



X-TRADE BROKERS DOM MAKLESKI S.A.

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

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CURRENT REPORT NO. 35/2017

Warsaw, 17 November 2017

Information on the initiation by the Polish Financial Supervision Authority of administrative proceeding

The Management Board of X-Trade Brokers Dom Maklerski S.A. (the „Issuer”, „Company”, „XTB”) informs that on 17 November 2017 the Company received a notification dated on 14 November 2017 decision of Polish Financial Supervision Authority (the Commission) of the initiation of an administrative proceeding on the imposition of a fine on the Company pursuant to Article 167 paragraph 2 point with article 167 paragraph 1 point 1 of the Act on Trading in Financial Instruments in connection with the suspicion of material breach of the law, in particular in the field of providing brokerage services to the Company's clients and the organization and operation of transactional systems. The infringements identified by the Commission overlap with the irregularities and deficiencies contained in the Commission's control protocol checking compliance with legal regulations and internal regulations, which ended in September 2016.

In the opinion of the Company, the infringements identified by the Commission are unfounded and are not substantiated in the facts. The intention of the Issuer is to provide the Commission with substantive and legal clarifications indicating the inadmissibility of the infringements identified by the Commission.

Legal basis:

Article 17 paragraph 1 MAR – inside information.