

**REGULATIONS GOVERNING THE MANAGEMENT BOARD OF THE COMPANY  
X-TRADE BROKERS DOM MAKLERSKI S.A.**

**Chapter I  
GENERAL PROVISIONS**

**§ 1**

1. The Regulations (“**Regulations**”) specify the organization and mode of work of the Management Board of X-Trade Brokers Dom Maklerski S.A.
2. The Management Board is an executive body of the Company which functions on the basis of the regulations of the law, in particular the Code of Commercial Companies and Partnerships, under the Articles of Association and under these Regulations.
3. Whenever used in the Regulations, the following terms shall have the following meanings:
  - a) **Board or the Supervisory Board** - the Supervisory Board of the Company,
  - b) **The Management Board** - the Management Board of the Company,
  - c) **A General Meeting** - a General Meeting of the Company
  - d) **President of the Management Board** - the president of the Management Board,
  - e) **The Company** - X-Trade Brokers Dom Maklerski Spółka Akcyjna having its registered office in Warsaw,
  - f) **Articles of Association** - the Articles of Association of the Company,
  - g) **The Code of Commercial Companies and Partnerships** shall mean the Act of 15 September 2000, i.e. the Code of Commercial Companies and Partnerships (Journal of Laws of 2000 No. 94 item 1037 as amended).
  - h) **The WSE Good Practice** - the principles specified in the attachment to Resolution no. 26/1413/2015 of the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. on passing “Good Practice For WSE-Listed Companies 2016”,
  - i) **A Subsidiary** - a subsidiary within the meaning of the accounting regulations which apply to the Company.

**§ 2**

1. The Management Board shall run the Company’s affairs and represent it outside.
2. The Management Board shall have the right to run all of the Company’s affairs which have not been reserved for the competences of the General Meeting or the Supervisory Board.
3. When running the Company’s affairs, the Management Board shall make decisions taking the Company’s interest into consideration, prepare draft developmental strategies for the Company and specify the key goals of its operations.

**Chapter II  
MEMBERS AND APPOINTMENT OF THE MANAGEMENT BOARD**

**§ 3**

1. The Management Board can be composed of 3 (three) to 6 (six) members, including the President of the Management Board and two Deputy Presidents of the Management Board.
2. The President of the Management Board shall head the works of the Management Board.

#### **§ 4**

1. Members of the Management Board shall be appointed by the Supervisory Board for a joint three-year term of office.
2. The resolution on appointment of Members of the Management Board shall specify the number of Members of the Management Board.
3. Each newly appointed member of the Management Board shall file a written statement confirming that they have read these Regulations and specify their mailing address, electronic mail address or fax number for service.
4. The Management Board should be composed of at least two members of:
  - a) higher education,
  - b) at least three-year work experience in financial market institutions; and
  - c) good standing in connection with the functions held.
2. Mandates of members of the Management Board shall expire upon the date of the General Meeting confirming the Company's financial statements for the last full financial year of their service and in other cases, as specified in the Code of Commercial Companies and Partnerships.

### **Chapter III PRINCIPLES OF REPRESENTING THE COMPANY**

#### **§ 5**

Two members of the Management Board acting in concert shall be authorized to make declarations of will behalf of the Company.

#### **§ 6**

1. All statements addressed to the Company and letters served on at least one member of the Management Board or a holder of a commercial power of attorney cause legal effects for the Company.
2. If the content of a statement accepted by a member of the Management Board (including a holder of a commercial power of attorney) can in their view cause a disclosure obligation for the Company under applicable regulations of the law, the member of the Management Board should also undertake activities for meeting that obligation on time.

#### **§ 7**

1. The Management Board can appoint holders of a commercial power of attorney or attorneys-in-fact to perform activities on behalf of the Company.
2. Appointment of a holder of a commercial power of attorney shall require consent of all members of the Management Board expressed in the form of a Management Board resolution.
3. Each member of the Management Board can independently revoke the commercial power of attorney.

**Chapter IV**  
**OBLIGATIONS OF MEMBERS OF THE MANAGEMENT BOARD**

**§ 8**

1. A Member of the Management Board shall immediately inform the Management Board about every existing or potential conflict of interest in connection with their function and should refrain from discussing and voting on resolutions in cases in which a conflict of interest exists or can exist.
2. A Member of the Management Board should refrain from any professional or non-professional activities which could lead to a conflict of interest or otherwise have a negative influence on their reputation as a member of the Management Board.
3. A Member of the Management Board cannot accept benefits which might affect their impartiality and objectivism in making decisions or have a negative influence on the evaluation of independence of their opinions and judgments.
4. If a Member of the Management Board decides that a decision of the Management Board contradicts the interest of the Company, they can demand that their stance on the issue be included in the minutes of the Management Board's meeting.
5. Members of the Management Board should take part in General Meeting deliberations in a composition enabling provision of substantial answers to questions asked during the General Meeting.
6. A Member of the Management Board shall comply with limitations stemming from the status of the Company as a public company within the meaning of applicable regulations of the law, including those on trade in the Company's securities, confidential information and closed periods and manipulation in the share price of the Company's securities.

**§ 9**

1. Without consent from the Supervisory Board, Members of the Management Board cannot get involved in any operations competitive to the Company, be involved in any competitive company as shareholders in a private partnership, a partnership or members of a governing body of any competitive company or members of a governing body of any competitive legal entity. The ban also includes holding shares in a competitive company, if the Member of the Management Board holds at least a 10 percent stake or the right to appoint at least one Member of the Management Board.
2. Sitting on management boards or supervisory boards of companies from outside the capital group of the Company shall require Members of the Management Board to acquire consent of the Supervisory Board.

**§ 10**

1. The Management Board shall collect and archive documents connected with its operations for at least 5 (five) years.
2. Any disclosure of the Management Board's documents to third parties shall require consent of one member of the Management Board given in writing, however the limitation shall not apply to public administration bodies, advisors to the Company or disclosure of minutes from the Management Board's meetings to chartered accountants in connection with their audits of the Company's financial statements.

**Chapter V**  
**SCOPE OF THE MANAGEMENT BOARD'S COMPETENCES**

**§ 11**

1. The scope of the Management Board's competences shall include running the Company's affairs, directing its business, representing it outside and management of its assets within the scope stemming from applicable regulations of the law.
2. In particular, the competences of the Management Board shall include the following:
  - a) making statements on behalf of the Company and representing it before third parties,
  - b) preparing the Company's periodical reports within deadlines enabling their publication in accordance with applicable regulations of the law,
  - c) subjecting financial statements to chartered accountants' audits or reviews,
  - d) filing a management board's report on the Company's operations and financial statements with a chartered accountant's opinion (if required by regulations of the law) for review by the Supervisory Board,
  - e) convening General Meetings on time, filing motions for the General Meeting and preparation of draft resolutions of the body,
  - f) presenting for the General Meeting's review and acceptance a report on the Company's operations and financial statements for the last financial year with a chartered accountant's opinion,
  - g) preparation and passing of regulations connected with the operations of the Company, if not reserved for the competences of another body of the Company,
  - h) preparation of draft annual budgets which shall include the budgets of: the Company, its Subsidiaries and the consolidated budget of the Company's capital group to be presented for the Supervisory Board's acceptance,
  - i) performance of disclosure obligations required from brokerage houses,
  - j) other matters which have not been reserved for other bodies of the Company.
3. If required by the provisions of the Articles of Association or regulations of the law, before engaging in a given activity, the Management Board shall acquire consent of the Supervisory Board or the General Meeting respectively.

**§ 12**

The Management Board shall have the right to:

- a) request the president of the Supervisory Board of to convene a Supervisory Board meeting,
- b) participate in Supervisory Board meetings on conditions specified in its regulations,
- c) convene a General Meeting on the conditions specified in particular in the Code of Commercial Companies and Partnerships and the Articles of Association.

**§ 13**

1. The Management Board shall perform the legally required activities connected with the business register in which the Company is registered.

2. The Management Board shall run a book of General Meeting minutes, disclose it to the shareholders for review and issue self-certified copies of resolutions passed by the General Meeting at their request.

#### **§ 14**

1. Each member of the Management Board can independently handle matters which do not exceed the scope of the Company's ordinary business, as part of completion of their tasks.
2. Each member of the Management Board can require the Management Board to pass a resolution prior to performing any activities.
3. When performing their tasks, the member of the Management Board shall take into account the interest of the Company and undertake any and all measures to ensure proper protection of its interest and image.
4. Within the scope of their tasks, when performing an activity which is also within the competence of another member of the Management Board due to its scope, the member of the Management Board shall act in agreement with that member of the Management Board.
5. Each member of the Management board shall immediately notify the President of the Management Board about every incident whose consequences might have negative influence on the Company's interest or image.

### **Chapter VI ORGANIZATION AND PRINCIPLES OF FUNCTIONING OF THE MANAGEMENT BOARD**

#### **§ 15**

The President of the Management Board shall manage the works of the Management Board and specify the internal division of tasks and competences among Members of the Management Board. In particular, the President of the Management Board can entrust management of separate departments of the Company to separate members of the Management Board.

#### **§ 16**

1. Meetings of the Management Board are held at the registered office of the Company, or if all members of the Management Board have agreed - in any other place in the territory of Poland. Any notice convening a meeting of the Management Board shall specify the date, the time and the place of the meeting, as well as the proposed agenda.
2. The notification about the Management Board meeting should be served at least 3 days before the date of the Management Board meeting or sent by fax or email to the address, email address or fax number specified as proper for service by the member of the Management Board and it shall be sufficient to send the notification about the Management Board meeting in at least one of said manners. The date of the meeting should be set so that to enable participation in it as well as preparation for it, if necessary, for every member of the Management Board. Notification sent by registered mail shall be deemed served on the date of confirmation of receipt or on the date on which the deadline for collecting the registered mail from a post office lapsed, if the addressee did not collect it before the lapse of that date. Notifications sent by means of remote communications, i.e. fax or electronic mail shall be deemed served on the date of confirmation of data transfer or on the date of sending by the means of electronic communication so that the addressee could read their content.

3. The Management Board can hold a meeting without formal convention if all members of the Management Board are present and none object to holding of the meeting or including specific items on the agenda.
4. The President of the Management Board shall convene meetings of the Management Board and chair them. The President of the Management Board can authorize other members of the Management Board to convene meetings of the Management Board and chair them. If the President of the Management Board is absent or the position of the President of the Management Board is vacant, meetings of the Management Board shall be convened by the oldest member of the Management Board. The President of the Management Board or another person who convenes the meeting in accordance with the principles above shall specify the agenda of the Management Board's meeting.
5. The Management Board meeting can be attended by members of the Supervisory Board and other invitees, without the right to take part in the voting.
6. The President of the Management Board shall have the duty to convene a Management Board meeting upon the request of a member of the Management Board submitted in writing or by electronic mail.
7. The meeting referred to in item 7 above should be held no later than within 5 working days since submission of the request.

#### **§ 17**

1. The Management Board's resolutions shall be passed at the Management Board's meetings, but the Management Board shall also be able to pass resolutions outside of the meeting, as specified in § 18 item 1.
2. Voting at Management Board's meetings shall be held by open ballot. Upon the request of a member of the Management Board, the chair of the Management Board's meeting shall order a vote by secret ballot.
3. For the Management Board's resolutions to be valid, all members of the Management Board have to have been invited and at least a half of its members should be present at the meeting.
4. The Management Board's resolutions shall be passed by an absolute majority of cast votes. In the case of an equal number of votes, the vote of the President of the Management Board shall prevail.
5. Members of the Management Board can take part in the passing of the Management Board's resolutions by casting their vote in writing via another member of the Management Board. A written vote cannot be cast on matters introduced to the agenda at the Management Board's meeting.
6. An outvoted Member of the Management Board can:
  - a) if a resolution is passed contrary to their stance - file a dissenting opinion with justification to be included in the minutes from the Management Board's meeting,
  - b) if the resolution they voted for is not passed - file an oral or written statement to be included in the minutes from the Management Board's meeting.

#### **§ 18**

1. The Management Board's resolutions can be passed by the Management Board outside of the meeting via:

- a) the written mode
  - b) means of remote communications.
2. A vote in the manners referred to in item 1 shall be ordered by the President of the Management Board upon their own initiative or upon a request of a member of the Management Board.
  3. Resolutions adopted in the manner specified in section 1 shall be valid if all members of the Management Board have been notified of the contents of the draft resolution by the President of the Management Board or any person authorised by him/her.
  4. If a resolution is passed in the mode referred to in item 1.a) above, members of the Management Board shall file their statements as to the manner of voting in separate letters with identical content of the resolution, specifying when they cast the vote and whether they voted “for”, “against” or “abstained from voting”. A draft resolution signed this way shall be sent by members of the Management Board by electronic mail or fax to the President of the Management Board while the original resolution shall be delivered to the Company immediately in person.
  5. Passing of resolutions in the manner referred to in 1.b) above can take place by phone, audio conference, video conference or electronic mail.
  6. The Management Board passes resolutions by electronic mail as a means of remote communication by the President of the Management Board or a person authorized by them sending the draft resolution in writing by electronic mail to all members of the Management Board to the email addresses which they had specified. After reading the draft resolution, every member of the Management Board notifies the President of the Management Board or a person authorized by them by electronic mail whether they vote “for”, “against” or “abstain from voting” on the resolution. If a member of the Management Board does not return the information as to how they vote in the above manner within 7 (seven) days from delivery of the draft to their address, it shall be deemed that such member of the Management Board abstained from voting. Resolutions voted in the above manner shall be deemed passed when the last member of the Management Board casts their vote or upon the lapse of 7 (seven) days from delivery of the draft resolution to members of the Management Board (or another shorter period as specified by the President of the Management Board).
  7. The Management Board passes resolutions by phone, audio conference or a video conference as a means of remote communication by the President of the Management Board or a person authorized by them reading the draft resolution in writing at the same time to all members of the Management Board who take part in the vote. After having been read the draft, each member of the Management Board tells the President of the Management Board or a person authorized by them whether they vote “for”, “against” or “abstained from voting”. The President of the Management Board or a person authorized by them prepares minutes from such vote, has them signed by all members of the Management Board who voted and includes them in the Management Board’s books of minutes. Resolutions voted in the above manner shall be deemed passed upon the end of the vote.

## § 19

1. Meetings and resolutions of the Management Board shall be recorded in minutes. Minutes shall also be prepared after a vote in the manners specified in § 18 item 1 on the basis of statements collected from members of the Management Board.

2. The minutes shall be prepared by a recording clerk appointed each time by the chair of the Management Board's meeting.
3. The minutes shall be signed by all members of the Management Board present at the meeting. If a member of the Management Board does not sign the minutes, the chair of the Management Board's meeting shall make a memo in which they shall explain why the document was not signed and attach it to the minutes.
4. Minutes from the meeting of the Management Board should state:
  - a) number of the minutes, date and place of signing and how the meeting was held,
  - b) information that all members of the Management Board were notified about the Management Board's meeting.
  - c) names and surnames of the members of the Management Board who were present at the Management Board's meeting, the recording clerk and other attendees,
  - d) the agenda,
  - e) content of passed resolutions,
  - f) number of votes cast for, against and abstaining,
  - g) reservations and dissenting opinions of members of the Management Board as to the passed resolutions.
5. Minutes from the meetings and resolutions passed outside a meeting with proofs of passing should be collected in the Management Board's book of minutes.

## § 20

1. The President of the Management Board shall convene meetings of the Management Board and chair them as well as exercising the following activities:
  - a) managing the deliberations,
  - b) making sure that the principles applicable to the agenda and voting are complied with
  - c) giving the right to speak,
  - d) ordering recesses,
  - e) accepting motions,
  - f) ordering voting,
  - g) calculating votes cast in passing resolutions,
  - h) declaring that resolutions have been passed.
2. Should the need arise, guests and employees of the Company who are in charge of a given area of the Company's operations which is discussed at the meeting can be invited to meetings of the Management Board. Participation of said persons in the Management Board's meeting shall require prior consultation with the person who convenes the meeting.
3. The persons referred to in item 2 shall take part in the Management Board's meeting with an advisory vote, without the right to take part in the voting.



**Chapter VII**  
**INTERNAL SYSTEMS IN THE COMPANY**

**THE MANAGEMENT BOARD'S DUTIES IN CONNECTION WITH THE INTERNAL CONTROL SYSTEM, SYSTEM FOR SUPERVISING COMPLIANCE WITH THE LAW, RISK MANAGEMENT SYSTEM AND INTERNAL AUDIT SYSTEM**

**§ 21**

1. The Management Board shall be responsible for implementation and maintenance of effective systems for internal control, risk management, compliance with the law and an internal audit function.
2. Those in charge of risk management, supervision over compliance with the law and internal audit shall report directly to the President of the Management Board or a Member of the Management Board specified by them.
3. The Management Board, together with the person in charge of internal audit, shall present the Supervisory Board at least once a year with their own evaluation of the effectiveness of the systems and functions referred to in § 21 item 1 together with a proper report.

**§ 22**

1. The Management Board shall cooperate with Legal and Compliance Department for effective performance of tasks under the System of Internal Control (“**SIC**”), System of Legal Compliance (“**SLC**”) and the System of Internal Audit (“**SIA**”).
2. At least once every six months, the Management Board shall review SIC, SLC and SIA reports provided in accordance with internal organizational procedures.
3. The Management Board shall ensure the Legal and Compliance Department’s organizational and functional independence in the performance of tasks and arrangements as part of SIC, SLC and SIA processes.
4. The Management Board shall take all reasonable recommendations, guidelines and comments from SIC, SLC and SIA reports into account.

**§ 23**

1. The Management Board shall cooperate with the Risk Control Department for effective performance of tasks under the System of Risk Management (“**SRM**”).
2. At least once every six months, the Management Board shall review the SRM report provided in accordance with internal organizational procedures.
3. The Management Board shall ensure the Risk Control Department’s organizational and functional independence in the performance of tasks and arrangements as part of the SRM process.
4. The Management Board shall take all reasonable recommendations, guidelines and comments from the SRM report into account.

**§ 24**

1. The Management Board shall cooperate with the Internal Audit Department for effective performance of tasks under the System of Internal Audit (“**SIA**”).

2. At least once every six months, the Management Board shall review the SIA reports provided in accordance with internal organizational procedures.
3. The Management Board shall take all reasonable recommendations, guidelines and comments from the SIA reports into account.
4. Once every six months, the Management Board shall provide the Supervisory Board with information about acting on the recommendations and comments included in SIA reports.

#### **Chapter VIII**

### **REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD, AGREEMENTS AND DISPUTES WITH MEMBERS OF THE MANAGEMENT BOARD**

#### **§ 25**

1. Members of the Management Board shall have the right to remuneration for serving on their functions.
2. The principles of employment and remuneration of members of the Management Board shall be specified individually by the Supervisory Board. An agreement with a member of the Management Board on behalf of the Supervisory Board shall be signed by the President of the Supervisory Board. Any amendment to the agreement under which a member of the Management Board works or provides services to the Company shall each time require prior Supervisory Board resolution.
3. In disputes between the Company and members of the Management Board, the Company shall be represented by the Supervisory Board.

#### **Chapter IX**

### **FINAL PROVISIONS**

#### **§ 26**

1. Any and all amendments hereto shall require proper Supervisory Board resolution.
2. The Management Board can request the Supervisory Board to pass the resolution referred to in § 26 item 1 above.
3. The provisions of the Code of Commercial Companies and Partnerships and the Articles of Association shall apply to matters not regulated herein.