factors for any reason but particularly in respect of any Account/s that in XTB Limited's sole discretion is considered to have established large or excessive concentrated risk in respect of any instrument. Please note that changes to the IM Factor applies to open positions so additional Margin may become due to maintain open positions.

## 11. Variation Margin

- 11.1 Variation Margin is immediately due and payable when as result of Your Trades or changing market conditions the Equity or Balance on Your Account might fall below 50% of the current Margin blocked on the Account. This is calculated by the deduction of the total negative factors of the Your Account from the total positive factors. If in the result of Your Trades the Equity or Balance becomes equal or lower than 50% of the current Margin blocked on Your Account than XTB Limited is authorized but not obliged to close any or all Open Positions, in whole or in part, as specified in point 11.5 of herein Terms.
- 11.2 Variation Margin is **not** the total extent of Your financial liability to XTB Limited and You are bound by this Agreement to make good the entirety of any losses, that can amount to the whole financial resources excluding a negative balance on your Account, and to make good any other payments due hereunder.
- 11.3 Variation Margin is immediately payable whether or not demanded and whether or not a Margin Call is made. It is therefore Your responsibility to ensure that You understand how Variation Margin is calculated and it is also Your responsibility, and not XTB Limited, to monitor Your open positions and all other relevant factors used to calculate Variation Margin payable. You are required to notify us immediately if You cannot, or believe You will not be able to, meet a Variation Margin payment when due.
- 11.4 XTB Limited is not obliged to make Margin Calls to You or within any specific time period and we

shall not be liable to You for any failure by us to contact You or attempt to contact You. Margin Call can be made at any time and by any method of communication. Where a Margin Call has been made by one or more method of communication it shall be deemed to have been made at the earliest time such communication is deemed served as referred.

**11.5** In the event of any of the following, XTB Limited reserves the right (but is not obliged) to close any or all, in whole or in part, of Your Open Positions (including those held on a joint Account with others) on the basis of current XTB Limited Price (or next available), to exercise its rights of combination consolidation and set off hereunder, to close Your Account and not accept any further Orders from You, in each case with or without notice to You, XTB Limited reserves the right to effect closures at anytime:

- a) if any method of payment employed by You to make payment to XTB Limited is not met on first presentation or is subsequently dishonoured;
- b) if XTB Limited considers, in its absolute discretion, that You have materially breached any of the clauses contained within this Agreement as may be amended from time to time;
- c) if any representation or warranty made by You in relation to this Agreement is found to be, or becomes, untrue, inaccurate or misleading in any respect;
- d) if You become subject to insolvency;
- e) if You should die, be committed as a patient under relevant mental health legislation or any court order is made in respect of You under relevant mental health legislation or XTB Limited suspects or believes the same to be true;
- f) if we are in dispute in relation to any order, or instruction, save that in such case we may close all but not part only of the actual or alleged order in dispute whether or not such action is considered desirable for minimising the amount in dispute;
- g) if there occurs any other event or any other circumstance exists, where we reasonably believe that it is necessary or desirable to take any of the above actions in order to protect ourselves or any or all of our other clients;
- h) if any regulatory body of XTB Limited business, or the rules of such a body, require XTB Limited to do all or any of the foregoing;

**11.6** XTB Limited reserves the right to exercise all or any of the rights referred to above at any time after the occurrence of any of the events therein referred to and regardless of when the Underlying may close.

**11.7** XTB Limited shall have the right to change the amount of the Margin and such changes shall be immediately notified to the Client.

- a) If the Equity or Balance is equal or lower than 50% of the current Margin blocked on Your Account.

## 12. Position Closure

### 12.1

- a) An open trade will continue until its Expiration Day or after 365 days (excluding **CFDs based on cryptocurrencies**, Synthetic Stock, Stock CFD and ETF CFD) from the date of the position opened or the occurrence of a relevant event such as a Corporate Action; it will then be automatically closed at the first Financial Instrument price provided by XTB after that period. However, this is subject to:-Your right to close the Trade before Expiration Date;
- b) our right to close the Trade;
- c) execution of any Order that closes the Trade.
- d) exception applies on Equities CFDs and ETFs CFDs open positions, see clause 12.2.
- e) In the case of CFDs based on Cryptocurrency prices, introduced to the offer before October 22<sup>nd</sup> 2018, after 7 days from the date of opening the position, at the first Financial Instrument Price provided by XTB after that period.

**12.2** If the underlying Instrument for an Equity CFD or ETF CFD is being delisted from the Underlying Exchange, XTB shall have the right to close the open position on such an Equity CFD or ETF CFD on the last trading day, or after delisting of Underlying Instrument at the last available Market Price of the Underlying Instrument, and at the same time XTB shall inform the Client if such circumstances occur. If the company whose market price is the entire or a part of the Underlying Instrument for the Equity CFD becomes insolvent, a petition for announcement of bankruptcy is filed against it or it is dissolved in any other manner, as of the day of closure of the position placed

by XTB on the relevant Organised Market:

- a) if the Client has a long position – at the price that is the closest to zero. In such a case, if the company makes a payment for the stockholders, the amount equal to the final distribution amount shall be booked in the Client's Trading Account;
- b) if the Client has a short position – at the price that is the closest to zero. In such a case, if the company makes a payment for the stockholders, the amount equal to the final distribution amount shall charge the Client's Trading Account
- c) after delisting of the Underlying Instrument at the closing price of the hedging transaction for the Client's position (in accordance with the order executions policy). We shall notify you

**12.3** An Open Position on Stock CFD and ETF CFD shall be closed without Client's consent after 365 days from the date of opening of the position in the situation where the value of Equity is lower than the value of commission on transaction closing this position.

**12.4** You may close Trades by:

- a) either closing a "sell" Trade by buying at the XTB Limited Buy Price current on closing; or,
  - b) You close a "buy" Trade by selling at the XTB Limited Sell Price current on closing.
- The above applies regardless of XTB Limited Prices or Spreads current on opening. In addition:
- - c) unless we specifically agree, You can only close during our trading hours for the Market;
  - d) Your maximum trade size (on closing) will be limited to that applicable on closing, regardless of the maximum trade size that applied on opening. Consequently, You may need to execute more than one closing trade in order to completely close an open trade and the XTB Limited Price of each closing trade may vary considerably.

**12.5** In case of Financial Counterparty, XTB calculates results in the following way:

- a) Financial Counterparty's unrealized loss is settled by the XTB in real time by adjusting the Free Margin on Financial Counterparty's Account;
- b) Financial Counterparty's unrealized profit will be settled if the unrealized profit on all currently opened Positions exceeds EUR 500.000. If at the end of the day the unrealized profit exceeds EUR 500.000 then XTB will roll over Financial Counterparty's Open Positions by closing all Financial Counterparty's Positions, transfer of the unrealized profit on the Financial Counterparty's Account and reopen of the closed Position at the closing prices;
- c) the amount EUR 500.000 will be exchanged to the Account Currency at the rate published by Polish National Bank on the day when the aforementioned level was exceeded.

**12.6** Open positions are closed pursuant to the FIFO (first in first out) principle, which means that Open positions are closed according to the time they were opened, starting with the position which was opened first.

## 13. Orders

**13.1** A position shall be opened by placing a Trade Order, directly on our Trading Platform, which contains all necessary parameters and following its acceptance by XTB Limited.

**13.2** We accept Orders on all Markets identified in the Specification Tables.

**13.3** Orders can only be executed when there are sufficient funds on the Cash Account to establish the Margin.

**13.4** The following apply to all Orders:-

- a) All terms and conditions that apply to placing trades must be complied with both when You place an Order and when that Order is due to be executed.
- b) All Orders must be placed only on the Trading Day, with the reservation that XTB may accept stop and limit Orders on selected trading platforms for selected Financial Instruments specified in the Specification Tables outside of the Trading Day
- c) we have the same right to refuse to accept or execute an Order as we have to refuse to accept a trade. If being entitled to do so we refuse to execute an Order, that Order may be deemed



- automatically cancelled;
- d) all Orders must be at an execution price set by You and agreed by us;
- e) all Orders are deemed "Good 'Till Cancelled" or "GTC".
- f) all Orders are deemed "XTB Limited Price"
- g) the price at which we execute Orders is not guaranteed unless clearly specified otherwise;
- h) all Orders will be executed unless You specifically cancel the Order You have placed.

## 14. Different Order Types

- 14.1** Depending on the type of the Account or the type of Financial Instrument the following Order types can be placed by You:
- a) market Order at a current price of a Financial Instrument published in the Account.
  - b) instant Order "direct deal" at a current price of a Financial Instrument published in the Account;
  - c) limit Order to execute a Transaction (buy limit; sell Limit; take profit "t/p");
  - d) stop Order to execute a Transaction (buy stop; sell stop; stop loss "s/l").
- 14.2** You must make sure You know the current Order types available to any trade You wish to place. You must also ensure that You understand how to place particular Order types. Please contact Your Account Manager or Customer Services in case of any doubts.

## 15. Execution of Orders

- 15.1** The following applies to execution of Orders:
- a) Orders will be executed by XTB Limited when it is reasonably able to do so at the first XTB Limited Price we are reasonably able to offer. Orders cannot be executed outside XTB Limited trading hours for the relevant Market. So if the Underlying trades outside our trading hours, the XTB Limited Price at which an Order may be executed may be very different to the agreed execution price of the Order;
  - b) In times of volatility of the Underlying and at the opening and closing of an Underlying, the XTB Limited Price at which an Order may be executed may be considerably different to the agreed execution price of the Order;
  - c) if the Underlying opens through or trades through the agreed execution price of an Order (known as "gapping"), we will execute at the first XTB Limited Price we are reasonably able to offer;
  - d) in relation to Markets quoted outside the trading hours of the Underlying, Orders may be filled at the XTB Limited Price we consider reasonable.
- 15.2** The following applies to execution of CFD Orders on Basic Accounts:
- a) Stop Orders and limit Orders cannot be placed if the absolute value of the difference between the price of the Order's activation and the current, and in case of placing stop Orders and limit Orders outside of the Trading Day last price of the Financial Instrument is lower than the minimum limit for the stop Orders for a given Financial Instrument. These limits are available on the XTB's Website. The limits can be raised in case of the economic data publication (defined in the Calendar section available on the XTB's Website) or in case of a high market volatility on a given Financial Instrument.
  - b) Limits for stop and limit Orders are enlarged when the market opens on Sunday at 11 pm. Limits are restored to fixed values as fast as the liquidity and volatility on the underlying markets allow. Usually the process takes from 10 to 20 minutes, however, in cases of limited liquidity and enlarged volatility this period may last longer.
  - c) An Order to execute a Transaction on CFD on the Basic Account may be placed in the following manner:
    - by placing an instant Order at a current price of a CFD published in the Trading Account;
    - by placing a limit Order to execute a Transaction (buy limit; sell limit; take profit "t/p");
    - by placing a stop Order to execute a Transaction (buy stop; sell stop; stop loss "s/l").
  - d) Instant Orders on Basic Account on CFDs are executed at the price indicated in the Order with the provision that XTB may reject the Order, if prior to conclusion of the Transaction, the Financial Instrument Price has changed significantly comparing to the price from the Order.
  - e) Limit Orders on Basic Account on CFD are executed at the price indicated by the Client or better.
  - f) Stop loss "s/l" Orders during Trading Hours on the open market on Basic Accounts for CFDs are guaranteed to be executed at the price indicated by the Client. This does not apply to buy

stop and sell stop Orders.

**15.3** The following applies to execution of CFD Orders on Standard Accounts:

- a) An Order to execute a Transaction on CFD on the Standard Account may be placed in the following manner:
  - depending on the offer available to the Client, as described on XTB's Website or in the Specification Tables, by placing an instant Order at a current price of a CFD published in the Trading Account or by placing a market Order at a current price of a CFD published in the Trading Account;
  - by placing a limit Order to execute a Transaction (buy limit; sell limit; take profit "t/p");
  - by placing a stop Order to execute a Transaction (buy stop; sell stop; stoploss/l").
- b) Instant Orders on Standard Account on CFDs are executed at the price indicated in the Order with the provision that XTB may reject the Order if prior to conclusion of the Transaction, the Financial Instrument Price has changed significantly compared to the price from the Order.
- c) Market Orders (market execution) on Standard Account on CFD are executed at VWAP (Volume Weighted Average Price). Prices shown in the Trading Account before placing an Order for market execution are only indicative and are not a binding execution price which will be shown after the effective execution of the Transaction.
- d) Limit Orders on Standard Account on CFD are executed at the price indicated by the Client or better.
- e) Stop Orders on Standard Account on CFD are executed at market prices at the moment of a given stop level activation.

**15.4** The following applies to execution of CFD Orders on Pro Accounts:

- a) An Order to execute a Transaction on CFD on the Professional Account may be placed in the following manner:
  - by placing a market Order at a current price of a CFD published in the Trading Account;
  - by placing a limit Order to execute a Transaction (buy limit; sell limit; take profit "t/p");
  - by placing a stop Order to execute a Transaction (buy stop; sell stop; stop loss "s/l").
- b) Orders on Professional Account on CFD (market execution) are executed at VWAP (Volume Weighted Average Price). Prices shown in the Trading Account before placing an Order for market execution are only indicative and are not a binding execution price which will be shown after the effective execution of the Transaction.
- c) Limit Orders on Professional Account on CFD are executed at the price indicated by the Client or better.
- d) Stop Orders on Professional Account on CFD are executed at market prices at the moment of a given stop level activation.

**15.5** Specific rules for Stock CFDs and ETF CFDs.

- a) Due to its characteristics rules of placing and executing Orders for Stock CFD and ETF CFD may differ in some aspects from normal CFD rules as specified above. Prior to entering into any Stock CFD or ETF CFD Transaction You should become aware of how different Order types are executed for these Financial Instruments and how it may influence the price of a Transaction.
- b) An Order to execute a Transaction on Stock CFD or ETF CFD may be placed in the following manner:
  - by placing a market Order at a current price of an Stock CFD or ETF CFD;
  - by placing a limit Order to execute a Transaction (buy limit; sell limit; take profit "t/p");
  - by placing a stop Order to execute a Transaction (buy stop; sell stop; stop loss "s/l").
- c) Stop Orders described in point c above are executed as market Orders in the moment of a given price limit activation or stop level. XTB does not guarantee the execution of such Orders exactly at the price indicated by the Client.
- d) Limit Orders on Equity CFDs or ETF CFDs are executed at the price indicated by the Client or better.
- e) In-the-money limit Orders on Equity CFDs or ETF CFDs are not allowed. For buy Orders the highest possible limit is the current Ask price. For sell Orders the lowest possible limit is the current Bid price.
- f) Stop Orders on Equity CFDs or ETF CFDs are executed on conditions laid down by the Underlying Exchanges.
- g) Unexecuted stop Orders and limit Orders on Stock CFD or ETF CFD, placed without the

specified time limit, shall be considered as Orders valid until the end of a given session.

- h) In some cases of limit or stop Orders on Equity CFDs or ETF CFDs XTB may block the applicable Margin at the moment of placing an Order or Instruction.
- i) Market orders are not subject to requote which means that by using “sell at market” or “buy at market” Client wishes to sell or buy Stock CFD or ETF CFD at the price reflecting current market price and/or liquidity of the Underlying Instrument.
- j) If Client wishes to execute a market Order for an Stock CFD or ETF CFD and relevant Underlying Instrument is currently suspended from trading (frozen) for any reason, then Client's Order will be rejected by the Underlying Exchange or remain active in accordance with the trading rules of the Underlying Exchange.

**15.6** The exceptions to the above are, if we have agreed something different with You.

## 16. Our right to close Your Account

**16.1** The notice we give You before closing Your Account depends on the situation of the closure. However, we may be prevented by law or regulatory rule from giving You notice.

**16.2** Reasons with which we can close Your Account:

- a) You die or become a patient under relevant mental health legislation, or we have reasonable grounds to believe that You have done so;
- b) an insolvency event occurs in relation to You. In the above two bullet points we are not obliged to give You any prior notice, but we would tell You that we had closed Your Account.
- c) anything You owe us under the Terms has not been paid within 30 days of the day it should have been paid. In the above case, we will give You at least 14 days' written notice prior to closing Your Account.
- d) Your dealings are of such a type (e.g. size or nature) that we no longer wish to deal with You. In the above case we would give You at least 30 days' written notice prior to closing Your Account.
- e) You breach social conduct rules (e.g. begin abusive towards our staff members)
- f) We obtain evidence that the product is no longer suitable or appropriate for you.
- g) If there is an attempt to misuse NBP, in particular the intentional and multiple execution of transactions intended to activate NBP.
- h) we have other good grounds for doing so.

**16.3** During the notice period on Your Account before closure:

- a) we will not close Your open Trades;
- b) You will not be able to place any new Trades or Orders nor give any other instruction, except insofar as necessary to close a Trade. In particular, You will not be entitled to place a closing Trade or any Order in such a size that would result in a new Trade being opened;
- c) All Trades will be closed and all Orders cancelled on the same day that Your Account is closed (or as soon as reasonably practicable thereafter);
- d) all Trades will be closed at the XTB Limited Price;
- e) we can effect closures at any time, but closure will generally be effected approximately one hour before the close of the Underlying or our trading hours for the Market in question;

## 17. Our right to suspend Your Account

**17.1** We reserve the absolute right to suspend Your Account.

**17.2** Due to law and the Regulatory System, there may be circumstances which we are unable to provide notice to You before suspending Your Account.

**17.3** Once Your Account is suspended:

- a) Orders (in place prior to the suspension) will not be affected;
- b) You will not be able to place any new Orders nor to give any other instruction, except insofar as necessary to close a Trade or to cancel an Order in place before the suspension. In particular, You will not be entitled to place a closing Trade or any Order in such a size that

would result in a new Trade being opened.

- 17.4 We retain the right to suspend Your Account at any time for any good reason. However, we will endeavour to notify You before taking such action. Circumstances in which we can suspend Your Account are shown, but not limited to the below, and in each of the below we can suspend either with or without giving notice. If we give notice, it will be given via an email. If we do suspend without giving You notice, we will notify You by email (as soon as reasonably practicable) that we have done so. Some circumstances in which we can suspend are as follows: -
- a) if we have reasonable concerns in relation to breach of any relevant law (whether English or otherwise) or the Regulatory System;
  - b) if we have reasonable concerns relating to money laundering;
  - c) if You do not provide information or documentation requested in relation to any verification checks.
  - d) if You have failed to provide us with the originals of any Account opening documentation (including in relation to money laundering regulations), if You only supplied us with copies when we opened Your Account;
  - e) if we have reasonable grounds to believe that any material warranty or representation You have made to us is not true or is misleading in some material respect;
  - f) if we have reasonable grounds to believe that You are using an electronic device, software, algorithm, or any other trading strategy that aims to exploit, manipulate, or take unfair advantage of:
    - any temporary or minor inaccuracy in the XTB Limited Price;
    - any delay in the display of the XTB Limited Price; and/or
    - our Trading Platform, Software or other systems and functions made available by us to You.
  - g) if we have reasonable grounds to believe that You will not be able to pay us anything You owe us, when the time comes for payment;
  - h) if any amount You owe us (including Variation Margin) has not been paid on time;
  - i) if we have exercised our rights to close, cancel or void Your, Trades or Orders;
  - j) if we have reasonable grounds to believe that You are in a material breach of these Terms;
  - k) You die or become a patient under relevant mental health legislation, or we have reasonable grounds to believe that You have done so;
  - l) an insolvency event occurs in relation to You;
  - m) If You are persistently abusive when You deal with us.
  - n) Any event that impairs or removes the ability for our Trading Platform to operate on a normal and orderly basis
  - o) Including any act or omission for whatever reason, after using reasonable efforts that we deem necessary or appropriate to hedge our price risk.
- 17.5 In the event we are informed of your death, we will stop providing the Services except for custody services. We will act in accordance with our policy for handling these situations and we may require a Grant of Representation or Confirmation before we accept instructions or otherwise deal with your investments.

## 18. Our right to close or void Your Trades or to cancel Orders

- 18.1 We set out the circumstances in which we can close or void Your Trades and cancel Orders. We also set out below the notice we may give. However, please note that we may be prevented by law or the Regulatory System from giving You notice. In addition, the law and the Regulatory System may determine when and how much notice we can give You.
- 18.2 We can: -
- a) close all open positions on Your Account and cancel all Orders.
  - b) close any short (or long) Open Position, Trade relating to an Underlying Instrument, if we are obliged to close any hedging position we have taken in relation to that Trade (for example, if the Underlying Instruments are unavailable and/or a buy-in notice is enforced by the relevant exchange).
  - c) close any or all of Your open Trades and cancel any or all of Your Orders, in whole or in part if:
    - any payment due under the Terms has not been received in full on the due date and we have given You at least 7 days' notice to pay the amount due;
    - any instrument of payment You use to pay amounts to us is not honoured on first presentation;
    - if we have reasonable concerns relating to money laundering;
    - if You do not provide information or documentation requested in relation to any verification

checks;

- if You have failed to provide us with the originals of any Account opening documentation (including in relation to money laundering regulations), if You only supplied us with copies when we opened Your Account;
- if we have reasonable grounds to believe that any material warranty or representation You have made to us is not true or is misleading in some material respect;
- an insolvency event occurs in relation to You;
- You die or become a patient under mental health legislation or we have reasonable grounds to believe You have done so;
- law or the Regulatory System requires or permits us to do so, including but not limited to circumstances where failure to do so would result in XTB Limited being unable to deal in a matched principal basis.
- In the above circumstances, we can close Your open Trades and cancel Your Orders with or without giving You notice. If we exercise our rights without giving You prior notice, we will tell You (as soon as reasonably practicable) that we have done so.

18.3 When we exercise any of our rights under the Terms to close Your Trades:

- a) closure will be on the basis of the XTB Limited Price;
- b) we can affect closures at any time.

18.4 When counteracting the systematic concluding of Transactions based on erroneous prices or the use of electronic devices, software, algorithm, or any other trading strategy with the aim of exploiting, manipulating, or taking unfair advantage of XTB's Trading Platform and/or Software:

- a) If, on the basis of Client's Transactions, XTB notices that Transactions are concluded by the Client systematically on erroneous prices, or when XTB believes that the Client is using an electronic device, software, algorithm, or any other trading strategy that aims to exploit, manipulate, or take unfair advantage XTB's Trading Platform and/or Software, XTB reserves the right to:
  - terminate the Agreement with an immediate effect;
  - particularly supervise each Order or Instruction of the Client;
  - withdraw from each Transaction concluded with the use of practises described in herein clause;
  - close any Trading Account of the Client with immediate effect. In such case, it is hereby confirmed that this Agreement shall be terminated in respect to that particular Trading Account and in that regard provisions relating termination of the Agreement with immediate effect shall apply accordingly.

In particular clause 18.4 applies to situations where the Client deliberately uses, by means of a software or other, a practice which systematically takes advantage of: price slippages, price delays, delays in Order execution and any other situations where the XTB Limited's Price at the moment of Transaction conclusion may deviate in any manner from the Underlying Instrument's Price.

## 19. Calculation of Profit and losses

19.1 Profit and losses are calculated differently for each product that we offer. You must make sure You know the way the profits and losses are calculated on particular product You chose.

19.2 The following apply to profits and losses: -

- a) profits on closed positions will be credited to Your Equity;
- b) losses on closed positions will be debited from Your Equity.

19.3 All amounts payable by You to us will be deducted from Your Equity. Likewise, we can credit to Your Equity any amounts we owe You or any adjustments to which You are entitled.

19.4 It is in Your own best interest to make sure You know how to calculate profits and losses and what amounts will be added or deducted in relation to Your Trades. All the information You need to do so is available from the Specification Tables, KID document and Trading Platform. If You are in any doubt, please contact our Customer Services team.

## 20. Payments of Profits and Losses

20.1 We retain the obligation to:

- a) hold any amount You owe us in respect of the Account e.g. realised losses, Initial Margin and



- Variation Margin;
- b) any other amounts You owe us under these Terms;
  - c) any and all amounts on Your Account pending receipt by us of the originals of any Account opening documentation (including in relation to money laundering regulations), if You only supplied us with copies when we opened Your Account;
  - d) any amount You owe us in relation to any other Account You have with us or on any other grounds.
- 20.2 We may block deposits and withdrawals from your Trading Account if you do not provide the information and/ or documents requested by XTB under the Applicable Law, including the situations where we are not able to apply one of the financial security measures indicated in the Regulations related to Counteracting Money Laundering and Terrorist Financing.
- 20.3 The following applies to all payments by You to XTB LIMITED: -
- a) all payments must be made in Your Base Currency. If You pay us in any other currency, we can charge You the cost of conversion into that Base Currency;
  - b) You will only be credited for the net amount received after all deductions, (i.e. bank charges and any other costs of transfer);
  - c) we do not accept cheques;
  - d) we do not accept payments in cash;
  - e) in the case of payment of Variation Margin, we only accept payment by bank transfer.
- 20.4 XTB Limited do not permit the payment to clients of unrealised profits and in no circumstances will such unrealised profits be made available for any form of payment including electronic withdrawal.

## 21. Administrative Provisions

- 21.1 We will report all dealings to You via:
- a) the Trading Platform which will contain full details of all the matters relating to Your Account so that You can check the status of Trades and Orders;
  - b) we will provide You with a confirmation of each Trade in a daily summary on request.
- 21.2 It is Your responsibility to regularly access the Trading Platform to check on all dealings. If You think a mistake has been made (i.e. a Trade has been recorded that You think is not yours), contact us immediately, either by e-mail using [ukservice@xtb.co.uk](mailto:ukservice@xtb.co.uk) or by telephoning our Customer Services team. The sooner we are made aware of a potential problem, the easier we will be able to investigate. If You delay in reporting issues, it may make it problematic to resolve issues.
- 21.3 You agree that periodical reports and/or confirmations related to Our services including but not limited to confirmations related to Your orders, financial instruments and funds held by us for You will be provided on a durable medium other than paper, on or through the Website.

## 22. Client re-categorisation

- 22.1 Re-categorisation will only be initiated if we comply with the Regulatory System. This involves obtaining Your written consent or entering into a written agreement with You, if required. We will give You at least 14 days' written notice of any re-classification unless we are required by law or regulation to give less.
- 22.2 You may request a different client categorisation at any time.

## 23. Specifications and rules

- 23.1 Particular Markets will have specifications and rules that apply to that Market. We retain the right to vary any of those specifications at our discretion with or without giving You notice. No change will apply to any Trade or Order current prior to the date on which the change is to become effective.

## 24. Interest

- 24.1 “Unless we decide otherwise, interest on funds owned by the Client shall represent in whole the revenue of XTB and shall not be due to the Client. This applies to funds held in XTB’s bank accounts maintained for the purposes of depositing funds. Information on the amount of interest is contained in the Table of XTB’s fees and commissions. By concluding an agreement with us, you acknowledge that fact and accept it.”
- 24.2 Due to the variability of interest rates on the above-mentioned XTB bank accounts, including bank deposits and the distribution of funds belonging to Clients on various bank accounts, the interest rates of which may vary and change over time (depending on the current conditions offered by the banks), the determination of the average amount of such interest is possible only after the end of a given interest period. Information on the average amount of interest during a given period will be made available on the XTB Website every month after the end of the specified interest period. In connection with the collection of interest, keeping of Clients' Cash Accounts does not involve additional fees for Clients.
- 24.3 We may also introduce interests on Free Funds held in Clients' Investment Accounts. If we introduce an interests on the Free Funds in the Clients' Investment Accounts, information about their current interest rate will be available on the XTB Website [\[www.xtb.com/en/interest\]](http://www.xtb.com/en/interest). The interest rate will be determined weekly by publishing a table on the XTB Website. You can see the interest rate on Free Funds in Investment Accounts in previous interest periods on the XTB Website. The interest rate for the following week will be published by Sunday 12:00 p.m. The interest rate thus published will be effective for the following week, i.e. from midnight on night from Sunday to Monday for seven consecutive days. The interest rate cannot take a negative value
- 24.4 Free Funds in the account at 23:59:59 each day are subject to interest. For Customers who use Investment Plans, Free Funds in Technical Accounts are not subject to interest. Interest will be calculated daily according to the formula:

$$\frac{\text{Free Funds} \times \text{Interest rate}}{365}$$

- 24.5 The result of the calculation will be rounded up to 6 decimal places. Interest on Free Funds will be transferred to the client by the 5th business day after the end of each month. The sum of the accrued interest in a given month will be rounded up to the second decimal place.
- 24.6 XTB Ltd offers a tiered interest rate structure based on the amount of assets under management. Tiers for interest rates are published on website [www.xtb.com/en/interest](http://www.xtb.com/en/interest).
- 24.7 The amount of interest is subject to flat income tax at the rates in effect at the time the interest is transferred to the Client's Investment Account in accordance with applicable laws. XTB may be required to collect the amount of income tax on interest from the Client's Investment Account.
- 24.8 Your funds transferred to the Cash Account shall be deposited in XTB's bank accounts separately from XTB's funds in a manner that prevents XTB from using your funds.

## 25. Netting

- 25.1 All Trades between You and XTB Limited will be entered into in consideration of each other and constitute a single contract between You and us. XTB Limited reserves the right in its sole discretion at any time and from time to time and with or without notice to You to combine and consolidate or to set off against each other in or towards satisfaction of liabilities, all balances of whatever nature in respect of any account in which You have a part, or management function, or oversight interest.
- 25.2 This includes for the avoidance of doubt, but are not necessarily limited to, Your open Trades and any other right or liability mentioned in this Agreement or arising as between XTB Limited and You, and whether XTB Limited exercises its rights hereof or not, and whether any such balance be actual, contingent, primary, collateral, several or joint and the resultant balance would represent the single obligation payable by the obliged party.
- 25.3 In the event of default, bankruptcy, liquidation or similar circumstances resulting in the termination of this agreement, the parties agree that there shall be a single obligation in the base currency of the customer's foremost XTB Limited Account to pay a net sum of cash in respect of all aforesaid balances. Any such balance in Your favour shall be held by You as security for all balances in XTB Limited favour.

## 26. Currency

- 26.1 We will convert into Your Base Currency . The Trading Account shall be kept in the Account Currency and all the records shall be converted into the Account Currency at the current XTB Exchange Rate.
- a) .any profit, loss or other liability;
  - b) any money owed by us to You, or You to us;
  - c) any money paid by You to us.

More information on the XTB Exchange Rate is provided in XTB Fees and Commissions Table – the Table of XTB Exchange Rates.

- 26.2 Please note that for the purpose of calculating Your Cash and all other relevant matters we will convert any relevant currencies into Your Base Currency.
- 26.3 If You pay us in any currency other than Your Base Currency, we will charge You any costs we incur in converting currency into to Your Base Currency.

## 27. Compliance with law

- 27.1 If any provision (or part of a provision) of these Terms is rendered invalid, illegal or unenforceable in any respect under the law in any jurisdiction, the validity, legality and enforceability of the remaining provisions under the law of that jurisdiction, and the validity,

legality and enforceability of those provisions and any other provisions under the law of any other jurisdiction, shall remain in full force and effect.

## 28. Market Disruption

- 28.1 Market disruption is caused by exceptional, unusual or emergency market conditions which may prevent XTB Limited from performing any or all of its obligations. In the event of Market Disruption which is outside our control, we can:
- a) close any open Trades;
  - b) cancel or execute any Orders;
  - c) adjust the XTB Limited Price or size of any open Trades;
  - d) adjust the agreed execution price or size of any Orders;
  - e) suspend trading and alter trading times;
  - f) refuse all Trades and Orders;
  - g) vary Initial Margin requirements, IM factors, minimum and maximum trade sizes and XTB Limited Prices;
  - h) immediately require payment of all amounts You owe us such as Variation Margin;
  - i) void any trade, in cases where the XTB Limited Price is based on the price of an Underlying Instrument and Trades relevant to the XTB Limited Price are cancelled by a relevant regulatory body, exchange or other third party;
  - j) do or omit to do anything, if we think it reasonable to protect ourselves and our Clients as a whole.
- 28.2 We are within our rights to do anything listed in 29.1, with or without giving You notice, but if we exercise without giving You notice we will notify You, as soon as reasonably practicable, that we have done so.
- 28.3 In the case of an event outside our control, You may not be able to access the Software, nor the Trading Platform or Website and You may not be able to contact us by telephone.

## 29. Force Majeure Events

- 29.1 We may, in our reasonable opinion, determine that an emergency or an exceptional market condition exists (a "Force Majeure Event"). A Force Majeure event is any event which prevents XTB Limited from making orderly markets in any contract normally quoted by XTB Limited for the purposes of making Trades. In such case we will, in due course, inform the FCA and take reasonable steps to inform You. A Force Majeure Event will include, but is not limited to, the following:
- a) riots, strikes, power outages, fire, lack of communication, cataclysm, armed conflicts;
  - b) situations related with the occurrence of terrorist attacks;;
  - c) Destruction of the XTB's Offices or circumstances which disable the capability of XTB's operational activity.
  - d) any breakdown or failure of transmission, communication or computer facilities, interruption of power supply or electronic or communications equipment failure;
  - e) failure of any relevant supplier, intermediate broker, agent or principal of ours, custodian, sub-custodian, dealer, exchange, clearing house or regulatory or self-regulatory organisation, for any reason, to perform its obligations.
  - f) Breakdown of IT systems, for which XTB does not bear responsibility;
- 29.2 If we determine that a Force Majeure Event exists, we may, at our absolute discretion, without notice and at any time, take one or more of the following steps:
- a) increase Your Margin requirements;
  - b) close all or any of Your open Trades at such closing level as we reasonably believe to be appropriate;
  - c) suspend or modify the application of all or any of the Terms of this Agreement to the extent that the Force Majeure Event makes it impossible or impracticable for us to comply with the Term or Terms in question; or
  - d) alter the trading time for a particular Trade.
- 29.3 In the event of Force Majeure, XTB shall not be liable towards the Client for any impediments, delays or a failure to fulfil obligations imposed on XTB by the provisions of the GTC, provided that those impediments, delays or a failure to fulfil obligations result from Force Majeure.

### 30. Errors

- 30.1 In order to be valid, a contract note, or any other form of Trade confirmation, must accurately reflect the relevant Trade struck via the Trading Platform. Erroneous contract notes or Trade confirmations will not affect the validity of the Trade that was struck and will not entitle the client to enforce whatever is inaccurately recorded in the contract note or Trade confirmation.
- 30.2 XTB Limited reserves the right to refuse, void or amend any Trade involving or deriving from a Manifest Error. Any amendment of such a Trade shall reflect what XTB Limited considers in its sole discretion, acting in good faith and in line with the Order Execution Policy, to be the correct or fair details of such a Trade absent such Manifest Error.
- 30.3 The term "Manifest Error" applies to any error, omission or misquote, (including any misquote by the dealer) and/or an Order being handled incorrectly which by fault of either XTB Limited or any third party is manifest when taking into account the Market conditions and available Reference Institution quote or quotes that prevailed at the time. This may include, wrong price, Market or any error or lack of clarity of any information, source, commentator, official result or pronunciation.
- 30.4 In the event of a Manifest Error, XTB Limited may take into account all information in its possession including information concerning the expertise of the Client and the Market conditions that prevailed at the time of such error. When making a determination as to whether a situation amounts to a Manifest Error, XTB Limited will act fairly towards the Client and the Client must equally not gain any unfair advantage by such Manifest Error. The fact that a Client may have entered into, or refrained from entering into, a corresponding financial commitment, contract or trade in reliance on a Trade placed with XTB Limited is deemed irrelevant as a factor and shall not be taken into account by XTB Limited in determining whether a situation amounts to a Manifest Error.

### 31. Corporate Action

- 31.1 Where a Corporate Action takes place we are entitled to:
- a) change XTB Limited Prices;
  - b) change our Spreads;
  - c) change IM factors;
  - d) change minimum and maximum Trade sizes;
  - e) suspend the acceptance of or refuse to accept Trades or Orders for any affected Market.
- 31.2 As a result of corporate actions new instruments may be allocated :
- a) subscription rights (granted as a result of a subscription rights issue by the issuer), qualified at the same time as OMI. The subscription rights are of a temporary nature and expire upon the deadline for execution thereof; the deadline is established by the issuer or results from Applicable Law, in particular from laws other than those applicable to the Agreement,
  - b) shares or other Financial Instruments (qualified as OMI) allocated as a result of:
    - separation of a part of the issuer's assets into another company (spin off),
    - acquisition of or merger with a company,
    - payment of a non-monetary dividend, e.g. a scrip dividend,
 being basically Financial Instruments not included in the current offer. Such an offer, as a rule, has a closed catalogue of Financial Instruments, characterised with respective liquidity and an appropriate level of capitalisation and information transparency of issuers.
- 31.3 In connection with the circumstances and characteristics of Financial Instruments, as identified in clause 31.2 you authorise XTB to sell Financial Instruments, referred to in clause 31.2 letters a)-b), on your account. Financial Instruments are the OMI registered in your Trading Account and there is no need to submit the Instructions or Orders with respect to them
- 31.4 The authorisation referred to in clause 49.9 shall remain valid until expiry of the Agreement with the Client or until 31 December 2029 (whichever occurs later) and it shall include conclusion on behalf of the Client of no more than 200 (two hundred) transactions involving the sale of



subscription rights, shares or other negotiable Financial Instruments with the total value of no more than EUR 1,000,000.00 (one million euros) for each of the Clients.

- 31.5 We sell Financial Instruments, referred to in clause 49.9. In this regard we take into account in particular: the rules of trading on the Organized Market Exchange, liquidity, market practice principles, possibility to obtain the best sale price and directive of acting in the Client's best interest. We may sell Financial Instruments, referred to in clause 49.9, together with transactions executed for other clients. Funds obtained from the sale shall be distributed into the clients' accounts based on the average, volume-weighted sale price of Financial Instruments.
- 31.6 As a result of a reverse split, Fractional Rights may be allocated to your account. This will be the case if, after the merger, amount of Financial Instruments due to you calculated as a result of realisation of the merge factor is not an integer.
- 31.7 As a result of the realisation of a corporate action, a situation may arise where the amount of Financial Instruments due to you, calculated as a result of the application of the aggregation ratio, will have to be rounded to the minimum position size determined for a given Financial Instrument. If XTB does not allow the acquisition of Fractional Rights for a given Financial Instrument - the minimum position size will be equal to 1 unit. If XTB allows the acquisition of Fractional Rights for a given Financial Instrument - the minimum position size will result from the precision of rounding of a given Fractional Right, and this parameter will be given in the Specification Table. In such a situation, we will allocate OMI or Fractional Rights to your account, and then sell the merge deficiencies (i.e. the non-allotted units of the Financial Instruments) to you and pay out the cash equivalent.
- 31.8 We can exercise the above rights with or without notice depending on the nature of the Corporate Action concerned. If we exercise before we have given notice, we will inform You as soon as reasonably practicable that we have done so.
- 31.9 In addition, if a Corporate Action occurs we can do any of the following in relation to a Trade or Order You have placed that is directly or indirectly affected by the Corporate Action and that was in place prior to the relevant Corporate Action: -
- change the opening XTB Limited Price of the Trade;
  - change the agreed execution price of the Order;
  - close any open Trade and cancel any Order;
  - open a new Trade or Order in the relevant Market. This might be necessary in the case of a rights issue, if You have a short position in the relevant Market;
  - make an appropriate credit or debit to Your Account.
- 31.10 The following terms and conditions shall apply when particular corporate action occur in respect of a Client's open position on a given Stock CFD, ETF CFD or a CFD based on the Cash Instrument:
- dividends: on the ex-date (the first day without a right to the dividend) each Client holding a long position on a relevant Stock CFD or ETF CFD will be credited with the amount equal to dividend and each Client holding a short position will be debited with the amount equal to dividend. Dividends are calculated in respect of the number of Equity CFDs or ETF CFDs (equivalent to number of Underlying Instruments) held in the relevant Account. Credits and debits associated with dividend settlement shall be made through crediting or debiting the relevant Trading Account; on the day before the first day without a right to the dividend (ex-date) Open Positions on a CFD based on the Cash Instrument will be credited or debited with the amount equal to the dividend adjusted according to the weight in the Cash Instrument and the relevant Trading Account and Trading Account register will be adjusted accordingly;
  - stock splits, reverse stock splits, rights issues and spinoff: the amount of Equity CFDs, ETF CFDs or equivalent of funds registered on the relevant Trading Account will be adjusted or particular Trading Account registers will be adjusted on the day when split or reverse split takes place, first day of Underlying Instrument's quotation without the right to dividend or rights or on the spinoff day accordingly;
  - the right to vote, offering rights or similar rights connected with Underlying Instrument: The Client opening a position on an Stock CFD or ETF CFD cannot exercise the above-mentioned rights.
  - other corporate actions: XTB will strive to reflect any other corporate actions onto Clients' Stock CFD or ETF CFD positions, or Client's particular Account so that a position in Stock CFD or ETF CFD reflects economic aspects of having a position in the Underlying Instruments;
  - corporate actions which result in the cancelation of limit Orders or stop Orders on the Underlying Exchange: In such cases XTB will cancel all limit Orders and stop Orders on a given

Financial Instrument, and at the same time XTB shall inform the Client when such circumstances occur.

- 31.11 In the case of adjustments to index CFD Trades, the rate of adjustment will be determined by XTB Limited.
- 31.12 We may terminate or vary the dividend adjustment subject to changes in law, the Regulatory System, rates of tax and in particular the withholding tax requirements of the relevant tax authority.
- 31.13 We reserve the right not to credit or debit any amounts in respect of a dividend adjustment, if the amount concerned is equal to or less than £1.00.
- 31.14 Under some circumstances transactions or orders on the Underlying Exchange being the basis of determining of Financial Instrument's Price may be cancelled or withdrawn. In such case, XTB shall have the right to withdraw from the relevant Transaction with the Client. In such case, declaration of withdrawal from the Transaction will be documented and delivered to the Client within two days following the day after the day the cancellation or withdrawal from the Underlying Instrument transaction on the Underlying Exchange took place.
- 31.15 In the case of a Stock CFD, ETF CFD,, the Reference Institution may refuse to place an order, reflecting your Order, on the Underlying Exchange or withdraw an already placed order from the Underlying Exchange. This can occur for technical reasons independent of us. In the case of **a refusal to submit or** a withdrawal of an order, XTB will cancel your Order and, if it is compliant with rules of trading on the Underlying Exchange and allowed by the Broker, place the Order having the same parameters on the Underlying Exchange again and, at the same time, make appropriate records on your Account and notify you of such a situation.
- 31.16 In some cases of limit Orders or stop Orders on Equity CFDs or ETF CFDs XTB may block the applicable Margin at the moment of placing the Order or the Instruction.
- 31.17 If the Underlying Instrument for the Stock CFD or the ETF CFD is being delisted from the Underlying Exchange, XTB shall have the right to close position opened on such a Stock CFD or ETF CFD on the last trading day, or after delisting of Underlying Instrument, and at the same time XTB shall inform the Client if such circumstances occur.
- 31.18 When trading Equity CFDs or ETF CFDs, Clients acknowledge that trading in some Underlying Instruments may be temporarily suspended or put on hold. In such cases Clients may not be able to trade or place the Orders or the Instructions concerning such Equity CFDs or ETF CFDs and their Orders or Instructions may be cancelled.
- 31.19 In some cases, Underlying Instruments for Client's short position in Stock CFD or ETF CFDs may be recalled by the lending counterparty. In such cases XTB will have to close Client's short position in Equity CFDs or ETF CFDs, in order to close the short position on counterparty account. Such cases may occur if the exchange short selling rules change or a financial authority applies special conditions for short selling, lending counterparty will withdraw the possibility of short selling on a given Underlying Instrument or given Underlying Instrument becomes hard to borrow due to low liquidity, high lending costs or due to other circumstances that are beyond XTB's control.
- 31.20 XTB shall not be liable for damages caused by situations described in clauses 32.8 – 32.13. In such cases XTB shall proceed in accordance with the Orders' Execution Policy as to gain the best results for the Client.
- 31.21 In case of taking a short position on part of Equity CFDs or ETF CFDs, XTB may incur additional borrowing costs for a Client, related to the borrowing of the Underlying Instrument. The amount of this related cost is beyond control of XTB. The aforementioned costs shall be collected from the Client at the end of Trading Day and shown in Trading Account as swap points/overnight financing and may significantly influence the costs charged for a short position on Equity CFDs or ETF CFDs. The cost is taken into account while calculating swap points/overnight financing value of the Financial Instrument. The cost will be indicated in the Specification Tables, however, may be changed with immediate effect depending on borrowing costs of the Underlying Instrument.

## 32. Client Money

- 32.1 You are hereby informed that if You are categorized by us as a Retail Client the FCA Client Money Rules will apply to You.
- 32.2 All monies belonging to Clients are held in a separate client account that is identified as a trust account. All clients' money is segregated from the funds belonging to XTB Limited.
- 32.3 **In the event of XTB Limited insolvency** You may make a compensation claim to the Financial Services Compensation Scheme (FSCS). Full details of the scheme can be found on the FSCS web site at [www.fscs.org.uk](http://www.fscs.org.uk). You may be entitled to compensation if you are a Retail Client up to a maximum of £85,000.
- 32.4 You agree that we may cease to treat Your money as client money if there has been no movement on Your balance for six years. We shall write to You at Your last known address informing You of our intention of no longer treating Your balance as client money.
- 32.5 If we have categorised you as a Professional Client or Eligible Counterparty then as permitted by law and regulations then you acknowledge and accept: we may acquire full ownership of all amounts received from you or credited to your account, such money does not constitute client money and may be used by us in the course of business and you will rank as general creditor of us in respect of this money and in the event of insolvency.
- 32.6 In the event that there is no activity on your account for an extended period of time that we may determine, we reserve the right to charge dormant account fees.
- 32.7 Where XTB Ltd. holds client money, interest will be payable on any client money held at the interest rates specified on the XTB Ltd. website ([www.xtb.com](http://www.xtb.com)).
- 32.8 In accordance with the FCA's Client Assets Sourcebook ("CASS"), any money we receive from you, or hold on your behalf, will be treated as client money and placed into one or more segregated client bank accounts.
- 32.9 Client money will be held with the following institutions:
- a) **Barclays Bank PLC** (a UK-authorized bank);
  - b) **JP Morgan Chase Bank, N.A.** (a non-UK bank).
- 32.10 These accounts are held separately from our own corporate funds in accordance with CASS 7.
- 32.11 Although your money is protected by FCA rules, holding client money in a bank account is not risk-free. The principal risks include:
- a) Bank Failure or insolvency
    - (i) If Barclays Bank PLC or JP Morgan Chase Bank, N.A. were to become insolvent, there may be a delay before client money is returned.
    - (ii) Any shortfall in the money received from the bank would be shared proportionately among affected clients.
  - b) Withdrawal or Access Delays
    - (i) In certain circumstances, the banks may impose withdrawal restrictions or notice periods, particularly in times of market stress, which may delay our ability to return funds to you promptly.
  - c) Use of Multiple Banks
    - (i) We mitigate concentration risk by using more than one bank. However, this does not eliminate the risk of delay or loss in extreme circumstances.
- 32.12 We undertake due diligence when selecting and periodically reviewing the banks we use to hold client money, taking into account their financial standing, credit rating, regulatory status, and

operational resilience

- 32.13 We maintain internal limits on the proportion of client money that may be held with each bank and monitor compliance with these limits.
- 32.14 Client money is not used for our own business activities and is held in accordance with CASS 7
- 32.15 By agreeing to these Terms of Business and continuing to use our services, you expressly consent to your client money being held with Barclays Bank PLC and JP Morgan Chase Bank, N.A. as described in this section

### 33. Complaints and Disputes

- 33.1 We have a complaints handling procedure listed on the Website. We can also supply a copy on request.
- 33.2 You should raise complaints and disputes as soon as You become aware of them, ideally within 4 Business Days of the date of the relevant Trade or other matter.
- 33.3 If You have a complaint or dispute, You must refer this in writing to us. If our Customer Services team does not deal with the matter to Your satisfaction, You can refer to it to our compliance officer.
- 33.4 Retail Clients may also refer matters to The Financial Ombudsman Service, Exchange Tower London E14 9SR. Clients who are not Retail Clients do not have this right. You may also be entitled to use the EU Commission online dispute resolution platform <http://ec.europa.eu/odr>
- 33.5 Notwithstanding the provisions of the TOB, the Client has the right to bring an action before the competent court. **The competent court in such cases is the court competent for the Client's place of residence.** This applies also to situations when the Client is not satisfied with the decision of XTB related to the complaint he/she submitted.
- 33.6 You can access information and rules relating to the Financial Ombudsman Service on [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk). You can access information and rules relating to the FCA (in particular COBS) on [www.fca.org.uk](http://www.fca.org.uk).

### 34. Representations and Warranties

- 34.1 You make the following representations and warranties to us when You submit Your Application Form, enter into the Terms and each time You place a Trade or Order, or given any other instructions: -
- a) that You are acting in person or (if You are not a natural person) by someone duly authorised to act for You;
  - b) that all the information You have provided to us, both in Your Application Form and otherwise, is true accurate and complete in all material respects;
  - c) that You signed Your Application Form or (if You are not a natural person) someone signed it who was duly authorised to do so;
  - d) that You agree to the Terms, all Notices and Policies, in particular Risk Warning Notice and the Order Execution Policy;
  - e) that the Terms bind You;
  - f) that You act as principal.

### 35. Regulatory Requirements

- 35.1 You are responsible for compliance with all laws and regulatory rules (whether English or elsewhere) in relation to Your trades, including those of the FCA, The Panel on Takeovers and Mergers and any other relevant regulatory body.
- 35.2 Where we are required under applicable law to report transactions with you to the FCA or otherwise, you will need to obtain and provide us with an Legal Entity Identifier (LEI) or your

National Insurance number as we may require to identify your national client identifier, before you can place Orders

- 35.3 A condition for conclusion of the Agreement by a legal entity, an organisational unit without legal personality or by a natural person conducting business activity is, among other things, the provision of information on the valid LEI held.

## 36. Market Abuse

- 36.1 XTB Limited will frequently hedge its liability to You by opening simultaneous positions with other institutions. A consequence of XTB Limited doing so is that if Your Trades or Orders relate to Underlying Instruments, Your Trades or Orders can through our hedging exert a distorting influence on the Underlying, in addition to any impact on XTB Limited Prices. This creates a possibility of market abuse and the function of this clause is to prevent such abuse and to enable us to take appropriate action.
- 36.2 You represent and warrant to us and agree that each such representation and warranty is deemed repeated each time You open and close a Trade and each time You place and cancel an Order that: -
- a) You will not place and have not placed any Trade and/or Order with us or otherwise (when You deal with us) behaved nor will You behave in a manner that would amount to market abuse and/or market manipulation by You. For the purpose of assessing whether You have done so, You may be deemed to have dealt directly in the Underlying to which Your trade and/or Order relates. For Your information, market abuse means as specified by **s118 FSMA 2000** and the Market Abuse Directive. Further information can be obtained from the FCA website at [www.fca.org.uk](http://www.fca.org.uk).
  - b) You will not place and have not placed a Trade and/or Order that contravenes any primary or secondary legislation or other law or regulatory rules including in relation to insider dealing. For the purposes of this clause You agree that we may proceed on the basis that when You open or close a Trade and/or place an Order with us relating to a share/equity You may be treated as if You were dealing in securities within the meaning of Part V of the Criminal Justice Act 1993.
- 36.3 In the event that You breach any of the representations or warranties stated in clause above, or we have grounds for suspecting that You have done so, we may in our absolute discretion (and with or without giving notice to You) and without being under any obligation to inform You of our reason for doing so, close that Trade and/or Order and any other Trades and/or Orders that You may have open at that time and also in our absolute discretion:-
- a) enforce the Trade(s) against You if it is a trade under which You have made losses; and
  - b) treat Your Trade(s) closed under this clause as void if under which You have made profits, unless and until You produce evidence that You in fact have not committed the breaches. If You do not produce such evidence within the period of threemonths from the date of closure, all such Trades will be finally null and void as between us. Trades closed under this clause will be closed at the XTB Limited Price.
  - c) Cancel any Order on your Account with Us
- 36.4 We are entitled to report to any relevant regulatory authority any Trade, Order or other instruction undertaken by You which may constitute a breach by You of this clause.
- 36.5 The exercise by XTB Limited of any of its rights under this clause in respect of any Trade and/or Order shall not affect any other right of XTB Limited (under the Terms or at law) whether in respect of that Trade and/or Order or any other Trade and/or Order.
- 36.6 You acknowledge that it would be improper for you to deal in the underlying market if the main purpose of such a Trade was to impact the bid and offer prices and you agree not to conduct such activity/ transactions.

## 37. Data Protection

- 37.1 For the purpose of the Data Protection Act 2018 (**DPA**) we are the data controller in relation to Your Data. For further information as to how we control your data and your rights in relation to your data please refer to our privacy policy. XTB collects and stores personal data in accordance with



the applicable law, in particular data protection and anti-money laundering regulations.

37.2 You agree that we can:-

- a) use and rely on Your Data when dealing with You; and
- b) our associated companies can store and process Your Data in any way whatsoever, including in manual and electronic form (for example on our/their computers and data bases).

37.3 You consent to the transfer of Your Data outside the UK and EU. We will only do this in order to perform the contract between us and to supply services to You or for administrative or marketing purposes. In addition, we will ensure that the person to whom we transfer your Data will treat it with the same level of confidentiality and security as if we were dealing with it.

37.4 You agree to us and/or our associated companies using, analysing, dealing with and assessing Your Data as permitted by law and to: -

- a) identify You when You contact us;
- b) consider and process any applications made by You;
- c) establish and manage Your Account and to administer services provided to You;
- d) recover debts;
- e) review Your on-going needs;
- f) comply with all applicable laws and regulations including the Regulatory System;
- g) undertake market research and to review and develop our products and services;
- h) keep You informed of our products and services and the products and services of our associated companies unless You tell us otherwise in accordance with clause;
- i) run competitions or other promotional activities.
- j) process and deal with any complaints made by You about us.
- k) verify the accuracy of information supplied by You.
- l) deal with and/or in connection with regulatory reporting, fraud and crime prevention and detection, financial risk assessment, money laundering checks and compliance (including for example, making enquiries at fraud prevention agencies, making enquiries of other providers of , CFD and/or Rolling Spot Forex services, undertaking searches at the electoral register and with credit reference agencies, performing credit and identity checks, obtaining bankers' references and making any other enquiries as reasonably thought fit); and
- m) respond to enquiries made by other persons (including other providers of, CFD and/or Rolling Spot Forex services) in relation to the matters referred to in the above bullet point.

37.5 Please note that third party agencies (for example fraud prevention, credit reference agencies and other providers of CFD and/or Rolling Spot Forex services) may maintain records of any enquiry and information given to them. They may share Your Data (and the results of any searches) with us, our associated companies and other organisations to, amongst other things, recover or retrace debts and for credit, fraud, crime prevention and money laundering purposes.

37.6 We may disclose Your Data as permitted by law and as follows:

- a) if You are a joint applicant, to the other applicant.
- b) to our associated companies.
- c) to any regulator of our business, including the FCA.
- d) to Your employer, whether Your employer is authorised or exempt under the FSMA, including sending contract notes and statements to Your employer's compliance officer.
- e) to introducing brokers or our other business partners.
- f) to our service providers and/or the service providers of our associated companies who provide us/our associated companies with administrative, financial, legal, insurance or other services (including any data processors that we/our associated companies engage) on the understanding that they will keep Your Data confidential.
- g) to anyone to whom we transfer all or any of our rights and/or obligations in relation to You.
- h) to comply with legal obligations.
- i) to protect our rights, property, safety, customers or others. This includes exchanging information (including Your Data) with other companies and organisations for the purposes of fraud protection and credit risk reduction.

37.7 We will use Your Data to keep You informed of our products and services by letter, telephone (including text messages), electronically (including e-mail) or otherwise. Our associated companies will also be able to contact You in these ways about their products and services. You consent to the use of Your Data in this way unless You tell us that You do not wish us or our

associated companies to use Your Data in this manner. In order to do so, please contact us.

- 37.8 The Website and the Trading Platform may from time to time contain links to and from the websites of our partner networks, advertisers and associated companies. If You follow a link to any of these websites, please note that these websites have their own privacy policies and that we do not accept any responsibility or liability for these policies. Please check these policies before You submit Your Data to these websites.
- 37.9 The DPA gives You the right to access Your Data. Any access request may be subject to a fee permitted by the DPA.
- 37.10 You must notify us of any inaccuracies in any information we hold in relation to You. In addition, you should inform us if any of Your personal details change, so that we can keep our records up to date.
- 37.11 We may use cookies in relation to the Website and/or our Trading Platform. A cookie is a message (in electronic form) given to Your hardware or web browser by the Website and/or Trading Platform. Cookies enable us, for example, to do the following in relation to the Website and/or the Trading Platform: identify users, identify advertising sources (i.e. how You came to contact us) and to identify You (if relevant) as the sales lead of a particular sales person of ours.
- 37.12 You have the ability to accept or decline cookies by modifying the setting of Your web browser. However, if You disable cookies, you may not be able to use all interactive features of the Website and/or the Trading Platform.
- 37.13 Without limiting the foregoing, XTB Limited, a regulated U.K. Investment Firm by the Financial Conduct Authority (FCA), is required to comply based on the Intergovernmental Agreement between the U.K. and the United States and has taken all reasonable steps to be considered in Compliance with FATCA and UK FATCA. The client acknowledges and accepts that XTB Limited, as a Foreign Financial Institution (hereafter "FFI"), is required to disclose information in relation to any US reportable persons to the relevant authorities, as per the reporting requirements of FATCA. The client may contact XTB Limited for additional information and/or clarifications prior to the signing of this Agreement. The UK has also entered into a similar agreement, UK FATCA, with the Crown Dependencies and Overseas Territories in relation to offshore accounts held by UK Residents, the client also acknowledges and accepts that XTB Limited is required to disclose information in relation to any reportable persons to the relevant authorities, as per the reporting requirements of UK FATCA.

## 38. Software

- 38.1 We hereby grant You a non-exclusive and non-transferable licence to use the Software for as long as Your Account is open. We are entitled to disable Your use of the Software as soon as Your Account has been closed. The licence granted will terminate as soon as Your Account is closed.
- 38.2 You shall not: -
- a) copy, alter, adapt, create derivative work, decompile, disassemble, modify, reverse engineer or make error corrections to the Software, or any part of it, or permit, authorise or otherwise encourage any third party to do so. No licence is granted in respect of, and You do not have the right to obtain or use any source code for the Software.
  - b) rent, lease, sub-licence, sell, assign, pledge, transfer or otherwise dispose of in whole or in part the Software and/or the licence granted to You in respect of the Software or otherwise provide or make available the Software (in whole or in part) in any form whatsoever to any person not authorised by us.
  - c) allow the Software to be combined with, or to become incorporated or integrated in, any other program, software or hardware.
  - d) delete, obscure or tamper with copyright or other proprietary notices we, any associated company and/or any third-party provider may have put on the Software. use the Software in any manner not permitted by this Agreement.
  - e) load or transmit through the Software any computer virus or anything designated to interrupt and disrupt the proper operation of the Software.
  - f) Use any high speed or automated mass data entry system with our Software and/or us via our

online trading platform.

38.3 We can suspend use of the Software, or access to the Trading Platform and/or the Website, to carry out maintenance, upgrades, developments or the like for any other good reason. We will endeavour to give You notice, but this may not always be practicable, for example in the case of an emergency.

38.4 It is Your responsibility to: -

- a) install and keep up to date virus-checking software for Your hardware and software systems.
- b) ensure that Your information technology is compatible with ours;
- c) ensure that any hardware, software or communication link You may use is sufficient and appropriate
- d) regularly reviewing and updating the software systems (including the mobile application and operating system version) you use to access the Trading Platform. You acknowledge that failure to do so may affect the proper functioning of the Trading Platform on your device and lead to losses or loss of profit.

## 39. Alteration of Terms

39.1 XTB shall have the right to amend the Terms of Business for the following important reasons:

- a change in the scope of business activity or change in the scope of provided services or change in the manner of services provision,
- the introduction of new products or services to the offer of XTB or change of the offer of XTB consisting in a modification of products or services, including the scope and manner of their provision,

39.2 XTB shall have the right to amend other documents which regulate the terms and conditions of cooperation between the Client and XTB, in particular the Specification tables, the Orders' Execution Policy, the Declaration of Investment Risk, upon a prior notice to the Client sent, at least 7 days prior to entry into force of such amendments

39.3 The changes: -

- a) will apply (including to all open Trades and unfilled Orders) as at and after the effective date of the change;
- b) will not apply if You give us notice in writing that You object to the changes, within 7 Business Days of the date we give You notice of the proposed change. However, in this case You will be required to close Your Account as soon as reasonably practicable and You will only be permitted to trade and/or place Orders in order to do so.

## 40. Communications

40.1 These Terms will be supplied to You in English and we will communicate with You in English.

40.2 You can only open and close Trades, place and cancel Orders and otherwise give instructions in relation to Your trades by the Trading Platform.

40.3 When we refer to serving a notice (including a written notice) on You under these Terms, it can be carried out by any of the methods referred to in clauses 41.5 and 41.6, unless specifically specified elsewhere in this Agreement.

40.4 We can use any of these methods to make a Variation Margin Call or other request for payment. If more than one method is used, the notice will be regarded as served at the earliest time referred to in these clauses.

40.5 We must send notices to You to Your last known home or e-mail address, place of work, fax, telephone or pager number.

40.6 We can both serve notices on each other under these Terms by any of the following methods:

- a) orally by telephone.
- b) post to Your home address by XTB Limited or to our offices from You. The letter is seen as being served 2 business days after the sent date.
- c) e-mail (provided no "not sent" or "not received" message is received from the relevant email

- providers). The email is served once it has been successfully sent to the recipient.
- d) published on the Website 24 hours after publication.
- e) sent via the Trading Platform (1 hour after sending).

40.7 We are entitled to record all our telephone conversations with You and You specifically agree to this. We also maintain a log of all Your dealings with us via the Trading Platform or any other electronic medium. All these recordings and logs will be our property and we may use them in the case of a dispute. We will also keep a copy of Your Application Form and the Terms. A copy of the recording of a conversation with You and/or other correspondence with You may be provided to You at Your request within 5 years from the date of the conversation or exchange of other correspondence.

## 41. Termination

- 41.1 These Terms came into force on the day we allocate You an Account number or Login. The Terms continue after that time (with no minimum duration) subject to: -
- a) termination as provided in these Terms;
  - b) cancellation by You giving us written notice of cancellation (and closure of Your Account within 14 days of the date we allocate You an Account number or Login (You should send that notice to our Customer Services. If You do not cancel, the Terms will continue but You still have a separate and independent right to terminate as mentioned below;
  - c) by You giving us a written notice to close Your Account;
  - d) by us giving You not less than 5 days' written notice that we will close Your Account.
- 41.2 If any notice is given to cancel or terminate these Terms or to close Your Account, You will only be able to deal insofar as necessary to close Your Account. In particular You will not be able to place any new, Trades or Orders nor to give any other instruction, except insofar as necessary to close a Trade or to cancel an Order in place before the notice of cancellation or termination was given. For example, You will not be entitled to place a closing bet/Trade or any Order in such a size that would result in a new bet/trade being opened.
- 41.3 Cancellation or termination of these Terms and the closure of Your Account will not affect: -
- a) any rights, obligations or liabilities that have arisen on or prior to cancellation, termination or closure including in relation to any open or closed, Trades or Orders. This means, in particular, that we will both continue to be liable to pay each other amounts payable;
  - b) any provision of these Terms which expressly or by implication is intended to survive cancellation, termination or closure – for example to deal with closing or Trades or to calculate amounts payable

## 42. Limitation and Liability

- 42.1 Nothing in these Terms will exclude or limit: -
- a) our liability to pay You amounts we owe You under these Terms
  - b) our liability to You for our fraud, fraudulent misinterpretation, wilful default or negligence.
  - c) any liability or duty we have to You under the Regulatory System, unless we are permitted to do so by the Regulatory System and have expressly excluded or limited such liability or duty in accordance with the Regulatory System.
- 42.2 We shall not be liable to You for any losses, costs, claims, damages or expenses which are not reasonably foreseeable. We are not liable for the following whether or not reasonably foreseeable:-
- a) loss of profit;
  - b) loss of opportunity (for example in relation to subsequent Market movements);
  - c) loss of goodwill or reputation.
- 42.3 We shall not be liable to You for any losses, costs, claims, damages or expenses which are reasonably foreseeable as a result of:-
- a) the exercise of any of our rights under the Terms, law and/or the Regulatory System;
  - b) an event outside our control;
  - c) Manifest Error;
  - d) a Corporate Action;
  - e) an Insolvency Event or a Market Disruption Event;

- f) the acts, omissions or negligence of any third party or any third-party software including, but not limited to, expert advisors, signal providers, social trading platforms, and virtual private networks (to include recommendations, advice and/or education sites).
- g) any Trades You make or refrain from making with any other person;
- h) the Website, the Trading Platform and/or the Software being inaccessible and/or unusable in whole or in part (including You being unable to place a Trade or Order or give any other instructions) for any reason including by reason of an Event Outside Our Control and/or by reason of any maintenance upgrades developments or the like, provided that we have (in the case of an Event Outside Our Control where reasonably practicable and maintenance upgrades developments or the like) used our reasonable endeavours to make the same accessible and usable within a timescale that is reasonable in the circumstances;
- i) You being unable to communicate with us for any reason, for example due to failure of internet, telephone or any other communication system;
- j) the unauthorised access by any person to the Trading Platform or the corruption of data sent to or by us or any unauthorised access to or dealings on Your Account (by the Trading Platform, or otherwise).

42.4 If the limitations and exclusions in this clause are not acceptable to You, You should not deal with us and should close any Account You may have opened. For the avoidance of doubt we will have no liability to you in relation to any loss which is a side effect of the main loss of damage and which is not a foreseeable consequence as a breach of this Agreement including without limitation, loss of business, loss of profits, failure to avoid a loss, a loss of data, loss of corruption of data, loss of goodwill or reputation caused by any act or omission of ours under this Agreement.

42.5 XTB accepts liability exclusively for damage resulting from breach by XTB of the governing laws, provisions of the Agreement or GTC as well as acting in bad faith or failure to exercise due diligence in providing brokerage services.

#### 43. **Waiver**

43.1 If You or we delay in exercising or fail to exercise any right or remedy, that will not be a waiver of that right or remedy. Also it will not prevent any future exercise of that right or remedy.

43.2 No single or partial exercise of any right or remedy shall preclude or restrict the further exercise of that right or remedy.

43.3 A waiver or consent only applies in the circumstances for which it was given and does not prevent the party who gave that waiver or consent from subsequently requiring compliance with any provision it has waived or in respect of which it consented to non-compliance.

43.4 If You or we waive a particular breach, that will not be a waiver of any other breach and will not affect any other Terms.

43.5 We can in particular waive or relax any of the obligations You owe to us, for example in relation to minimum and maximum stake/trade sizes, Initial Margin and Variation Margin. However, if we do this we can subsequently require full compliance with the relevant obligation.

43.6 If either of us agrees any release, postponement or settlement of any liability of the other owed to it, that will not affect or prejudice any of the other liabilities owed to it or its other rights.

#### 44. **Cumulative Rights**

44.1 XTB Limited has absolute discretion in the exercise of its rights. No right or remedy under these Terms excludes any other right or remedy at law or otherwise.

#### 45. **Whole Agreement**

45.1 This Agreement sets out all the Terms that have been agreed between us in relation to Your Account.

45.2 Nothing (apart from the Terms) is part of the Agreement between us unless we have specifically



agreed in writing that it is binding between us.

- 45.3 All other terms, conditions and warranties implied by statute or common law are excluded to the fullest extent permitted by law.

## 46. Law and Jurisdiction

- 46.1 This Agreement shall be governed by and construed in accordance with the laws of England.
- 46.2 Except for the right of XTB Limited, the courts of the United Kingdom will have exclusive jurisdiction over any claim or matter arising under or in connection with these Terms and the legal relationships established by this Agreement. Nothing in this clause shall limit the right of XTB Limited to take proceedings against the Client in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdictions.
- 46.3 You irrevocably consent to any process in any legal action or proceedings arising out of or in connection with these Terms being served on You by post in accordance with clause 41. Nothing in these Terms will affect the right of either party to serve process in any other manner permitted by law.

## 47. Regulation of XTB Limited

- 47.1 XTB Limited's main business is the provision of Rolling Spot Forex, CFD products and organised market instruments and services.

## 48. Trading Account- Special Terms and Conditions Concerning the Organised Market Instruments (OMI)

- 48.1 All custody assets held by XTB Ltd. will be governed by the FCA Custody Assets Sourcebook (CASS 6) rules.
- 48.2 Customer's OMI's are inventoried on the Trading Account.  
We act as your custodian. Detailed records of all your OMIs held by us or through a sub-custodian (a "Depository") will be kept by us 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.
- 48.3 We shall be responsible for the selection of the Depository and Custodian pursuant to Applicable Law, and shall demonstrate due diligence in the selection thereof.
- 48.4 The Client's rights related to OMI may be subject to other laws than the laws of the place of residence or registered office of the Client and, consequently, may be regulated differently than if they were governed by the Applicable Law of the country of residence or registered office of the Client. Use of services of the Depository or services of third parties for the purposes of maintaining collective accounts to maintain OMI may result in certain risks identified by XTB. These are related to:
- a) bankruptcy of the Depository or the third party; this may result in the inability to separate OMI from the bankrupt's estate and, as a consequence, may involve loss of protection against the Depository's or the third party's creditors,
  - b) bankruptcy of the Depository or the third party in the event that the Client's OMIs are kept in the manner identified in clause 4.30 (this may reduce the value of guaranteed funds due to legal regulations introducing limits which identify the maximum value of such entity's resources of Clients in the event of declaration of its bankruptcy). The value of guaranteed resources may be limited, pursuant to Applicable Law, to the pro rata share of the value of OMI belonging to particular Clients in the value of all OMI registered in a given collective account.
  - c) maintaining the continuity of operation of the Depository or of the entity maintaining the collective accounts for the Depository.
- 48.5 Clients' OMI shall be inventoried and kept separately from the Depository's OMI and from XTB's OMI. If, pursuant to Applicable Law, we are unable to satisfy this requirement, we shall

immediately notify you thereof. In such an event we must obtain your written consent to arrange the keeping of OMI in a manner that makes separation of the Clients' OMI from XTB's OMI and from the Depositary's OMI impossible.

- 48.6 XTB Ltd. agree to not to utilise Transfer Title Collateral Arrangements, to use any clients' assets for its own account and that client assets are held solely for the benefit of clients and shall be used exclusively for the purposes specified in the TOB.
- 48.7 XTB makes entries to the Trading Account in accordance with the Applicable Regulations, in particular on the basis of the evidence of record specified by Depositary. For OMI's kept in the collective account credits and debits related to OMI registered in the collective account shall be performed by the Depositary for and on behalf of XTB. XTB shall then make respective entries in the Clients' Trading Accounts. Subject to Applicable Law, you shall be entitled to demand specific benefits, payments or other performances directly from XTB and not from the Depositary or Broker. Based on the indefinite authorisation contained in the agreement (yet, limited by the term of the Agreement), XTB shall provide the service defined in these General Terms of Business, and shall in particular:
- a) block the funds and OMI,
  - b) submit orders and instructions on the relevant market directly or via the Broker or Depositary,
  - c) submit statements of intent or knowledge towards third parties, including in particular entities authorised to execute orders connected with a Client's Orders and other Instructions, including in particular those connected with shares subscriptions, statements of interest in initial public offerings or on the primary market,
  - d) perform subscriptions for sale or exchange of OMI in response to an offering,
  - e) submit statements connected with acceptance of conditions of a public offering,
  - f) pay for the subscription using funds from the Client's Trading Account,
  - g) submit Instructions concerning deposition of the OMI being the object of subscription in the Trading Account,
  - h) determine the method of performing possible additional payments or return of payments, e.g. in the event of a public offering's failure,
  - i) submit statements concerning familiarity with the prospectus or memorandum of the initial public offering,
  - j) submit other statements required by the provisions of the prospectus or memorandum,
  - k) accept the provisions of deeds of association or other statutory and company documents,
  - l) execute any other necessary legal and actual actions, in accordance with Applicable Law, necessary for the provision of the services described in this Agreement.
- 48.8 We shall only execute the actual and legal actions identified in the clause above based on correct and valid Instructions and Orders you submit to us, in accordance with these General Terms of Business and Applicable Law. We may charge additional commission and fees for execution of the actions identified in clause 4.30 in accordance with the Condition Tables.
- 48.9 We shall not be liable for non-performance or incorrect performance of the actions identified in clause 4.30, unless these are a consequence of circumstances for which XTB shall be liable on the basis of generally applicable law.
- 48.10 Corporate Actions are generally executed in relation to the total balance of OMI in your account.
- 48.11 If a corporate action affects the OMI price resulting in a cancellation of all active orders on a market, XTB will also cancel all active orders on the particular OMI accordingly.
- 48.12 We may be liable for actions or omissions of the Broker or Depositary, as long as the liability results from the Applicable Law of the UK..
- 48.13 Upon the Client's request, in the cases identified in the Applicable Law, we may issue documents certifying the Client's right towards OMI kept in the Trading Account. Issuance of such documents may be subject to respective commissions and fees charged by us, as defined in the Condition Table, justified by the nature of the operation.
- 48.14 In order to obtain a deposit certificate or any other document certifying your right to OMIs, you should request us to issue such a document in advance, no later than within the time limit specified in the Condition Tables.

- 48.15 We shall publish information related to attendance at general meetings and notices related to Corporate Actions, such as: information on non-monetary dividends, stock buy-out offers, bankruptcy of companies, de-listing of companies' stock, etc. on XTB's Website under "Investment Offer", in the "Account Information" section, in the "Specification of Instruments" item in the document entitled "Information on events relevant to shareholders (SRD II)".

## 49. Organised Market (OMI) Transactions

- 49.1 Under the terms of the Agreement we execute or receive and transmit for your account Orders to buy or sell OMI in the Organised Market in accordance with Instructions transmitted through the Trading Platform.
- 49.2 In accordance with the Agreement, we will execute your Orders in the relevant market directly or using the services of a Broker.
- 49.3 X-Station is not an exchange or a market. This means that you can only enter into trades and investments with XTB Ltd. on the platform and not third parties. Therefore, our services are limited to you buying a security on our platform and selling that security on our platform. Clients are able to transfer OMI in and out of XTB Ltd. by completing an OMI transfer form. Transfers will be credited to a client's trading account on the same day XTB Ltd. receives confirmation from the sub custodian that the OMI have been settled, with a cut off time of 5pm.
- 49.4 Your security investments will settle in accordance with local markets. This is generally on a T+2 basis.
- 49.5 If you invest in a security, the consideration for the transaction and all applicable fees, charges and taxes for that transaction will be deducted from your account at the time of execution of the transaction. The security will be available for sale on your account prior to settlement of the transaction and your account will reflect this. Should the transaction fail to settle, we may reverse the transaction, return any fees, charges and taxes for that transaction and amend your account to reflect the same.
- 49.6 In the event of our insolvency, you may not have title to the securities that you have bought on the X-Station platform, where settlement has not yet occurred. This is the case even if the securities which you have bought are shown as available in your XTB Ltd. account. In these circumstances, you will be entitled to the amount that you paid for the securities, which will form part of your client money.
- 49.7 The following terms and conditions shall apply when particular corporate action occur in respect of a Client's open position on a given OMI or ETF
- dividends: on the ex-date (the first day without a right to the dividend) each Client holding a long position on a relevant OMI or ETF will be credited with the amount equal to dividend. Dividends are calculated in respect of the number of OMI or ETFs held in the relevant Account. Credits associated with dividend settlement shall be made through crediting the relevant Trading Account; on the day before the first day without a right to the dividend (ex-date);
  - stock splits, reverse stock splits, rights issues and spinoff: the amount of OMI, ETF or equivalent of funds registered on the relevant Trading Account will be adjusted or particular Trading Account registers will be adjusted on the day when split or reverse split takes place, first day of Underlying Instrument's quotation without the right to dividend or rights or on the spinoff day accordingly;
  - the right to vote, offering rights or similar rights connected with Underlying Instrument: The Client opening a position on an OMI or ETF cannot exercise the above-mentioned rights.
  - Other corporate actions: XTB will strive to reflect any other corporate actions onto Clients' Stock or ETF positions, or Client's particular Account so that a position in Stock or ETF reflects economic aspects of having a position in the Underlying Instruments;
  - corporate actions which result in the cancelation of limit Orders or stop Orders on the Underlying Exchange: In such cases XTB will cancel all limit Orders and stop Orders on a given Financial Instrument, and at the same time XTB shall inform the Client when such circumstances occur.

- 49.8 We may identify:
- a) the particular OMI in the trading of which we shall participate;
  - b) individual terms of acceptance of particular Orders and Instructions (in particular Orders for significant volumes or Orders with price limitations differing considerably from market prices).
- 49.9 We may suspend provision of the services, in whole or in a part, concerning a specific market or a specific OMI with immediate effect. This may occur in particular in the situations described in the items below. Such situations must be caused by circumstances that XTB is not responsible for:
- a) OMI has been suspended or the particular market has been closed,
  - b) the Broker, Depositary, Market Operator or Clearing House has declared bankruptcy or liquidation, or the agreement with such entity has been terminated,
  - c) breakdown of the telecommunications systems, software, IT hardware or systems has occurred, preventing correct operation of the IT systems used for handling of the trading,
  - d) breakdown of the Internet connection has occurred as a result of third parties' actions or a connection overload,
  - e) breakdowns or errors of the Broker, Depositary, Market Operator or Clearing House have occurred, temporarily preventing proper provision of the services by XTB.
- 49.10 We shall make efforts to notify you in advance of the limitations enumerated in clause 49.4.
- 49.11 The amounts of commissions and fees identified in the Condition Tables may be periodically changed in accordance with these General Terms of Business. There may be other costs and taxes related to provision of services on the particular markets, which shall be charged to the Client and payable via XTB.
- 49.12 Upon your request, we shall furnish reasonable general information concerning the rights under the particular OMI, regulations and customs applicable on a given market, as well as the rules for inventory of your assets and principles governing the keeping of your assets by the Depositary. We shall obtain such information from sources we consider reliable. However, we shall not be liable for any errors or inaccuracies in such information, if these result from any circumstances XTB is not responsible for.
- 49.13 If, under the Applicable Law, performance of any rights or obligations, or of any other necessary actions requires furnishing of the Client's personal data or information regarding the Client, constituting a business secret of the Depositary, Broker, Market Operator, Clearing House data seller conducting distribution of market information or other third party entities, XTB shall furnish such information. By signing this Agreement you give your consent thereto.
- 49.14 We shall make respective entries in your Trading Account based on certifying documents or information obtained from the relevant Clearing House, Market Operator, Depositary or Broker.
- 49.15 Any and all Transactions, liabilities, rights and receivables of the Client under such Transactions and OMI held shall be reconciled in accordance with the Applicable Law and customs followed on a given market by the relevant Clearing House, Market Operators or Depositary.
- 49.16 We shall not be liable for any delays in delivery of the information referred to in clause 49.9, caused by the Depositary or Broker, if the delay is caused by circumstances for which XTB shall not be liable on the basis of generally applicable law.
- 49.17 Transactions executed on the basis of Your Orders are settled at the moment of settlement applicable to such Transactions on a particular market on which they were concluded, subject to time differences resulting from differences in time zones and XTB's working hours.
- 49.18 XTB will not grant any security interest lien or right of set-off to another person or client's safe custody assets that enable that other person to dispose of the safe custody asset in order to recover the debt.
- 49.19 Transactions in the case of OMIs kept in an collective account shall be settled using the services of a Broker and Depositary responsible for holding Financial Instruments purchased by XTB for the Clients' account.
- 49.20 XTB Ltd. will not enter into any arrangements for securities financing use client's safe custody

assets.

- 49.21 We shall not be liable for any losses resulting from untimely settlement of concluded Transactions, Instructions or Orders if the settlement delay results from reasons XTB is not responsible for. After elimination of the reasons for delay, XTB shall undertake settlement of concluded Transactions in due time.
- 49.22 If we executed your Order or Instruction on more favourable terms than the terms identified in the Order, the excess shall be credited to your Account.
- 49.23 In the event of a purchase of OMI we shall debit your Trading Account with an amount equivalent to your liabilities arising from the Transaction. This shall be done however no sooner than upon receipt by us of the Transaction confirmation from the Market Operator, Broker or Depositary and in some cases after settlement by the relevant depository. The amount shall be expressed in the Underlying Currency and calculated at XTB's Exchange Rate.
- 49.24 If you order sale of OMI, we shall block the OMI concerned in the Trading Account.
- 49.25 In the case of an OMI sale order, we shall credit your Trading Account with the amount representing the equivalent of the amounts due to you under the Transaction, less applicable fees, commissions and charges. However, this shall be done no earlier than at the time we receive confirmation of the OMI sale Transaction from the Market Operator or Broker and in some cases after settlement by the relevant Clearing House. The amount due to you shall be expressed in the Underlying Currency and calculated at XTB's Exchange Rate.
- 49.26 An Order shall include in particular:
- first name, surname (name and company name) and number of the Client's Trading Account,
  - identification of the person submitting the Order,
  - date and time of Order submission,
  - type and number of OMI covered by the Order,
  - market on which the Order ought to be executed,
  - identification of the Order object (purchase or sale of OMI),
  - specific purpose of Order submission,
  - validity term of the Order,
  - terms of Order execution, if any,
  - other necessary parameters in accordance with Applicable Law.
- 49.27 In the Conditions Table, we may identify the maximum and minimum value, volume or size of Orders, Instructions or Transactions. We shall not accept, or shall cancel and identify as invalid any Orders or Instructions of the Client that exceed or would result in exceeding the values, volumes or sizes referred to in this clause.
- 49.28 We may not exercise the Client's Order if:
- the authorities, Market Operators, Clearing Houses, Broker or Depositary impose limitations in accordance with Applicable Law,
  - the Trading Account is blocked upon the Client's request,
  - OMIs are blocked based on other agreements concluded by the Client,
  - XTB does not operate on the given market or with respect to the given financial instrument,
  - the Order for a given OMI is not accepted by the Broker or Market Operator,
  - the Client failed to identify the market on which the Order is to be executed,
  - execution of the Order involves violation of Applicable Law,
  - the Free Margin level is insufficient to execute the Order.
- In the cases referred to in clause 49.28 b)-g), you shall be immediately notified by us.
- 49.29 The Order may contain certain additional conditions concerning conclusion of the Transaction, if such conditions are compliant with Applicable Law and the General Terms of Business.
- 49.30 If the Order does not define or if it defines the moment of execution incorrectly, it may be executed during the next available session.
- 49.31 We may request submission of additional documents and information. We shall do so if such a need arises in accordance with Applicable Law and, in particular, if such information and documents are required by the Clearing House, Market Operator, Depositary or Broker. We may



require you to furnish the currency exchange permission or a similar document, if required pursuant to Applicable Law.

- 49.32 If the Order or Instruction cannot be accepted or executed in accordance with these General Conditions, we shall immediately notify you of that fact.
- 49.33 We shall furnish the information referred to in clauses 49.20, 49.23 and 49.24 to Clients via the Trading Platform or via telephone.
- 49.34 We shall not be held liable in the event that you have not received the information referred to in clauses 49.20, 49.23 and 49.24, if we were unable to contact you due to reasons beyond our control.
- 49.35 If the Order covers OMI admitted to trading on several markets and the Client's Order does not specify the market on which the Order is to be executed, we shall execute the Order on the market which allows achieving the best results for you, in particular in terms of the price and costs of the concluded Transaction, Order size, time and likelihood of concluding the Transaction, as well as the time and likelihood of clearing the Transaction.
- 49.36 In the situations referred to in clause 49.35, we shall inform you in the Transaction confirmation of the place where the Order was executed.
- 49.37 We shall maintain and furnish the Clients via the Trading Platform with a list of markets on which Orders to buy or sell Financial Instruments are executed.
- 49.38 The funds or Financial Instruments expected to cover the Order or Instruction shall be blocked in the Trading Account subject to Applicable Law. We shall also block the funds or Financial Instruments if required by applicable law.
- 49.39 If you submit Orders to buy Financial Instruments, you must have in the Trading Account the amount of funds sufficient to cover the value of the Order, commissions or other fees and charges applicable on a given market.
- 49.40 An Order to sell Financial Instruments or other property rights may be issued only with respect to Financial Instruments or rights that are available for sale.
- 49.41 Before execution of the order, we shall verify that you have sufficient funds or assets. If the Order is not fully covered with the funds available in the Client's Trading Account, we may not execute the Client's Order and may cancel it in whole or in part.
- 49.42 If you have any unsettled receivables from Transactions concluded in the Trading Account, you may use them in order to execute new Transactions under the terms of the Applicable Law.
- 49.43 The maximum validity term of the Client's Order may not be longer than the maximum period identified pursuant to Applicable Law on a given market. However, we may define the different maximum validity term for Orders for the particular markets in the Condition Tables.
- 49.44 Orders shall be executed in accordance with the sequence of submission thereof, unless the Order itself stipulates otherwise.
- 49.45 Confirmation of Order receipt that we issue does not mean that the Order has been executed on the market. We shall not be liable for rejection of the Order if it resulted from circumstances that we are not liable for pursuant to generally applicable law.
- 49.46 The Client's Order is invalid if:
- pursuant to Applicable Law, it is considered invalid or should be invalid,
  - it has been rejected or refused by the Broker or Market Operator,
  - pursuant to the terms governing acceptance of Orders on a given market – the Client's Order, as inconsistent with such terms, cannot be submitted for execution,

- d) the Order is submitted outside the timeframe for Order receipt during a session.
- 49.47 We may execute an Instruction to cancel or modify the Order, if the Order has not been executed yet. If the Order has been executed in part, then the Instruction to cancel or modify the Order may only be executed with regard to the unexecuted part of the Order.
- 49.48 In particular, the Instruction to cancel or modify the Order may not be executed if it cannot be accepted pursuant to Applicable Law of a given market or if execution of such Instruction is impossible.
- 49.49 If the Client's Instruction to cancel or modify the Order is not executed, we shall not be liable for it. However, we shall be obliged to make efforts to execute the Instruction taking into account the Client's best interest. We shall reserve the right not to accept, to cancel and declare invalidity of the Orders or Instructions referred to in clauses 49.38-49.40.
- 49.50 We may suspend acceptance of Orders from Clients for the time during which our access to a given market is suspended or if the Broker or Depositary has suspended acceptance or orders or dispositions due to reasons we are not responsible for.
- 49.51 We may also introduce temporary limitations in acceptance of Instructions if it is necessary to carry out technical maintenance of the IT infrastructure used by us for acceptance or registration of Clients' Instructions.
- 49.52 We shall not be liable for any losses resulting from suspension of an Order or Instruction acceptance, referred to in clauses 49.42-49.43, unless the suspension results from circumstances we are liable for pursuant to generally applicable law.
- 49.53 In the event of a delay in Transaction settlement by the Clearing House Broker or Depositary for reasons we are not responsible for, we shall be entitled to withhold payment of the unsettled amounts due to the Client until settlement of these Transactions.
- 49.54 Open Positions are closed pursuant to the FIFO (first in first out) principle, which means that Open Positions are closed according to the time they were opened, starting with the one opened earliest.
- 49.55 We shall transfer OMI into another Client's or other person investment account based on a Disposition and in accordance with Applicable Law. In the event of any change of the ownership right, we require that the documents, in the form we specify, indicating the basis for the transfer of the OMI or funds be attached to the Disposition. We may withhold execution of your Disposition until you have provided us with all the documents we require.
- 49.56 We may also refuse transfer of the OMI into another account if the funds deposited on the Client's Trading Account are insufficient to fully satisfy the liabilities towards XTB
- 49.57 We shall transfer the Client's OMI or funds on which a limited property right has been established or whose negotiability is limited only subject to maintaining such rights or limitations. A situation where the Applicable Law or the legal relationship serving as the basis for establishment of such limited property right or limitation of the negotiability of the Financial Instruments provides otherwise, shall be an exception to the above rule.
- 49.58 We shall apply the provisions of clauses 49.45-49.49 respectively to transfers of OMI or funds among the Client's Trading Accounts.
- 49.59 Subject to the provisions of clause 49.55, we shall perform on your Trading Account activities related to establishment and execution of collaterals for liabilities on your OMI or funds.
- 49.60 We shall perform the activities referred to in clause 49.55 based on a Disposition, agreement on establishment of a collateral and a document specifying the amount of liability.
- 49.61 We shall remove the blockade of the Client's OMI or financial funds established for secured liabilities in connection with expiry of the collateral or its fulfilment. Removal of the blockade on the Client's OMI or financial funds shall take place when the conditions provided for in the agreement on establishment of the collateral are fulfilled or based on the creditor's statement.
- 49.62 If based on the documents concerning the liability for which the collateral is to be established or

based on the agreement on establishment of the collateral it can be concluded that they are not compliant with Applicable Law, we shall refuse to undertake actions related to establishment of a collateral for the liabilities. We will notify you of refusal by electronic means and provide the reasons for our decision. Prior to this, we shall enable you to provide clarifications.

- 49.63 We may also refuse to perform the actions referred to in clause 49.51 with respect to a given type of OMI if establishment of the collateral would be in conflict with the Applicable Law.
- 49.64 **In the event of XTB Limited insolvency** You may make a compensation claim to the Financial Services Compensation Scheme (FSCS). Full details of the scheme can be found on the FSCS web site at [www.fscs.org.uk](http://www.fscs.org.uk). You may be entitled to compensation if you are a Retail Client up to a maximum of £85,000.

## 50. Fractional Shares

- 50.1 You can hold through XTB Fractional Shares related to Financial Instruments categorized as OMI (a Fiduciary right to a fraction of a single unit of an OMI).
- 50.2 **Transactions in Fractional Shares consist in creation or expiration of a Client's Fiduciary right to a fraction of a OMI unit. One party to this Transaction is a Client and the other – XTB.** Fractional Shares cannot be a subject of a transaction conducted between a Client and a third party and cannot be transferred to another entity's account.
- 50.3 If an OMI to which the Fractional Shares relate are indivisible under the Applicable Law, holder of such an OMI unit will be XTB acting in its own name under a mandate relationship but for the benefit of the Clients.
- 50.4 Whenever you hold a Fractional Share, XTB will hold a corresponding OMI unit to a fraction of which you have a Fiduciary right. In relation to third parties (e.g. issuer of a share), XTB will be entitled to the OMI, while you are entitled with economic benefits resulting from holding a fraction of an OMI vis-à-vis XTB.
- 50.5 You can hold (whole) share or other OMI instrument and Fractional Shares at the same time.
- 50.6 Fractional Shares are recorded in your Trading Account.

### Placing an Order

**Acquisition and sale of Fractional Shares is possible by placing Orders on the terms set out in the Order Execution Policy.**

- 50.7 If you create a purchase Order for Fractional Shares, we can either buy a single unit of a specific OMI to which the Fractional Shares relate category (single share, ETF unit, etc.) on an Organized Market or use an OMI unit that we already hold. Consequently, when we receive an Order to buy Fractional Shares, we have the right to exercise it either (i) by granting you a Fiduciary right to a fractional part of an OMI unit already held by us or (ii) by acquiring such an OMI unit on an Organised Market and granting you a Fiduciary right to a fraction of such an OMI (on the date of settlement of this transaction in a Securities Depository).
- 50.8 In order to purchase or sell Fractional Shares, you may place an Order by means of the electronic access to the Trading Account. The Transaction execution Order becomes binding only after XTB accepts it.
- 50.9 In particular, the Order must contain the following information:
- a) name and surname (name and business name) as well as number of the Trading Account of the Client,
  - b) data of the person placing the Order,
  - c) date and time of Order placement,

- d) number of Fractional Shares being the subject of the Order or their requested value,
- e) Order subject (buy or sell),
- f) Order expiry date,
- g) other required parameters, according to the Applicable Law.

50.10 In the Conditions Table regarding OMI we determine the minimum value of the Order in Fractional Shares and the method of rounding the number of Fractional Shares to decimal to determine the volume (number) of Fractional Shares.

50.11 We will accept and execute the Order to buy Fractional Shares if you have Free Margin in your Trading Account sufficient to cover the Purchase price of the Fractional Share. If the funds are insufficient to execute the Transaction, we can reject and invalidate the Order in full or in part, subject to the Order Execution Policy.

### ***Expiration of the Fiduciary right to a Fractional Share***

50.12 mlf you acquire such a number of Fractional Shares that as a consequence the sum of the fractions recorded on your account relating to a given OMI exceeds a whole number of the relevant OMI instrument, your right to the Fractional Shares equal to the whole number will expire on the second business day after the transaction is concluded and such (whole) OMI instrument will be recorded on your Trading Account. In this case, you shall have the right to acquire the (whole) OMI instrument and hold it directly. Analogously, if you hold a (whole) OMI instrument registered in your Trading Account, you can sell a fraction of such OMI; in such a case, on the second business day after the transaction is concluded, the whole OMI is not registered in your Trading Account, while your right to the Fractional Share is registered there.

50.13 Transaction on Fractional Shares are subject to standard settlement of Regulated Markets, on which for Financial Instruments categorized as OMI (including shares and ETFs) are traded subject to time zone differences and XTB's working hours. A standard settlement cycle on Regulated Markets in the EU, in Great Britain and in the United States is two business days (T+2). The final settlement date depends on the moment of placing an Order to purchase or sell Fractional Shares. If you place an order within the last seconds of Trading Day on a particular Organised Market, we may not be able to place an Order to purchase or sell corresponding unit of OMI before a Trading Day ends. We will create such order the very next business day after as soon as trading session starts. In the event that you place an order and trading on a given Organised Market is suspended, we will created an order for single OMI unit as soon as continuous trading on a Regulated Market resumes.

### ***Keeping OMI and Fractional Shares in a Fiduciary relationship***

50.14 The OMI listed on foreign markets, Financial Instruments to which the Fractional Shares refer are registered on an omnibus account held for XTB by a Custodian in a manner ensuring their separation from the Financial Instruments of a Custodian, Financial Instruments of Clients and other Financial Instruments of XTB. XTB is the holder of an omnibus account and a Client – a person fiduciary entitled to the Fractional Shares in that account, according to the internal register of Fractional Shares kept by XTB. The purpose of proper registration of Fractional Shares is demonstration of the Client's Fiduciary rights in connection to the Fractional Shares held for his or her benefit by XTB. However, a right of Clients to segregation with regard to Fractional Shares and thus exclusion from XTB's bankruptcy estate., as well as from a Custodian's bankruptcy estate, cannot be guaranteed.

### ***Corporate Actions***

50.15 In the case of Corporate Actions regarding shares, the following terms apply to Fractional Shares:

- a) the only entity authorised to exercise corporate rights under the shares regarding the Fractional Shares is XTB who holds the status of a shareholder in relation to the issuer;
- b) the Client shall have no voting right or any similar rights attached to the shares the Fractional Shares regard;

- c) the Client does not acquire a pre-emptive right to the shares the Fractional Shares regard or a right to trade in that right, which shall be allotted to XTB as a result of issue of the pre-emptive rights by the issuer; if pre-emptive rights to the shares are allotted, XTB shall sell such rights and transfer the respective value of proceeds to the Client holding the given Fractional Shares. The payments shall be made only if their value is equal to or exceeds 0,01 of the Account Currency unit. Amounts lower than the said value or indivisible amounts shall not be paid out;
- d) the Client acquires the right to dividend paid out in cash in the part corresponding to the multiplication of the dividend per share and the fraction of the Fractional Share;
- e) in the case of pay-out of the dividend or buy-back of securities, the proceeds from the dividend or buy-back shall be transferred to the Client proportionally to the fraction of the Fractional Shares. The payments shall be made only if their amount is equal to or exceeds 0.01 of the Account Currency unit. Amounts lower than the said value or indivisible amounts shall not be paid out;
- f) in the case of pay-out of the dividend or buy-back of securities, the proceeds from the dividend or buy-back shall be transferred to the Client proportionally to the fraction of the Fractional Shares. The payments shall be made only if their amount is equal to or exceeds 0.01 of the Account Currency unit. Amounts lower than the said value or indivisible amounts shall not be paid out;
- g) Fractional Shares participate in split and reverse split of share.

50.16 In the event that XTB Limited enters into liquidation or similar insolvency proceedings, any fractional shares held on your behalf in a fiduciary capacity will, where reasonably practicable, be sold and the resulting cash proceeds credited to your account. In certain circumstances, and where feasible, XTB Limited may seek to facilitate the transfer of your fractional shareholding to another appropriately authorised broker or custodian that offers support for fractional shareholdings. However, such a transfer is not guaranteed and will be subject to operational, regulatory, and counterparty constraints. You acknowledge and agree that in the absence of a viable transfer option, the default course of action will be the liquidation of the fractional holding into cash.

## 51. Provisions for additional services

### Investment Plan

- 51.1 Investment Plan allows you to create via Trading Platform separate portfolios, which may include Financial Instruments or Fractional Shares of your choice. The creation of a portfolio involves the opening of a Technical Account.
- 51.2 When setting up a portfolio, you must indicate what the initial percentage of the value of the portfolio is to be of the individual Financial Instruments or Fractional Shares you intend to purchase (allocation). While using an Investment Plan, you can change the allocation you originally indicated.
- 51.3 Before acquiring Financial Instruments or Fractional Shares within a portfolio, you must indicate how much of the Free Funds you wish to allocate to the portfolio
- 51.4 From the allocation referred to in clause 52.2, the minimum amount at which we can execute your Orders may depend. We will inform you of its value through the Trading Platform.
- 51.5 The amount referred to in clause 52.3 shall be credited to the corresponding Technical Account assigned to you and shall include a reserve that may be used for the execution of Orders.
- 51.6 Unless otherwise indicated, the rules set forth in the General Terms of Business shall apply to Transactions made on portfolios under the Investment Plan.

### ***Operations on Financial Instruments or Fractional Shares included in the portfolio***



- 51.7 We do not advise or have any influence on what Financial Instruments or Fractional Shares are included in the investment portfolios you create or on the Transactions performed on them, unless otherwise stated in the General Terms of Business.
- 51.8 If you use the equal allocation option when selecting the Financial Instruments or Fractional Shares on which you wish to execute a Transaction within a portfolio, the Financial Instruments or Fractional Shares you select will take an equal percentage of the indicated value of the Transaction you plan to execute. If this is not possible, we will round down the amount of assets that are subject to the transaction in such a way as to allow the allocation referred to in the previous sentence and the remaining amount will be credited to your Free Funds in the respective portfolio.
- 51.9 If you wish to withdraw assets from a given portfolio and indicate an amount that exceeds the Free Funds in it, it will be necessary to sell the Financial Instruments or Fractional Shares included in the portfolio. In such a situation, when confirming the withdrawal of assets from the portfolio, you place an Order to sell the Financial Instruments or Fractional Shares included in the respective portfolio in the amount you wish to withdraw. Individual Financial Instruments or Fractional Shares will be sold in proportion to their value in relation to the value of all Financial Instruments or Fractional Shares included in the respective portfolio.
- 51.10 The amount obtained from the sale of Financial Instruments or Fractional Shares that exceeds the amount designated by you for withdrawal from the portfolio shall be credited to the Free Funds assigned to this portfolio.
- 51.11 If you exercise the option to adjust the composition of the portfolio in accordance with the allocation, Transactions entered into on the Financial Instruments or Fractional Shares included in the respective portfolio shall be made in such a way as to reflect as accurately as possible the allocation indicated by you, as referred to in clause .2.
- 51.12 If you choose to close a portfolio, the assets included in it will be disposed of according to the rules indicated in this GTC, and the associated Technical Account will be automatically closed. The funds raised from the disposal of assets will be credited to your Trading Account as Free Funds.
- 51.13 If an Order is placed for both a full and a fractional number of OMI, to the extent of the full number it shall be executed in accordance with the rules for Orders on OMI, and to the extent of the fractional number - in accordance with the rules for Orders on Fractional Shares.
- 51.14 You may give an Instruction for the automatic, cyclical submission of purchase Orders for Financial Instruments or Fractional Shares to be included in the investment portfolio you have selected. **By giving such an Instruction, you agree to the cyclical submission of market purchase Orders**, which are subject to execution on the terms described in the Order Execution Policy. The amount of Financial Instruments or Fractional Shares which are the subject of purchase Orders determined in two steps. Firstly, by multiplying the amount indicated in the Instruction and the allocation you indicated, the value of the individual Financial Instruments or Fractional Shares that should be purchased will be determined. Then, by dividing the result obtained in the first step by the market price of the relevant Financial Instrument available at the time of placing the Order, the number of Financial Instruments or Fractional Shares to be the subject of the purchase Order will be determined. The execution price of a market Order may differ from the price indicated at the time of placing the Order in accordance with the principles described in the Order Execution Policy. Thus, the final value of the Financial Instruments or Fractional Share purchased may differ from the indicated allocation.
- 51.15 You may revoke the Instruction referred to in clause 52.14. The revocation shall not affect the Orders that were already executed or submitted for execution.
- 51.16 By giving an Instruction as referred to in clause 52.14, you undertake to monitor the market price of the Financial Instruments or Fractional Shares to which your Instruction relates on an ongoing basis.
- 51.17 The Order referred to in clause 52.14 shall be executed at intervals determined by you and in such a way as to reflect as accurately as possible the allocation you have indicated, as referred to in clause 52.2. If you change the allocation, you will automatically change the parameters of

the Order in question.

51.18 If it is not possible to accurately reflect the allocation you have indicated, we will round down the amount of Financial Instruments or Fractional Shares to be purchased so that the Order can be executed.

51.19 The Order referred to in clause 52.14 to 52.18 shall be executed using algorithmic trading.

## 52. Currency Exchange

### *General provisions*

52.1 By providing Currency Exchange services XTB sells or buys currencies on your behalf and for your account. This service is provided only by making a transfer between your Trading Accounts and is only available in the Account Currency.

52.2 XTB provides Currency Exchange services solely where these are connected to the provision of other investment services.

52.3 Currency Exchange provided by XTB shall result in executing specific orders, such as buying Financial Instruments in a currency other than the funds you deposit.

52.4 Currency Exchange is concluded at the current Currency Exchange Rate. Detailed information about the Currency Exchange Rate is provided in the Table of XTB's fees and commissions.

52.5 Currency Exchange takes place on the basis of your Disposition. Until we execute your Disposition, you may cancel or modify it.

52.6 We will not execute your Currency Exchange Disposition if there is a significant change in the Currency Exchange Rate, i.e. in a situation where the value of the Currency Exchange Rate at the time of submitting the Disposition differs from the value of the Currency Exchange Rate at the time of its planned execution by more than 0.2%. In such a situation, you will be asked to submit and confirm the Disposition again.

52.7 We shall use our best efforts to execute and settle your Currency Exchange Dispositions immediately after they are placed.

52.8 The costs and fees related to the Currency Exchange services are specified in the Table of XTB's fees and commissions.

52.9 In the case of Currency Exchange Dispositions placed on days other than Trading Days, we may charge an additional commission indicated in the Table of XTB's fees and commissions.

52.10 Funds in the amount not exceeding the equivalent of EUR 14,000 may be subject to Currency Exchange each time.

### *Erroneous currency exchange rate*

52.11 If the Currency Exchange was performed on the basis of an incorrect Currency Exchange Rate, either party may withdraw from it or the parties may mutually correct its terms. The Currency Exchange Rate may be considered incorrect if it deviates from the price of the Underlying Instrument quoted at the time of exchange by at least two Reference Institutions by more than 0.2%.

52.12 In order to withdraw from the concluded Currency Exchange or correct the terms thereof, the parties shall submit respective statements to each other via electronic mail.

52.13 If you raise objections regarding the correctness of the Currency Exchange Rate, XTB will immediately, but no later than within 7 business days from the date of submitting your statement referred to in point 53.12., verify the correctness of the Currency Exchange Rate and provide you with information about the effective withdrawal from the concluded Currency Exchange or present to you an offer to correct its terms.

- 52.14 Withdrawal from the Currency Exchange or correction of its terms will only be possible if the Currency Exchange Rate at which the exchange was concluded was incorrect in accordance with the conditions specified in point 53.11.
- 52.15 Following withdrawal from the Currency Exchange or acceptance of the offer to correct its terms, we shall respectively:
- restore the Balance and other registers in relevant Accounts and record the status as existed prior to conclusion of the Currency Exchange at the erroneous Currency Exchange Rate; or
  - adjust the relevant Balance and other registers in the relevant Accounts to reflect the amount and the status that would have been recorded in the given Account if the Currency Exchange had been concluded at the correct Currency Exchange Rate.

### **Liability**

- 52.16 We shall not be liable for any effects of:
- execution of a Disposition, if such execution is carried out in accordance with the Instruction,
  - non-execution or improper execution of a Disposition as a result of any circumstances we are not responsible for (in particular caused by errors resulting from defective connection, no connection or temporary lack of access to the Trading Platform, for which we are not responsible),
  - refusal or inability to execute a Disposition in any circumstances, if the refusal or inability to execute the Disposition results from circumstances for which we are not liable, in particular for reasons attributable to Force Majeure,
  - suspension, errors or delays in access to data distributed via the Trading Platform, if said errors, interruptions or suspensions arise from circumstances we are not responsible for.

### **Improper use of the Currency Exchange service**

- 52.17 In case you use the Currency Exchange service in a manner inconsistent with the principles set out in the General Terms and Conditions, XTB has the right to deprive you of the opportunity to use this service.

## **53. Emergency Lock**

- 53.1. You can perform an emergency account lock from the XTB Application to protect your account from unauthorized access. Activating the emergency account lock results in:
- Blocking the ability to withdraw funds from the Cash Account;
  - Blocking the ability to make Transactions on all Trading Accounts, including opening, closing, canceling, and changing positions on accounts;
  - Blocking operations related to additional services provided under separate regulations (including blocking: deposits, withdrawals, card payments, card unblocking, transfers of funds to and from XTB).
- 53.2. By performing an emergency lock, you agree to XTB temporarily blocking your access to the functionalities listed in section 5.22 until you lift the lock.
- 53.3. By using the emergency lock function, you acknowledge that it will not suspend the accrual of standard fees charged by XTB or possible changes in the value of investments in your accounts.
- 53.4. Activating the emergency lock may have the following consequences, over which you may have no control until the block is lifted:
- Automatic execution of Orders during the lockout on the terms specified by you before activating the lockout;
  - Changes in the value of Financial Instruments and open positions on the Trading Account affecting the value of your investments;
  - Fees related to crediting or debiting an account with open positions on a given Financial Instrument in the event of holding an open position on that Financial Instrument for another day;
  - Accrual of standard fees resulting from corporate events relating to Financial Instruments recorded on the Trading Account;

- e) Forced closure of a position in the absence of the required Margin referred to in section 6.17, whereby during an active emergency account block you may deposit funds into the Cash Account to replenish the Margin;
- f) The creation or expiration of a fiduciary right to a fractional part of an OMI in the events related to Fractional Rights;
- g) Other operational events or changes in the value of your investments resulting from actions taken on the accounts prior to the activation of the lock, or resulting from actions taken by XTB in accordance with the standard provision of services or on the basis of Applicable Law.

- 53.5. We are not liable for any consequences, including losses, resulting from the establishment, failure to establish, or removal of an emergency lock, if they did not occur through our fault.
- 53.6. You may lift the emergency lock at any time. Lifting the emergency lock requires additional automatic identity verification to confirm that the account is secure against unauthorized access by third parties. If you are unable to lift the emergency lock, you should contact XTB customer service in accordance with section 5.28. Once the emergency account block has been lifted, the entire account will return to full functionality.
- 53.7. If you have reasonable grounds to suspect that your account has been locked by unauthorized third parties, if you are unable to voluntarily lock your account, or if you are unable to unlock your account, you should immediately contact XTB customer service. XTB has the right to verify your identity in accordance with applicable internal procedures.
- 53.8. After positive verification of your identity, we may apply security measures, including:
- a) logging you out of all active user sessions;
  - b) immediate blocking of the ability to log in to all accounts associated with you;
  - c) updating your contact information and initiating the Password reset process; or
  - d) initiating or lifting an emergency lock.
- 53.9. Access to the Trading Account in the cases referred to in section 5.28 shall be unblocked after the successful completion of the password reset process.

## **SCHEDULE- XTB Stocks and Shares ISA terms and conditions**

### **1. General**

- 1.1 The terms and conditions in this schedule ("ISA Terms") are only applicable if you open an XTB Stocks and Shares ISA.
- 1.2 By applying for an XTB Stocks and Shares ISA, you agree to appoint us, XTB Ltd., as the manager of your XTB Stocks and Shares ISA for the purposes of the ISA Regulations.
- 1.3 These ISA Terms are supplemental to the XTB Ltd Terms of Business (the "General Terms of Business"), and form part of the agreement between XTB Ltd. and you.
- 1.4 In the event of any conflict between the provisions of these ISA Terms and the General Terms of Business, these ISA Terms shall prevail.
- 1.5 XTB Ltd. will manage your XTB Stocks and Shares ISA in accordance with these ISA Terms and Applicable Law, including the ISA Regulations. In the event of any conflict between these ISA Terms and the ISA Regulations, the ISA Regulations shall prevail.
- 1.6 Capitalised terms that are not defined in the ISA Terms have the meaning given to them in the General Terms of Business

### **2. Eligibility for an XTB Stocks and Shares ISA**

- 2.1 Only individuals who meet certain eligibility restrictions imposed by Applicable Law will be able to open an XTB Stocks and Shares ISA. To be eligible, you must:
- (i) be at least 18 years old;

- (ii) be resident and ordinarily resident in the UK for tax purposes or meet certain other residency requirements specified by Applicable Law.
- 2.2 In addition, you must have a General Investment Account with XTB Ltd. before opening your XTB Stocks and Shares ISA.
- 2.3 You are permitted to invest in more than one stocks and shares ISA during any Tax Year, in accordance with Applicable Law. It is your responsibility to ensure that you do not exceed your Annual ISA Allowance.
- 2.4 If you change your address and are no longer a resident of the UK, you must let us know immediately.
- 2.5 If you inform us during a Tax Year that you are no longer a UK resident, we may place a restriction on your XTB Stocks and Shares ISA to prevent you from making further Subscriptions. Such restriction may also involve closure of your Stocks and Shares ISA as per clause 12.4 of the ISA Terms.

### **3. Opening your XTB Stocks and Shares ISA**

- 3.1 To open an XTB Stocks and Shares ISA, you must complete the ISA Application Form, which is available through the website (<https://www.xtb.com/en>) or XTB app. We can refuse to open an XTB Stocks and Shares ISA and may choose not to give a reason for doing so.
- 3.2 We will open your XTB Stocks and Shares ISA as soon as we accept your ISA Application Form.
- 3.3 You may only open an XTB Stocks and Shares ISA:
  - 3.3.1 in your own name; and
  - 3.3.2 if you are a natural person.
- 3.4 Your XTB Stocks and Shares ISA will not be active for the current Tax Year until you have either:
  - 3.4.1 made a Subscription; or
  - 3.4.2 made a transfer from another ISA where you have made subscription(s), using your current Tax Year Annual ISA Allowance.
- 3.5 We will not accept any Subscription or any transfer-in from another ISA manager (as the case may be) until we have accepted your Application Form.
- 3.6 You may close your XTB Stocks and Shares ISA in accordance with clause 12.

### **4. Subsequent Tax Years**

- 4.1 Provided that you continue to satisfy the residency rules (see clause 2.1) and all Applicable Law, we will continue to accept Subscriptions into your XTB Stocks and Shares ISA in subsequent Tax Years up to the Annual ISA Allowance without the need to make new applications.

### **5. Paying into Your ISA**

- 5.1 The Annual ISA Allowance is set out under Applicable Law and is subject to change. Subscriptions into your XTB Stocks and Shares ISA during any Tax Year must not go over the Annual ISA Allowance.
- 5.2 When you have used your full Annual ISA Allowance during a Tax Year you should not make any further Subscriptions in that Tax Year, other than Replacement Subscriptions (see clause 6) and it is your responsibility to ensure that you do not exceed your Annual ISA Allowance.



- 5.3 Payments into your XTB Stocks and Shares ISA must be made with your own money in GBP. We have the right to satisfy ourselves that payments have been made using your money.

## 6. Flexible ISA

- 6.1 Your XTB Stocks and Shares ISA is a flexible ISA under the ISA Regulations. This means that you can withdraw to your General Investment Account uninvested cash from your XTB Stocks and Shares ISA at any time during a Tax Year. You can then make further Subscriptions to your XTB Stocks and Shares ISA up to the amount of your withdrawal in the same Tax Year without the amount counting towards your Annual ISA Allowance ("Replacement Subscriptions").
- 6.2 If you ask us to withdraw to your General Investment Account uninvested cash from your XTB Stocks and Shares ISA, we will deem this amount to be taken from the Subscriptions you have made in the current Tax Year first, and then from Subscriptions you have made in previous Tax Years.
- 6.3 If you make a withdrawal to your General Investment Account, any Replacement Subscriptions must be made in the same Tax Year as the relevant withdrawal.
- 6.4 If you have no current Tax Year Subscriptions, or you are withdrawing an amount in excess of your current Tax Year Subscriptions, you can make a withdrawal to your General Investment Account out of the previous Tax Year's Subscriptions and if you do so, any Replacement Subscriptions will be deemed to be applied firstly in respect of withdrawals out of previous Tax Years' Subscriptions and secondly to those out of the current Tax Year's Subscriptions.
- 6.5 Subscriptions to your XTB Stocks and Shares ISA during a Tax Year will only count towards your Annual ISA Allowance for that Tax Year once any amounts previously withdrawn during that Tax Year have been fully replaced.
- 6.6 Any income or capital growth withdrawn from your Stocks and Shares ISA to your General Investment Account under these ISA Terms or as instructed by you will count as a withdrawal for these purposes and you can therefore replace these amounts as Replacement Subscriptions.
- 6.7 Where your XTB Stocks and Shares ISA contains current Tax Year Subscriptions only, any withdrawals greater than the amount subscribed in that Tax Year (due to, for example, income or capital growth) can only be replaced in your XTB Stocks and Shares ISA.
- 6.8 You cannot make Replacement Subscriptions if you are no longer a UK resident, unless you are performing duties as a Crown employee serving overseas and paid out of the public revenue of the UK (typically a serving member of the armed forces, or a diplomat), or married to, or in a civil partnership with, such a person.
- 6.9 If you close your XTB Stocks and Shares ISA in accordance with our Agreement and withdraw all of the cash contained in your XTB Stocks and Shares ISA, you are still able to make Replacement Subscriptions for previous Tax Years if you open a new XTB Stocks and Shares ISA within the same Tax Year.

## 7. XTB Stocks and Shares ISA Investments

- 7.1 Only Qualifying Investments and uninvested GBP may be held in your XTB Stocks and Shares ISA.
- 7.2 There may be circumstances where we reasonably consider that an investment cannot be held, or can no longer be held, in your XTB Stocks and Shares ISA. These include but are not limited to:
- (a) where the investment is not or has ceased to be a Qualifying Investment, whether as a result of a change in Applicable Law, a change in the relevant investment, a mandatory event, a Corporate Action, or delisting from a recognised stock exchange or otherwise;

- (b) where there are operational reasons, the investment cannot be held, for example where the Sub-Custodian has or will cease to operate in the jurisdiction where the investment is held. Where possible, we will notify you of this and request your instructions to:
  - (i) sell the relevant investment and retain the proceeds within your XTB Stocks and Shares ISA as cash; or
  - (ii) transfer the relevant investment to an alternative ISA manager.

7.3 In the event of a delisting, we may in our sole discretion allow you to keep the Qualifying Investment in your XTB Stocks and Shares ISA where we offer an alternative recognised stock exchange.

7.4 Where we request your instructions under clause 7.2, we will provide you with as much notice as we are reasonably able to in the circumstances and provide a deadline by which your instructions must be received. If you do not provide the requested instructions by any required deadline, or if it is not possible to provide you with prior notice, we reserve the right to sell the relevant investment on your behalf as per clause 7.2 and apply the proceeds to your XTB Stocks and Shares ISA.

7.5 You will not be charged for any action taken under clause 7.2 to comply with Applicable Law.

7.6 In the event of any disagreement or dispute as to whether any investment held or proposed to be held in a XTB Stocks and Shares ISA is a Qualifying Investment, the views of XTB Ltd., acting reasonably, shall be final.

7.7 We will not accept the transfer of SAYE Shares and SIP Shares into your XTB Stocks and Shares ISA.

7.8 Legal ownership of the investments held in your XTB Stocks and Shares ISA will be registered and held in accordance with the General Terms of Business. You will remain the beneficial owner of the investments in your XTB Stocks and Shares ISA. Share certificates or other documents (where applicable) evidencing title to investments in your XTB Stocks and Shares ISA will be held by us or as we may direct.

7.9 If you ask us to do so, we will arrange for you to

- (i) be provided with a copy of the annual report and accounts of any investment held in your XTB Stocks and Shares ISA;
- (ii) attend company annual general meetings;
- (iii) exercise voting rights in respect of instruments held in your XTB Stocks and Shares ISA; and
- (iv) receive any other information issued to shareholders of the investments held in your Stocks and Shares ISA.

7.10 Where we arrange the matters referred to in clause 7.9, we reserve the right to charge a fee that reflects our costs in doing so.

7.11 You must not transfer your rights to the investments held in your XTB Stocks and Shares ISA to any other person. We will not recognise the interest or claim of any other person unless we are required to by Applicable Law. For example, this means you cannot use any of the investments as security for loan, or any borrowing or other money that you owe.

## 8. Cash

8.1 You must ensure that you hold sufficient cash in your XTB Stocks and Shares ISA to satisfy any tax liabilities that may arise in respect of your investments and any charges payable in respect of your XTB Stocks and Shares ISA. If your XTB Stocks and Shares ISA does not hold sufficient cash to satisfy such liabilities as they fall due, we may sell down any Investments held within your

XTB Stocks and Shares ISA with a net aggregate value sufficient to satisfy such liabilities. The investments will be sold down in descending order based on value.

## **9. Withdrawals from your XTB Stocks and Shares ISA**

- 9.1 You may at any time instruct a withdrawal (including an instruction to withdraw and transfer to your General Investment Account) from your XTB Stocks and Shares ISA. Withdrawals can only be made in cash.
- 9.2 We will try to process any withdrawal instruction from your XTB Stocks and Shares ISA to your General Investment Account within the time period specified in the instruction, but subject to any reasonable business period we require for the practical implementation of the instructions.

## **10. Transferring your XTB Stocks and Shares ISA**

- 10.1 You may, at any time, instruct us to transfer your XTB Stocks and Shares ISA to another provider approved by HMRC to act as manager of an ISA. Current Tax Year Subscriptions and Previous Tax Year Subscriptions may be transferred either in whole, or in part. Some ISA managers do not accept partial transfers, and so before instructing a partial transfer, you should confirm with your new ISA manager whether they will accept it. If the ISA managers do not accept partial transfers, you may be required to either cancel your instruction for partial transfer or transfer in whole under this clause 10.
- 10.2 To instruct a transfer to another provider, you will need to contact the new ISA manager and complete a transfer authority. The personal details you provide to your new ISA manager must match those we hold for you in order for the transfer to take place.
- 10.3 Once we have received authority and instructions from the new ISA manager:
- 10.3.1 If you have instructed that your XTB Stocks and Shares ISA be transferred in cash, we will contact you and request your instructions to sell any remaining investments in your XTB Stocks and Shares ISA.
- 10.3.2 If you have instructed that your XTB Stocks and Shares ISA be transferred in specie (meaning the transfer to your new ISA manager of the investments in your XTB Stocks and Shares ISA, rather than the net cash proceeds of those investments) we will process the instruction in accordance with this clause 10. If your new ISA manager cannot accept a transfer of one or more Investments held within your XTB Stocks and Shares ISA, it is your responsibility to instruct the sale of such investments in order to allow the transfer to proceed. If your new ISA manager informs us that they are unable to accept any such investments in your XTB Stocks and Shares ISA, we will notify you of this and request your instructions to sell the asset.
- 10.4 We will effect a transfer under this clause 10 to your new ISA manager within the time period specified by you, but subject to any reasonable business period we require for the practical implementation of the instructions. In any event, we will transfer the net proceeds and/or the investments within 30 days of receiving the instructions. Where you are invested in certain types of instruments in which dealing has been suspended, we may take up to 7 additional days after such suspension ends to transfer your XTB Stocks and Shares ISA.
- 10.5 We may, in certain circumstances permitted by Applicable Law, for example if we decide to stop acting as an ISA manager, arrange a “bulk transfer” of our ISA clients, that is we may transfer the whole or part of your XTB Stocks and Shares ISA to another ISA manager without your consent. We will only transfer your XTB Stocks and Shares ISA to another ISA manager if we are satisfied that in doing so we are treating you fairly and in accordance with Applicable Law. We will always provide notice before we transfer your XTB Stocks and Shares ISA and you will have the opportunity to object, but please note that the only other options available may be for us to close your XTB Stocks and Shares ISA or for you to transfer your XTB Stocks and Shares ISA to another ISA manager selected by you.

10.6 Where you hold fractional shares in your XTB Stocks and Shares ISA, and you request a full investment transfer of your XTB Stocks and Shares ISA, you are instructing us to place an order to sell all fractional shares in your XTB Stocks and Shares ISA on your behalf as of the date of the approval of your request and include the proceeds in the investment transfer as cash.

10.7 Where we arrange a “bulk transfer” of our ISA clients to another ISA manager as noted in clause 10.5 above, we may also transfer any Cash that we hold in accordance with the General Terms of Business.

## **11. Transfers in**

11.1 You can transfer all or part of an existing Stocks and Shares ISA from another ISA manager to us. We cannot accept transfers in from lifetime ISAs or junior ISAs.

11.2 We will accept transfers in the form of: (i) GBP; and (ii) investments, subject to such investments being permitted in accordance with clause 7. If we reasonably consider that any such investments are not Qualifying Investments or otherwise cannot be held in an XTB Stocks and Shares ISA, we will not accept the transfer of those investments into your XTB Stocks and Shares ISA. Any such investments must be sold down to GBP before they can be transferred into your XTB Stocks and Shares ISA. In these circumstances, we will notify you and the transferring ISA manager.

11.3 If your previous ISA manager transfers any refunds of tax or income payments to us after the date of transfer, we will hold such payments as uninvested cash.

## **12. Closing Your ISA**

12.1 You may close your XTB Stocks and Shares ISA at any time by providing us with no less than 30 days' prior written notice.

12.2 Where we receive instructions to close your XTB Stocks and Shares ISA, we will request that you sell the investments held within your XTB Stocks and Shares ISA and withdraw the net sale proceeds in GBP to your General Investment Account. Your XTB Stocks and Shares ISA will no longer attract tax benefits once it has been closed.

12.3 Once you have elected to close your XTB Stocks and Shares ISA, there may still be small GBP amounts representing income payments or tax reclaims which are subsequently credited to your XTB Stocks and Shares ISA. Where you have elected to close your XTB Stocks and Shares ISA we will suspend your ability to fund your XTB Stocks and Shares ISA. Where you have transferred it to another ISA manager, you hereby instruct us to pay that money to your General Investment Account or nominated bank account.

12.4 We reserve the right to close your XTB Stocks and Shares ISA in the event that:

12.4.1 your XTB Stocks and Shares ISA holds a balance of £0.

12.4.2 there has been no activity by you in respect of your XTB Stocks and Shares ISA for the previous six months; and

12.4.3 we have been unable to contact you regarding your XTB Stocks and Shares ISA, having made reasonable attempts.

## **13. Death**

13.1 Following your death, no Subscriptions may be made to your XTB Stocks and Shares ISA.

13.2 Upon being notified of your death, we will place a restriction on your XTB Stocks and Shares ISA which will prevent any further Subscriptions to your XTB Stocks and Shares ISA.

13.3 The tax benefits applicable in respect of your XTB Stocks and Shares ISA will automatically cease upon the earlier of:

13.3.1 the date that the administration of your estate completes;

13.3.2 the date that all investments and cash have been withdrawn from your XTB Stocks and Shares ISA; and

13.3.3 the third anniversary of your death.

13.4 XTB Ltd. shall remain authorised to manage your XTB Stocks and Shares ISA following your death, and your personal representatives shall be bound by this Agreement. Subject to the General Terms of Business, XTB Ltd. shall provide your personal representatives any documents relating to your XTB Stocks and Shares ISA as they may reasonably request.

13.5 Any interest, dividends or gains in respect of investments in your XTB Stocks and Shares ISA that arise after the date referred to in clause 13.3 will not currently be exempt from tax. We will deal with any such amounts in accordance with the instructions of your personal representatives.

13.6 The continuing XTB Stocks and Shares ISA will be valued as at the date referred to in clause 13.3 of these ISA Terms and will be dealt with in accordance with the General Terms of Business.

13.7 Subject to Applicable Law, after your death, your spouse or civil partner may be able to make additional permitted subscriptions. The additional permitted subscriptions will not count towards their Annual ISA Allowance for the relevant Tax Year.

## **14. Bankruptcy**

14.1 If we receive notification of your bankruptcy, the tax advantages of your XTB Stocks and Shares ISA will cease in accordance with Applicable Law. We will not accept any further Subscriptions and will close your XTB Stocks and Shares ISA in accordance with Applicable Law. The appointed trustee or official receiver will become the beneficial owner of the investments in your XTB Stocks and Shares ISA. Any tax reclaimed on income received after the date on which the trustee or official receiver was appointed will be returned to HMRC.

## **15. Void ISAs**

15.1 Where we have opened an XTB Stocks and Shares ISA and discover that the Application Form was invalid and we are unable to resolve the reason for the invalidity, we will inform you promptly that this has happened. We will close your XTB Stocks and Shares ISA, sell the investments in accordance with the General Terms of Business and return the net sale proceeds to your General Investment Account.

15.2 We will inform you if we become aware that, by reason of any failure to satisfy Applicable Law, your XTB Stocks and Shares ISA is (or will be) void or no longer entitled to any tax exemptions. Where possible, we will also tell you if HMRC will be in touch with you.

15.3 If your XTB Stocks and Shares ISA is made void, all income in respect of that Subscription will be taxable and all invalid Subscription monies, investments and income must be removed from the XTB Stocks and Shares ISA.

15.4 We reserve the right to take any action whatsoever in relation to your XTB Stocks and Shares ISA on the instruction of HMRC.

## **16. Charges**

16.1 We will charge fees in respect of your XTB Stocks and Shares ISA (if any) in accordance with the General Terms of Business.



16.2 As explained in clause 8.1, if you do not have sufficient cash in your XTB Stocks and Shares ISA to cover the charges, we may sell down any investments held within your XTB Stocks and Shares ISA and apply the proceeds to cover any outstanding charges, as far as permitted by the ISA Regulations.

## 17. Delegation

17.1 We may delegate our functions and responsibilities under these ISA Terms in accordance with the General Terms of Business.

17.2 We will satisfy ourselves that any person to whom we delegate any of our functions or responsibilities as ISA manager is competent to perform those functions or responsibilities. We remain responsible for the operation of your XTB Stocks and Shares ISA, despite any such delegation.

## 18. Tax and Dividends

18.1 We will contact HMRC on your behalf to make any appropriate claims relating to tax for your XTB Stocks and Shares ISA. For these purposes, we may carry out appeals and agree on your behalf, liabilities for and reliefs from tax and recover from HMRC any interest on dividends that is reclaimable for the credit of your XTB Stocks and Shares ISA. You authorise us to carry out such activities in connection with your XTB Stocks and Shares ISA.

18.2 You do not have to pay UK tax on the income and capital gains of the investments in your XTB Stocks and Shares ISA as long as we and you comply with Applicable Law. This exemption may change in the future.

18.3 You should be aware that any description of tax reliefs in these ISA Terms refers to those that are currently applicable as at the date of issue and may change in the future. The description is only relevant to individuals subject to UK income tax and the value of the relief depends on your individual circumstances.

18.4 We will collect for your XTB Stocks and Shares ISA any dividends, interest and other distributions arising in respect of your money and investments. Any such amounts that are denominated in a currency other than sterling will be converted into GBP at the rate specified in our Terms and Fees on our website (<https://www.xtb.com/en/account-and-fees>) before they are accepted into your XTB Stocks and Shares ISA.

## 19. Amendments

19.1 We will not make any changes to the Agreement that would make your ISA void under Applicable Law.

## 20. Definitions

Annual ISA Allowance	The maximum amount permitted by Applicable Law that you are allowed to invest in an ISA in a Tax Year. The Annual ISA Allowance is set by the UK Government and is subject to change.
Application Form	The prescribed form which you must complete and sign to open your XTB Stocks and Shares ISA. A copy of the Application Form is available through the Application.
XTB Ltd.	The account manager of your XTB Stocks and Shares ISA.

XTB Stocks and Shares ISA	Your Stocks and Shares ISA managed by XTB Ltd in accordance with the Agreement, including these ISA Terms. The XTB Stocks and Shares ISA is an account for the purposes of the Agreement.
General Investment Account	Your main trading account opened with XTB Ltd.
General Terms of Business	XTB Ltd Terms of Business
HMRC	HM Revenue & Customs (or any relevant successor body).
ISA	Individual Savings Account as defined in the ISA Regulations
ISA Regulations	The Individual Savings Account Regulations 1998, as amended or replaced from time to time, and any other applicable statutes, rules and regulations.
Qualifying Investment	Any Investment that is a qualifying investment for a stocks and shares ISA under the ISA Regulations including fractional shares.
SAYE Shares	A Save As You Earn (SAYE) share scheme is a UK tax-advantaged employee savings plan allowing workers to save monthly for 3 or 5 years, with the option to buy company shares at a discounted price. If the share price falls, employees can choose to withdraw their savings instead of purchasing shares.
SIP Shares	A Share Incentive Plan (SIP) share is part of a UK government-approved employee share scheme that allows employees to acquire shares in their company tax-efficiently. Employees can receive shares for free, purchase them, or both, with potential tax benefits on income, capital gains, and dividends if held for a qualifying period.
Subscription	A monetary payment in GBP into your XTB Stocks and Shares ISA including cash transfers from your General Investment Account.
Tax Year	period from 6 April of one year to the following 5 April.