



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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