

SCHEDULE – XTB ISA terms and conditions

1. General

1.1 These ISA Terms and Conditions (“ISA Terms”) apply exclusively to XTB Ltd.’s Cash Individual Savings Accounts (“Cash ISAs”) and XTB Stocks and Shares ISA (“Stocks and Shares ISA”) offered by XTB Limited.

1.2 By applying for and maintaining an ISA account with XTB Limited, you appoint XTB Limited as the ISA manager for the purposes of the Individual Savings Account Regulations 1998, as amended (“ISA Regulations”).

1.3 These ISA Terms form a supplemental part of your agreement with us and must be read together with XTB Limited’s General Terms of Business (the “General Terms”). Together, they constitute the “Agreement”.

1.4 If there is any inconsistency or conflict between these ISA Terms and the General Terms, these ISA Terms will prevail in relation to your ISA.

1.5 We will manage your ISA in accordance with these ISA Terms, Applicable Law, and the ISA Regulations. Where there is any conflict, the ISA Regulations will take precedence.

2. Eligibility for an ISA Account

2.1 A Cash ISA or Stocks and Shares ISA may only be opened by individuals who:

- are aged 18 or over; and
- are resident in the United Kingdom for tax purposes, or otherwise meet the residency conditions permitted under Applicable Law (including certain Crown employees and their spouses or civil partners).

2.2 You are responsible for ensuring that you remain eligible to hold an ISA.

2.3 If you cease to be a UK resident, you must notify us promptly.

2.4 Where you become ineligible during a Tax Year, we may restrict your ISA to prevent further Subscriptions, in accordance with Applicable Law.

3. Opening Your ISA

3.1 To open an ISA, you must complete an application form, which is available through the website or XTB App. We reserve the right to decline an application at our discretion.

3.2 You may only open a Cash ISA and/or Stocks and Shares ISA:

3.2.1 in your own name; and

3.2.2 if you are a natural person.

3.3 Your ISA will be opened once we have accepted your application and received either:

- your first Subscription; or
- the proceeds of a transfer from another ISA manager

3.4 Your ISA will not be treated as active for a Tax Year until a Subscription or eligible transfer has been made.

3.5 We will not accept any Subscriptions or transfers-in from another ISA manager (as the case may be) until we have accepted your Application Form.

3.6 You may close your ISA in accordance with your statutory rights and the General Terms.

4. Subscriptions in Future 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 Cash ISA in subsequent Tax Years up to the Annual ISA Allowance without the need to make new applications.

4.2 If no Subscriptions are made into your Cash ISA during any Tax Year, we may require you to reconfirm your personal details and provide such information and declarations as we reasonably require under Applicable Law before you will be able to make Subscriptions in any subsequent Tax Year.

5. Subscriptions and Allowances

5.1 Subscriptions into your ISA must not exceed the Annual ISA Allowance applicable for the relevant Tax Year, relevant to the type of ISA.

5.2 It is your responsibility to monitor and ensure compliance with your Annual ISA Allowance.

5.3 All Subscriptions must be made in GBP and must be your own money.

5.4 We may carry out checks to verify the source of funds where required.

6. Flexible ISA

6.1 Your Cash ISA and Stocks and Shares ISA is a flexible ISA under the ISA Regulations.

6.2 This means that amounts withdrawn during a Tax Year may be replaced in the same Tax Year without counting again towards your Annual ISA Allowance (“Replacement Subscriptions”).

6.3 Withdrawals will be deemed to be taken first from current Tax Year Subscriptions, then from previous Tax Years.

6.4 Replacement Subscriptions must be made in the same Tax Year as the relevant withdrawal.

6.5 Where your XTB Cash or Stocks and Shares ISA contains only Subscriptions made in the current Tax Year, any withdrawal that exceeds the amount subscribed in that Tax Year (for example, as a result of interest credited to the account) may only be replaced by a Replacement Subscription into the same XTB ISA from which the withdrawal was made.

6.6. Where a Replacement Subscription relates to a withdrawal made from Subscriptions attributable to a previous Tax Year, that Replacement Subscription will only be credited to the XTB ISA from which the original withdrawal was made

6.7. Replacement Subscriptions are not permitted if you are no longer eligible to subscribe to an ISA, except where permitted for Crown employees and their spouses or civil partners.

6.8 Where you close your XTB Cash or Stocks and Shares ISA in accordance with the Agreement and withdraw the entire balance, you may only make Replacement Subscriptions in respect of previous Tax Years by reopening your XTB ISA within the same Tax Year.

7. Additional Permitted Subscriptions (APS)

7.1 Following the death of your spouse or civil partner, you may be entitled to make Additional Permitted Subscriptions (“APS”) to your Cash or Stocks and Shares ISA.

7.2 APS are subject to limits and time periods set out in Applicable Law.

7.3 We may require documentation to confirm eligibility before accepting an APS.

7.4 Any APS exceeding the permitted allowance will be rejected and returned.

7.5 Unused APS allowances do not transfer to another ISA manager if you transfer your Cash ISA or Stocks and Shares ISA away from us.

8. Cash ISA Features

8.1 Only cash in GBP may be held in your Cash ISA.

8.2 There is a minimum opening Subscription of £1 unless stated otherwise.

8.3 You may withdraw funds from your Cash ISA at any time, subject to these ISA Terms and the General Terms.

8.4 Interest is calculated daily on cleared balances and credited monthly at a variable rate.

8.5 The applicable interest rate will be published by us and may change. We will provide notice of any rate reductions where required.

8.6 Interest will only accrue once transferred funds have been received and applied to your Cash ISA.

9. Stocks and Shares ISA Features

9.1 Only Qualifying Investments and uninvested cash in GBP may be held in your Stocks and Shares ISA.

9.2 There is a minimum opening Subscription of £1 unless stated otherwise.

9.3 You may withdraw funds from your Stocks and Shares ISA at any time, subject to these ISA Terms and the General Terms.

9.4 Interest on free funds held in your Stocks and Shares ISA is calculated daily and credited monthly at a variable interest rate. You can view your paid interest via the cash operations section of your ISA.

9.5 The applicable interest rate will be published by us and may change. We will provide advance notice of any rate reductions where required.

9.6 Interest will only accrue once transferred funds have been received and applied to your ISA.

9.7 There may be circumstances where we reasonably consider that an investment cannot be held, or can no longer be held, in your 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:

9.7.1 sell the relevant investment; or

9.7.2 transfer the relevant investment to an alternative ISA manager; or

9.7.3 move the relevant investment out of your Stocks and Shares ISA into your General Investment Account and hold it in accordance with the Terms of Business

9.8 Where we request your instructions under clause 9.7, 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 or move the relevant investment out of your Stocks and Shares ISA in accordance with clause 9.7.3 without further notice to you, and you authorise us to take any such action.

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

10. Holding and Protection of Cash- (Cash ISAs only)

10.1 We will promptly place your money into one or more client money bank accounts opened with a central bank, a UK bank, an authorised bank in another country (including outside the EEA), or a qualifying money market fund. Those accounts will be separately identified from any accounts used to hold our own money.

10.2 You agree that we may place your money held in your Cash ISA in a qualifying money market fund. If we do so it will no longer be held subject to the protections of the FCA rules relating specifically to client money, but instead, the FCA rules relating to client assets. This

is because we will hold units issued from the fund rather than the money itself. They are still subject to protections under the FCA rules, but for a different asset class.

10.3 Qualifying money market funds are money market funds, managed by a fund manager, that are typically required to maintain a low-risk strategy by investing in financial instruments such as government bonds. Qualifying money market funds are generally subject to higher regulatory scrutiny and must meet higher quality standards than other money market funds. Nevertheless, as with any investment, there are certain risks that apply:

a. **Management risk:** Performance can be affected by the decisions made by the qualifying money market fund's fund manager. Poor investment choices or strategies could result in lower returns or increased risk.

b. **Interest Rate risk:** The value of the securities in a qualifying money market fund can be affected by changes in the base interest rates. If base interest rates rise, the value of existing underlying assets, such as bonds (with lower interest rates) might decrease. However, because qualifying money market funds generally invest in shorter-term securities, this risk is lower compared to long-term bond investments.

c. **Liquidity risk:** Where client money is held in qualifying money market funds this is done so in line with the applicable regulations. Qualifying money market funds are designed to be highly liquid, allowing investors to withdraw their money at any time, however, extreme market conditions could impact this. Under such exceptional circumstances, a high number of withdrawal requests could potentially lead to delays and as a result there may be a delay in us being able to return some or all your money to you.

d. **Credit risk:** If the qualifying money market fund in which your money is deposited becomes insolvent, you may lose part, or all, your money. To manage this risk, we carefully select only highly regulated qualifying money market funds and regularly monitor their creditworthiness.

e. **No FSCS deposit protection:** Qualifying money market funds are not bank accounts so they are not insured under the FSCS deposit protection scheme, which means you could potentially face losses in extreme market situations, or in the event the qualifying money market fund in which your money is deposited becomes insolvent.

f. **Insolvency and status of FSCS investment protection:** In the event of our insolvency, FSCS investment protection of up to £120,000 may apply, but it does not cover investment losses. Your assets will, however, be segregated and held in accordance with the FCA's client assets rules, which are designed to safeguard client assets in the event of a firm's failure.

11. Withdrawals

11.1 You may request withdrawals from your Cash or Stocks and Shares ISA at any time.

11.2 Withdrawals will be made in cash only and processed in accordance with the General Terms.

11.3 We will process withdrawal requests as soon as reasonably practicable.

12. Transfers

12.1 You may transfer your Cash ISA or Stocks and Shares ISA to another ISA manager approved by HMRC at any time.

12.2 Current Tax Year Subscriptions must be transferred in full.

12.3 Previous Tax Year Subscriptions may be transferred in full or in part, subject to the receiving provider's acceptance.

12.4 Transfers will be completed within the timescales prescribed by the ISA Regulations, subject to operational requirements.

12.5 We may carry out bulk transfers where permitted by Applicable Law and will notify you in advance where required.

12.6 Any residual income (such as dividends or interest) credited to your ISA account following the completion of your ISA transfer(s) will be forwarded to your new provider. If we are unable to transfer such residual income to your new provider, we will transfer it to your General Investment Account (GIA), where it will be held until we receive further instructions from you.

12.7 You agree that any residual income credited to your ISA account after you have closed it will be returned to you using the same withdrawal method by which your ISA balance was paid. If we are unable to return the residual income in this way, or if the payment is returned to us, XTB Limited will transfer it to your GIA, where it will be held until we receive further instructions from you. "

13. Transfers In

13.1 We only accept Stocks and Shares ISA "Transfer In" from other eligible ISA managers.

13.2 We currently do not accept cash "Transfer In" for our CASH ISA product. We expect to permit this at a future date and will update this clause accordingly in that event.

14. Closing Your ISA

14.1 You may close your Cash or Stocks and Shares ISA at any time by notifying us.

14.2 Once closed, your Cash or Stocks and Shares ISA will no longer benefit from ISA tax advantages.

14.3 Any residual amounts credited after closure will be paid to your nominated bank account or transferred to another ISA manager where applicable.

15. Death

15.1 No further Subscriptions may be made following your death.

15.2 We will restrict your Cash and Stocks and Shares ISA upon notification of death.

15.3 ISA tax benefits will cease in accordance with the ISA Regulations.

15.4 Your personal representatives will be bound by these ISA Terms.

16. Bankruptcy

16.1 If you are declared bankrupt, your Cash or Stocks and Shares ISA will cease to qualify for tax advantages.

16.2 We will act in accordance with Applicable Law and instructions from the appointed trustee.

17. Void ISAs

17.1 If your Cash or Stocks and Shares ISA is found to be invalid, we will notify you and take appropriate action in line with HMRC requirements.

17.2 Any tax relief may be withdrawn, and funds returned or reclassified as required.

17.3 If HMRC directs us to void or repair your ISAs, or if we are required to follow ISA Regulations, you authorise us to:

17.3.1 sell all or part of your investments and transfer the proceeds to your XTB General Investment Account and/or

17.3.2 take any other necessary actions to comply with HMRC's direction or the ISA Regulations.

17.3.3 If we are unable to transfer the proceeds to your General Investment Account, we will transfer the proceeds to your nominated bank account.

18. Charges

18.1 XTB Ltd. does not currently charge fees for operating your Cash or Stocks and Shares ISA. We may retain a margin between interest earned and interest paid. Any applicable charges will be disclosed in our fee schedule.

19. Delegation

19.1 We may delegate functions relating to the management of your Cash or Stocks and Shares ISA where permitted.

19.2 We remain responsible for compliance with the ISA Regulations.

20. Tax

20.1 Interest earned within your Cash or Stocks and Shares ISA is exempt from UK income tax, subject to compliance with Applicable Law.

20.2 Tax treatment may change and depend on your individual circumstances.

20.3 Please make sure you keep enough cash in your XTB Stocks and Shares ISA to cover any taxes linked to your investments and any fees or charges on your ISA. If there isn't enough cash when these amounts are due, we may sell some of your investments to cover what's owed. We will normally sell investments starting with the highest-value holding until enough cash has been raised.

21. Amendments

21.1 We will not amend these Cash or Stocks and Shares ISA Terms in a way that would invalidate your Cash or Stocks and Shares ISA under Applicable Law.

22. Definitions

Interpretation of terms such as **Annual ISA Allowance**, **APS**, **Cash ISA**, **ISA Regulations**, **Subscription**, and **Tax Year** shall align with the ISA Regulations and the General Terms.