



**Report on remuneration of members  
of the Management Board and the Supervisory Board  
of the Warsaw Stock Exchange**

## **I. INTRODUCTION**

Dear Sir or Madam,

We present this report of the Supervisory Board of the Warsaw Stock Exchange ("Exchange Supervisory Board" or "Supervisory Board") on remuneration of members of the Management Board and the Supervisory Board of the Warsaw Stock Exchange for the year 2021.

With this report, the Supervisory Board fulfils its obligations as a supervisory body under Article 90g of the Act of 29 July 2005 on Public Offering, the Conditions of Introduction of Financial Instruments to the Organised Trading System, and Public Companies, as well as the Policy for remuneration of members of the Management Board and the Supervisory Board of the Warsaw Stock Exchange approved in Resolution No. 31 of the Annual General Meeting of the Exchange of 22 June 2020.

Resolution No. 7 of the Annual General Meeting of the Exchange of 21 June 2021 gave a positive opinion on the Report on remuneration of members of the Management Board and the Supervisory Board of the Warsaw Stock Exchange for the years 2019-2020.

The data presented in the remuneration report, in Table 1 and Table 4, are cash-based, i.e., they include remuneration paid in a given year, regardless of which year they relate to, whereas the chart presented in Section VI of the report presents data on an accrual basis, i.e., including remuneration due for a given year.

## **II. Principles of remuneration of members of the Exchange Management Board and the Exchange Supervisory Board**

### **1. Composition of the Management Board and principles of remuneration of members of the Management Board**

The Exchange Management Board was composed of the following members from 1 January 2021 to 30 April 2021:

- Marek Dietl – President
- Piotr Borowski – Member
- Dariusz Kułakowski – Member
- Izabela Olszewska – Member

The total remuneration of Members of the Management Board is comprised of:

1. fixed remuneration which is a monthly base salary in an amount defined by the Supervisory Board. The monthly fixed remuneration of each Member of the Management Board falls within the range from 4 to 8 times the basis of calculation referred to in Article 1(3)(11) of the Act of 9 June 2016 concerning the rules of determining the remuneration of managers of certain

companies ("Act"). The basis of calculation of the fixed remuneration of Members of the Management Board is the average monthly remuneration in the corporate sector, excluding profit-based bonuses, in Q4 2016, equal to PLN 4,403.78;

2. variable remuneration which depends on the degree of attainment of the Management Objectives and cannot exceed 100% of the fixed remuneration in the financial year preceding the financial year in which the variable remuneration amount is being calculated;
3. additional cash and/or non-cash benefits including:
  - medical services to the extent of and on the terms defined in the rules of remuneration of Exchange employees applicable to Exchange employees in management positions;
  - participation in the Company's Employee Pension Scheme on the terms of the Work Agreement between the Exchange and the Exchange Employee Trade Union;
  - insurance:
    - liability insurance of members of corporate bodies (D&O),
    - life and health insurance, insurance of lost remuneration due to inability to work as a result of an illness or accident;
  - technical equipment and resources of the Exchange, e.g., company car;
  - training and co-financing of education improving the professional qualifications adequate to the function of Management Board Member necessary for Members of the Management Board to improve their qualifications as necessary to duly perform their functions, on the terms defined in the training policy established by the Exchange in accordance with the ESMA Guidelines on the management body of market operators and data reporting services providers;
4. benefits after termination – the Exchange Supervisory Board may enter with a Member of the Management Board into a non-competition agreement which takes effect after termination of the function of Member of the Management Board; such agreement may only be concluded if a Member of the Management Board performs such function for a period of at least three months. The non-competition period is up to six months after termination of the function of Member of the Management Board.

In 2020, compensation was paid to Jacek Fotek who resigned as Deputy President of the Management Board effective as of 30 April 2020. Under the non-competition agreement, the six-month compensation was reduced with the amount of gross remuneration earned by Jacek Fotek as a Member of the Supervisory Board of KDPW\_CCP S.A. No Member of the Management Board was paid compensation under a non-competition agreement in 2021.

## **2. Composition of the Supervisory Board and principles of remuneration of the Supervisory Board**

On 22 June 2020, following the expiration of its term of office, the Exchange Supervisory Board was appointed for a new term starting on 23 June 2020, composed of the following members:

1. Dominik Kaczmarek – Chairman,
2. Jakub Modrzejewski – Deputy Chairman,

3. Michał Bałabanow – Secretary,
4. Janusz Krawczyk – Member,
5. Filip Paszke – Member,
6. Eugeniusz Szumiejko – Member,
7. Adam Szyszka – Member.

The mandate of Exchange Supervisory Board Member Eugeniusz Szumiejko expired upon his death on 5 July 2020. The Exchange Supervisory Board was comprised of six members until 31 December 2020.

On 16 March 2021, Leszek Skiba was elected to the Exchange Supervisory Board; the Exchange Supervisory Board was comprised of seven members as of this date.

On 21 June 2021, Jakub Modrzejewski was dismissed from the Exchange Supervisory Board and Izabela Flakiewicz was appointed to the Exchange Supervisory Board. As of that date until 31 December 2021, the Exchange Supervisory Board was composed of the following members:

1. Dominik Kaczmarek – Chairman,
2. Izabela Flakiewicz – Deputy Chairman,
3. Michał Bałabanow – Secretary,
4. Janusz Krawczyk – Member,
5. Filip Paszke – Member,
6. Leszek Skiba – Member,
7. Adam Szyszka – Member.

Members of the Exchange Supervisory Board receive monthly fixed remuneration in an amount defined by the General Meeting.

The monthly fixed remuneration of Members of the Exchange Supervisory Board is equal to 1.5 times the basis of calculation referred to in Article 1(3)(11) of the Act of 9 June 2016 concerning the rules of determining remuneration of persons managing certain companies. The basis of calculation of the fixed remuneration of Members of the Exchange Supervisory Board is the average monthly remuneration in the corporate sector, excluding profit-based bonuses, in Q4 2016, equal to PLN 4,403.78. The amount of the fixed remuneration of Members of the Exchange Supervisory Board has not changed since 2017.

Remuneration varies depending on function (e.g., chairing the Supervisory Board and its Committees). Remuneration is differentiated as follows:

- 1) the monthly remuneration of the Chairman of the Exchange Supervisory Board is increased by 10%;
- 2) the monthly remuneration of the Deputy Chairman of the Exchange Supervisory Board is increased by 9%;
- 3) the monthly remuneration of the Secretary to the Exchange Supervisory Board is increased by 8%;

- 4) the monthly remuneration of the Chairmen of the Committees of the Exchange Supervisory Board is increased by 9%;
- 5) the additional remuneration defined in points 1-3 is not additive with the additional remuneration defined in point 4.

Members of the Exchange Supervisory Board are eligible for reimbursement of expenses related to their functions on the Exchange Supervisory Board and the cost of training necessary for Members of the Exchange Supervisory Board to improve their qualifications as necessary to duly perform their functions, on terms defined in the training policy established by the Exchange in accordance with the ESMA Guidelines on the management body of market operators and data reporting services providers (ESMA70-154-271).

Members of the Exchange Supervisory Board receive no variable remuneration or remuneration based on financial instruments.

Members of the Exchange Supervisory Board are covered by liability insurance of members of corporate bodies (D&O).

### **III. Total remuneration of members of the Management Board by component, proportions of components, cost of training financed by the Company**

Table 1 presents the total remuneration of Members of the Management Board paid in 2021.

Nazwisko imię	Liczba miesięcy pełnienia funkcji w roku	Wyплаты gotówkowe					Świadczenia rzeczowe				Razem	
		Wynagrodzenia stałe	Wynagrodzenie zmienne	Premia - bank premii	Premia - akcje fantomowe	Świadczenia po okresie zatrudnienia	Samochód służbowy	PPE	Opieka medyczna			Ubezpieczenie na życie
									na rzecz członka zarządu	na rzecz członków rodziny		
Borowski Piotr	12	402 391,68	407 128,80				4 737,12	56 998,06	1 852,80	2 467,20	270,00	875 845,66
Dietl Marek	12	422 762,88	422 762,88					59 186,84	1 852,80	2 467,20	334,00	909 366,60
Fotek Jacek	0		135 709,60					9 499,67				145 209,27
Kulakowski Dariusz	12	393 445,56	407 128,80				13 683,24	56 998,06	1 852,80	1 123,20	270,00	874 501,66
Olsewska Izabela	12	394 687,18	390 165,10				12 441,62	55 810,60	1 852,80	2 467,20	270,00	857 694,50
RAZEM		1 613 287,30	1 762 895,18	0,00	0,00	0,00	30 861,98	238 493,23	7 411,20	8 524,80	1 144,00	3 662 617,69

The table includes the variable remuneration paid of Jacek Fotek for 2020, awarded and paid in 2021.

The Company financed the cost of training of Members of the Exchange Management Board in a total amount of PLN 40,704.00 in 2021, as presented in Table 2.

<b>Cost of training of Members of the Exchange Management Board in 2021</b>	
<b>Full name</b>	<b>Gross amount</b>

Kułakowski Dariusz	0.00 PLN
Olszewska Izabela	5 658.00 PLN
Dietl Marek	26 989.00 PLN
Borowski Piotr	8 057.00 PLN
<b>Total</b>	<b>40 704.00 PLN</b>

Table 1 presents the total remuneration including cash payments and benefits in kind which all Members of the Management Board were eligible to receive.

Benefits in kind include the cost of use of business cars for personal purposes equal to the monthly car value under the fleet lease agreement multiplied by a ratio of 26% which is the number of non-business days during the year to 365 days per year.

Table 3 presents the share of fixed remuneration, variable remuneration, and benefits in kind in total remuneration of Members of the Management Board in 2021.

Nazwisko i imię	% Udział wynagrodzenia stałego do wynagrodzenia całkowitego	% Udział wynagrodzenia zmiennego do wynagrodzenia całkowitego	% Udział świadczeń po okresie zatrudnienia do wynagrodzenia całkowitego	% Udział świadczeń rzeczowych do wynagrodzenia całkowitego	Wynagrodzenia całkowite
Borowski Piotr	45,94%	46,48%	-	7,57%	100%
Dietl Marek	46,49%	46,49%	-	7,02%	100%
Fotek Jacek	0,00%	93,46%	-	6,54%	100%
Kułakowski Dariusz	44,99%	46,56%	-	8,45%	100%
Olszewska Izabela	46,02%	45,49%	-	8,49%	100%

In 2021, the Members of the Management Board were only paid variable remuneration for 2020 and no amounts due for 2016-2019.

#### **IV. Total remuneration of members of the Exchange Supervisory Board by component, proportions of components, cost of training financed by the Company**

Table 4 presents the remuneration of Members of the Exchange Supervisory Board paid in 2021. The remuneration represents 100% the total remuneration paid in 2021.

Full name	Period in office	Remuneration paid in 2021
Bałabanow Michał	23.06.2020 - present	85 609.44 PLN
Flakiewicz Izabela	21.06.2021 - present	45 402.97 PLN
Kaczmarek Dominik	23.06.2020 - present	87 194.88 PLN

Krawczyk Janusz	29.06.2018 - present	86 402.16 PLN
Modrzejewski Jakub	19.06.2017 - 21.06.2021	41 041.03 PLN
Paszke Filip	19.06.2017 - present	84 162.84 PLN
Skiba Leszek	16.03.2021 - present	64 358.40 PLN
Szyska Adam	23.06.2020 - present	86 402.16 PLN
		580 573.88 PLN

The Company financed the cost of training of Members of the Exchange Supervisory Board in a total amount of PLN 34,460.00 in 2021, as presented in Table 5.

<b>Cost of training of Members of the Exchange Supervisory Board in 2021</b>	
<b>Full name</b>	<b>Gross amount</b>
Kaczmarek Dominik	9 990.00 PLN
Szyska Adam	24 470.00 PLN
<b>Total</b>	<b>34 460.00 PLN</b>

## **V. Compliance of the total remuneration of members of the Exchange Management Board and the Exchange Supervisory Board with the established remuneration policy, dependence on the attainment of long-term results of the Exchange and application of criteria concerning the Company's results**

The fixed remuneration of each Member of the Exchange Management Board falls within the range from 4 to 8 times the basis of calculation referred to in Article 1(3)(11) of the Act; the monthly fixed remuneration of the Exchange Supervisory Board is equal to 1.5 times the basis of calculation. According to the Act, the Exchange meets two of the following criteria in one of the past two years:

- a) average annual headcount is at least 251 employees;
- b) annual net revenue from sales of goods, products and services and financial operations is greater than the PLN equivalent of EUR 50 million;
- c) the total assets on the balance sheet as at the end of one of those years were greater than the PLN equivalent of EUR 43 million.

The variable remuneration of Members of the Management Board depends on the degree of attainment of the Management Objectives and cannot exceed 100% of the fixed remuneration in the financial year preceding the financial year in which the variable remuneration amount is being calculated. The maximum amount of variable remuneration of a Management Board Member for a given financial year and the specific Management Objectives for the given financial year are defined in a resolution of the Exchange Supervisory Board.

The Objectives include:

- a) Quantitative financial objectives (based on the consolidated results of the GPW Group):
  - Total Shareholder Return, which is a market benchmark of the return rate for the shareholders;
  - EBITDA and Cost to Income (C/I) which are derived from the strategy of the GPW Group and the financial plan for the given financial year;
- b) Qualitative non-financial objectives, covering key projects of the GPW Group.

In addition, objectives were set as a condition of eligibility for variable remuneration, including the determination and application of the terms of remuneration of members of managing and supervisory bodies of subsidiaries in line with the Act and compliance with the obligations defined in Articles 17-20, Article 22 and Article 23 of the Act of 16 December 2016 on the terms of management of state assets (Journal of Laws of 2019, item 1302, as amended) in the subsidiaries.

The selection of the financial objectives depends on the financial targets set in the update of the development strategy of the GPW Group by 2022 approved by the GPW Supervisory Board on 12 June 2018. The objectives for a given financial year are set in the financial plans defined by the Management Board and approved by the Exchange Supervisory Board.

The Management Objectives of the Exchange Management Board are partly cascaded accordingly to managers of the Exchange and to Members of the Management Boards of the GPW Group Companies, as applicable, in a way that ensures coherent scope and methodology of applicable indicators.

The maximum variable remuneration and the Management Objectives of the Exchange Management Board Members for 2021, including the weights of the Objectives as well as objective and measurable criteria, were defined in Resolution No. 11/1832/2021 of the Exchange Supervisory Board dated 10 March 2021.

The maximum variable remuneration and the Management Objectives of the Exchange Management Board Members for 2020, including the weights of the Objectives as well as objective and measurable criteria, were defined in Resolution No. 9/1747/2020 of the Exchange Supervisory Board dated 27 March 2020 as amended by Resolution No. 37/1775/2020 of 17 June 2020.

The maximum variable remuneration and the Management Objectives of the Exchange Management Board Members for 2019, including the weights of the Objectives as well as objective and measurable criteria, were defined in Resolution No. 11/1666/2019 of the Exchange Supervisory Board dated 29 March 2019.

The Rules of the Appraisal of Performance of Management Objectives of Members of the Management Board of the Warsaw Stock Exchange define the method of calculating and assessing the performance



of Management Objectives and the method of calculating variable remuneration of Management Board Members for a given financial year.

The Rules define the following thresholds of performance of Management Objectives:

- Minimum threshold at which a Management Board Member becomes eligible to receive a bonus for the given year;
- Maximum threshold at which the bonus is equal to 100% of the fixed remuneration of the Management Board Member.

The Rules define the gradation of the bonus amount between the minimum and the maximum thresholds depending on the degree of attainment of the Management Objectives.

If variable remuneration is paid and subsequently demonstrated to have been awarded to a Management Board Member (in whole or in part, respectively) on the basis of data found to be untrue, the Exchange may raise claims for reimbursement of the variable remuneration paid to the Management Board Member (in whole or in part, respectively).

The payment of variable remuneration may be deferred if the Exchange Supervisory Board passes a respective resolution.

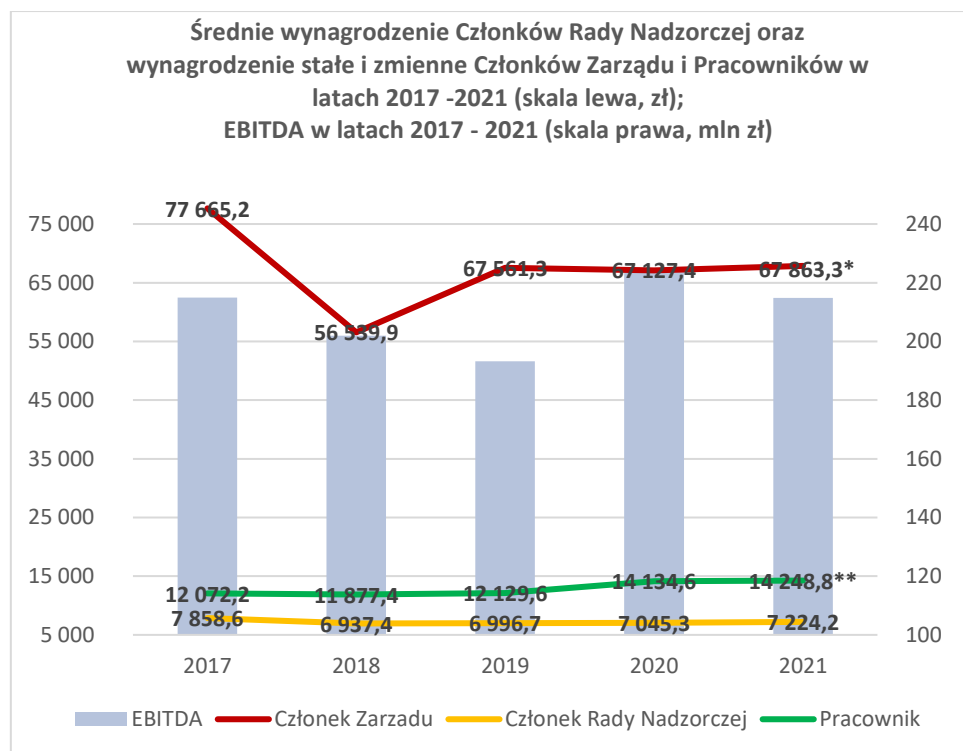
The Exchange Supervisory Board approved the performance of the Management Objectives for 2019 and, on that basis, awarded variable remuneration to Members of the Management Board for 2019. The Exchange Supervisory Board approved the performance of the Management Objectives for 2020 and, on that basis, awarded variable remuneration to Members of the Management Board for 2020.

A resolution of the Exchange Supervisory Board concerning the performance of the Management Objectives and setting the amount of variable remuneration of Members of the Management Board for 2021 will be passed by the end of 2022.

The total remuneration of members of the Exchange Management Board and the Exchange Supervisory Board is consistent with the principles defined in the Policy for remuneration of members of the Management Board and the Supervisory Board of the Warsaw Stock Exchange approved in Resolution No. 31 of the Annual General Meeting of the Exchange of 22 June 2020.

## **VI. Year-on-year change of remuneration, the results of the Exchange, and average remuneration of employees of the Exchange in the last five financial years**

The chart below presents the average monthly remuneration of Members of the Exchange Supervisory Board and the fixed and variable remuneration of Members of the Exchange Management Board and Employees in 2017-2021 vs. EBITDA as a profitability measure of the GPW Group. EBITDA is one of the financial targets under the GPW Group Strategy and a component of the Management Objectives of the Exchange Management Board.



*\*remuneration of a Member of the Management Board for 2021 includes maximum provisions for variable remuneration; the Management Objectives for 2021 have not yet been cleared and the remuneration has not yet been approved.*

*\*\* the employee remuneration includes the expected employee bonus for 2021*

*A change in the remuneration of the Members of the Management Board in 2020 compared to the 2020 Report on remuneration of members of the Management Board and the Supervisory Board is due to the presentation of the variable remuneration actually paid for 2020.*

The average remuneration of Members of the Exchange Supervisory Board and Members of the Exchange Management Board is calculated on the basis of due fixed and variable remuneration divided by the number of months in office during the year. The average remuneration of employees is calculated on the basis of due base salary and bonuses divided by 12 months and the average headcount in FTEs.

Table 6 presents changes of remuneration paid in 2017-2021 to Exchange Management Board Members in office in 2019-2021.

NAZWISKO I IMIĘ	Wynagrodzenie wraz ze świadczeniami rzeczowymi wypłacone Członkom Zarządu Giełdy w latach 2017-2021 (zł) oraz jego zmiana r/r (%)				
	2017	2018	2019	2020	2021
Dietl Marek	110 388	423 101	549 018	1 246 297	909 367
zmiana %	-	283,3%	29,8%	127,0%	-27,0%
Fotek Jacek	309 717	389 475	737 963	1 076 812	145 209
zmiana %	-	25,8%	89,5%	45,9%	-86,5%
Borowski Piotr	-	162 008	417 241	999 582	875 846
zmiana %	-	-	157,5%	139,6%	-12,4%
Olszewska Izabela	-	162 890	417 263	978 005	857 695
zmiana %	-	-	156,2%	134,4%	-12,3%
Kuśkowski Dariusz	583 709	451 625	748 643	1 279 310	874 502
zmiana %	-21,7%	-22,6%	65,8%	70,9%	-31,6%

Table 7 presents changes of remuneration paid in 2017-2021 to Exchange Supervisory Board Members in office in 2019-2021.

NAZWISKO I IMIĘ	Wynagrodzenie wypłacone Członkom Rady Giełdy w latach 2016-2021 (zł) oraz jego zmiana r/r (%)				
	2017	2018	2019	2020	2021
Bańbanow Michał	-	-	-	44 481	85 609
zmiana %	-	-	-	-	92,5%
Bartczak Bogusław	46 081	86 402	86 402	41 281	-
zmiana %	-	87,5%	0,0%	-52,2%	-100,0%
Flakiewicz Izabela	-	-	-	-	45 403
zmiana %	-	-	-	-	-
Jajuga Krzysztof	-	-	19 817	37 873	-
zmiana %	-	-	-	91,1%	-100,0%
Kaczmarek Dominik	-	-	-	45 252	87 195
zmiana %	-	-	-	-	92,7%
Krawczyk Janusz	-	45 843	86 402	86 148	86 402
zmiana %	-	-	88,5%	-0,3%	0,3%
Modrzejewski Jakub	46 081	86 767	87 195	86 526	41 041
zmiana %	-	88,3%	0,5%	-0,8%	-52,6%
Paszkowski Filip	42 276	79 268	79 268	81 626	84 163
zmiana %	-	87,5%	0,0%	3,0%	3,1%
Prażmo Piotr	42 276	81 468	86 402	41 281	-
zmiana %	-	92,7%	6,1%	-52,2%	-100,0%
Skiba Leszek	-	-	-	-	64 358
zmiana %	-	-	-	-	-
Szumiejko Eugeniusz	67 708	79 268	79 268	40 486	-
zmiana %	-	17,1%	0,0%	-48,9%	-100,0%
Szyska Adam	-	-	-	44 579	86 402
zmiana %	-	-	-	-	93,8%

**VII. Amount of remuneration of members of the Exchange Management Board and the Exchange Supervisory Board from entities of the Exchange Group within the meaning of the Accountancy Act of 29 September 1994**

The Members of the Exchange Management Board and the Exchange Supervisory Board received no remuneration in 2019-2021 from entities of the Exchange Group within the meaning of the Accountancy Act of 29 September 1994.

#### **VIII. Number of financial instruments awarded or offered and key terms of exercising rights attached to such instruments**

The Exchange awards no remuneration in financial instruments to Members of the Management Board.

#### **IX. Enforcement of claims for reimbursement of variable remuneration components**

The Exchange may raise claims for reimbursement of variable remuneration paid to Management Board Members (in whole or in part, respectively) if variable remuneration is paid and subsequently demonstrated to have been awarded to Management Board Members on the basis of data found to be untrue.

In 2021, the Exchange did not exercise the right to raise claims for reimbursement of variable remuneration.

#### **X. Derogations from the procedure for implementing the remuneration policy and temporary derogations from application of the remuneration policy**

The Exchange used no derogations from the procedure for implementing the remuneration policy and no temporary derogations from application of the remuneration policy established in the Company.

#### **XI. Assessment by the Exchange Supervisory Board**

**In the opinion of the Exchange Supervisory Board, the total remuneration paid to the Members of the Exchange Management Board and the Exchange Supervisory Board is consistent with the Policy for remuneration of members of the Management Board and the Supervisory Board of the Warsaw Stock Exchange approved in Resolution No. 31 of the**

**Annual General Meeting of the Exchange of 22 June 2020. The remuneration policy is pursued in a transparent manner and contributes to the implementation of the business strategy, long-term interest and stability of the Warsaw Stock Exchange and the Warsaw Stock Exchange Group.**

Dominik Kaczmarek .....

Izabela Flakiewicz .....

Michał Bałabanow .....

Janusz Krawczyk .....

Filip Paszke .....

Leszek Skiba .....

Adam Szyszka .....