



**Recommendation concerning the increase of the ratio of variable remuneration components to fixed remuneration components to the draft resolution of the Annual General Meeting of Shareholders of X-Trade Brokers Dom Maklerski Spółka Akcyjna with its registered office in Warsaw of 12 April 2021 on approval of payment of variable remuneration components in excess of 100% of fixed remuneration components**

Acting pursuant to Article 32 of the Regulation of the Minister of Development and Finance dated 25 April 2017 on internal capital, risk management system, supervisory assessment program and supervisory examination and evaluation, and remuneration policy in a brokerage house, the Management Board of X-Trade Brokers Dom Maklerski S.A. (the "Company") hereby recommends that the Annual General Meeting adopts a resolution approving application of higher maximum ratio of variable remuneration components to fixed remuneration components not exceeding 200% in case of Mr. Omar Arnaut - the President of the Management Board of the Company, Mr. Filip Kaczmarzyk - Member of the Management Board of the Company and Mr. Pawel Szejko - Member of the Management Board of the Company. The recommendation of the Management Board is in line with § 8 of the Company's Remuneration Policy for Members of the Management Board and Supervisory Board dated 5 March 2020. The recommended application of a higher maximum ratio of variable remuneration components to fixed remuneration components is justified by the level of net profit generated by the Company and the Group in 2020, as well as by the good financial and liquidity condition of the Company and the Group.

The Management Board recommends to the Annual General Meeting to grant the variable remuneration components for 2020 in the amount exceeding 100% of the fixed remuneration components as follows:

- a) Mr. Omar Arnaut - variable remuneration components in the amount of PLN 1,000 thousand, which represents 138.50% of the received fixed remuneration components;
- b) Mr. Filip Kaczmarzyk - variable remuneration components in the amount of PLN 700 thousand, which constitutes 144.93% of the received fixed remuneration components;
- c) Mr. Pawel Szejko - variable remuneration components in the amount of PLN 500 thousand, which represents 128.87% of the received fixed remuneration components.

Assessment of the impact on compliance with capital adequacy standards

Awarding variable remuneration components for 2020 in the amount exceeding 100% of fixed remuneration components to Mr. Omar Arnaut, Mr. Filip Kaczmarzyk and Mr. Pawel Szejko will not adversely affect the ability of X-Trade Brokers Dom Maklerski S.A. to comply with capital adequacy standards on an individual and consolidated basis for the following reasons: (i) granting and payment of the variable remuneration components does not affect the amount of own funds, as the value of variable remuneration components was included in the result for 2020, in the provision created for this purpose, and the total result achieved by the Company is positive, (ii) postponement of payment of the awarded part of variable remuneration components does not increase capital requirements, due to the fact that this value is expressed in the Polish currency (no impact on foreign exchange risk requirements) and contractual restrictions on changes in the value of payment (imposition of upper limit of change) dependent on the stock exchange price of XTB shares.

Due to the relatively small total value of the awarded variable remuneration components, their payment will not adversely affect the Company's liquidity or its ability to meet its liabilities on an ongoing basis.