

Current Report No. **8/2016**

Report Date:

**21 March 2016**

Abbreviated name of the issuer:

**DOM DEVELOPMENT S.A.**

Subject:

**Resolution of the Management Board regarding the increase of the share capital through the issuance of 10,320 series U shares and 1,000 series V shares within the scope of the authorised capital, and full and complete waiver of the pre-emptive rights of the existing shareholders**

Legal basis:

**Article 56.1 of the Public Offering Act – confidential information**

#### **The Report:**

The Management Board of Dom Development S.A. with its registered seat in Warsaw (the “Company”) informs, in accordance with Article 56.1 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, dated 29 July 2005 (Journal of Laws 2013, item 1382, as amended), that on 21 March 2016 it adopted a resolution No. 02/03/16 regarding the increase of the share capital through the issuance of series U and series V shares within the scope of the authorised capital, and full and complete waiver of the pre-emptive rights of the existing shareholders.

The Company’s Management Board, acting on the basis of the authority granted by section 3.2.8 of the Company’s Statutes, increased the Company’s share capital from the existing sum of PLN 24,771,272.00 (twenty four million, seven hundred and seventy one thousand, two hundred and seventy two Polish zloty) up to the amount of PLN 24,782,592.00 (twenty four million, seven hundred and eighty-two thousand, five hundred and ninety two Polish zloty) i.e. by the amount of PLN 11,320.00 (eleven thousand three hundred and twenty Polish zloty) by issuing 10,320 (ten thousand three hundred and twenty Polish) ordinary bearer shares of series U with a nominal value of PLN 1.00 (one Polish zloty) each, numbered from 1 to 10,320 and 1,000 (one thousand) ordinary bearer shares of series V with a nominal value of PLN 1.00 (one Polish zloty) each, numbered from 1 to 1,000.

The series U shares and series V shares are issued by way of private placement. Pursuant to the resolution No. 09/03/16 of the Supervisory Board of the Company dated 21 March 2016, regarding the consent for the Management Board to fully waive the pre-emptive rights of the existing shareholders of Dom Development S.A., and regarding the opinion on the share capital increase of the Company through the issuance of shares within the authorised capital, the Management Board waived the pre-emptive rights of the existing shareholders with respect to the abovementioned 10,320 ordinary series U bearer shares and 1,000 ordinary series V bearer shares.

The objective of the issuance of the series U shares and series V shares is to allow the Company to comply with its obligations under the Rules of the Dom Development S.A. 726,000 Executive Share Option Scheme II (“Scheme II”). The waiver of the pre-emptive rights of the existing shareholders is

justified by the circumstances that the series U and series V shares issue is addressed exclusively to the participants of Scheme II and to allow them to exercise their rights under subscription warrants. Pursuant to the resolution of the Supervisory Board No. 10/03/16 dated 21 March 2016 regarding the grant of consent for the Management Board to determine the issue price for the series U shares at PLN 40.46 and series V shares at PLN 44.16, the Management Board determined the issue price for the new series U shares at PLN 40.64 (forty Polish zloty and sixty four groszy) per share and the issue price for the new series V shares at PLN 44.16 (forty-four and Polish zloty and sixteen groszy) per share. Those shares shall be paid for in cash.

**Signatures of persons representing the Company:**

Janusz Zalewski – Vice President of the Management Board

Małgorzata Kolarska – Vice President of the Management Board