



MANAGEMENT BOARD AND SUPERVISORY BOARD REMUNERATION POLICY OF XTB S.A.

of [...]

This document, hereinafter referred to as the Remuneration Policy, lays down the rules regarding remuneration due to the Members of the Management Board and Members of the Supervisory Board of XTB S.A. The legal basis for preparation of this Policy are the provisions of the Act on Offering.

I. Definitions

§1

Whenever this Policy refers to:

- (a) Member of the Supervisory Board - it shall mean a Member of the Company's Supervisory Board;
- (b) Member of the Management Board - it shall mean a Member of the Company's Management Board;
- (c) Group - it shall mean the Company, Branches and Subsidiaries;
- (d) Financial Instruments - they shall mean derivatives the value of which is connected with the Company's financial standing;
- (e) Remuneration Committee - it shall mean the Company's Remuneration Committee;
- (f) Branches - they shall mean foreign branches of the Company;
- (g) Remuneration Policy - it shall mean this Management Board and Supervisory Board Remuneration Policy;
- (h) Supervisory Board - it shall mean the Company's Supervisory Board;
- (i) Company - it shall mean XTB S.A.;
- (j) Subsidiaries - they shall mean the Company's subsidiaries;
- (k) Remuneration Report - it shall mean the remuneration report containing a summary regarding remuneration received by individual Members of the Management Board and Supervisory Board or due to the individual Members of the Management Board and Supervisory Board in the last financial year under §16 of this Remuneration Policy;
- (l) Articles of Association - they shall mean the Company's Articles of Association;
- (m) Act on Trade - it shall mean the Act on Trade in Financial Instruments of 29 July 2005, as amended;
- (n) Act on Offering - it shall mean the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 25 July 2005, as amended;

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- (o) General Assembly - it shall mean the Company's General Assembly;
- (p) Management Board - it shall mean the Company's Management Board.

II. General Provisions

§2

- 1) The Management Board prepares, implements and updates this Remuneration Policy.
- 2) The Remuneration Committee issues an opinion on this Remuneration Policy.
- 3) The Supervisory Board approves this Remuneration Policy and supervises its application.
- 4) This Remuneration Policy is adopted under a resolution of the General Assembly adopted with simple majority of votes.
- 5) The Supervisory Board revises the application of the Remuneration Policy annually and prepares the Remuneration Report.
- 6) Compliance with the Policy is assessed at least once a year as part of the Company's internal audit. The Policy Review Report is submitted to the Supervisory Board and Remuneration Committee.

§3

The purpose of the Remuneration Policy is:

- 1) proper and effective risk management and prevention of risk exceeding the Company's risk appetite approved by the Supervisory Board;
- 2) pursuit of strategic objectives of the Company, taking into account long-term effects of actions taken by the Company;
- 3) preventing conflicts of interest, encouraging responsible running of the business activity and promoting risk awareness and cautions risk-taking;
- 4) providing the persons this Policy applies to with transparent and equal rules of remuneration for fulfilment of their duties, taking into consideration the commonly governing law and best practice in terms of counteracting discrimination and unequal treatment, including discrimination based on gender.

§4

The objectives specified in §3 above are accomplished through:

- 1) determination and adoption of clear, stable and predictable rules regarding entering into legal relationships with the Members of the Management Board and Members of the Supervisory Board, rules of remuneration of the Members of the Management Board and Members of the Supervisory Board as well as compliance with them;

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- 2) making the variable remuneration components conditional upon performance of individual Members of the Management Board and performance of the Company and Group and, thus, encouraging pursuit of the Company's strategy; and
- 3) supervision over compliance with the Remuneration Policy by the Supervisory Board and participation of the General Assembly in the process of adoption and control of compliance with the rules laid down in this Remuneration Policy.

§5

- 1) The business strategy adopted by the Company is published on the Company's website, in the "Investor Relations" section.
- 2) The basis for determination of the total remuneration of the Members of the Management Board and Members of the Supervisory Board is evaluation of the effects of work of the given person and given organisational unit in relation to the general performance of the Company and Group.
- 3) The remuneration paid to the Members of the Management Board and Members of the Supervisory Board is also based on the current situation of the Company.

III. Remuneration Structure

§6

- 1) The remuneration model for the Members of the Management Board includes fixed remuneration, variable remuneration and non-monetary benefits.
- 2) The remuneration model for the Members of the Supervisory Board includes fixed remuneration and non-monetary benefits.
- 3) The components of remuneration of the Members of the Management Board and Members of the Supervisory Board are paid in a transparent manner, ensuring effective application of the Remuneration Policy.
- 4) When determining the rules of remuneration of the Members of the Management Board and Members of the Supervisory Board, the rules of remuneration of all employees of the Company are taken into consideration, including but not limited to the benefits granted to the Company's employees by the Company. Furthermore, the situation on the labour market and market wages in companies of similar scale and specifics or whose objects of operation are similar to those of the Company are analysed. The process of determination of the remuneration of the Members of the Management Board and Members of the Supervisory Board includes an analysis of the scope of responsibility, potential risk and specifics of the area supervised by the given Member of the Management Board or Member of the Supervisory Board.

§7

- 1) The Members of the Management Board receive remuneration under contracts of employment or under the appointment relationship.

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- 2) The contracts of employment are concluded with the Members of the Management Board for an indefinite term and can be terminated by any of the parties to the contract subject to the statutory notice period. Termination must be made in writing or else shall be null and void. Furthermore, the contracts can be terminated without notice in compliance with the governing law, i.e. based on the agreement of the parties and based by the declaration of one of the parties without notice.
- 3) The rules and value of remuneration of the Members of the Management Board are determined by the Supervisory Board.

§8

- 1) The Members of the Supervisory Board receive remuneration under the appointment relationship, i.e. due to their membership in the Supervisory Board. The Members of the Supervisory Board are appointed for a joint term of three years.
- 2) The Members of the Supervisory Board are appointed and dismissed according to the following rules provided for in Article 15 of the Articles of Association:
 - a) Jakub Zabłocki shall have the right to appoint and dismiss 1 (one) member of the Supervisory Board acting in the capacity of the Chairperson of the Supervisory Board by way of a written declaration of appointment or dismissal of the Chairperson of the Supervisory Board submitted to the Company; Jakub Zabłocki shall have the above right, i.e. the right to another method of appointment of a member of the Supervisory Board within the meaning of Art. 385(2) of the Code of Commercial Companies of 15 September 2000 (as amended), as long as he holds shares of the Company representing at least 33% of the total number of votes at the General Assembly through the entities controlled by him, within the meaning of the Accounting Act of 29 September 1994 (as amended), or jointly with such entities or personally. As part of the right specified in the previous sentence, Jakub Zabłocki can dismiss only the Member of the Supervisory Board he appointed or who was co-opted by the Supervisory Board or appointed by the General Assembly according to the rules provided for in Article 15(6) of the Articles of Association. If Jakub Zabłocki loses the above personal right in connection with a decrease in the share of the total number of votes at the General Assembly below the threshold of 33% of the total number of votes at the General Assembly, the General Assembly shall be entitled to dismiss the Member of the Supervisory Board appointed by him;
 - b) other Members of the Supervisory Board are appointed and dismissed by the General Assembly.
- 3) The rules and value of remuneration of the Members of the Supervisory Board are determined by the General Assembly.
- 4) The remuneration granted to the Members of the Supervisory Board is divided into three thresholds:
 - a) remuneration of the chairperson of the Supervisory Board;
 - b) remuneration of the Members of the Supervisory Board who concurrently act as a member of at least one committee of the Supervisory Board; and

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- c) remuneration of other Members of the Supervisory Board who do not act as members of any committee of the Supervisory Board.

§9

- 1) If the total remuneration is divided into fixed and variable components, the fixed components account for a sufficiently big part of the total remuneration that enables having a flexible policy for the variable remuneration components, including through withholding, limitation, refusal to pay or exercise the variable remuneration components.
- 2) Considering the nature of the business conducted by the Company, risks connected with it an impact of the persons subject to the Policy on the Company's risk profile, the ratio of the variable remuneration components to the fixed remuneration components cannot exceed 200% in relation to each Member of the Management Board.

Other Remuneration Components

§10

- 1) The Members of the Management Board and Members of the Supervisory Board subject to this Remuneration Policy receive fixed remuneration for work taking into consideration the professional experience and scope of organisational responsibility prescribed in the job description of the Member of the Management Board and Member of the Supervisory Board as well as taking into account the following:
 - a) number,
 - b) evaluation,
 - c) quality of performed work, and
 - d) professional experience and scope of organisational responsibilities prescribed in the job descriptions of the persons subject to the Remuneration Policy.
- 2) The fixed remuneration components are:
 - a) base salary, and
 - b) other benefits granted under the commonly governing law.
- 3) The value of the fixed remuneration is set individually for each Member of the Management Board and Member of the Supervisory Board based on the given person's level of education, knowledge, qualifications and professional experience, nature of the position the given person is to be employed on. scope of duties and responsibility on the given position as well as situation on the local labour market, in such a manner that the remuneration does not discourage from taking excessive risk in order to obtain a variable remuneration component.

Variable Remuneration Components

§11

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- 1) The Members of the Management Board subject to this Remuneration Policy can receive variable remuneration (annual bonus depending on accomplishment of management objectives).
- 2) The variable remuneration of the Members of the Management Board depends on balanced and risk-adjusted performance as well as performance exceeding the scope of organisational responsibility prescribed in the job description of the Member of the Management Board as well as on the performance of individual Members of the Management Board and performance of the Company and Group.
- 3) The Supervisory Board is authorised to set the value of variable remuneration for each Member of the Management Board.
- 4) If payment of the variable remuneration components is divided into instalments, the long-term interests of the Company are taken into consideration.
- 5) When granting or paying variable remuneration components, the size and financial performance of the Company and Group, business-related risk, internal organisation as well as scope and degree of complexity of the business conducted by the Company and Group are taken into consideration.
- 6) The financial performance of the Company and Group adopted for the purpose of determination of the variable remuneration components must take into consideration the level of assumed risk, cost of capital and liquidity limitations.
- 7) The Members of the Management Board are informed about the set targets and rules of assessment by the end of the first quarter of the year for which the variable remuneration components are to be paid.
- 8) The performance assessment is based on data from at least three last financial years, and in case of persons employed for a period shorter than three years - on data from the beginning of the employment relationship, so that the actual payment of the remuneration components conditional on the performance of the Company and Group is distributed over a period representing an economic cycle and the risk connected with the business conducted by the Company and Group.
- 9) When assessing individual effects of work, both financial and non-financial criteria are considered. The financial performance of the Company adopted for the purpose of determination of the variable remuneration components must take into consideration the level of risk assumed by the Company as well as the cost of capital and need for maintenance of the relevant level of liquidity.
- 10) The financial criteria referred to in point 9) above include, without limitation:
 - a) compliance with the budget of the organisational unit,
 - b) performance of tasks yielding additional and unplanned revenues or savings, taking into consideration the risk related to performance of such tasks,
 - c) contribution to losses that could have been avoided objectively - as a negative assessment factor.
- 11) The non-financial criteria referred to in point 9) above include, without limitation:
 - a) participation in activities having effect on the Company's reputation - as a positive and negative assessment factor,

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- b) failure to meet expectations regarding competences - as a negative assessment factor,
 - c) timeliness of performance of entrusted tasks, taking into consideration the objective conditions of their performance,
 - d) approach to risk,
 - e) pursuit of strategy in the supervised areas, and
 - f) activity or initiative as part of activities related to corporate social responsibility.
- 12) The guaranteed variable remuneration components not subject to the relevant regulations regarding variable remuneration components are of extraordinary nature, can be granted only when the employment relationship is entered into and are limited to the first year of employment.
- 13) The persons subject to the Remuneration Policy are obliged not to use personal commercial strategies or remuneration and liability insurances to challenge the effects of consideration of risk in the remuneration system applicable to them.

§12

- 1) The value of granted variable remuneration components cannot limit the Company's capability to increase its capital base.
- 2) The value of variable remuneration components can be decreased and their payment withheld if the Company shows a permanent balance sheet loss.
- 3) The remuneration for early contract termination must reflect the work contribution, its efficiency and quality for the period of at least three last years of work on the given position in the Company, and in case of persons who held the given position for a period shorter than three years - from the time of taking of the given position. The rules regarding such payments must be determined in such a manner that they prevent rewarding poor performance, taking into consideration the bases and criteria specified above.
- 4) At least 40% of variable remuneration components depends on the performance of the given person and the risk related to the Company's business.
- 5) At least 50% of variable remuneration components are granted as Financial Instruments.
- 6) At least 40% of variable remuneration components are settled and paid proportionally over the period of three to five years, taking into consideration the nature and risk of the conducted business and duties of the given person, and if the amount of total remuneration of the given person in the previous financial year exceeds the equivalent of EUR 1 000 000, as determined according to the average exchange rate announced by the National Bank of Poland and effective on the last day of the prior year, at least 60% of variable remuneration components are settled and paid over that period; the variable remuneration paid based on arrangements regarding payment deferment shall be paid proportionally.
- 7) The rights from Financial Instruments referred to in points 5) and 6) above cannot be transferred to a third party or encumbered for the benefit of a third party. The rights from Financial Instruments are exercised by way of requesting the Company to provide the monetary benefit of a specific value.

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- 8) The request referred to in point 7) above can be submitted not more frequently than once per calendar year.
- 9) The request referred to in point 7) above cannot be submitted before the General Assembly approves the Company's financial statements for the financial year preceding the year in which the request is submitted. Concurrently, the Member of the Management Board cannot submit the request in the given year if the approved financial statements of the Company for the immediately preceding financial year shows a loss at the consolidated level. In the case referred to in the previous sentence, the request cannot be submitted until the value of the loss incurred by the Company, plus potential further losses, is covered by the value of future profits of the Company.
- 10) Subject to point 11) below, the provisions of points 5 and 6 as well as § 14 points 3) and 4) do not apply if at least one of the following criteria is satisfied:
 - a) if the value of balance sheet and off-balance sheet assets of the Company is equal to or lower than the equivalent of EUR 100 000 000, as determined based on the average EUR exchange rate announced by the National Bank of Poland and effective on the balance sheet date as at which the annual financial statements are prepared, in the period of four years immediately preceding the given financial year, or
 - b) the Member of the Management Board receives variable remuneration components not exceeding the equivalent of EUR 50 000, as determined based on the average EUR exchange rate announced by the National Bank of Poland and effective at the end of the financial year, not exceeding 25% of the total annual remuneration of the above mentioned Member of the Management Board.
- 11) If XTB:
 - a) is not one of three largest brokerage houses in terms of value assets, as determined based on audited annual financial statements prepared as at the end of the financial year preceding the year for which the variable remuneration components are granted,
 - b) is not a brokerage house referred to in Article 110zi(1)(4) of the Act on Trade or is a brokerage house referred to in that provision in relation to which the decision referred to in Article 110zp(1) of the Act on Trade was issued,
 - c) shows balance sheet and off-balance sheet value of the business included in the commercial portfolio not exceeding the equivalent of 150 000 000, as determined according to the average EUR exchange rate announced by the National Bank of Poland and effective at the end of the financial year, and shows balance sheet and off-balance sheet value of the business conducted on the market of derivatives not exceeding the equivalent of EUR 100 000 000, as determined according to the average EUR exchange rate announced by the National Bank of Poland and effective at the end of the financial year,

- the threshold of value of balance sheet and off-balance sheet assets referred to in point 10) letter a) above is EUR 300 000 000.

Non-Monetary Benefits

§13

The Members of the Management Board and Members of the Supervisory Board subject to this Remuneration Policy receive or can receive remuneration in the form of non-monetary benefits.

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IV. Disability Pension and Retirement Plan and Early Retirement Plan

§14

- 1) The Management Board makes sure the policy regarding retirement benefits complies with the business strategy, objectives and values of the Company and that it aims at ensuring special care for the Company's long-term interests.
- 2) The Company does not have any early retirement or additional disability pension-retirement plans in place.
- 3) The Member of the Management Board who is a party to a concluded contract of employment and has attained the retirement age is obliged not to dispose of the received Financial Instruments for the period of five years from the day of termination of the contract under which he/she performed work.
- 4) If the Member of the Management Board who is party to the terminated contract of employment has not attained the retirement age, the Company shall withhold the issue of the Financial Instruments for the period of five years from the day of termination of the contract.

V. Avoidance of Conflict of Interest

§15

- 1) The purpose of this Remuneration Policy is to guarantee identification and mitigation of potential conflicts of interest connected with remuneration of the Members of the Management Board and Members of the Supervisory Board.
- 2) The decision-making process in the scope of award of remuneration is transparent and multi-level. The Company has clear and transparent performance evaluation rules in place. The competences related to adoption, application and control of compliance with the rules provided for in the Remuneration Policy are divided between the bodies of the Company.
- 3) Should any Member of the Management Board or Member of the Supervisory Board acquire knowledge of existence or potential occurrence of a conflict of interest connected with remuneration, the Company must be informed. If a situation referred to in the previous sentence occurs, the Supervisory Board is obliged to take all actions to eliminate or prevent the identified conflict of interest from occurring.

VI. Remuneration Report

§16

- 1) The Supervisory Board prepares the annual Remuneration Report presenting comprehensive review of remunerations, including all benefits, irrespective of their form, received by the individual Members of the Management Board and Members of the Supervisory Board or due to individual Members of the Management Board and Members of the Supervisory Board in the last financial year, in compliance with this Remuneration Policy.

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- 2) The Members of the Supervisory Board are responsible for the information presented in the Remuneration Report.
- 3) The Remuneration Report contains, in particular:
 - a) value of total remuneration broken down into components as well as mutual proportions among these remuneration components;
 - b) explanation of how total remuneration complies with the adopted Remuneration Policy, including how it contributes to accomplishment of the Company's long-term results;
 - c) information on the method of application of the performance criteria;
 - d) information on year-to-year change of remuneration, Company's results and average remuneration of employees of the Company who are not Members of the Management Board or Members of the Supervisory Board, within the period of at least five last financial year, in aggregate, in a manner enabling comparison;
 - e) value of remuneration from Group entities;
 - f) number of granted or offered Financial Instruments as well as main terms and conditions of exercise of such rights from Financial Instruments, including the price and date of exercise as well as their change;
 - g) information on use of the possibility to request refund of variable remuneration components; and
 - h) information regarding deviations from the Remuneration Policy implementation procedure, including explanation of the premises and mode, and indication of elements for which deviations are applied.
- 4) The first Remuneration Report will be prepared for years 2019 and 2020 collectively.
- 5) Information regarding financial years in relation to which the Supervisory Board was not obliged to prepare a Remuneration Report can be provided based on estimates.
- 6) The Remuneration Report does not contain any personal data of the Members of the Management Board and Members of the Supervisory Board.
- 7) If the remuneration of the Members of the Management Board and Members of the Supervisory Board includes monetary benefits or non-monetary benefits granted to the relatives of such persons, it must be recorded in the Remuneration Report. A relative is understood as a spouse, ascendant, descendant, sibling, person related by affinity in the same line or degree, an adopted person and his/her spouse as well as a partner.
- 8) The General Assembly adopts a resolution presenting an opinion on the Remuneration Report. The resolution referred to in the previous sentence is of advising nature.
- 9) The Remuneration Report contains an explanation of how the resolution referred to in point 8) above was taken into consideration in its preparation.
- 10) The Company publishes the Remuneration Report on its website and makes it available for free for the period of at least 10 years from the end of the meeting of the General Assembly.

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- 11) The Remuneration Report is reviewed by a registered auditor in the scope of information required under points 1) - 6) and point 10) above.

VII. Final Provisions

§17

- 1) In all matters not regulated by this Remuneration Policy, other internal regulations effective in the Company as well as provisions of the commonly governing law, including the Act on Trade and Act on Offering, shall apply.
- 2) Any significant change of the Remuneration Policy requires a resolution of the General Assembly.
- 3) The resolution of the General Assembly on the Remuneration Policy is adopted at least once every four years.
- 4) The remuneration of the Members of the Management Board and Members of the Supervisory Board is determined on the basis of this Remuneration Policy.
- 5) This Policy applies to remuneration granted for the year when the Policy is approved by the Supervisory Board. The remuneration granted before this Policy entered into force shall be governed by previously existing regulations.
- 6) This Remuneration Policy is published on the Company's website.

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