

INFORMATION ON GENERAL PRINCIPLES OF MANAGING CONFLICTS OF INTEREST IN XTB S.A.

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I. INFORMATION ON GENERAL PRINCIPLES OF MANAGING CONFLICTS OF INTEREST

XTB S.A. ("**XTB**") conducts brokerage activities in a reliable and professional manner and in accordance with the principles of fair trading. We are guided by the best interests of our Clients. We strive to avoid conflicts with our Clients by implementing appropriate organizational, administrative solutions and internal regulations. We exercise due diligence to ensure that if such a conflict arises, the Client's interests are not compromised.

As a brokerage house, we provide a number of services in the financial market for a diverse group of entities, in particular, with regard to financial instruments that are the subject of client orders, we can, purchase or sell instruments for our own or someone else's account and make transactions in these instruments, provide order execution services, order acceptance and transmission services, foreign exchange services, provide services of preparing investment analysis, financial analysis and other recommendations of a general nature regarding transactions in financial instruments, and receive remuneration, commissions, and realize profits therefrom.

At the same time, however, we are aware of the conflict of interest between us and the Client. This conflict occurs in the performance of the brokerage service of buying and selling financial instruments for the client's account. Its essence lies in the fact that we are always the other party to the transaction concluded by the client on CFDs and we make investment recommendations on the financial instruments on offer.

Therefore, we have developed an internal regulation - the Conflict of Interest Management Policy (the "Policy"), which sets out the principles and ways to manage and prevent conflicts of interest. Below are the most important principles of the Policy.

- To counteract conflicts of interest, the Trading Department is separated from departments that work directly with clients, i.e. the Sales Department and the Customer Service Department (the so-called "Chinese walls" principle). As a result, these departments are fully autonomous in proposing investment products from our offerings to clients and assessing whether the products are suitable for individual clients. The division of departments serves the purpose of ensuring that the selection of a financial instrument offered to a client is in no way related to the open position we currently hold. The Trading Department also has no direct contact with our clients. In addition, the Analysis Department, which prepares market analyses, does not know the financial situation of our Clients and XTB's position in the financial instruments offered.
- The incentive system of the people involved¹ is not linked to the result on the portfolio of XTB's own financial instruments, which is created in the framework of making transactions with our clients.
- Departments that have direct contact with customers and departments that are in the sphere of conflict of interest between us and customers are not competently dependent on each other.
- Employees of the Trading Department are not allowed to speak publicly about the current market situation. They are also not allowed to participate in the preparation of reports and market commentaries that we make public.
- The employees of the Trading Department never know the Client's intentions regarding the direction of the transaction. Employees of the Trading Department at all times must provide the Client with the bid and ask prices of the financial instrument in question at the same time, taking into account the spread in accordance with the Financial Instruments Specification Table and the Terms of Service. The Client may use this information at his discretion to open a new position or close an old one.
- Our employees are prohibited from accepting gifts in the form of monetary or non-monetary benefits from customers, potential customers or third parties. It is not a violation of this prohibition to accept small gifts and gestures of courtesy that are customary in relationships of the type in question. However, the giving of such a gift must be in accordance with the Policy.
- In connection with the routing of orders to a trading venue or other order execution systems, XTB does not accept monetary or non-monetary benefits that would violate its obligations to manage conflicts of interest and accept monetary or non-monetary benefits.
- Implementation of regulations, other than the Policy, for self-investment by involved persons and protection of the flow of information that constitutes professional secrets and prevents access by authorized persons to confidential information. These regulations include: (i) XTB's Organizational Regulations defining the scope and division of competencies of XTB's various organizational units, (ii) Regulations on the protection of the flow of confidential information and professional secrets, defining the solutions implemented by XTB to prevent unauthorized persons from accessing confidential information and professional secrets, as well as to prevent persons with access to confidential information and professional secrets from using such information for purposes other than the performance of their duties resulting from their functions or employment; (iii) Regulations on personal transactions, setting forth the rules for personal transactions by Persons involved in XTB.

We provide clients interested in detailed information on our conflict of interest policies with such information upon request, either through the XTB Website or using a durable medium.

We update our conflict of interest management policies accordingly as needed.

¹ Person referred to in Article 2(1) of Commission Delegated Regulation 2017/565 of April 25, 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and terms defined for the purposes of that Directive.