



REPORT ON REMUNERATION OF MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS

OF XTPL S.A.

FOR 2021

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1. Introduction

In pursuance of the obligations set out in Article 90g of the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organized trading and public companies (Journal of Laws No. 184, item 1539, as amended; hereinafter: “**Act on Offering**”), the Supervisory Board of XTPL S.A. (the “**Company**”) prepares an annual report on remuneration (“**Report**”), presenting a comprehensive overview of remuneration, including all benefits, in whatever form, received or due (payable) to individual members of the Management Board and Supervisory Board in the last financial year, in accordance with the Remuneration Policy for Members of the Management Board and Supervisory Board of XTPL S.A. of **30 June 2020, taking into account the changes adopted by resolution No. 03/11/2020 of 5 November 2020 of the Annual General Meeting (“Remuneration Policy”)**.

The Report covers the Company’s full financial year, i.e. the period from 1 January 2021 to 31 December 2021 (“**2021**”). For comparative purposes, the data presented in this Report also include the most important data for the previous financial year, i.e. the period from 1 January 2020 to 31 December 2020 (“**2020**”), in accordance with the report on the remuneration of members of the Management Board and the Supervisory Board for 2020 (after a correction, if any, relating to the forecast amounts presented in the above report).

Unless indicated otherwise, all amounts in the Report are stated in Polish zlotys, rounded to the nearest zloty, and in gross terms.

The Company presents below a summary of the most important remuneration events for the financial year covered by the Report:

1.1. Key events in the Company's business environment affecting the remuneration of members of the Management Board or Supervisory Board

For the Company and XTPL Group, year 2021 was a time of fundamental change: transition from an R&D company to a business that continues its research & development operations while at the same time commercializes its solutions for global manufacturers of next generation electronics. The first stage of the Company's growth process has been completed – it has been a gradual and consistent process of building its position of a growth-focused organization that in addition to developing a globally unique technological proposition, generates sales revenues and creates products that enjoy recognition in the international market.

In order to introduce global manufacturers of next generation electronics to the capabilities of the XTPL technology, the Delta Printing System (DPS) was developed, a device which enables advanced R&D operations and prototype production. The Company achieved its target: to sell five such devices. Thanks to the cooperation with scientists from the University of Stuttgart, Glasgow, Brescia, the renowned technological institute in Karlsruhe, as well as researchers from the PORT Łukasiewicz Research Network, the Company obtained recommendations and confirmation of its technology from opinion leaders who are regarded not only in the scientific community, but also among representatives of microelectronics, microsystems, semiconductors, biosensors, and display industries.

The Company also notably increased the production of its conductive nanoinks: the number of orders for those products more than doubled compared to the previous year. In 2021, the Company marketed the IJ36 ink for inkjet printing and it became one of the products that enjoy the greatest popularity with customers. At the same time, the Company worked on new nanoink formulations, using other conductive metals, such as gold and copper.

As part of the third and main business line of XTPL Group, i.e. industrial implementation through the integration of the EPSILON printing module with the production lines of global manufacturers, in 2021 the Company carried out nine parallel evaluation processes in the Company’s main project portfolio.

On top of that, last year the Company was actively seeking potential clients for its solutions. It began building an international network of distributors, which now includes five entities promoting XTPL Group technology in the Chinese, South Korean, British, Western European, and Indian markets. As part of the commercialization strategy, the Company actively participated in 22 international industry events, conferences, fairs and exhibitions, both on-site and remotely.

The last notable part of the Company's operations is the value-building activities designed to expand the industrial and patent protection. Intellectual property is a product and a competitive advantage of the Company. For this reason, patent protection development has a major impact its value. In 2021, the Company filed four new patent applications with the United States Patent and Trademark Office to cover further layers of intellectual property protection in terms of ultra-precise printing on a micrometric scale. At present, the Company has 24 patent applications filed and 1 patent granted.

All the above activities allowed the Company to generate its first strong financial results. They also confirm the uninterrupted development of the Company's and XTPL Group's operations, and full implementation of their goals and business strategy.

Due to the strong development of both the Company and XTPL Group, the most up-to-date information on the activities and business strategy is published on an ongoing basis at: <https://ir.xtpl.com/pl/>.

1.2. Changes in the composition of the Management Board/ Supervisory Board

In 2021, no personal changes were made in the Company's Management Board or Supervisory Board.

In 2021, the Company's Management Board was composed of the following persons:

- Filip Granek – Management Board President;
- Jacek Olszański – Management Board Member.

In the same period, the Supervisory Board consisted of:

- Wiesław Rozłucki – Supervisory Board Chairman;
- Bartosz Wojciechowski – Deputy Chairman of the Supervisory Board;
- Andrzej Domański – Deputy Chairman of the Supervisory Board
- Piotr Lembas – Supervisory Board Member;
- Beata Turlejska-Zduńczyk – Supervisory Board Member;
- Herbert Wirth – Supervisory Board Member.

1.3. Key changes in the Remuneration Policy

In the reported financial year, the Remuneration Policy was not changed.

1.4. Exceptions to the Remuneration Policy

In the reporting year, the Company did not apply any exceptions to the procedure of implementing the Remuneration Policy or the exceptions referred to in Article 90f of the Act on Offering.

2. Total remuneration broken down into components and the proportions between these components

Below, the Company presents in separate tables the amount of total remuneration, including all benefits, in whatever form, due to individual members in the last financial year, and at the same time received by individual members of the Management Board and Supervisory Board in the last financial year all due remuneration were paid on time), subject to the following sentence, including proportions between variable and fixed components.

Where fixed remuneration is paid in arrears by the 10th day of the following month, the Report for a given year reflects the amounts of the fixed remuneration for the period January–December; in the given year, no account is taken of the remuneration for December of the previous year, paid in January of the reporting year; however, account is taken of the remuneration for December of the reporting year, which is paid by 10 January of the following year.

2.1. Total remuneration of Management Board members

The current members of the Company' Management Board are employed at the Company under employment contracts. For performance of their respective functions, they receive remuneration in a fixed monthly amount, as stated in their respective employment contracts, determined by a resolution of the

Company's Supervisory Board. Members of the Management Board do not receive separate remuneration for appointment to their roles. They also receive additional cash and non-cash remuneration specified in point 9.1 of the Remuneration Policy, i.e. group life insurance and additional health insurance (partly funded by the Company and partly by members of the Management Board). Remuneration of members of the Management Board does not include benefits for their next-of-kin.

In accordance with resolution No. 04/2020 of the Company's Supervisory Board of 30 June 2020, the remuneration of the Member of the Management Board Jacek Olszański, depends on the amount of the revenue generated by the Company from the sale of products, and, independently, on the volume-weighted average price (VWAP) of the Company's share, i.e. the remuneration is increased when the Company achieves a certain set of results.

As in the reporting period, two consecutive criteria specified in the above resolution were achieved (cumulative sales of PLN 1,000,000.00 net and PLN 2,000,000.00 net, respectively) were achieved, the above mechanism was triggered twice during the reporting year. As a consequence, in accordance with Resolution No. 04/2020 of the Company's Supervisory Board of 30 June 2020, the remuneration of Jacek Olszański was increased twice. As a result, he signed with the Company two agreements (on 1 July 2021 and 30 November 2021) amending his terms of employment, whereby his monthly remuneration was increased to PLN 25,000.00 gross (as of 1 July 2021) and to PLN 30,000.00 gross (as of 1 December 2021).

In accordance with the Remuneration Policy, the value of the fixed monthly remuneration of a member of the Management Board may not be higher than 10 times the average monthly remuneration of the Company's employees who are not members of the Company's Management Board or Supervisory Board, from the period of 12 consecutive calendar months immediately preceding the date of appointment of a member of the Company's Management Board to perform his/her function. The average remuneration for the period of 12 consecutive calendar months immediately preceding the appointment of Filip Granek and Jacek Olszański (both appointed to the Management Board on 30 June 2020) amounted to PLN 7,974.28 per month, i.e. the maximum amount of a fixed monthly remuneration of a member of the Management Board may not exceed 10 times this amount, i.e. PLN 79,742.80. The Company met this requirement.

As part of variable remuneration, members of the Company's Management Board may receive a reward for patent applications in accordance with the rules arising from the Patent Motivation Program Procedure. The amount of rewards for patent applications for a given member of the management board in a given financial year cannot be higher than the fixed one-month remuneration of the member of the management board. In 2021, no awards for patent applications were granted to Management Board members.

As part of variable remuneration, members of the Management Board may also receive remuneration in the form of financial instruments, in accordance with the Company's Incentive Scheme Regulations. The value of financial instruments awarded to members of the Company's Management Board in relation to their fixed components of remuneration is variable and is not subject to restrictions other than those resulting from the Incentive Scheme Regulations. The principles of the Company's incentive programs are described in more detail in Section 7 of the Report. The table showing the amount of the total remuneration of Management Board members in a given year includes instruments that were offered by the Company in that period, regardless of the date of vesting or acquisition of those instruments.

The value is shown for shares and includes the amount of the (potential) benefit for the Management Board member, i.e. the market value as of the quotation date on which the shares were offered, less the value of any contribution paid or payable in the future by the Management Board member (if in accordance with the Incentive Scheme Regulations, shares are partially acquired free of charge).

On the other hand, with regard to subscription warrants, the table shows the value of the (potential) contribution by a member of the Management Board, i.e. the market value of the shares that can be subscribed for in exchange for subscription warrants as at the quotation date on which the subscription warrants were offered free of charge.

The value of the benefit is only potential due to the fluctuating share price (the value of the benefit is stated as at a specific day).

**Total remuneration of Management Board members
due and received in 2021**

Management Board member's name and position		Fixed components of remuneration		Variable components of remuneration					Total components of remuneration	Proportion of variable and fixed remuneration
		Salary under employment contract	Additional cash and non-cash benefits	Reward for patent application	Financial instruments					
					subscription warrants (number)	subscription warrants (value of shares that could be acquired)	shares (number)	shares (value)		
Filip Granek, CEO	2021	360,000	7,152 ^[1]	0	2.000	0 ^[3]	5.000	338,500 ^[4]	705,652	fixed – 52% variable – 48%
	2020	360,000	2,116 ^[1]	0	0	0	1.000	72,300 ^[5]	434,416	fixed – 84% variable – 16%
Jacek Olszański, Management Board Member since 30 June 2020	2021	275,000	948 ^[2]	0	2.000	0 ^[3]	3.000	203,100 ^[6]	479,048	fixed – 58% variable – 42%
	2020	120,000	474 ^[2]	0	0	0	0 ^[7]	0 ^[7]	120,474	n/ a – no variable remuneration

^[1] Annual premiums for private medical care in the part funded by the Company and group life insurance premiums in the part funded by the Company, as well as the value of the free benefit in the form of the use of a company car for private purposes, determined in accordance with Article 12(2a) of the Act of 26 July 1991 on personal income tax (Journal of Laws No. 80, item 350, as amended).

^[2] Annual amount of contributions for group life insurance in the part funded by the Company.

^[3] Due to the fact that the market valuation of the Company's shares as at the date of award of the warrants (31.03.2021) is lower than the price of acquiring shares based on those warrants (the issuer price determined in the Programme, i.e. PLN 165.84 per share), the value of the potential benefit in respect of the warrants was estimated at PLN 0.

^[4] Value of the shares offered by the Company on 31 March 2021 for 2020 under the incentive scheme for 2019–2021 – 5,000 shares of the Company acquired for PLN 0.10/ share; market value of 31 March 2021 – PLN 67.80; as at the date of this Report, the shares had not been acquired yet.

^[5] Value of the shares offered by the Company on 31 March 2020 for 2019 under the incentive scheme for 2019–2021 – 1,000 shares of the Company acquired for PLN 0.10/ share; market value of 31 March 2020 – PLN 72.40; the shares were acquired in 2021.

In the remuneration report for 2020, due to a typing mistake, it was incorrectly indicated that the shares were acquired for PLN 1.00 per share, while they were acquired for the nominal price, i.e. PLN 0.10 per share. The table above contains the corrected data for 2020.

^[6] Value of the shares offered by the Company on 31 March 2021 for 2020 under the incentive scheme for 2019–2021 – 3,000 shares of the Company acquired for PLN 0.10/ share; market value of 31 March 2021 – PLN 67.80; as at the date of this Report, the shares had not been acquired yet.

^[7] In 2020, Jacek Olszański acquired 1,250 shares of the Company (offered in March 2020 for 2019 as part of the incentive scheme for 2019–2021); however, taking into account the fact that the rights to acquire these shares vested before the date of appointment to the Management Board, they were not presented as Management Board Member's remuneration.

2.2. Total remuneration of Supervisory Board members

In accordance with point 5.2 of the Remuneration Policy, for performance of their respective functions, members of the Company's Supervisory Board receive remuneration in the form of a fixed monthly amount determined by a resolution of the Company's General Meeting. The amount of the remuneration payable to the Chairman, Deputy Chairmen and members of the Company's Supervisory Board, including those who serve as members of the Company's Audit Committee, may vary.

In accordance with point 4.2 of the Remuneration Policy, the value of the fixed monthly remuneration of a member of the Supervisory Board may not be higher than 10 times the average monthly remuneration of the Company's employees who are not members of the Company's Management Board or Supervisory Board, from the period of 12 consecutive calendar months immediately preceding the date of appointment of a member of the Company's Supervisory Board to perform his/her function. The Company met this requirement.

Some members of the Company's Supervisory Board, i.e. Andrzej Domański, Bartosz Wojciechowski, Piotr Lembas and Barbara Turlejska-Zduńczyk, participate in employee capital plans, on the terms set out by law, and subject to the conditions applicable to the Company's employees.

On the other hand, members of the Company's Supervisory Board do not receive any additional cash and non-cash benefits. Likewise, no benefits are paid to their relatives. Further, they are not remunerated on the basis of variable remuneration components. In view of the above, the Remuneration Policy does not define the proportion of fixed and variable components of their remuneration referred to in Article 90d(3)(2) of the Act on Offering.

Total remuneration of Supervisory Board members received or payable in 2021

Supervisory Board member's name and position		Fixed components of remuneration		Additional retirement and disability benefits ^[1]	Total components of remuneration	Proportion of variable and fixed remuneration
		Remuneration in respect of appointment	Remuneration for performing an additional role in a separate committee			
Wiesław Rozłucki, Chairman of the Supervisory Board Chairman of the Audit Committee	2021	96,000	12,000	0	108,000	N/A – no variable remuneration
	2020	96,000	12,000	0	108,000	
Bartosz Wojciechowski, Deputy Chairman of the Supervisory Board	2021	24,000	0	360	24,360	
	2020	14,000	0	28	14,028	
Andrzej Domański, Deputy Chairman of the Supervisory Board since 5 November 2020	2021	24,000	12,000	495	36,495	
	2020	3,733	1,200	0	4,933	
Piotr Lembas, Supervisory Board Member, Audit Committee Member	2021	12,000	12,000	360	24,360	
	2020	12,000	12,000	30	24,030	
Beata Turlejska-Zduńczyk, Supervisory Board Member since 30 June 2020	2021	12,000	0	180	12,180	
	2020	6,033	0	15	6,048	
Herbert Wirth, Supervisory Board Member, Audit Committee Member since 10 January 2020	2021	12,000	12,000	0	24,000	
	2020	11,710	11,000	0	22,710	

^[1] Contributions to the Employee Capital Plans funded by the Company.

3. **An explanation of how the total remuneration complies with the adopted Remuneration Policy, including how it contributes to achievement of the Company's long-term performance**

This Report presents a comprehensive overview of remuneration, including all benefits, in whatever form, received by individual members of the Management Board and Supervisory Board of the Company or due to individual members in the last financial year, in accordance with the Remuneration Policy.

It should be concluded that the **total remuneration of the members of the Management Board and Supervisory Board of the Company** is in line with the adopted Remuneration Policy. This is due to the following circumstances:

- In accordance with Article 90e of the Act on Offering, in the reporting period, the Company paid remuneration to members of the Management Board and Supervisory Board only in accordance with the provisions of the Remuneration Policy – the remuneration included only components provided for in the Remuneration Policy and were paid in accordance with its rules, including in an appropriate amount, subject to proper legal basis and based on predefined criteria;
- The remuneration of members of the Company's Management Board and Supervisory Board are intended to ensure fair remuneration for members of the Company's Supervisory Board and to motivate members of the Company's Management Board to actively engage in activities aimed at developing, implementing and pursuing the Company's business strategy ensuring the Company's development and achievement of positive financial performance.
- The amount of fixed remuneration components makes it possible to engage at the Company people whose competencies ensure proper management and supervision of the Company; this remuneration is determined in accordance with market practice, as well as in keeping with the principle resulting from the Policy, which makes the maximum amount of fixed remuneration of members of the Management Board and Supervisory Board dependent on the average monthly remuneration of employees of the Company who are not members of the Company's Management Board or Supervisory Board, from the period of 12 consecutive calendar months directly preceding the date of appointment of a given member of the Supervisory/ Management Board (max. 10 times this remuneration);
- The purpose of the variable remuneration component in the form of reward for patent application is to motivate members of the Company's Management Board to submit their own scientific ideas and to realize their scientific professional potential, so that in this way they can contribute to the increase of the Company's market value also in the scientific area, and thus the value of shares held by the Company's shareholders.
- The principles of paying remuneration are in line with the Company's corporate culture and values.

Furthermore, **the total remuneration of members of the Management Board and Supervisory Board contributes to the Company's long-term performance, including through:**

- Adoption at the Company of an incentive scheme based on shares and subscription warrants, which supports delivery of the Company's goals, and in particular ensure long-term growth of value for shareholders and stability of the business; an important feature influencing an incentive nature of the remuneration of Management Board Members and key managers is to link interests with the interests of the Company by offering them shares that entitle them to direct participation in the Company's profits, as well as ensuring their long-term involvement in the Company's activities.
- Application of the method of increasing the fixed monthly remuneration of Jacek Olszański, Management Board Member based on the Company's revenue from the sale of products or volume-weighted average price (VWAP) of the Company's share – this makes it possible to indirectly tie the Company's financial performance to remuneration of members of governing bodies and to motivate them;

4. **Application of performance criteria**

The Company may pay variable remuneration to members of the Management Board in the form of:

- (1) Reward for patent applications; and
- (2) financial instruments (subscription warrants or shares of the Company) under the Incentive Scheme for 2019–2021.

(1) Reward for patent applications are granted based on achievements relating to innovation, and their purpose is to reward members of the Company's Management Board submit their own scientific ideas and to realize their scientific professional potential, so that in this way they can contribute to the increase in the Company's market value also in the scientific area. In accordance with Section 7.3 of the Remuneration Policy, rewards are granted to the author or a team of authors of the Company's patent application submitted to the patent office. In 2021, no awards for patent applications were granted to Management Board members as they were not authors of any patent applications submitted during that period.

(2) Financial instruments are awarded based on performing a function in the Management Board in conjunction with the Supervisory Board's assessment of the legitimacy of awarding variable remuneration in the form of financial instruments.

In the reporting year, rights to acquire shares were granted and subscription warrants were awarded under the Incentive Scheme for 2020, by way of a resolution of the Supervisory Board adopted on 31 March 2021, according to which:

- a. Filip Granek was granted 5,000 Company shares and 2,000 subscription warrants;
- b. Jacek Olszański was granted 3,000 Company shares and 2,000 subscription warrants.

On 29 March 2022 (i.e. after the end of the reporting year), the Supervisory Board adopted a resolution on granting rights to acquire shares and awarding subscription warrants under the Incentive Scheme for the reporting period, i.e. for 2021, according to which:

- a. Filip Granek was granted 5,000 Company shares and 3,000 subscription warrants;
- b. Jacek Olszański was granted 5,000 Company shares and 3,000 subscription warrants.

The Supervisory Board did not set any additional criteria (in the form of individual KPIs or otherwise) for the award of financial instruments for 2020 or 2021.

The purpose of the incentive scheme (which also covers the Company's Management Board Members) is to:

- create mechanisms that will motivate the Management Board and personnel of the Company and the Group to undertake activities that will lead to a rapid increase in the Company's and the Group's revenues and profits and ensure the Company's and the Group's long-term development, consequently increasing the value of the Company's shares;
-
- ensure a stable composition of the Management Board and personnel of the Company and the Group;
- maintain a high level of motivation of the Management Board and personnel of the Company and the Group.

In the Company's opinion, the system in which not only Management Board members, but also key management personnel participate in potential financial success is one of the most important factors that might contribute to rapid growth and market expansion and, quite importantly, without increasing current cash expenses.

To add to the motivational aspect of the remuneration payable to the Management Board Member Jacek Olszański – in addition to the right to acquire the Company's subscription warrants or shares – the Company has applied a method of increasing his fixed monthly remuneration based on the Company's performance, i.e. the Company's revenue from the sale of products or volume-weighted average price (VWAP) of the Company's share. In 2021, the remuneration based on the method was increased twice in connection with the Company's achievement of the expected performance. The remuneration of Jacek Olszański was increased to PLN 25,000.00 gross (as of 1 July 2021) and then to PLN 30,000.00 gross (as of 1 December 2021).

5. Information on annual changes in the remuneration of members of the Management Board and Supervisory Board, the Company's performance and the average remuneration of the Company's employees who are not members of the Management Board or Supervisory Board

Pursuant to Article 90g(3), the data for the years 2016–2018 during which the Supervisory Board was not required to prepare a remuneration report, have been omitted. 2019 data have been provided for comparative purposes.

The major changes in the amount of the remuneration of the Management Board between 2019 and 2020 and between 2020 and 2021 resulted from changes in the composition of the Management Board, and the fact that in 2020 variable remuneration was granted only to one Management Board member.

Figures in PLN thousand	2019	2020	2021
Management Board's remuneration (total)	2,733.7	633.1	1,179.9
Annual change		-76.8%	+86.3%
Supervisory Board's remuneration (total)	168.0	186.3	229.4
Annual change		+10.1%	+23.1%
Net revenues from sales and grants	2,063	2,294	4,702
Annual change		+11.2%	+105.0%
Gross profit on sales	-5,253	-534	-264
Annual change		N/A	N/A
Average remuneration of the Company's employees other than members of the Management Board and Supervisory Board (annual)	92.6	96.6	129.6
Annual change		+4.3%	+34.2%

6. Remuneration from entities belonging to the same corporate group

In the reported financial year, the Management Board Member Jacek Olszański received remuneration from a subsidiary of the Company for provision of services to it (the value and basis for payment of the remuneration are presented in the table below).

Other members of the Management Board and Supervisory Board did not receive any remuneration from other entities from XTPL Group.

Management Board member's name and position	Paying entity	Fixed components of remuneration		Total components of remuneration	
		Remuneration in respect of service provision ^[1]	Role		
Jacek Olszański, Management Board Member since 30 June 2020	2021	TPL Sp. z o.o.	14,400	advisory services	14,400
	2020		7,200	advisory services	7,200

^[1] Due to the nature of the cooperation (provision of services in the B2B model), the amount of remuneration for the provision of services was presented in net terms.

7. Number of awarded or offered financial instruments and main conditions for the exercise of rights from these instruments

In accordance with the content of the Remuneration Policy, members of the Company's Management Board may receive additional remuneration in accordance with the principles set out in the Incentive Scheme Regulations. The purpose of remunerating members of the Company's Management Board with financial instruments is to create additional motivation for them to implement the Company's strategy so as to ensure a steady increase its market value, and thus the value of shares held by the Company's shareholders.

The rules of the current incentive scheme for the period 2019–2021 ("**Scheme**") result from the regulations adopted by the Company's Management Board after a positive opinion from the Supervisory Board pursuant to §3 of EGM resolution No. 04/04/2019 of 24 April 2019.

The Scheme entitles its participants to:

- obtain free of charge subscription warrants entitling them to acquire series R ordinary bearer shares in the share capital of the Company for an issue price specified in the Scheme, i.e. PLN 165.84/ share)
- or
- acquire series L and P ordinary bearer shares for a nominal price of PLN 0.10/ share.

Entitled to participate in the Scheme are, *inter alia*, members of the Company's Management Board. The condition for awarding warrants or the right to acquire existing shares to members of the Management Board is to act as a member of the Management Board on 31 December of a given year of the Scheme. Furthermore, the Supervisory Board may adopt a resolution establishing individual KPIs for each member of the Management Board. Achievement of those KPIs will condition the final award of warrants or the right to acquire shares to individual members of the Management Board. The Supervisory Board may make the subscription or acquisition of shares conditional on prior conclusion of a lock up agreement with the Company on the terms specified by the Company's Management Board or Supervisory Board, respectively.

The award of subscription warrants or the right to acquire shares to the members of the Management Board takes place under a resolution of the Supervisory Board of the Company adopted by 31 March of the following financial year after the end of the Scheme's year for which the warrants or the right to acquire shares were awarded.

On 31 March 2021, as part of implementation of the Scheme for 2020, acquisition of the following financial instruments was offered to Management Board members:

- a. Filip Granek (CEO) received:
 - the right to purchase 5,000 shares of the Company – as at the date of this Report the shares had not been acquired yet – the value of the potential benefit, valued at the time of offering the shares, is presented in the table on the total remuneration of members of the Management Board (item 2.1 of the Report);
 - 2,000 subscription warrants – as at the date of this Report, the statement on the exercise of the rights attached to the warrants has not yet been submitted.
- b. Jacek Olszański (Management Board) was granted:
 - the right to purchase 3,000 shares of the Company – as at the date of this Report the shares had not been acquired yet – the value of the potential benefit, valued at the time of offering the shares, is presented in the table on the total remuneration of members of the Management Board (item 2.1 of the Report);
 - 2,000 subscription warrants – as at the date of this Report, the statement on the exercise of the rights attached to the warrants has not yet been submitted.

On 29 March 2022, as part of implementation of the Scheme for 2021, acquisition of the following financial instruments was offered to the Management Board members:

- a. Filip Granek (CEO) received:

- the right to purchase 5,000 shares of the Company – as at the date of this Report the shares had not been acquired yet – the value of the potential benefit, valued at the time of offering the shares, will be presented in the report for 2022 (item in accordance with the date of granting the right to acquire the shares);
 - 3,000 subscription warrants – as at the date of this Report, the statement on the exercise of the rights attached to the warrants had not yet been submitted.
- a. Jacek Olszański (Management Board) was granted:
- the right to purchase 5,000 shares of the Company – as at the date of this Report the shares had not been acquired yet – the value of the potential benefit, valued at the time of offering the shares, will be presented in the report for 2022 (item in accordance with the date of granting the right to acquire the shares);
 - 2,000 subscription warrants – as at the date of this Report, the statement on the exercise of the rights attached to the warrants has not yet been submitted.

8. Information on how to use the option to claim refund of variable remuneration components

In the reporting period the Company did not claim refund of variable remuneration.

9. Information on exceptions to the Remuneration Policy, including an explanation of the rationale and procedure, and an indication of the items covered by the exception

9.1. Information on exceptions to the procedure for implementing the Remuneration Policy

In the reporting period, the Company did not apply any exception to the procedure of implementing the Remuneration Policy.

9.2. Information on derogations applied according to Article 90f of the Act on Offering

In the reporting period, the Company did not use the option of temporary derogation from the Remuneration Policy in the manner provided for in Article 90f of the Act on Offering and point 10 of the Remuneration Policy.

10. Explanation of the manner of considering the General Meeting's discussion relating to the previous remuneration report

Due to the fact that in 2019 and 2020 the Company met the condition set out in Article 90g(7)(2) of the Act on Offering, the General Meeting of the Company was not obliged to adopt a resolution with its opinion on the report on remuneration of members of the Management Board and Supervisory Board for 2020. The report was discussed by the AGM of 30 June 2021. During the discussion, no additional comments or recommendations were made in the area of the Remuneration Policy.

Accordingly, in the reporting year, the Company and XTPL Group continued to apply the previously developed practices in the area of remunerating members of the Management Board and Supervisory Board and reporting the remuneration paid.

The report was approved by the Supervisory Board by resolution No. 08/05/2022 of the Supervisory Board of XTPL S.A. of 17 May 2022 on accepting the remuneration report.

The Report was assessed by a statutory auditor to see if it includes the information required under Article 90g(1-5) of the Act on Offering. 4AUDYT sp. z o.o., entered in the list of audit firms under No. 3363, was the entity authorized to perform the assessment of the remuneration report.

Prepared by:	Signature:
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Herbert Wirth	
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Beata Turlejska-Zduńczyk	
Warsaw, 17 May 2022	