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REMUNERATION REPORT

FOR 2023

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1. Introduction

This Remuneration Report has been prepared in compliance with the requirements arising from Article 90g of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies ("Act on Public Offering") as well as paragraph 7 of the Management Board and Supervisory Board Fixed Remuneration Policy of XTB S.A. adopted by the General Assembly of XTB S.A. by resolution 4 on 31 July 2023 ("Remuneration Policy").

This Report contains comprehensive information about remunerations received and due to individual Members of the Management Board and of the Supervisory Board of XTB S.A. ("Company", "XTB"). Remunerations were granted pursuant to the Management Board and Supervisory Board Fixed Remuneration Policy, Variable Remuneration Policy and Incentive Program Regulations hereinafter collectively referred to as the "**Remuneration Policy**".

2. Total remuneration of the Members of the Management Board and the Supervisory Board

The components of the remuneration of the Members of the Company's Management Board and Members of the Company's Supervisory Board for 2023 were paid and granted in a transparent manner and in compliance with the adopted Remuneration Policy. 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 were taken into consideration, as well as the analysis of 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. The process of determination of the remuneration of the Members of the Management Board and Members of the Supervisory Board included 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.

2.1. Remuneration of the Members of the Management Board

The remuneration model for the Members of the Management Board of XTB S.A. includes fixed remuneration, variable remuneration and non-monetary benefits. The rules and value of remuneration of the Members of the Management Board are determined by the Supervisory Board. The Members of the Management Board receive remuneration under indefinite term employment contracts.

Fixed remuneration of the Members of the Management Board

The fixed remuneration, as a component of the total remuneration of the Members of the Management Board, corresponds to the type of work performed by the individual Members of the Management Board and qualifications required to perform it, and takes into account the quantity, assessment and quality of performed work. The scope of organisational responsibility of the given Member of the Management Board is also an important factor that is taken into account. When determining the value of the fixed remuneration, the Members of the Supervisory Board take into consideration the situation on the local labour market, in such a manner that the remuneration of the Members of the Management Board does not encourage to take excessive risk in order to obtain a variable remuneration component.

Variable remuneration of the Members of the Management Board

The variable remuneration of the Members of the Management Board is an annual bonus depending on accomplishment of management objectives. Variable remuneration depends on the sustainable and adapted-to-risk performance of the individual Members of the Management Board and performance of the Company and the Group.

The set objectives and the rules of assessment, on which granting and the value of variable remuneration depends, are communicated to the Members of the Management Board. Variable components of remuneration depend, among other things, on the performance of the individual, taking into account the risks of the Company's operations.

The ratio of the variable remuneration components to the fixed remuneration components must not exceed 200% in respect of each member of the Management Board, and for a Member of the Management Board responsible for Risk that ratio must not exceed 100%.

The variable remuneration components are paid in tranches, taking into account long-term interest of the Company. The variable remuneration components were granted in the form of XTB's stocks.

At least 40% of the variable remuneration components paid in the form of a Financial Instrument is settled and paid within three to five years, and the said period is determined taking into consideration the economic cycle, nature and risk of conducted business as well as the duties of the given person. If the variable remuneration does not exceed the Polish zloty equivalent of EUR 50,000 and ¼ of the total annual remuneration of the Member of the Management Board, it is not deferred.

If the amount of the total remuneration of the given person in the previous financial year exceeded the Polish zloty equivalent of EUR 1,000,000, the deferral applies to 60% of the variable remuneration components.

Non-monetary benefits for the Members of the Management Board

The remuneration in the form of non-monetary benefits granted to the Members of the Management Board includes:

- a) Pension scheme (PPK – employee capital plan);
- b) Additional non-salary benefits, including *inter alia* private medical care, Multisport card, insurance.
- c) The possibility of use of the Company's equipment, including the business car, computers, telephones, and access to industry literature and press.
- d) The possibility of participating in trainings.

The remuneration in the form of non-monetary benefits is available also to other employees of the Company.

The table below presents the value of the total remuneration due to the Members of the Management Board for 2023 and 2022 broken down into fixed and variable remuneration components, as well as indicating non-monetary benefits. The table also presents the mutual proportions among particular remuneration components.

Remuneration in 2023 (in PLN thousand)

Full name, position	1 Fixed remuneration		2 Variable remuneration	3 Pension PPK benefits	4 Total remuneration	5 Fixed to variable remuneration ratio
	Base salary	Other fixed remuneration and additional benefits				
Omar Arnaout President of MB	1 104	3	1 059	17	2 183	106%
Filip Kaczmarzyk Member of MB	759	17	741	12	1 529	106%
Jakub Kubacki Member of MB	494	9	388	7	898	131%
Andrzej Przybylski Member of MB	497	4	253	-	754	198%
Paweł Szejko Member of MB	552	6	529	8	1 095	107%

Remuneration in 2022 (in PLN thousand)

Full name, position	1 Fixed remuneration		2 Variable remuneration	3 Pension PPK benefits	4 Total remuneration	5 Fixed to variable remuneration ratio
	Base salary	Other fixed remuneration and additional benefits				
Omar Arnaout President of MB	960	4	1 200	22	2 186	82%
Filip Kaczmarzyk Member of MB	664	9	840	16	1 529	82%
Jakub Kubacki Member of MB	432	8	440	10	890	102%
Andrzej Przybylski Member of MB	432	3	220	-	655	198%
Paweł Szejko Member of MB	480	6	600	11	1 097	83%

2.2. Remuneration of the Members of the Supervisory Board

The rules of remuneration of the Members of the Supervisory Board are specified in the Management Board and Supervisory Board Fixed Remuneration Policy. The Members of the Supervisory Board receive remuneration under their appointment relationship. The remuneration model for the Members of the Company's Supervisory Board includes fixed remuneration and non-monetary benefits. The rules and value of remuneration of the Members of the Supervisory Board are determined by the General Assembly under a resolution.

Fixed remuneration of the Members of the Supervisory Board

The fixed remuneration of the Members of the Supervisory Board corresponds to the type of work performed by the individual Members of the Supervisory Board and qualifications required to perform it, and takes into account the quantity, assessment and quality of performed work. The scope of responsibility of the given Member of the Supervisory Board is also an important factor that is taken into account. The value and rules of remuneration of the Members of the Supervisory Board were determined by the General Assembly in resolution no. 22 of 30 July 2023.

The remuneration granted to the Members of the Supervisory Board according to the Remuneration Policy adopted by the Company is divided into three thresholds:

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

The remuneration granted by the Company to the Members of the Supervisory Board reflects, thus, their supervisory functions and work in the committees. In 2023 the Members of the Supervisory Board acted in the following committees:

- Mr Jan Byrski – Chairperson of the Supervisory Board, Chairperson of the Remuneration Committee, Chairperson of the Risk Management Committee.
- Mr Jakub Leonkiewicz – Vicepresident of the Supervisory Board, Member of the Audit Committee, Vicepresident of the Remuneration Committee, Vicepresident of the Risk Management Committee.
- Mr Grzegorz Grabowicz – Chairperson of the Audit Committee, Member of the Remuneration Committee, Member of the Risk Management Committee.
- Mr Łukasz Baszczyński – Member of the Remuneration Committee, Member of the Risk Management Committee.
- Mr Bartosz Zabłocki – Member of the Audit Committee, Member of the Remuneration Committee, Member of the Risk Management Committee.

Non-monetary benefits for the Members of the Supervisory Board

The remuneration in the form of non-monetary benefits granted to the Members of the Management Board includes:

- a) Pension scheme – PPK (employee capital plan);
- b) The possibility of benefiting from additional non-salary benefits, including *inter alia* private medical care, Multisport card, insurance.
- c) The possibility of use of the Company's equipment, including the business car, computers, telephones, access to industry literature and press.
- d) The possibility of participating in trainings.

The remuneration in the form of non-monetary benefits is available also to other employees of the Company.

The table below presents the value of the total remuneration due to the Members of the Supervisory Board for 2023 and 2022, taking into account fixed remuneration components and non-monetary benefits.

Full name, position	2023				2022			
	Base salary	Function remuneration	Additional benefits	Pension PPK benefits	Base salary	Function remuneration	Additional benefits	Pension PPK benefits
Jan Byrski Chairperson of SB	-	63	1	1	-	57	-	1
Jakub Leonkiewicz Member of SB	-	58	-	1	-	48	-	1
Łukasz Baszczyński Member of SB	-	58	1	1	-	48	-	1
Grzegorz Grabowicz Member of SB	-	58	-	1	-	48	-	1
Bartosz Zabłocki Member of SB	-	58	1	1	-	48	-	1

3. Compliance of the remuneration of the Members of the Management Board and Members of the Supervisory Board with the Remuneration Policy

The total remuneration of the Members of the Management Board and Members of the Supervisory Board complies with the Remuneration Policy adopted by the Company and contributes to accomplishment of long-term targets and results of the Company as well as to sustainable development of the Company and Group. The Company's employees are remunerated adequately for their work and encouraged to achieve the best results possible, including accomplishment of the Company's strategic goals.

According to the Remuneration Policy adopted by the Company, the basis for determination of the total value of remuneration of the Members of the Management Board and Members of the Supervisory Board in 2023 was evaluation of the effects of work of the given person and given organisational unit in relation to the general performance of the Company. Furthermore, 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. When granting and paying the variable remuneration components, the size of the Company, its financial results, risk related to its business, internal organisation as well as scope and degree of complexity of the Company's business were taken into account. The business strategy of the Company and Company's capital Group ("Group") is available on the Company's website, in the "Investor Relations" section. The strategy of the Company and Group is based on the following areas of development:

- (i) business development on the markets where the Group is present in Central and Eastern Europe and Western Europe;
- (ii) expansion of the Group's international presence through entry into new markets, including markets in Latin America, Africa and Asia;
- (iii) development of the institutional segment of activity (X Open Hub);
- (iv) extension of the Group's product and service offer as well as development of new technologies;
- (v) development through mergers and acquisition of other entities as well as joint ventures.

The remuneration of the Members of the Management Board and Members of the Supervisory Board in 2023 took into consideration the objectives determined in the Remuneration Policy. Pursuit of the business strategy adopted by the Company, its long-term interests as well as maintenance of the Company's stability were taken into account when determining the value of remuneration. The objectives determined in the Remuneration Policy were pursued through:

- (i) 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;
- (ii) 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;
- (iii) supervision over the application of 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 the Remuneration Policy.

4. Performance criteria

According to the Remuneration Policy adopted by the Company, in 2023 the Members of the Management Board who are subject to the Policy received variable remuneration in the form of the annual bonus depending on accomplishment of management objectives. This remuneration depended on the individual performance of each Member of the Management Board as well as on the performance of the Company.

The value of the target variable remuneration was determined under a resolution of the Supervisory authorised to perform this action. The relevant information on the objectives set for individual Members of the Management Board as well as rules of assessment of accomplishment of objectives was communicated to the individual Members of the Management Board by the end of Q1 2023.

When evaluating the individual performance of the Members of the Management Board, both financial and non-financial criteria were taken into consideration. The financial criteria taken into consideration in evaluation of individual performance included, without limitation:

- (i) compliance with the budget of the Company and Group;
- (ii) compliance with the budget of the organisational unit for which the Member of the Management Board is responsible;
- (iii) performance of tasks yielding additional and unplanned revenues or savings, taking into consideration the risk related to performance of such tasks;
- (iv) occurrence of losses which could have been objectively avoided (as a negative evaluation factor).

The non-financial criteria taken into consideration in evaluation of individual performance included, without limitation:

- (i) participation in activities having effect on the Company's reputation;
- (ii) meeting the competence expectations;
- (iii) timeliness of performance of tasks entrusted to the individual Members of the Management Board, taking into account objective conditions of performing such tasks;
- (iv) approach to risk, including if actions exposing XTB to excessive or excessively concentrated risk were taken;
- (v) pursuit of strategy in the supervised areas.

The individual performance assessment was based on data from at least three last financial years, and in case of Members of the Management Board employed by the Company 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 was distributed over a period representing an economic cycle and the risk connected with the business conducted by the Company. Additionally, the structure and value of variable remuneration components in relation to the total remuneration does not encourage taking of short-term and risk-bearing actions.

5. Changes of remuneration of the Members of the Management Board and Members of the Supervisory Board, Company's performance and average remuneration of the Company's employees performance criteria

The table below factors in information on year-to-year change of remuneration of the Members of the Management Board and Members of the Supervisory Board as well as average remuneration of the employees of the Company who are not Members of the Management Board or Members of the Supervisory Board, within the period of at least 5 last financial years.

Annual change	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	2023
Remuneration of the Supervisory Board (in PLN thousand)							
Byrski Jan ¹							
Chairperson of SB	n/a	n/a	n/a	n/a	n/a	12%	65
Baszczyński Łukasz ²	47%	95%	2%	-	11%	22%	60
Member of SB	n/a	617%	2%	-	11%	20%	59
Grabowicz Grzegorz ³							
Member of SB	83%	36%	2%	-	7%	20%	59
Leonkiewicz Jakub ⁴							
Member of SB	22%	95%	2%	-	11%	22%	60
Zabłocki Bartosz ⁵							
Member of SB	22%	95%	2%	-9%	n/a	n/a	n/a
Jasił Jarosław ⁶							
Member of SB	n/a	-	n/a	n/a	n/a	n/a	n/a
Strugała Marek ⁷							
Member of SB	n/a						
Remuneration of Members of the Management Board (in PLN thousand)							
Arnaout Omar ⁸							
President of MB	26%	-12%	136%	-31%	81%	-	2 183
Kaczmarzyk Filip ⁹							
Member of MB	24%	-13%	83%	-31%	86%	-	1 529
Kubacki Jakub ¹⁰							
Member of MB	n/a	171%	76%	-26%	65%	-1%	898
Przybylski Andrzej ¹¹							
Member of MB	n/a	n/a	44%	-	21%	15%	754
Szejko Paweł ¹²							
Member of MB	27%	-11%	65%	-30%	74%	-	1 095
Frańczak Paweł ¹³							
Member of MB	-58%	n/a	n/a	n/a	n/a	n/a	n/a
Company's performance (in PLN thousand)							
Total revenues	7%	-22%	255%	-23%	139%	5%	1 462 315
Total costs	10%	-3%	63%	24%	57%	24%	-572 345
Net impairment loss	0%	0%	-6%	-54%	-28%	-83%	-125
Profit before tax	9%	-44%	693%	-44%	224%	3%	955 816
Profit due to shareholders of XTB S.A.	4%	-40%	672%	-44%	224%	3%	787 136
Average remuneration (in PLN thousand)							
Employees *	8%	-	10%	16%	4%	3%	190

1. Mr Jan Byrski acted in the capacity of the Chairperson of the Supervisory Board to 22 November 2021.
2. Mr Łukasz Baszczyński was appointed a Member of the Supervisory Board as of 8 October 2010.
3. Mr Grzegorz Grabowicz was appointed a Member of the Supervisory Board as of 10 October 2018.
4. Mr Jakub Leonkiewicz acted in the capacity of the Chairperson of the Supervisory Board to 10 November 2021, he was appointed a Member of the Supervisory Board for the next term on 19 November 2021.
5. Mr Bartosz Zabłocki was appointed a Member of the Supervisory Board on 6 November 2015.
6. Mr Jarosław Jasik acted in the capacity of a Member of the Supervisory Board to 10 November 2021.
7. Mr Marek Strugała was appointed on 7 March 2018. His term expired on 9 November 2018.
8. Mr Omar Arnaout was appointed the President of the Management Board on 23 March 2017.
9. Mr Filip Kaczmarzyk was appointed a Member of the Management Board on 10 January 2017.
10. Mr Jakub Kubacki was appointed a Member of the Management Board on 10 July 2018.
11. Mr Andrzej Przybylski was appointed a Member of the Management Board on 1 May 2019.
12. Mr Paweł Szejko was appointed a Member of the Management Board on 28 January 2015.
13. Mr Paweł Frańczak resigned from the position of a Member of the Management Board on 25 April 2018.

* The calculation of average employee compensation was made using a weighted average number of employees.

6. Value of remuneration from Group entities

The Members of the Management Board and Members of the Supervisory Board did not receive any remuneration from the subsidiaries of the Company's group in 2023 and in 2022.

7. Financial instruments granted or offered to the Members of the Management Board

The table below reflects variable remuneration components granted or offered to the Members of the Management Board in 2023, i.e. the number of financial instruments granted or offered to the Members of the Management Board in 2023 and main terms of exercise of rights from such instruments, i.e. price and date of exercise as well as change of instruments.

Full name, position	Title	Instrument (in pcs)				Instrument (in PLN thousand)			
		Pay-out years							
		2024	2025	2026	2027	2024	2025	2026	2027
Arnout Omar President of MB	Bonus for 2020	5 666	-	-	-	100	-	-	-
	Bonus for 2021	3 845	2 564	-	-	69	47	-	-
	Bonus for 2022*	4 539	4 539	3 026	-	180	180	120	-
	Bonus for 2023*	-	-	-	-	635	159	159	106
Kaczmarzyk Filip Member of MB	Bonus for 2020	3 966	-	-	-	70	-	-	-
	Bonus for 2021	2 692	1 794	-	-	48	33	-	-
	Bonus for 2022*	3 177	3 177	2 118	-	126	126	84	-
	Bonus for 2023*	-	-	-	-	445	111	111	74
Kubacki Jakub Member of MB	Bonus for 2020	2 040	-	-	-	36	-	-	-
	Bonus for 2021	-	-	-	-	-	-	-	-
	Bonus for 2022*	1 664	1 664	1 110	-	66	66	44	-
	Bonus for 2023*	-	-	-	-	233	58	58	39
Przybylski Andrzej Member of MB	Bonus for 2020	-	-	-	-	-	-	-	-
	Bonus for 2021	-	-	-	-	-	-	-	-
	Bonus for 2022*	832	832	554	-	33	33	22	-
	Bonus for 2023*	-	-	-	-	152	38	38	25
Szejko Paweł Member of MB	Bonus for 2020	2 833	-	-	-	50	-	-	-
	Bonus for 2021	1 923	1 282	-	-	35	23	-	-
	Bonus for 2022*	2 270	2 270	1 512	-	90	90	60	-
	Bonus for 2023*	-	-	-	-	318	79	79	53

* For 2022 and 2023, variable remuneration is awarded in the Company's own shares.

The share price for 2022 is 39,655 and was calculated as the arithmetic average of the closing prices of the Company's shares from the dividend cutoff date (i.e., 7 July 2023) to the business day preceding the Extraordinary Shareholders' Meeting (i.e., 28 July 2023).

The number of shares for 2023 will be determined on the grant date, which will be after the date of publication of the annual report to the Warsaw Stock Exchange containing the Company's consolidated financial statements for the fiscal year for which the Variable Compensation is granted.

In 2023, the Company amended its Remuneration Policy. The Extraordinary General Meeting of Shareholders adopted the amended Variable Compensation Award Policy and Incentive Program Regulations on 31 July 2023. However, the new rules apply to variable remuneration paid from 2022. As of the end of 2022, the program was not in effect, and the provision for bonuses was set up on the principles used by the Company in earlier years. Since the enactment of the amended Policy, variable remuneration has been awarded in the Company's own shares. The awarded shares are subject to restrictions on their disposal. Disposal of 40% of the variable remuneration is restricted for 3 consecutive years. The ability to freely dispose of subsequent tranches of awarded shares follows the date of publication of the annual report to the Warsaw Stock Exchange containing the consolidated financial statements for subsequent fiscal years following the year for which the variable remuneration is awarded.

The Member of the Management Board who, as part of his/her variable remuneration components, in accordance with the Compensation Policy in effect prior to the 31 July 2023 amendments (replacements described below) was granted property rights to be executed by means of cash settlement (synthetic stocks) can submit the first request for monetary benefits to the Company after the granting day, i.e. after the derivative contract is signed. The next request can be submitted after 12 months, while the third request can be submitted after 24 months from the day of conclusion of the derivative contract. Subsequent requests can be submitted after 36 months from the day of conclusion of the derivative contract.

The value of each synthetic share is equal to the Company's stock price at the time of session closing on the Warsaw Stock Exchange on the 7th day upon publication of the report containing the consolidated financial statements of XTB for the prior financial year, and if no such price exists on that day, it is equal to the first closing price published by the Warsaw Stock Exchange after that day. The value of each synthetic stock is fixed over time.

8. Refund of variable remuneration components

According to the provisions of the commonly governing law, the variable remuneration components must be granted or paid taking into consideration the financial standing of the brokerage house and - if reasonable - taking into consideration the financial results of the brokerage house or results generated by the organisational unit in which the given person acted. Concurrently, the brokerage house can limit, withhold or refuse payment or execution of a part or all variable remuneration components if the brokerage house shows a loss.

According to the rules regarding variable remuneration components adopted by the Company, the Member of the Management Board entitled to variable remuneration components cannot submit the request for buy-back of financial instruments in the given financial year if the approved financial statements of the Company for the immediately preceding financial year showed a loss at the consolidated level. In the case of an event 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 with reserve capital from retained profits from prior years or balanced with value of future profits of the Company.

In 2023 the Company did not request refund of variable remuneration components granted to the individual Members of the Management Board.

9. Information on deviations from the Remuneration Policy implementation procedure, including explanation of the premises and mode, and indication of elements for which deviations are applied

The Company did not apply any deviations from the Remuneration Policy implementation procedure in 2023.

10. Acceptance of the Remuneration Report and review by the registered auditor

The Supervisory Board accepted this Remuneration Report for 2023 under resolution no. 16 of 27 March 2024.

The Remuneration Report was reviewed by the registered auditor in the scope of inclusion of information required under the Act on Public Offering. The entity engaged to review the Report is PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k.

This Remuneration Report will be published on the Company's website.

Warsaw, 27 March 2024

For the Supervisory Board

Grzegorz Grabowicz

Member of the Supervisory
Board

