



Report of the Remuneration Committee of  
**Dom Development S.A.**  
for the period from 1 January 2019 until 31 December 2019

**REPORT**

**OF THE REMUNERATION COMMITTEE**

**OF DOM DEVELOPMENT S.A.**

**ON THE ACTIVITIES CONDUCTED**

**FROM 1 JANUARY 2019**

**TO 31 DECEMBER 2019**



Warsaw, 2 March 2020



## **I. Personnel, composition and organisation of the Remuneration Committee of Dom Development S.A.**

Pursuant to the provisions of the Statute of Dom Development S.A. with its registered seat in Warsaw ('the Company') and Remuneration Committee Bylaws dated 5 September 2006 and amended on 29 December 2006 and 5 October 2010, the Remuneration Committee is a permanent committee of the Supervisory Board.

The Remuneration Committee is composed of at least three members appointed by the Supervisory Board from among its members, at least two of whom shall be Independent Members of the Supervisory Board (in the meaning of point 7.7 of the Company's Statute).

From 1 January 2019 to 31 December 2019, the Remuneration Committee acted under the following composition:

- Marek Moczulski - Chairman of the Remuneration Committee,
- Mark Spiteri - Member of the Remuneration Committee,
- Krzysztof Grzyliński - Member of the Remuneration Committee.

The rules of organisation and the methods of operation of the Remuneration Committee are specified by the provisions of the Company's Statute and the Remuneration Committee Bylaws dated 5 September 2006 and amended on 29 December 2006 and 5 October 2010.

## **II. Activity of the Remuneration Committee**

1. During the period under review, the Remuneration Committee conducted its activity by way of sessions convened by the Chairman of the Supervisory Board. Said sessions took place in accordance with the 2019 Company Activity Schedule and depending on needs. The Remuneration Committee also conducted sessions via teleconference. Minutes were taken during all sessions and the decisions made by the Committee took the form of resolutions.

2. During the period from 1 January 2019 to 31 December 2019, the most important tasks of the Remuneration Committee were the periodical assessment of the terms of remuneration of the Management Board members, preparation of remuneration proposals including granting additional incentive-based benefits for management, such as share option programs, as well as submitting to the Supervisory Board the proposed remuneration policies of the Company.



During the period covered by this report, 5 sessions of the Dom Development S.A. Remuneration Committee took place, on the following dates:

- 1) 1 March 2019;
- 2) 9 April 2019;
- 3) 28 May 2019;
- 4) 1 October 2019;
- 5) 28 November 2019.

All sessions of the Remuneration Committee were convened correctly. All members of the Remuneration Committee were present at 4 sessions and 1 session took place with the required *quorum*. Some sessions of the Remuneration Committee were also attended by the President of the Management Board Mr. Jarosław Szanajca and HR Director Jakub Poddany.

#### Session of 1 March 2019

After the meeting had opened the Members of the Remuneration Committee adopted a resolution on the acceptance of the Report of the Remuneration Committee on the activities conducted from 1 January 2018 to 31 December 2018 and submission of said Report to the Supervisory Board (Resolution No. 01/03/19) after which the meeting discussed and analysed the remuneration of the members of the Management Board in 2018.

The Remuneration Committee adopted the following resolutions: on Bonus Pool mechanics for 2019 (Resolution No. 02/03/19), on proposals to award Discretionary Bonuses under the Discretionary Bonus Scheme for Senior Executives and Consultants of Dom Development S.A. (re. 2016, 2017 and 2018 Pool) (Resolutions: No. 03/03/19, 04/03/19 and 05/03/19).

#### Session of 9 April 2019

After the meeting had opened the Members of the Remuneration Committee adopted resolutions on proposals of setting remunerations and other benefits for the following Members of the Management Board: President of the Management Board, Mr. Jarosław Szanajca, Vice President of the Management Board, Mrs. Małgorzata Kolarska, Vice President of the Management Board, Mr. Janusz Zalewski, Member of the Management Board, Mr. Mikołaj Konopka (Resolutions: No. 01/04/19, 02/04/19, 03/04/19 and 04/04/19).

The Remuneration Committee adopted the following resolutions: on a recommendation of an amendment of the Discretionary Bonus Scheme for Senior Executives and Consultants of Dom Development S.A. to the Supervisory Board (Resolution No. 05/04/19), on a proposal of determination of a Pool and a Pool for Distribution to be allocated for payment of Discretionary Bonuses under the



Discretionary Bonus Scheme for Senior Executives and Consultants of Dom Development S.A. and a proposal of specification of Shares in the Pool for Distribution (re. 2019 Pool) (Resolution No. 06/04/19), and on a proposal of determination of a Pool 2 and a Pool 2 for Distribution to be allocated for payment of Discretionary Bonuses under the Discretionary Bonus Scheme for Senior Executives and Consultants of Dom Development S.A. and a proposal of specification of Shares in the Pool 2 for Distribution (re. 2019 Pool 2) (Resolution No. 07/04/19) and on a proposal of determination of a Pool 3 and a Pool 3 for Distribution to be allocated for payment of Discretionary Bonuses under the Discretionary Bonus Scheme for Senior Executives and Consultants of Dom Development S.A. and a proposal of specification of Shares in the Pool 3 for Distribution (re. 2019 Pool 3) (Resolution No. 08/04/19).

Moreover, the Remuneration Committee recommended that the Supervisory Board approves execution of the SECP (Senior Executives Compensation Plan) for 2018 (Resolution No. 09/04/19) and also adopted the resolution on a proposal of the acceptance of the targets of the SECP (Senior Executive Compensation Plan) for 2019 (Resolution No. 10/04/19).

#### [Session of 28 May 2019](#)

The Remuneration Committee members discussed operation of Management Share Options Programme IV for the Vice President of the Management Board - the Chief Operations Officer, regarding 500,000 Shares of Dom Development S.A. and assumptions of the Provisions of the Management Share Option Programme V for Mikołaj Konopka, Member of the Management Board of Dom Development S.A., regarding 250,000 Shares of Dom Development S.A.

#### [Session of 1 October 2019](#)

The members of the Remuneration Committee analysed the results of the research on Warsaw quoted public companies' 2018 remuneration packages.

Analysis and discussion regarding the remuneration of each member of the Management Board in 2018 took place as well as a discussion concerning recommendations for remuneration of each member of the Management Board.

Furthermore, the Remuneration Committee adopted the 2020 Company Activity Schedule (Resolution No. 01/10/19) and a resolution on LTIP bonus cap (Resolution No. 02/10/19).

#### [Session of 28 November 2019](#)

The Remuneration Committee discussed with HR Director the operation of the bonus scheme.



Furthermore, the Remuneration Committee adopted the following resolutions: on the SECP target setting guidelines for FY 2020 (Resolution No. 01/11/19), on the recommendation of an acceptance of the Provisions of the Management Share Option Programme V for Mikołaj Konopka, Member of the Management Board of Dom Development S.A., regarding 250,000 Shares of Dom Development S.A. to the Supervisory Board (Resolution No. 02/11/19) and on the recommendation to the Supervisory Board regarding granting Options on the basis of Provisions of the Management Share Option Programme V for Mikołaj Konopka, Member of the Management Board of Dom Development S.A., regarding 250,000 Shares of Dom Development S.A., and the number of shares that are subject to Options and the price of said shares, which may be acquired by exercising the Options (Resolution No. 03/11/19).

MAREK MOCZULSKI

---

MARK SPITERI

---

KRZYSZTOF GRZYLIŃSKI

---