

ESPI Current report

Number: 5/2017

Prepared on: 14.11.2017

Company: XTPL S.A.

Subject: **Adopting the Rules of Motivational Program by the Supervisory Board**

Legal basis: Art. 17 sec. 1 MAR – confidential information

Report content:

The Management Board of XTPL S.A. with its seat in Wrocław (hereinafter "Company", "Issuer") informs that on 14 November 2017, the Supervisory Board of the Company accepted conditionally the Rules of Motivational Program of XTPL S.A. (hereinafter: "Program"). At the same time, the Supervisory Board recommended the General Meeting to implement the Program by adopting an applicable resolution. Resolution of the Supervisory Board is conditional, *i.e.* it enters into force on the condition of adopting the applicable resolution accepting the Program by the General Meeting of the Issuer. Adopting the Program was included in the agenda by the Extraordinary General Meeting held on 29.11.2017.

The Program was based on the issued L-series shares in the 1st quarter of 2017 in the amount of 140,020 (8.26% of shares issued in general) which are located in the special purpose entity TPL Sp. z o.o. Acquiring the shares within the Program is to be determined by signing the lock-up agreement regarding these shares by an authorized person beforehand.

The program consists of two stages: [granting shares] for the existing contributions to the Company and contribution to future development of the company for financial years 2018-2020. In the 1st stage, within 60 days from adopting the Program, the persons who contributed to development of the Company significantly may be granted the right to purchase shares from the pool consisting of 30.000 shares. Sales agreements in this stage shall be concluded until 30.04.2018.

The 2nd stage of the Program regards the Members of Management Board, employees and associates of the Company and covers financial years 2018-2020. The right to purchase shares by the particular persons participating in the Program shall be obtained systematically in the period of three financial years, provided the particular persons remain the Members of Management Board, employees or associates of the Company. Granting one half of rights to the particular person authorized shall depend on fulfilling the financial objective of the Company for the particular year, and granting the other half of rights shall depend on fulfilling the individually set non-financial objective for the particular year. The shares granted within the Program may be purchased after consideration of the financial statements for 2020 (before this point, 10% of the pool of shares granted to the particular person for the financial year 2018, and 20% of the pool of shares for the financial year 2019 may be purchased). The value of the financial objective for each individual year of the Program shall be determined by the Supervisory Board at the beginning of the particular year by the resolution (financial objective is defined as incomes of the Company and equivalent incomes, excluding the incomes from subsidies). The price of one share to be purchased by participants of the Program shall be PLN 1.00.

The Program includes a clause stating that in case of capitalisation of the Company on the level of PLN 0.5 billion at the end of 2020, all the financial and non-financial objectives are deemed fulfilled.

All shares not purchased by participants of the Program shall be subject to amortization by the Issuer.

The full content of the Rules of Motivational Program of XTPL S.A. adopted by the Supervisory Board is attached hereto.

Attachment: Incentive Scheme Regulations.pdf

Signatures of persons representing the Company:

Filip Granek – President of the Management Board