

DOM DEVELOPMENT S.A.

**SUPERVISORY BOARD REPORT ON
REMUNERATION FOR MEMBERS
OF DOM DEVELOPMENT S.A.
MANAGEMENT BOARD
AND SUPERVISORY BOARD
FOR 2021**



This Report was prepared in line with regulations governing remuneration in public companies under Article 90g of the Act of 29 July 2005 on public offering and the terms and conditions governing the introduction of financial instruments to an organised trading system, and on public companies (Journal of Laws of 2021, item 1983).

The Report contains a comprehensive overview of the remuneration received by individual Members of the Management Board and the Supervisory Board of Dom Development S.A. (hereinafter the "Company") in 2021, awarded in accordance with the Remuneration Policy for the Members of the Management Board and the Supervisory Board of Dom Development S.A. (hereinafter referred to as the "Remuneration Policy").

In 2021, the composition of the Management Board and Supervisory Board was as follows:

Board	Function
Jarosław Szanajca	President
Małgorzata Kolarska	Vice President
Janusz Zalewski*	Vice President
Leszek Stankiewicz**	Vice President
Mikołaj Konopka	Member
Terry Roydon	Member

*Janusz Zalewski resigned from the function of Management Board Member as of March 12, 2021.

** Leszek Stankiewicz was appointed to the Management Board on March 15, 2021.

Supervisory Board	Function
Grzegorz Kiełpsz	Chairman
Michael Cronk*	Member
Markham Dumas**	Deputy Chairman/ Member
Krzysztof Grzyliński	Member
Marek Moczulski	Deputy Chairman
Dorota Podedworna-Tarnowska	Member
Mark Spiteri	Member
Janusz Zalewski***	Deputy Chairman

* Michael Cronk resigned from the function of Supervisory Board Member as of March 12, 2021.

** Markham Dumas served as the Deputy Chairman of the Supervisory Board until March 14, 2021. Since March 15, 2021, Markham Dumas serves as the Supervisory Board Member.

*** Janusz Zalewski was appointed to the Supervisory Board on March 15, 2021.

TOTAL REMUNERATION OF MANAGEMENT BOARD MEMBERS BY COMPONENT

The remuneration of the Management Board Members in 2021 is shown in the table below (k PLN):

	Fixed Remuneration	Company vehicle used for personal purposes	Other non-cash benefits (medical care, life insurance, sports card, other)	Variable Remuneration*	Ratio of variable to fixed remuneration **	Ratio of fixed non-cash benefits + company car to fixed remuneration
Jarosław Szanajca	1279	13	33	1631	127%	4%
Małgorzata Kolarska	1200	76	28	4681	390%	9%
Janusz Zalewski	216	30	131	0	0%	75%
Leszek Stankiewicz	622	42	7	924	149%	8%
Mikołaj Konopka	120	0	0	663	553%	0%
Terry Roydon***	72	0	0	1267	1760%	0%

* Variable remuneration calculated in accordance with the accrual principle paid in cash.

** Variable remuneration calculated as a percentage of fixed remuneration.

*** Terry Roydon, as part of Hansom Property Company Limited, provided consulting services totalling 550 (kPLN) in 2021.

**** The other non-cash benefits of Mr. Janusz Zalewski include an additional benefit of PLN 130,000.

The variable remuneration in this table only includes variable remuneration that is paid in cash. The remuneration resulting from the granted instruments was shown and described below in the report.

The variable remuneration for 2020 and 2019 that was paid in 2021 is not included in this report.

In accordance with the Remuneration Regulations adopted in the Company, fixed remuneration is paid at the end of each month.

As provided for in the rules for payment of the Variable Remuneration set out in the Remuneration Policy, the Variable Remuneration granted and paid may not be reimbursed.

Variable Remuneration for Management Board Members granted in the form of bonuses was subject to certain criteria related to both financial and non-financial performance. The value thereof was tied to strategic goals under two variable remuneration systems:

- Variable remuneration, as a one-off payment, calculated as a specific amount (expressed as a percentage) of the basic, annual gross remuneration of the Management Board Member, and linked to performance in achieving expected levels of implementation for both individual and corporate goals. The strategic goals included, among others: net profit, net margin, costs, customer satisfaction (NPS score), land purchases and other individual tasks related to the implementation of Company strategy. The total weight of the financial goals fell in the range of 20% -40%.
- Variable remuneration calculated as a specified percentage of the consolidated gross profit of Dom Development Capital Group, and paid in installments over a 3-year period.

The remuneration of the Management Board Members granted and paid in the form of financial instruments (management options) in the financial year 2021 is shown in the tables below:

OPTIONS GRANTED AND EXERCISED IN 2021	Options granted as of 1 January 2021 and not yet exercised (number of shares)	Price of one share on grant date	Options granted in 2021 (number of shares)	Options exercised in 2021 (number of shares)	Closing share price on option exercise day*	Price of exercising one share (strike price)	Date of exercising shares
Jarosław Szanajca	0	n.d.	0	0	n.d.	n.d.	n.d.
Małgorzata Kolarska	200 000	74,49 zł	0	100 000	116,50 zł	35,00 zł	22.01.2021
Leszek Stankiewicz	0	n.d.	0	0	n.d.	n.d.	n.d.
Janusz Zalewski	0	n.d.	0	0	n.d.	n.d.	n.d.
Mikołaj Konopka	200 000	95,20 zł	0	50 000	116,50 zł	50,00 zł	22.01.2021
Terry Roydon	0	n.d.	0	0	n.d.	n.d.	n.d.

* Ms Małgorzata Kolarska and Mr Mikołaj Konopka exercised their options, i.e. subscribed for shares, on January 22, 2022.

The main conditions for exercising the right for the options granted included notification by the Management Board Member of an intention to exercise the options. Thereupon, the Management Board Member received a proposal to purchase shares and could exercise the right to subscribe for shares. The exercise became effective upon receipt of payment for the shares subscribed.

Furthermore, the options granted could have been exercised during the calendar year in which they were granted or at a later date determined by the Company, individually for each Management Board Member.

Ms Małgorzata Kolarska and Mr Mikołaj Konopka exercised all options to which they acquired the right to exercise in 2021, respectively.

TOTAL REMUNERATION OF SUPERVISORY BOARD MEMBERS BY COMPONENT

The remuneration of the Supervisory Board Members paid in 2021 is shown in the table below (k PLN):

	Fixed Remuneration	Non-Cash Benefits (medical care, life insurance, sports card)	Ratio of fixed non-cash benefits to fixed remuneration
Grzegorz Kiełpsz	600	24	4%
Michael Cronk	28	0	0%
Markham Dumas	110	0	0%
Krzysztof Grzyliński	110	11	10%
Marek Moczulski	110	0	0%
Dorota Podedworna-Tarnowska	110	0	0%
Mark Spiteri	110	0	0%
Janusz Zalewski	88	8	9%

The total remuneration of the Members of the Management Board and the Supervisory Board was awarded and paid in accordance with the adopted Remuneration Policy. In the case of Mr. Terry Roydon and Mr. Mikołaj Konopka, it exceeded the limit of 5-times the basic salary in the Capital Group, thus failing to meet par. 6, point 3. Remuneration policy Its amount was considered proportionate and linked to the implementation of the Company's business strategy, which is based on long-term maximisation of the Company value and return on equity for shareholders through: geographic diversification of operations, optimisation of the portfolio of current development projects as regards the margins earned and the scale of operations, timely delivery of high-quality development projects on budget, while maintaining adequate liquidity and a strong balance sheet.

The size and nature of the remuneration was consistent with the strategic objectives and the short- and long-term interests of Dom Development S.A. Their payment was intended to strengthen the motivation of the Members of the Management Board to reach their personal goals which contribute to the achievement of the above-mentioned corporate and strategic objectives.

The payment of deferred compensation in the form of financial instruments granted to the Management Board Members shown above ensures that the interests of the Management Board Members who receive such compensation as part of their overall remuneration are linked to the long-term objectives of the Company. Such variable remuneration is an additional incentive to ensure long-term strategic planning and decision-making aimed at maximising the value of the company over several years.

CASH AND NON-CASH BENEFITS FOR PERSONS RELATED TO THE MANAGEMENT BOARD MEMBERS AND SUPERVISORY BOARD

The Company granted cash and non-cash benefits to the immediate families of the Management Board and Supervisory Board Members, the total amount of which is shown in the tables below (k PLN):

MANAGEMENT BOARD	Cash benefits to the immediate family	Benefits to the immediate family (medical care, life insurance, sports card)
Jarosław Szanajca	0	7
Małgorzata Kolarska	0	7
Janusz Zalewski	0	2
Leszek Stankiewicz	0	4
Mikołaj Konopka	0	0
Terry Roydon	0	0

SUPERVISORY BOARD	Cash benefits to the immediate family	Benefits to the immediate family (medical care, life insurance, sports card)
Grzegorz Kiełpsz	0	4
Michael Cronk	0	0
Markham Dumas	0	0
Krzysztof Grzyliński	0	7
Marek Moczulski	0	0
Dorota Podedworna-Tarnowska	0	0
Mark Spiteri	0	0
Janusz Zalewski	0	6

COMPARISON OF MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBER REMUNERATION, COMPANY PERFORMANCE AND AVERAGE REMUNERATION OF EMPLOYEES (k PLN):

	2019	2020	2020/2019	2021	2021/2020
Remunerations of Members of Management Board:	12 087	13 358	111%	13 740	103%
Jarosław Szanajca	2 785	2 931	105%	2 956	101%
Małgorzata Kolarska	5 183	5 744	111%	5 985	104%
Janusz Zalewski	2 439	2 686	110%	377	14%
Leszek Stankiewicz	0	0	-	2 140	-
Mikołaj Konopka	604	739	122%	943	128%
Terry Roydon	1 076	1 258	117%	1 339	106%
Remunerations of Members of Supervisory Board:	1 301	1 295	100%	1 309	101%
Grzegorz Kiełpsz	624	624	100%	624	100%
Michael Cronk	110	110	100%	28	25%
Janusz Zalewski	0	0	-	96	-
Markham Dumas	116	110	95%	110	100%
Krzysztof Grzyliński	121	121	100%	121	100%
Marek Moczulski	110	110	100%	110	100%
Dorota Podedworna- Tarnowska	110	110	100%	110	100%
Mark Spiteri	110	110	100%	110	100%
Company performance (net profit)	304 665	264 217	87%	306 767	116%
Capital Group performance (consolidated gross profit)	320 482	378 627	118%	405 485	107%
Average employee remuneration at Dom Development S.A.	199	198	99%	215	109%

REMUNERATION FROM ENTITIES BELONGING TO THE SAME CAPITAL GROUP

On account of their functions in entities belonging to the Dom Development capital group, the Members of the Management Board and the Supervisory Board of the Company were granted and paid remuneration in the amounts shown in the table below (k PLN):

	Company	2021
Jarosław Szanajca	Dom Development Wrocław Sp. z o.o.	60
	Euro Styl S.A.	60
Leszek Stankiewicz	Dom Constructions Sp. z o.o.	48
Mikołaj Konopka	Euro Styl S.A.	2 004
	Euro Styl Construction Sp. z o.o.	6
	Euro Styl Development Sp. z o.o.	6
	Euro Styl Montownia Sp. z o.o.	6
	GGI Dolne Miasto Sp. z o.o.	4
	Your Destination Sp. z o.o.	2

The remuneration was paid based on the resolutions of the Supervisory Board

The remuneration policy was adopted by the Company in August 2020. Since its implementation, there have been no exceptions to its application, except for Mr. Terry Roydon and Mr. Mikołaj Konopka exceeding the limit of 5-times the amount of the variable remuneration in relation to the fixed remuneration.

Pursuant to Resolution No. 20 of May 27, 2021, the Ordinary General Meeting of Shareholders of Dom Development S.A. presented a positive opinion on the Supervisory Board Report on the remuneration of Members of the Management Board and Supervisory Board of Dom Development S.A. for 2019-2020, in respect of its compliance with Article 90g of the Act of 29 July 2005 on public companies and public offering and the terms and conditions governing the introduction of financial instruments to an organised trading system, and its compliance with the remuneration policy for members of the Management Board and Supervisory Board of Dom Development S.A.

This Report has been reviewed by a certified auditor.