



X-TRADE BROKERS DOM MAKLESKI S.A.

(joint stock company with its registered office in Warsaw and address at Ogrodowa 58, 00-876 Warszawa, entered into the Register of Business Entities of the National Court Register under No. 0000217580)

DISCLAIMER

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CURRENT REPORT NO 6/2021

Warsaw, 15 March 2021

Draft resolutions of the Ordinary General Meeting of X-Trade Brokers Dom Maklerski S.A.

The Management Board of X-Trade Brokers Dom Maklerski S.A. (the "Company") hereby submits draft resolutions, which will be presented on the Ordinary General Meeting convened for 12 April 2021.

Concurrently, the Company submits:

- the Report of the Supervisory Board of the Company concerning the activity in 2020, which presentation and consideration is foreseen under point 10 of the planned agenda of the Ordinary General Meeting;
- the Report on Salaries for years 2019 and 2020, for which the opinion is provided under item 12 of the planned agenda of the Ordinary General Meeting;
- the amended Remuneration Policy for members of the Management Board and the Supervisory Board, which adoption is foreseen under point 13 of the planned agenda of the Ordinary General Meeting.

Legal basis:

Article 56.1.2 of the Act on Public Offering – current and periodic information.



**The draft resolutions to be discussed by the Annual General Meeting of
X-Trade Brokers Dom Maklerski S.A. convened on 12 April 2021**

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Ad. 2 of the agenda

**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)
on appointing of the Chairperson of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A.**

§ 1

Annual General Meeting elects Mr/ Ms as the Chairperson of the Annual General Meeting

§ 2

The Resolution shall come into force on the moment it has been passed.

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Ad. 4 of the agenda

**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)
on adopting the agenda**

Annual General Meeting adopts the following agenda of the meeting:

1. Opening of the Annual General Meeting;
2. Appointment of the Chairperson of the Annual General Meeting;
3. Asserting that the Annual General Meeting has been convened correctly and is capable of adopting resolutions;
4. Adoption of the agenda;
5. Review and approval of the Management Board's report concerning the activity of the Group and the Company in 2020;
6. Adoption of the resolution concerning approval of the Company's separate financial statement for 2020;
7. Adoption of the resolution concerning approval of the consolidated financial statement of the Group X-Trade Brokers Dom Maklerski S.A. for 2020;
8. Adoption of the resolution concerning profit distribution;
9. Adoption of the resolutions concerning granting the vote of approval for the members of the Company's Management Board for performance of their duties in the year 2020;
10. Review and approval of the report concerning the activity of the Company's Supervisory Board in 2020;
11. Adoption of the resolution concerning granting the vote of approval for the members of the Company's Supervisory Board for performance of their duties in the year 2020;
12. Adoption of a resolution on expressing an opinion on the Report on the remuneration for 2019 and 2020;
13. Adoption of the amended Remuneration Policy for members of the Management Board and Members of the Supervisory Board;
14. Adoption of a resolution concerning granting consent to the payment of variable remuneration components in the amount exceeding 100% of fixed remuneration components;
15. Closing of the Annual General Meeting.

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Ad. 5 of the agenda

**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)
on reviewing and approval of the Management Board's report concerning the activity
of the Group and the Company in 2020**

§1

Annual General Meeting, after reviewing of the Management Board's report concerning the activity of the Group and the Company in 2020, hereby approves the Management Board's report concerning the activity of the Group and the Company in 2020.

§2

The Resolution shall come into force on the day it has been passed.

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Ad. 6 of the agenda

**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)
on approval of the Company's separate financial statement for 2020**

§1

Annual General Meeting, after reviewing of the Company's separate financial statement (Standalone Annual Report) for 2020, hereby approves the Company's separate financial statement (Standalone Annual Report) for 2020 prepared in accordance with International Financial Reporting Standards, consisting of:

- comprehensive income statement for the period of 1 January 2020 - 31 December 2020 which shows net profit in the amount of PLN 418,176 thousand,
- statement of financial position on 31 December 2020, with total assets of and total liabilities and equity of PLN 2,155,631 thousand,
- statement of changes in equity for the financial year 1 January 2020 - 31 December 2020 presenting increase of the equity capital in the amount of PLN 391,716 thousand,
- cash flow statement which presents increase of the cash funds between 1 January 2020 and 31 December 2020 by the net amount of PLN 53,936 thousand,
- additional explanatory notes to the financial statements and other explanatory notes.

§2

The Resolution shall come into force on the day it has been passed.

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Ad. 7 of the agenda

**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)
on reviewing and approval of the consolidated financial statement of the Group
X-Trade Brokers Dom Maklerski S.A. for 2020**

§1

Annual General Meeting, after reviewing of the X-Trade Brokers Dom Maklerski S.A. Capital Group’s Consolidated consolidated financial statement (Consolidated Annual Report) for 2020, hereby approves the X-Trade Brokers Dom Maklerski S.A. Capital Group’s consolidated financial statement (Consolidated Annual Report) for 2020 prepared in accordance with International Financial Reporting Standards, consisting of:

- comprehensive income statement for the period of 1 January 2020 - 31 December 2020 which shows net profit in the amount of PLN 402,087 thousand,
- statement of financial position on 31 December 2020, with total assets of and total liabilities and equity of PLN 2,283,526 thousand,
- statement of changes in equity for the financial year 1 January 2020 - 31 December 2020 presenting increase of the equity capital in the amount of PLN 397,561 thousand,
- cash flow statement which presents increase of the cash funds between 1 January 2020 and 31 December 2020 by the net amount of PLN 52,063 thousand,
- additional explanatory notes to the financial statements and other explanatory notes.

§2

The Resolution shall come into force on the day it has been passed.

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Ad. 8 of the agenda

**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)
on profit distribution, dividend date and the day of payment of the dividend**

Acting in accordance with Article 348 § 3 and § 4 and Article 395 § 2 point 2 of the Commercial Companies Code, it is resolved as follows:

§1

1. Annual General Meeting hereby decides to pay the dividend from the Company's net profit for 2020, which amounted to PLN 418 175 946.31 (four hundred eighteen million, one hundred and seventy five thousand, nine hundred and forty-six zlotys and 31/100), in the amount of PLN 210 116 706.65 (two hundred ten million one hundred sixteen thousand seven hundred six zlotys and 65/100), i.e. PLN 1.79 (one zloty and 79/100) per share. The Annual General Meeting decided to retain the retaining part of the profit in the amount of PLN 208 059 239.66 (two hundred eight million fifty nine thousand two hundred thirty nine zlotys and 66/100) on a reserve capital.
2. The 21st of April 2021 is determined as the day according to which the list of shareholders entitled to the dividend is determined (dividend date).
3. The payment of the dividend will be made on 30th of April 2021 (the day of payment of the dividend).
4. All shares issued by the Company are entitled to the dividend.

§2

The Resolution shall come into force on the day it has been passed.

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Ad. 9 of the agenda

**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)
on granting the vote of approval for the President of the Management Board
Mr. Omar Arnaout**

§1

Annual General Meeting hereby grants Mr. Omar Arnaout the vote of approval for performance of his duties as the President of the Management Board for the period of 1 January 2020 – 31 December 2020.

§2

The Resolution shall come into force on the day it has been passed.

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**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)
on granting the vote of approval for the Member of the Management Board
Mr. Paweł Szejko**

§1

Annual General Meeting hereby grants Mr. Paweł Szejko the vote of approval for performance of his duties as the Member of the Management Board for the period of 1 January 2020 - 31 December 2020.

§2

The Resolution shall come into force on the day it has been passed.

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**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)
on granting the vote of approval for the Member of the Management Board
Mr. Filip Kaczmarzyk
§1**

Annual General Meeting hereby grants Mr. Filip Kaczmarzyk the vote of approval for performance of his duties as the Member of the Management Board for the period of 1 January 2020 - 31 December 2020.

§2

The Resolution shall come into force on the day it has been passed.

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**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)
on granting the vote of approval for the Member of the Management Board
Mr. Jakub Kubacki
§1**

Annual General Meeting hereby grants Mr. Jakub Kubacki the vote of approval for performance of his duties as the Member of the Management Board for the period of 1 January 2020 - 31 December 2020.

§2

The Resolution shall come into force on the day it has been passed.

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**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)
on granting the vote of approval for the Member of the Management Board
Mr. Andrzej Przybylski
§1**

Annual General Meeting hereby grants Mr. Andrzej Przybylski the vote of approval for performance of his duties as the Member of the Management Board for the period of 1 January 2020 - 31 December 2020.

§2

The Resolution shall come into force on the day it has been passed.

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Ad. 10 of the agenda

**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)
on reviewing and approval of the report concerning the activity of the Company's
Supervisory Board in 2020**

§1

Annual General Meeting, after reviewing of the report concerning the activity of the Company's Supervisory Board in 2020, hereby approves the report concerning the activity of the X-Trade Brokers Dom Maklerski S.A.'s Supervisory Board in 2020.

§2

The Resolution shall come into force on the day it has been passed.

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Ad. 11 of the agenda

**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021**

(draft)

**on granting the vote of approval for the Chairman of the Company's Supervisory Board
Mr. Jakub Leonkiewicz**

§1

Annual General Meeting hereby grants Mr. Jakub Leonkiewicz the vote of approval for performance of his duties as the Chairman of the Supervisory Board for the period of 1 January 2020 – 31 December 2020.

§2

The Resolution shall come into force on the day it has been passed.

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**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021**

(draft)

**on granting the vote of approval for the Member of the Company's Supervisory Board
Mr. Łukasz Baszczyński**

§1

Annual General Meeting hereby grants Mr. Łukasz Baszczyński the vote of approval for performance of his duties as the Member of the Supervisory Board for the period of 1 January 2020 - 31 December 2020.

§2

The Resolution shall come into force on the day it has been passed.

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**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021**

(draft)

**on granting the vote of approval for the Member of the Company's Supervisory Board
Mr. Jarosław Jasik**

§1

Annual General Meeting hereby grants Mr. Jarosław Jasik the vote of approval for performance of his duties as the Member of the Supervisory Board for the period of 1 January 2020 - 31 December 2020.

§2

The Resolution shall come into force on the day it has been passed.

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**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021**

(draft)

**on granting the vote of approval for the Member of the Company's Supervisory Board
Mr. Bartosz Zabłocki**

§1

Annual General Meeting hereby grants Mr. Bartosz Zabłocki the vote of approval for performance of his duties as the Member of the Supervisory Board for the period of 1 January 2020 - 31 December 2020.

§2

The Resolution shall come into force on the day it has been passed.

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**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)
on granting the vote of approval for the Member of the Company's Supervisory Board
Mr. Grzegorz Grabowicz**

§1

Annual General Meeting hereby grants Mr. Grzegorz Grabowicz the vote of approval for performance of his duties as the Member of the Supervisory Board for the period of 1 January 2020 – 31 December 2020.

§2

The Resolution shall come into force on the day it has been passed.

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Ad. 12 of the agenda

**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)
on expressing an opinion on the Remuneration Report for 2019 and 2020**

§1

Annual General Meeting hereby gives a positive opinion on the Remuneration Report for 2019 and 2020 prepared by the Supervisory Board of the Company.

§2

The Resolution shall come into force on the day it has been passed.

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Ad. 13 of the agenda

**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)**

on adoption of the amended Remuneration Policy for the Members of the Management Board and the Members of the Supervisory Board

§1

Annual General Meeting hereby adopts the Remuneration Policy for members of the Management Board and the Supervisory Board adopted by the resolution of the Supervisory Board no. 19/RN/2021 dated 12 March 2021.

§2

The Resolution shall come into force on the day it has been passed.

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Ad. 14 of the agenda

**Resolution No./2021
of the Annual General Meeting
of X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw
dated 12 April 2021
(draft)**

concerning granting consent to the payment of variable remuneration components in the amount exceeding 100% of fixed remuneration components

§1

Annual General Meeting acting pursuant to §8 point 3) of the Remuneration Policy for the Members of the Management Board and the Members of the Supervisory Board, after reading the resolution of the Supervisory Board No. 20/RN/2021 dated 12 March 2021, hereby agrees to award variable remuneration components for 2020 in the amount exceeding 100% of fixed remuneration components as follows:

- a) Mr. Omar Arnaout - variable components of remuneration in the amount of PLN 1,000 thousand;
- b) Mr. Filip Kaczmarzyk - variable components of remuneration in the amount of PLN 700 thousand;
- c) Mr. Paweł Szejko - variable remuneration components in the amount of PLN 500 thousand.

§2

The Resolution shall come into force on the day it has been passed.

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**Report concerning the activity of the X-Trade Brokers DM S.A.'s ("Company", "XTB")
Supervisory Board in 2020**

I. Composition of the Supervisory Board and its Committees

1. Between 1 January 2020 and 31 December 2020 the Supervisory Board proceeded in the following composition:

- a) Mr. Jakub Leonkiewicz – Chairman of the Supervisory Board;
- b) Mr. Grzegorz Grabowicz – Member of the Supervisory Board;
- c) Mr. Łukasz Baszczyński – Member of the Supervisory Board;
- d) Mr. Bartosz Zabłocki – Member of the Supervisory Board;
- e) Mr. Jarosław Jasik – Member of the Supervisory Board.

2. Between 1 January 2020 and 31 December 2020 the Compensation Committee proceeded in the following composition:

- a) Mr. Jakub Leonkiewicz – Chairman of the Compensation Committee;
- b) Mr. Grzegorz Grabowicz – Member of the Compensation Committee;
- c) Mr. Łukasz Baszczyński – Member of the Compensation Committee;
- d) Mr. Bartosz Zabłocki – Member of the Compensation Committee;
- e) Mr. Jarosław Jasik – Member of the Compensation Committee.

3. Between 1 January 2020 and 31 December 2020 the Nomination Committee proceeded in the following composition:

- a) Mr. Jakub Leonkiewicz – Chairman of the Nomination Committee;
- b) Mr. Grzegorz Grabowicz – Member of the Nomination Committee;
- c) Mr. Łukasz Baszczyński – Member of the Nomination Committee;
- d) Mr. Bartosz Zabłocki – Member of the Nomination Committee;
- e) Mr. Jarosław Jasik – Member of the Nomination Committee.

4. Between 1 January 2020 and 31 December 2020 the Risk Management Committee proceeded in the following composition:

- a) Mr. Jakub Leonkiewicz – Chairman of the Risk Management Committee;
- b) Mr. Grzegorz Grabowicz – Member of the Risk Management Committee;
- c) Mr. Łukasz Baszczyński – Member of the Risk Management Committee;
- d) Mr. Bartosz Zabłocki – Member of the Risk Management Committee;
- e) Mr. Jarosław Jasik – Member of the Risk Management Committee.

5. Between 1 January 2020 and 31 December 2020 the Audit Committee proceeded in the following composition:

- a) Mr. Grzegorz Grabowicz – Chairman of the Audit Committee;

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- b) Mr. Jakub Leonkiewicz – Member of the Audit Committee;
- c) Mr. Łukasz Baszczyński – Member of the Audit Committee;
- d) Mr. Bartosz Zabłocki – Member of the Audit Committee;
- e) Mr. Jarosław Jasik – Member of the Audit Committee.

II. Supervisory Board Committees

As part of the Supervisory Board operates the Compensation Committee, the Nomination Committee and the Risk Management Committee, which tasks are performed in a collective manner by the Supervisory Board pursuant to the resolution of the General Meeting.

Moreover, the Company has appointed the Audit Committee which operates as a separate committee.

III. Members of the Supervisory Board fulfilling the criteria of independence

Pursuant to the Articles of Association, from the Date of First Listing, at least one member of the Supervisory Board should the criteria of independence specified in § 20 section 2 of the Articles of Association (the “**Independent Member**”). If in any term of office, there are at least 7 (seven) members of the Supervisory Board, at least two of them should be Independent Members, and in the case of the Supervisory Board composed of 9 (nine) members, at least three of them should be Independent Members.

Pursuant to the Articles of Association, as long as the company is an entity of public interest, within the meaning of the Act on Auditors, at least one member of the Supervisory Board should meet the criteria of independence as defined in article 86 item 5 of the Act on Auditors and should be qualified in the field of accountancy or financial auditing. In connection with revocation of the Act on Auditors by virtue of the act of May 11, 2017 on statutory audits, audit firms and on public oversight (“Act on audits”) members of the Supervisory Board performed a review of fulfilment of the criteria of independence within the meaning of article 129 item 3 of the act of 11 May 2017 on statutory audits, audit firms and on public oversight.

The Supervisory Board performed the assessment of relationships and circumstances that may affect the fulfilment of the criteria of independence by the above-mentioned Members of the Supervisory Board.

In 2020 Łukasz Baszczyński, Grzegorz Grabowicz and Jakub Leonkiewicz fulfilled the criteria of independence pursuant to § 20 item 2 of the Articles of Association.

In 2020 Łukasz Baszczyński, Grzegorz Grabowicz and Jakub Leonkiewicz fulfilled the criteria of independence pursuant to article 129 item 3 of the Act on audits.

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Pursuant to submitted declarations, Jarosław Jasik, Grzegorz Grabowicz and Jakub Leonkiewicz possess experience in the field of accountancy or financial auditing.

6. Primary Responsibilities of the Supervisory Board

The Supervisory Board exercised in 2020, pursuant to generally applicable law, including the Act of 15 September 2000 The Commercial Companies Code and Regulations of the Supervisory Board, supervisory and audit duties, in particular:

- a) evaluation and review of the financial statements for the last financial year and evaluation of the report of the Management Board on the activities of the Company and Group for the last financial year, in terms of their compliance with accounting books and documents, as well as actual state of affairs and review of the distribution of profits or covering the losses proposed by the Management Board;
- b) submitting to the General Meeting the annual written report on the results of the review and evaluation referred to in point a);
- c) determining conditions of remuneration and employment of members of the Management Board;
- d) approving annual budgets, including the budget of the Company, the budgets of the Subsidiaries, and the consolidated budget of the capital group of the Company;
- e) appointing an independent auditor for the Company and the Subsidiaries;
- f) performing tasks of the Compensation Committee, including:
 - expressing opinion on the variable remuneration components policy, including the amount of remuneration and the components of remuneration;
 - expressing opinion on performing the variable remuneration components policy;
 - expressing opinion on and monitoring of payment of the remuneration variable components to the persons holding managerial positions responsible for risk management, internal audit and compliance of the brokerage house's activity with law;
 - determining list of the persons holding managerial positions in the Company, and;
 - approving the amount of remuneration and the components of remunerations of the persons holding managerial positions.
- g) performing tasks of the Risk Management Committee, including:
 - preparing a draft document regarding the risk appetite of a brokerage house;
 - giving opinions on the strategy of a brokerage house developed by the Management Board in the scope of risk management;
 - supporting the Supervisory Board in overseeing the implementation of the strategy of the brokerage house in the scope of risk management by the management board;
 - verification of the remuneration policy and the rules of its implementation in terms of adjustment of the remuneration system to the risk to which the brokerage house is exposed, its capital, liquidity and probability and dates of obtaining income;

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- h) granting consent to the appointment and dismissal of persons in charge of the internal audit and compliance departments of the Company;
- i) review and expressing opinion on matters to be discussed and put to a vote at the General Meeting;
- j) other legal and formal issues related to activity of the Supervisory Board.

IV. Actions taken by the Supervisory Board

The activities undertaken by the Supervisory Board were aimed at improvement of the Company's prudent and stable management, both in the financial area and its activity in compliance with applicable laws and decisions, recommendations and guidelines issued by the relevant supervisory authorities. The Supervisory Board's actions and analysis were designed to maximize its financial performance, increase its value, provide long-term growth and stability in the marketplace, and provide an effective internal risk monitoring system and possible prevention of these risks.

In 2020 the Supervisory Board held seven meetings on:

1. 6 March 2020;
2. 19 March 2020;
3. 24 April 2020;
4. 9 June 2020;
5. 17 August 2020;
6. 14 October 2020;
7. 22 December 2020.

According to the Regulations of the Supervisory Board during the calendar year at least four meetings of the Supervisory Board should be held, thus the Supervisory Board in 2020 held the meeting in accordance with the Company's internal regulations in force.

In 2020, 45 resolutions were adopted during the meetings of the Supervisory Board and by way of the circulation procedure. Most important of the adopted resolutions concerned:

1. Recommending to the General Meeting the adoption of the Remuneration Policy for Members of the Management Board and Members of the Supervisory Board;
2. Assessment of the activities of the Management Board of the Company and its individual Members in 2019 and recommendation for the General Meeting of Shareholders of the Company on granting a vote of approval to the Management Board;
3. Providing opinion on the Management Board's recommendation on the distribution of the profit for 2019;
4. Recommend to the General Meeting of Shareholders to adopt the amended Policy on verification and selection of members of the Management Board and Supervisory Board as well as Key Employees;

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5. Getting acquainted with the semi-annual Reports on the functioning of the compliance system for the second half of 2019 and the first half of 2020 and hearing information from the Compliance Officer;
6. Getting acquainted with the semi-annual Reports on the functioning of the risk management system for the second half of 2019 and the first half of 2020 and hearing the Director for Risk Management;
7. Consents to the creation of a foundation under the name of the XTB Foundation and the allocation of funds in the amount of PLN 100,000 PLN for the founding fund;
8. Assessment of transactions with related entities;
9. Expressing consent to the establishment and taking up by the Company of shares in the share capital of a subsidiary based in Ebene in the Republic of Mauritius;
10. Adoption of the Report on the Review and Assessment of the Remuneration Policy.

At the same time, the following issues were discussed at the selected Supervisory Board meetings:

- financial results achieved by the Company, in particular as regard to the Company's liquidity, level of supervised capitals, internal capital and capital adequacy ratio;
- information about the Company's financial results (per each country) in relation to the adopted budget;
- information on the Functioning of Information Technology and ICT Environment in the Company.

V. Assessment of the Management Board's report concerning the activity of the Group and the Company in 2020, financial statements for 2020 and the Management Board's proposal concerning the distribution of profit for 2020

The Supervisory Board presents the report on the results of evaluation of the following reports and conclusions of the Company for the financial year 2020:

1. Separate and consolidated financial statements of XTB for 2020

After reviewing the opinion and the auditor's report on the course and results of the audit of the Company's financial statements for 2020, the Supervisory Board agrees with the opinion of the auditor and states that the Company's financial statements for the financial year 2020 were prepared on the basis of the properly conducted accounting books, are in compliance (in form and content) with the applicable provisions of law and provide all the information relevant for the assessment of profitability and financial result in the audited period as well as the financial standing of the Company and the Group. In view of the above the Supervisory Board requests the General Meeting to approve the separate and consolidated financial statements of XTB for the financial year 2020.

2. Management Board's report concerning the activity of the Group and the Company in 2020

After the analysis and evaluation of the Management Board's report concerning the activity of the Group and the Company in 2020, the Supervisory Board states that it is in compliance with the books and documents of the Company. As a result, the Supervisory Board adopts the report and requests the General Meeting to approve it.

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At the same time, after getting acquainted with the Management Board's report concerning the activity of the Company and Group in the year 2020, the Supervisory Board requests the General Meeting to grant the vote of approval to the President of the Management Board - Mr. Omar Arnaout and the following members of the Management Board - Mr. Paweł Szejko, Mr. Filip Kaczmarzyk, Mr. Jakub Kubacki and Mr. Andrzej Przybylski for performance of their duties in the financial year 2020.

3. Assessment of the Management Board's proposal concerning the distribution of the Company's profit for 2020

After reviewing the separate and consolidated financial statements of X-Trade Brokers Dom Maklerski S.A. and the Management Board's proposal concerning the distribution of profit for 2020, as well as based on the discussion about the impact of the profit distribution proposed by the Management Board, the Supervisory Board approved the recommendation of the Management Board of 11 March 2021 and adopted a resolution on payment of the dividend from the profit gained in 2020 which amounted to PLN 418,175,946.31, in the amount of PLN 210,116,706.65, i.e. PLN 1,79 per one share, and to keep a profit of PLN 208,059,239.66 at the disposal of the Company, i.e. to transfer the indicated part to the Company's reserve capital. At the same time the Supervisory Board endorsed to the recommendation of the Management Board regarding set to dividend day on 21 April 2021 and the day of payment of the dividend on 30 April 2021. The recommendation of the Management Board is consistent with the Company's dividend policy.

VI. Assessment of the Company's situation, including assessment of the effectiveness of the operation of the following systems: risk management, compliance, internal control and internal audit

In 2020, XTB reported PLN 402 087 thousand of consolidated net profit compared to PLN 57 701 thousand profit a year earlier. Operating profit (EBIT) amounted to PLN 515 746 thousand to PLN 65 412 thousand a year earlier. Consolidated revenues amounted to PLN 797 750 thousand to PLN 239 304 thousand a year earlier. Total operating expenses amounted to PLN 282 004 thousand (in 2019: PLN 173 892 thousand).

In 2020 the retail business segment generated approximately 87% of the total volume of the Group's turnover and the institutional business segment – approximately 13%.

In 2020 XTB noted a record increase of revenues by 233,4% y/y i.e. PLN 558 446 thousand from PLN 239 304 thousand to PLN 797 750 thousand. The significant factors determining the level of revenues were high volatility on financial and commodity markets caused by among others coronavirus COVID-19 global pandemic and a constantly growing client base combined with their high transaction activity noted in the number of concluded transactions in lots. As a consequence the transaction volume in CFD instruments amounted to 3 175,2 thousand lots (2019: 1 597,2 thousand lots) and a profitability per lot increased by 67,7% y/y i.e. from PLN 149,8 in 2019 to PLN 251,2 in 2020.

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In 2020 operating expenses amounted to PLN 282,0 million and were higher by PLN 108,1 million in relation to the same period a year earlier (2019: PLN 173,9 million). The most significant changes occurred in:

- marketing costs, an increase of PLN 50,0 million mainly due to higher expenditures on marketing online campaigns;
- costs of salaries and employee benefits, an increase of PLN 33,1 million mainly due to provisions for variable remuneration components (bonuses) and an increase in employment;
- commission expenses, an increase of PLN 14,2 million as a result of larger amounts paid to payment service providers through which clients deposit their funds on transaction accounts;
- other external costs, an increase of PLN 4,8 million as a result of higher expenditures on: (i) IT systems and licenses (an increase of PLN 2,6 million y/y); (ii) IT support services (an increase of PLN 1,0 million y/y)

The Supervisory Board properly assesses the Group's situation and emphasizes that the activities are conducted adequately and effectively, and the achieved financial results place the Group at a satisfactory level.

According to the requirement specified in § 10 pt. a) of the Regulations of the Supervisory Board of X-Trade Brokers Dom Maklerski S.A. of 26 April 2016 and the Warsaw Stock Exchange (GPW) Best Practices, we present below an assessment of the effectiveness of the operation of the following systems and functions: risk management, compliance, internal control and internal audit.

1. Risk management system

The Supervisory Board is constantly monitoring the various types of risk, approving internal procedures related to the operation of the risk management system, and regularly gets acquainted with periodic reports of the Risk Management System submitted by the Head of Risk Management, who is also the Member of the Management Board regarding Risk Management system. So far, the reports that have been obtained allow us to claim that the risk management system works effectively. Also the current cooperation with the Head of Risk Management makes it possible to accurately assess the functioning of the Risk Control Department and, consequently, the Risk Management System model adopted in the Company. Therefore, the Supervisory Board assess the functioning of the risk management system in the Company as adequate and effective.

2. Compliance system

The compliance system in the Company is the responsibility of the Legal Compliance Supervision Team, which is established under the Legal and Compliance Department and directly subordinated to the Member of the Management Board for Legal Affairs, headed by the Compliance Officer. The Supervisory Board regularly receives reports on the Compliance System and approves changes to the internal procedures governing the operation of the compliance department in the Company. Therefore, the Supervisory Board assess the functioning of the compliance system in the Company as adequate and effective.

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3. Internal control system

The Internal Control Team, which is a separate entity within the Legal and Compliance Department, is responsible for proper functioning of the Company's internal control system.

Based on the received reports, the Supervisory Board assess the functioning of the internal control system in the Company as adequate and effective.

4. Internal audit system

The internal audit is performed by the Internal Audit Department, which was until 15 January 2020 was organisationally subordinated to the Member of the Management Board for Legal Affairs and starting from 15 January 2020 is organisationally subordinated to the President of the Management Board and is subordinated functionally to the Supervisory Board. The Internal Auditor is responsible for the functioning of the Department. The Supervisory Board constantly supervises the internal audit issues, approves the Audit Plan and the Audit Program, and regularly receives the Internal Audit System reports. Therefore, the Supervisory Board assess the functioning of the internal audit system in the Company as adequate and effective.

VII. Assessment of the Company's compliance with information obligations concerning the application of the corporate governance rules specified in The Warsaw Stock Exchange Rules and regulations concerning current and periodic information provided by issuers of securities

Considering the Company's obligation to comply with the information duties regarding the application of corporate governance rules under The Warsaw Stock Exchange Rules and the Regulation of the Minister of Finance of 29 February 2018 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the law of a non-member state (Journal of Laws of 2018, item 757),, the Supervisory Board submits to the General Meeting the Company's assessment of compliance with the obligation described herein.

According to point I.Z.1.13. of the "Best Practice for GPW Listed Companies 2016" the Company presents on its website a statement on the Company's compliance with the corporate governance recommendations and principles contained therein. The information identifies the reasons why the Company does not apply individual recommendations and addresses those that do not apply.

The recommendation contained in point IV.R.2. does not apply. According to this recommendation if justified by the structure of shareholders or expectations of shareholders notified to the company, and if the company is in a position to provide the technical infrastructure necessary for a general meeting to proceed efficiently using electronic communication means, the company should enable its shareholders to participate in a general meeting using such means, in particular through:

- 1) real-life broadcast of the general meeting;

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- 2) real-time bilateral communication where shareholders may take the floor during a general meeting from a location other than the general meeting;
- 3) exercise of the right to vote during a general meeting either in person or through a plenipotentiary.

The Company does not apply in a permanent manner of this recommendation because it identifies threats to the proper conduct of the General Meeting, especially legal risks, which in the opinion of the Company would exceed the potential benefits. Slight dissemination of practice of conducting the general meetings by means of electronic communication and inadequate preparation of the market may lead to increased risk of organizational and technical problems that might disrupt the proper running of the general meeting, as well as the risk of a possible undermining of the adopted resolutions of the general meeting, in particular due to technical defects. For the same reasons, the Company does not apply the rule I.Z.1.20 - an audio or video recording of a general meeting and IV.Z.2. according to which, if justified by the structure of shareholders, companies should ensure publicly available real-time broadcasts of general meetings.

Apart from the above exceptions, the Supervisory Board does not find violations of the "Best Practice for GPW Listed Companies 2016". Consequently, it correctly assesses the manner how the Company fulfills its information duties regarding the application of corporate governance rules.

VIII. Assessment of the rationality of the Company's sponsorship policy

In 2020, the Company did not carry out any significant sponsorship and charity activities.

IX. Self-assessment of the Supervisory Board's operation

In 2020, the Company's Supervisory Board held seven meetings where the current activities of the Management Board and the Company's financial activity were assessed.

All convened meetings of the Supervisory Board were held in the composition enabling adoption of valid resolutions. During the meetings the Supervisory Board considered issues arising from the provisions of the Commercial Companies Code, other provisions of the applicable law as well as from the needs of the Company's current operation.

During the discussed period, the Supervisory Board remained in regular contact with the Management Board, analysing and consulting important aspects of the Company's activity, as well as evaluating the Company's situation on an ongoing basis. Moreover, the Supervisory Board stayed in constant contact with the Company's Internal Auditor, as well as exchanged and had ongoing access to the information obtained from the Company's auditor, i.e. PricewaterhouseCoopers spółka z ograniczoną odpowiedzialnością Audyt sp.k.

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The Supervisory Board confirms that the cooperation with the Company's Management Board was correct. In addition, the Management Board has provided technical and organizational resources to enable the Supervisory Board to perform its duties correctly, has performed its reporting obligations, and information were submitted in a fair and complete manner.

In view of the above, the Supervisory Board believes that in 2020 it performed its duties in a correct manner.

on behalf of the Supervisory Board
Jakub Leonkiewicz
President of the Supervisory Board

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REPORT ON SALARIES

FOR YEARS 2019 AND 2020

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1. Introduction

This report on salaries was prepared in accordance with requirements based on art. 90g of the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organized trading and public companies and § 15 of the Remuneration Policy for Members of the Management Board and of the Supervisory Board of X-Trade Brokers Dom Maklerski S.A. of 5 March 2020, approved by the General Meeting of X-Trade Brokers Dom Maklerski S.A. on 20 April 2020 (“The Remuneration Policy”).

2. Total remuneration of Members of the Management Board and the Supervisory Board

Remuneration components for Members of the Management Board and the Supervisory Board of the Company for year 2019 and 2020 were paid in a transparent manner in accordance with the Remuneration Policy applied by the Company.

Remuneration of Members of the Management Board

The remuneration model of Members of the Management Board of X-Trade Brokers Dom Maklerski S.A. (“the Company”, “XTB”) includes fixed and variable remuneration and nonmonetary benefits. The rules and amounts of remuneration of Members of the Management Board of the Company are determined by the Supervisory Board.

Fixed remuneration of Members of the Management Board

The fixed remuneration, being a part of the total remuneration of Members of the Management Board, corresponds with the type of work performed by individual Members of the Management Board and their qualifications to perform this work, the assessment and quality of the work performed. In determination of the fixed remuneration, Members of the Supervisory Board take into account the situation on the local labor market, to make sure that the remuneration level does not encourage the Management Board Members to take excessive risk in order to obtain the variable remuneration component.

Variable remuneration of Members of the Management Board

Variable remuneration of Members of the Management Board consists of an annual bonus, depending on achievement of management objectives. Variable remuneration depends on results achieved by individual Members of the Management Board, as well as on results achieved by the Company.

Nonmonetary benefits on behalf of Members of the Management Board

The remuneration consisting of nonmonetary benefits granted to Members of the Management Board, which is available also to other employees of the Company, includes, among other things, the possibility of using equipment of the Company, such as the company car, computer, telephone, access to industry-specific press and literature, other nonmonetary benefits, including the multi-sport card, private health care, insurance and possibility of participating in trainings.

The table below presents the total remuneration payable to Members of the Management Board for year 2019 and 2020 by component, as well as the proportions of these remuneration components. In year 2019 and 2020, Members of the Management Board of the Company received remuneration on the basis of contracts of employment.

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in thousand PLN	Year	Fixed remuneration		Variable remuneration	Total remuneration	Proportion between fixed and variable remuneration	Pension schemes (PPK)	Total remuneration including pension scheme
		Gross base salary	Nonmonetary benefits	Variable components to be paid*				
Arnaout Omar President of the Management Board since 23.03.2017	2020	720	2	1 000	1 722	138,50%	15	1 737
	2019	479	6	249	734	51,34%	1	735
Kaczmarzyk Filip Member of the Management Board since 10.01.2017 Director of the Trading Department	2020	476	7	700	1 183	144,93%	10	1 193
	2019	419	6	228	653	53,65%	1	654
Kubacki Jakub Member of the Management Board since 10.07.2018 Director of the Legal Department	2020	360	7	360	727	98,09%	-	727
	2019	295	12	107	414	34,85%	-	414
Przybylski Andrzej Member of the Management Board since 01.05.2019 Director for Risk Affairs	2020	360	4	180	544	49,45%	-	544
	2019	224	3	150	377	66,08%	-	377
Szejko Pawel Member of the Management Board since 28.01.2015 Financial Director	2020	384	4	500	888	128,87%	9	897
	2019	360	10	171	541	46,22%	1	542

* At least 40% of the variable remuneration component paid in form of a Financial Instrument is settled and paid in the period of three to five years, provided that this period is determined considering the business cycle, the nature and risk of activity conducted and obligations of this person. If the total remuneration amount of this person in the previous financial year exceeds the equivalent in Polish zlotys of the amount of EUR 1,000,000 according to the exchange rate published by the National Bank of Poland, applicable on the last day of the previous year, the above applies to 60% of the variable remuneration components.

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Remuneration of Members of the Supervisory Board

The remuneration model of Members of the Supervisory Board of the Company includes a fixed remuneration and nonmonetary benefits. The rules and amount of remuneration of Members of the Supervisory Board are defined by the General Meeting through a resolution.

Fixed remuneration of Members of the Supervisory Board

Remuneration awarded to Members of the Supervisory Board in accordance with the Remuneration Policy applied by the Company is divided into three thresholds, that is, the remuneration of the Chairman of the Supervisory Board, the remuneration of Members of the Supervisory Board, who at the same time are members of at least one of the committees in the Supervisory Board and remuneration of the remaining Members of the Supervisory Board, who perform no functions in committees of the Supervisory Board. The remuneration awarded by the Company to Members of the Supervisory Board thus reflects their supervision functions, as well as their work in the committees. In year 2019 and 2020, all Members of the Supervisory Board performed functions in committees of the Supervisory Board.

Nonmonetary benefits of Members of the Supervisory Board

The remuneration consisting of nonmonetary benefits granted to Members of the Supervisory Board, which is available also to other employees of the Company, includes, among other things, the possibility of using equipment of the Company, such as the company car, computer, telephone, access to industry-specific press and literature, other nonmonetary benefits, including the multi sport card, private health care, insurance and possibility of participating in trainings.

The table below presents the total remuneration payable to Members of the Supervisory Board for year 2019 and 2020 by component, as well as the proportions of these remuneration components. In year 2019 and 2020, Members of the Supervisory Board of the Company received a remuneration on the basis of the relationship of appointment. The amount and rules of payment of remuneration to Members of the Supervisory Board have been determined by the Extraordinary General Meeting in resolution no. 7 of 17 October 2018.

in thousand PLN	Year	Fixed remuneration		Variable remuneration	Total remuneration	Proportion between fixed and variable remuneration	Pension schemes (PPK)	Total remuneration including pension scheme
		Gross base salary	Nonmonetary benefits	Variable components to be paid*				
Leonkiewicz Jakub	2020	2020	45	-	-	45	0,00%	1
	2019	2019	45	-	-	45	0,00%	-
Baszczyński Łukasz	2020	2020	43	-	-	43	0,00%	1
	2019	2019	43	-	-	43	0,00%	-
Jasik Jarosław	2020	2020	43	-	-	43	0,00%	1
	2019	2019	43	-	-	43	0,00%	-
Grabowicz Grzegorz	2020	2020	43	-	-	43	0,00%	1
	2019	2019	43	-	-	43	0,00%	-
Zabłocki Bartosz	2020	2020	43	-	-	43	0,00%	1
	2019	2019	43	-	-	43	0,00%	-

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3. Compliance of remuneration of Members of the Management Board and Members of the Supervisory Board with the Remuneration Policy

The total remuneration of Members of the Management Board and Members of the Supervisory Board is consistent with the Remuneration Policy of the Company and contributes to achievement of long-term objectives and results of the Company.

In accordance with the Remuneration Policy applied by the Company, the basis for determination of the total remuneration of Members of the Management Board and of the Supervisory Board in years 2019 and 2020 was assessment of effects of work of a given person and a given organizational unit with reference to overall results of the Company. Moreover, remuneration paid to Members of the Management Board and to Members of the Supervisory Board took into account the current situation of the Company. In awarding and payment of variable remuneration components, the size of the Company was taken into account, as well as its financial results, the risk related to activity of the Company, internal organization, as well as the scope and degree of complexity of activity conducted by the Company. The business strategy of operation of the Company and the capital group of the Company (“the Group”) is available on the Web page of the Company in the section “Investor relations”. The strategy of the Company and the Group is based on the following areas of development: (i) development of activity on the markets, on which the Group is present in Central and Eastern Europe and in Western Europe, (ii) expansion of international presence of the Group through expansion to new markets, including those in Latin America, Africa and Asia, (iii) development of the institutional segment of activity (X Open Hub), (iv) development of the range of products and services offered by the Group and development of new technologies and (v) development through mergers and takeovers, which are attractive for the Group, as well as joint ventures. The total remuneration of Members of the Management Board consists of fixed and variable remuneration. Fixed remuneration is the basic remuneration component, which warrants implementation of strategy of the Company and the Group by the Management Board Members, while variable remuneration is a motivating factor, encouraging them to effectively achieve the strategic objectives.

Remuneration of Members of the Management Board and Members of the Supervisory Board in year 2019 and 2020 took into account the objectives specified in the Remuneration Policy. The factors taken into consideration in determination of the remuneration amounts included implementation of the business strategy in the activity of the Company, long-term interests defined by the Company and maintaining of stability of the Company.

4. The criteria based on results

According to the Remuneration Policy of the Company, Members of the Management Board subject to the Remuneration Policy received a variable remuneration for years 2019 and 2020 in form of an annual bonus depending on achievement of management objectives. For each Member of the Management Board, this remuneration was individually dependent on results achieved by individual Members of the Management Board, as well as on results achieved by the Company.

The variable remuneration amount was each time specified in a resolution of the Supervisory Board, authorized to determine this amount. The proper information concerning the objectives defined for each Member of the Management Board and the principles of assessment of compliance with these objectives was delivered to individual Members of the Management Board until the end of the 1st quarter of year 2019 and the 1st quarter of year 2020, respectively.

Financial and non-financial criteria were applied to assessment of results of individual Members of the Management Board. The financial criteria taken into account in assessment of individual results included: (i) implementation of the budget of the Company and the Group, (ii) implementation of the budget of the organizational unit, for which a given Member of the Management Board is responsible, and (iii) completion of tasks generating additional and unplanned revenues or savings, taking into account the risk related to performance of such tasks. The non-financial criteria, which were taken into account in assessment of individual results, included (i) participation in activities influencing the reputation of the Company, (ii) timeliness of performance of tasks assigned to individual Members of the Management Board, (iii) approach to risk and (iv) implementation of strategies in the supervised areas.

Assessment of individual results was based on data for at least the last three financial years, and in the case of Members of the Management Board, who have worked for the Company for less than three years - on data from the moment of establishing of the employment relationship, to make sure that the actual payment of remuneration components depending on results of the Company is distributed over a

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period, which takes into account the business cycle and the risk related to activity of the Company. In addition, the structure and amount of variable remuneration components in relation to total remuneration does not encourage the MB Members to engage in short-term and risky activities.

5. Changes to the remuneration of Members of the Management Board and Members of the Supervisory Board, results of the Company and average remuneration of the Company employees

The table presented below includes information on changes in remuneration of Members of the Management Board and Members of the Supervisory Board on an annual basis, results of the Company and average remuneration of employees of the Company other than Members of the Management Board and of the Supervisory Board in the period of at least 5 last financial years.

Annual change in thousand PLN	2014	2015	2016	2017	2018	2019	2020
Remuneration of Members of the Management Board							
Arnaout Omar President of the Management Board (since 23.03.2017)	-	-	-	661	831	735	1 737
Kaczmarzyk Filip Member of the Management Board (since 10.01.2017)	-	-	-	602	748	654	1 193
Kubacki Jakub Member of the Management Board (since 10.07.2018)	-	-	-	-	153	414	727
Przybylski Andrzej Member of the Management Board (since 01.05.2019)	-	-	-	-	-	377	544
Szejko Paweł Member of the Management Board (since 28.01.2015)	-	531	302	480	609	542	897
Former Members of the Management Board	2 822	2 364	1 089	998	242	-	-
Total remuneration of Members of the Management Board	2 822	2 895	1 391	2 741	2 583	2 722	5 098
Remuneration of Members of the Supervisory Board							
Leonkiewicz Jakub Chairman of the Supervisory Board	-	-	31	18	33	45	46
Baszczyński Łukasz Member of the Supervisory Board	3	-	17	15	22	43	44
Jasik Jarosław Member of the Supervisory Board	5	-	17	18	22	43	44
Grabowicz Grzegorz Member of the Supervisory Board	-	-	-	-	6	43	44
Zabłocki Bartosz Member of the Supervisory Board	-	-	12	18	22	43	44
Former Members of the Supervisory Board	5	-	5	-	14	-	-
Total remuneration of Members of the Supervisory Board	13	-	82	69	119	217	222
Average annual remuneration converted to full-time equivalents							
Employees of the Company (all or a comparative group)	124	135	149	139	144	144	180
Company result	77 493	115 021	73 001	87 396	90 898	54 145	418 373

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Annual change in thousand PLN	2015 vs 2014	2016 vs 2015	2017 vs 2016	2018 vs 2017	2018 vs 2019	2019 vs 2020
Change in remuneration of Members of the Management Board	73	-1 504	1 350	-158	139	2 376
Change in remuneration of Members of the Management Board expressed as a percentage	3%	-52%	97%	-6%	5%	87%
Remuneration of Members of the Supervisory Board	-13	82	-13	50	98	5
Remuneration of Members of the Supervisory Board expressed as a percentage	-100%	100%	-16%	72%	82%	2%
Remuneration of Company employees	11	14	-10	5	-	36
Remuneration of Company employees expressed as a percentage	9%	10%	-7%	4%	0%	25%
Result of the Company	37 528	-42 020	14 395	3 502	-36 753	364 228
Result of the Company expressed as a percentage	48%	-37%	20%	4%	-40%	673%

6. Remuneration amount from entities belonging to the Group

In year 2019 and 2020, Members of the Management Board and of the Supervisory Board received no remuneration from entities belonging to the capital group of the Company.

7. Financial instruments awarded or offered to Members of the Management Board

The table below contains information on variable remuneration components awarded or offered to Members of the Management Board in year 2019 and 2020, that is, the number of financial instruments awarded or offered to Members of the Management Board in year 2019 and 2020 and the main conditions of performance of rights based on these instruments, that is, the price and date of implementation and change of financial instruments.

	Share price	Arnaut Omar	Kaczmarzyk Filip	Kubacki Jakub	Przybylski Andrzej	Szejko Pawel
Number awarded in 2019 for 2018	4,35	349,755	319,776	149,895	-	239,832
Date of awarding of financial instruments in 2019 for 2018		18-04-2019	18-04-2019	18-04-2019	-	18-04-2019
Number awarded in 2020 for 2019	3,64	68,5289	62,655	-	-	-
Date of awarding of financial instruments in 2020 for 2019		24-04-2020	24-04-2020	-	-	-

A Member of the Management Board, who has been awarded property rights executed through a financial settlement (synthetic stocks) as a part of their variable remuneration, may submit the first call to provide the monetary benefit to the Company after the day it was granted, that is, after the date of signing of the contract for execution of a derivative financial instrument. Another call may be submitted 12 months later, and the third call - 24 months after conclusion of the contract for the derivative financial instrument. Subsequent calls may be made 36 months after conclusion of the contract for a derivative financial instrument. The value of each synthetic stock is equal to the price of the share of the Company upon closing of the trading day at the Warsaw Stock Exchange on the 7th day after the date of publication of the report containing the consolidated financial statement of the Company for the previous financial year, and if no such price is listed on this date, it is equal to the first closing date published by the WSE after this date. The value of each synthetic stock is fixed over time.

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8. Reimbursement of variable remuneration components

In accordance with the provisions of domestic law in force, variable remuneration components should be awarded or paid taking into account the financial condition of the brokerage house, and when it is justified - taking into account the financial results of the brokerage house or results achieved by the organizational unit, in which a given person performed their function. At the same time, the brokerage house may limit, suspend or refuse to make the payment or to execute the variable remuneration components in whole or in part, when the brokerage house has recorded losses.

In accordance with the principles regulating variable remuneration components at the Company, the Member of the Management Board entitled to variable remuneration components cannot make a call for repurchase of financial instruments in a given financial year, if the approved financial statement of the Company for the previous financial year recorded a loss at the consolidated level. In the case of occurrence of the event referred to in the previous sentence, submission of a call is not possible until the value of loss incurred by the Company, increased by the potential further losses, has been covered with reserves from retained earnings from the previous years or balanced with the value of further profits of the Company.

In year 2019 and 2020, the Company did not submit a demand for reimbursement of variable remuneration components awarded to individual Members of the Management Board.

9. Information on departures from the procedure of implementation of the Remuneration Policy, including a clarification of the reasons and mode of such departures and indication of components, to which such departures were applied.

In year 2019 and 2020, the Company made no departures from the procedure of implementation of the Remuneration Policy.

Warsaw, 9 March 2021

on behalf of the Supervisory Board

Jakub Leonkiewicz

Chairman of the Supervisory Board

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**REMUNERATION POLICY FOR MEMBERS OF THE MANAGEMENT BOARD AND
MEMBERS OF THE SUPERVISORY BOARD
X-Trade Brokers Dom Maklerski S.A.**

dated 24 February 2021

This document, hereinafter referred to as the Remuneration Policy, sets out the rules for remuneration of Members of the Management Board and Members of the Supervisory Board of X-Trade Brokers Dom Maklerski S.A. The legal basis for this Policy are the provisions of the Act on Public Offering.

I. Definitions

§1

Whenever referred to herein:

- (a) Member of the Supervisory Board – shall mean a Member of the Supervisory Board of the Company;
- (b) Member of the Management Board – shall mean a Member of the Management Board of the Company;
- (c) Group – shall mean the Company, the Branch Offices and the Subsidiaries;
- (d) Financial Instruments – shall mean derivative instruments whose value is linked to the financial standing of the Company;
- (e) Remuneration Committee – shall mean the remuneration committee of the Company;
- (f) Branch Offices – shall mean foreign branch offices of the Company;
- (g) Remuneration Policy – shall mean this remuneration policy for Members of the Management Board and Members of the Supervisory Board;
- (h) Supervisory Board – shall mean the Supervisory Board of the Company;
- (i) Company – shall mean X-Trade Brokers Dom Maklerski S.A.;
- (j) Subsidiaries – shall mean of the subsidiaries of the Company;
- (k) Remuneration Report – shall mean the report on remuneration containing a summary of remunerations received by particular Members of the Management Board and Members of the Supervisory Board or due to particular Members of the Management Board and Members of the Supervisory Board in the last financial year, in accordance with § 16 of this Remuneration Policy;
- (l) Statutes – shall mean the statutes of the Company;
- (m) Act on Trading – shall mean the Act of 29 July 2005 on Trading in Financial Instruments, as amended;
- (n) Act on Public Offering – shall mean the Act of 25 July 2005 on Public Offering, Conditions for Introducing Financial Instruments to Organised Trading and Public Companies, as amended;
- (o) General Meeting – shall mean the general meeting of shareholders of the Company;

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- (p) Management Board – shall mean the management board the Company.

II. General

§2

- 1) The Management Board prepares, implements and updates this Remuneration Policy.
- 2) The Remuneration Committee expresses opinions on this Remuneration Policy
- 3) The Supervisory Board approves this Remuneration Policy and supervises the implementation hereof.
- 4) This Remuneration Policy is subject to approval by a resolution of the General Meeting adopted by simple majority of votes.
- 5) Each year, the Supervisory Board reviews the application of the Remuneration Policy and prepares a Remuneration Report.

§3

The purposes of the Remuneration Policy are:

- 1) to carry out the business strategy adopted by the Company;
- 2) to achieve the long-term interests assumed by the Company; and
- 3) to maintain the stability of the Company.

§4

The purposes mentioned in §3 above are achieved through:

- 1) establishing and adopting clear, stable and predictable rules for establishing legal relations with Members of the Management Board and Members of the Supervisory Board, as well as the principles related to remuneration of the Members of the Management Board and Members of the Supervisory Board, as well as complying with these rules;
- 2) depending the amount of variable remuneration components on the results achieved by individual Members of the Management Board and the results achieved by the Company and the Group, and therefore encouraging the Members of the Management Board to the implementation of the Company's strategy; and
- 3) supervising the implementation of the Remuneration Policy by the Supervisory Board and participation of the General Meeting in the process of adopting and controlling the implementation of the rules set out in this Remuneration Policy.

§5

- 1) The Company's business strategy is published on the Company's website in the "Investor Relations" section.
- 2) The grounds for determining the total amount of the remuneration of Members of the Management Board and Members of the Supervisory Board shall be the assessment of the

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performance of the given person and of the organisational unit in reference to the general performance of the Company and the Group.

- 3) Remuneration paid to the members of the Management Board and Members of the Supervisory Board shall take into account the current situation of the Company.

III. Remuneration structure

§6

- 1) The remuneration model for Members of the Management Board covers fixed pay, variable pay and non-cash benefits.
- 2) The remuneration model for Members of the Supervisory Board covers fixed pay and non-cash benefits.
- 3) The components of remuneration for Members of the Management Board and Members of the Supervisory Board shall be paid in a transparent manner which ensures effective implementation of the Remuneration Policy.
- 4) While determining the rules for remuneration for Members of the Management Board and Members of the Supervisory Board, the rules for remuneration for all the employees of the Company shall be taken into account, including the benefits granted by the Company to all employees of the Company. Moreover, the situation on the labour market shall be analysed, as well as market remuneration in the companies which act in a similar scale and specific as the Company or have a similar object activity as the Company. In case of determining the remuneration of the Members of the Management Board and Members of the Supervisory Board the scope of responsibility, potential risks and specific of the area supervised by the particular Member of the Management Board or Members of the Supervisory Board shall be analysed.

§7

- 1) Members of the Management Board shall be paid remuneration under their employment contracts or under appointment relationship.
- 2) Employment contracts with Members of the Management Board are concluded for an indefinite period of time and may be terminated by either party of the contract with the statutory notice period. The termination is required to be made in writing under pain of invalidity. Moreover, the parties of the contract may terminate the contract without the notice period according to the binding law provisions, this is by an agreement of the parties or by a declaration of one of the parties without notice.
- 3) The rules for and amount of the remuneration of Members of the Management Board shall be determined by the Supervisory Board.

§8

- 1) Members of the Supervisory Board shall be paid remuneration under the appointment relationship, namely in respect of their holding the office in the Supervisory Board. Members of the Supervisory Board are appointed for a common term of office of three years.

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- 2) Members of the Supervisory Board are appointed and removed in accordance with rules described in § 15 of the Statutes:
 - a) Jakub Zabłocki shall have the right to appoint and remove 1 (one) member of the Supervisory Board holding the office of the President of the Supervisory Board, in the form of a written statement appointing or removing the President of the Supervisory Board served on the Company; the said right consisting another manner of appointing a member of the Supervisory Board in the meaning of Article 385 § 2 of the Act dated 15 September 2000 (with amendments) Commercial Companies Code vests in Jakub Zabłocki as long as via his controlled entities in the meaning of the Accountancy Act dated 29 September 1994 (with amendments) jointly with such entities or personally he holds shares in the Company representing at least 33% of the total number of votes at the General Meeting. With reference to right mentioned in the previous sentence, Jakub Zabłocki shall be entitled to remove only that member of the Supervisory Board whom he previously appointed or who was co-opted by the Supervisory Board or appointed by the General Meeting in accordance with § 15 section 6 of the Statutes. If Jakub Zabłocki loses his right due to reduction of his share in the total number of votes at the General Meeting below the threshold of 33% of the total number of votes at the General Meeting, then the General Meeting shall be entitled to remove the member of the Supervisory Board appointed by Jakub Zabłocki;
 - b) the remaining members of the Supervisory Board shall be appointed and removed by the General Meeting.
- 3) The rules for and amount of the remuneration of Members of the Supervisory Board shall be determined by the General Meeting.
- 4) There are three thresholds of remuneration granted to the Members of the Supervisory Board:
 - a) remuneration of the Chair of the Supervisory Board;
 - b) remuneration of Members of the Supervisory Board who simultaneously act as a member of at least one committee of the Supervisory Board; and
 - c) remuneration of other Members of the Supervisory Board who do not hold any office in a committee of the Supervisory Board.

§9

- 1) If the entire remuneration is divided into fixed components and variable components, the fixed components shall constitute a portion of the total remuneration which is high enough to enable flexible policy regarding the variable remuneration components, including reduction or non-payment of such components.
- 2) Subject to point 3) below, the proportion of the variable remuneration components to the fixed remuneration components must not exceed 100% for each Member of the Management Board.
- 3) Subject to consent from the General Meeting, a higher maximum relation of the variable remuneration components to the fixed remuneration components may be applied, but no higher than 200%. The consent referred to in the previous sentence shall be expressed in the form of a resolution adopted by a majority of 2/3 of votes in the presence of persons representing at least half of the share capital, or if quorum is not present, the resolution shall be adopted by a majority of 3/4 of votes.

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Fixed components of the remuneration

§10

- 1) Members of the Management Board and Members of the Supervisory Board, to whom this Remuneration Policy apply, shall be paid fixed remuneration for work reflecting the type of their work and the qualifications necessary in order to perform the same, taking into account:
 - a) the quantity,
 - b) the assessment, and
 - c) the quality of their work.
- 2) The fixed components of remuneration are:
 - a) the base pay, and
 - b) other benefits granted under generally applicable provisions of law.
- 3) The amount of the fixed pay shall be determined for each Member of the Management Board and each Member of the Supervisory Board individually, based on the level of the person's education, knowledge, qualifications and professional experience, the nature of the position to be held by the given person, the scope of duties and scope of responsibilities for the given position, as well as the situation on the local labour market, so that to ensure that the remuneration level does not encourage the given person to assume excessive risk in order to obtain the variable component of remuneration.

Variable components of remuneration

§11

- 1) Members of the Management Board, to whom this Remuneration Policy applies, may be paid variable pay (annual bonus on the achievement of management goals).
- 2) The variable pay for Members of the Management Board depends on the performance of particular Members of the Management Board and the performance of the Company and the Group.
- 3) The Supervisory Board is authorised to determine the amount of the variable pay for each Member of the Management Board.
- 4) In a situation where the variable components of remuneration are paid in instalments, the long-term interest of the Company shall be taken into account.
- 5) While granting or paying out the variable components of remuneration, the following shall be taken into account: the size and the financial results of the Company and the Group, the risk involved in the Company's operations, the internal organisation, as well as the scope and level of complexity of the Company's and the Group's business.

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- 6) The financial results of the Company and the Group adopted in order to determine the variable components of the remuneration should take into account the level of the risk assumed and the cost of capital and restriction of liquidity.
- 7) Members of the Management Board shall be informed about the goals and assessment rules by the end of the first quarter for which the variable components of remuneration are to be paid.
- 8) The performance assessment shall be based on the data for at least last three financial years, and for persons with less than three years of services – the data from the date of commencement of employment, to ensure that the actual payment of the Company and the Group performance-related components of remuneration covers a period which takes into account the business cycle and risk involved in the Company's and the Group's business.
- 9) While assessing the individual performance, both financial and non-financial criteria shall be taken into account.
- 10) The financial criteria referred to in point 9) above may include, but are not limited to:
 - a) implementation the organisational unit's budget,
 - b) performance of tasks which bring additional unplanned revenues or savings, taking into account the risk involved in the performance of such tasks,
 - c) contributing to losses which objectively could have been prevented – as a negative assessment factor.
- 11) The non-financial criteria referred to in point 9) above may include, but are not limited to:
 - a) participation in activities which affect the Company's reputation – as a positive or a negative assessment factor,
 - b) a failure to meet the expectations regarding competences – as a negative assessment factor,
 - c) timely performance of assigned tasks, taking into account the objective conditions in which they are performed,
 - d) attitude to risk,
 - e) implementation of the strategy in the supervised areas, and
 - f) active participation or initiative in the area of business social activities.
- 12) The guaranteed variable components of remuneration, which are not subject to relevant provisions regarding variable components of remuneration, are of exceptional nature, may be granted only at the moment of entering into the employment relationship and are limited to the first year of employment only.
- 13) The persons who are subject to the Remuneration Policy are obliged not to use personal hedging strategies or insurance regarding remuneration and liability in order to challenge the consequences of risk in the remuneration system which applies to them.

§12

- 1) The amount of the variable components of remuneration granted must not restrict the Company's ability to increase its capital base.

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- 2) The amount of the variable components of remuneration may be reduced, and the payment thereof may be suspended, if the Company shows permanent balance sheet loss.
- 3) Remuneration for earlier termination of the contract should reflect the work volume, productivity and quality over at least the last three years of holding the given office with the Company, and if the person has held the office for a period shorter than three years – for the period from the moment the person took over the office. The rules regarding such payments should be formulated in a manner which prevents remunerating poor performance, taking into account the basis and criteria described above.
- 4) At least 40% of the variable components of remuneration shall depend on the performance of the given person and shall take into account the risk of operations of the Company.
- 5) At least 50% of the variable components of remuneration shall be granted in the form of Financial Instruments. This provision shall not apply to the variable components of remuneration if their total value in the given year does not exceed 50% of the fixed pay.
- 6) At least 40% of the variable component of remuneration paid in the form of a Financial Instruments as referred to in point 5) shall be settled and paid within a period of from three to five years, whereas such a period shall be determined taking into account the business cycle, the nature of and risk involved in the business and the obligations of the given persons. If the total amount of the remuneration of the given person in the previous financial year exceeded the Polish zloty equivalent of 1,000,000 euro determined at the average exchange rate published by the National Bank of Poland applicable on the last day of the previous year, the above shall apply to 60% of the variable components of remuneration.
- 7) The rights under the Financial Instruments referred to in points 5) and (6) above must not be transferred to a third party or encumbered in favour of a third party. The rights under the Financial Instruments shall be exercised by demanding the Company to fulfil payment obligation of a specified value.
- 8) The demand referred to in point 7) may be filed no more than once in a given calendar year.
- 9) The demand referred to in point 7) above must not be filed before the General Meeting approves the financial statements of the Company for the financial year preceding the year in which the demand is filed. Simultaneously, the Member of the Management Board must not file the demand in a given year if the approved financial statements of the Company for the immediately preceding financial year show loss at the consolidated level. In the event referred to in the preceding sentence, it is not possible to file the demand until the value of the loss suffered by the Company plus any consecutive losses is not offset with the value of consecutive profits of the Company.

Non-cash benefits

§13

Members of the Management Board and Members of the Supervisory Board to whom this Remuneration Policy applies, receive or may receive remuneration in the form of non-cash benefits which are available to other employees of the Company, including *inter alia*:

- (a) the possibility of using the Company's equipment, including Company car, computer, telephone,
- (b) access to trade literature and press,
- (c) additional fringe benefits, including a multisport card, private healthcare, insurances and
- (d) training.

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IV. Pension scheme and early retirement scheme

§14

- 1) The Management Board takes care that the policy regarding retirement benefits is in compliance with the business strategy, objectives and values of the Company and that it is aimed at ensuring special attention to the Company's interest in a long-term perspective.
- 2) The Company does not operate any early retirement schemes or additional pension schemes.
- 3) A Member of the Management Board who is a party to a terminated contract for provision of work and has reached the retirement age, shall be obliged not to dispose of the Financial Instruments for a period of five years from the date of termination of the contract under which they provided work.

V. Avoidance of conflict of interest

§15

- 1) This Remuneration Policy is aimed at guaranteeing identification and mitigation of any possible conflict of interest relating to remuneration for Members of the Management Board and Members of the Supervisory Board.
- 2) The decision-making process with regard to granting remuneration is transparent and multi-level. The performance assessment rules which are functioning in the Company are clear and transparent. Competences related to the adoption, application and control of the realization of the rules specified in the Remuneration Policy are divided into particular bodies of the Company.
- 3) In case when any Member of the Management Board or Member of the Supervisory Board becomes aware of the occurrence or possible occurrence of a conflict of interest related to the remuneration, relevant information on the occurrence of the conflict should be provided to the Company. In the event of the situation referred to in the previous sentence, the Supervisory Board is obliged to take all actions to eliminate or prevent the identified conflict of interest.

VI. Remuneration reports

§16

- 1) Each year, the Supervisory Board shall prepare the Remuneration Report which shall set out the comprehensive review of remuneration, including all the benefits in whatever form, received by particular Members of the Management Board and Members of the Supervisory Board or due to particular Members of the Management Board and Members of the Supervisory Board in the previous financial year, in accordance with this Remuneration Policy.
- 2) Members of the Supervisory Board shall be liable for the information contained in the Remuneration Report.
- 3) The Remuneration Report shall specify in particular the following:

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- a) the amount of the total remuneration split into components, as well as the proportions of such remuneration components;
 - b) the clarification of the manner in which the total remuneration is in compliance with the adopted Remuneration Policy, including the manner in which it contributes to achieving the Company's long-term performance;
 - c) information about the manner in which the performance criteria are applied;
 - d) information about changes in the remuneration over the year, the Company's performance and the average remuneration of the Company's employees who are not Members of the Management Board or members of the Supervisory Board, in the period of at least last five financial years, in aggregate, in a manner enabling comparison;
 - e) amount of remuneration from Group members;
 - f) the number of Financial Instruments granted or offered and the key terms and conditions for exercising the rights under the Financial Instruments, including the price and date of the exercise and change thereto;
 - g) information about using the possibility of demanding refund of the variable components of remuneration; and
 - h) information regarding deviations from the procedure of implementation of the Remuneration Policy, including clarification of the reasons and mode, as well as specification of the elements, to which the deviations pertained.
- 4) The first Remuneration Report shall be prepared for the years 2019 and 2020 collectively.
 - 5) Information regarding the financial years for which the Supervisory Board was not obliged to prepare the Remuneration Report may be quoted based on estimates.
 - 6) The Remuneration Report shall not include personal data of Members of the Management Board and Members of the Supervisory Board.
 - 7) If the remuneration of Members of the Management Board and the Member of the Supervisory Board comprises cash or non-cash benefits granted for their family members, the Remuneration Report shall contain information about the value of such benefits. A family member shall include a spouse, a descendant, an ascendant, a brother, a sister, a relative by affinity in the same line or the same degree, a person in the adoption relationship and such a person's spouse, as well as spouse equivalent.
 - 8) The General Meeting shall adopt a resolution expressing an opinion on the Remuneration Report. Resolution mentioned in the previous sentence has an advisory nature.
 - 9) The Remuneration Report shall contain clarification as how the resolution referred to in paragraph (8) above was taken into account in that Remuneration Report.
 - 10) The Company shall publish the Remuneration Report on its website and shall make the same available free of charge for a period of at least 10 years after end of the proceedings of the General Meeting.
 - 11) The Remuneration Report shall be subject to assessment by the certified auditor in respect of the information contained therein and required under points 1) – 6) and point 10) above.

VII. Final provisions

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§17

- 1) In cases not governed by this Remuneration Policy, other internal regulations of the Company and generally applicable provisions of law, including the Act on Trade and the Act on Public Offering, shall apply.
- 2) Each material change to the Remuneration Policy shall require a resolution of the General Meeting.
- 3) A resolution of the General Meeting regarding the Remuneration Policy shall be adopted no less than once in four years.
- 4) Remuneration of Members of the Management Board and Members of the Supervisory Board shall be determined on the basis of this Remuneration Policy.
- 5) This Remuneration Policy is published on the Company's website.

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