

DOM DEVELOPMENT S.A.

**SUPERVISORY BOARD REPORT ON  
REMUNERATION FOR MEMBERS  
OF DOM DEVELOPMENT S.A.  
MANAGEMENT BOARD  
AND SUPERVISORY BOARD  
FOR 2023**



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 2022, item 2554).

The Report contains a comprehensive overview of the remuneration due to individual Members of the Management Board and the Supervisory Board of Dom Development S.A. (hereinafter the "Company") in 2023, 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 2023, the composition of the Management Board and Supervisory Board was as follows:

Table 1

Board	Function
Jarosław Szanajca	President
Małgorzata Kolarska <sup>1</sup>	Vice President
Leszek Stankiewicz	Vice President
Mikołaj Konopka	Member
Terry Roydon	Member

<sup>1</sup>Ms Małgorzata Kolarska resigned from the position of Vice President and Member of the Management Board with effect as of December 31, 2023

Table 2

Supervisory Board	Function
Grzegorz Kielpsz	Chairman
Markham Dumas <sup>2</sup>	Member
Krzysztof Grzyliński <sup>3</sup>	Member
Marek Moczulski <sup>4</sup>	Deputy Chairman
Dorota Podedworna-Tarnowska <sup>5</sup>	Deputy Chairman
Mark Spiteri	Member
Janusz Zalewski	Deputy Chairman
Anna Panasiuk <sup>6</sup>	Member
Edyta Wojtkiewicz <sup>7</sup>	Member
Philippe Bonavero <sup>8</sup>	Member

<sup>2</sup>Mr Markham Dumas resigned from the position of Member of the Supervisory Board on June 14, 2023

<sup>3</sup>Mr Krzysztof Grzyliński resigned from the position of Member of the Supervisory Board on June 15, 2023

<sup>4</sup>Mr Marek Moczulski resigned from the position of Deputy Chairman and Member of the Supervisory Board on June 15, 2023

<sup>5</sup>Ms Dorota Podedworna-Tarnowska became Deputy Chairman of the Supervisory Board on June 15, 2023

<sup>6</sup>Ms Anna Panasiuk was appointed as a Member of the Supervisory Board on June 15, 2023

<sup>7</sup>Ms Edyta Wojtkiewicz was appointed as a Member of the Supervisory Board on June 15, 2023

<sup>8</sup>Mr Philippe Bonavero was appointed as a Member of the Supervisory Board on June 15, 2023

#### TOTAL REMUNERATION OF MANAGEMENT BOARD MEMBERS BY COMPONENT

The remuneration of the Management Board Members in 2023 is shown in the table below (k PLN):

Table 3

	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 total salary	Ratio of fix remuneration to total salary	Ratio of fixed non-cash benefits + company car to total salary
Jarosław Szanajca	1489	5	27	2229	59%	40%	1%
Małgorzata Kolarska	1380	5	22	0	0%	98%	2%
Leszek Stankiewicz	1251	5	17	2211	63%	36%	1%
Mikołaj Konopka	396	0	0	930	70%	30%	0%
Terry Roydon***	72	0	0	1778	96%	4%	0%

\* Variable remuneration calculated in accordance with the accrual principle, some of which is deferred and will be paid in cash in future periods. Variable remuneration is the estimated sum of values due for 2023 under the Senior Executive Compensation Plan "SECP" and the long-term discretionary bonus program - Long Term Incentive Program "LTIP"

\*\* the item "company car used for private purposes" includes the monetary value of the free benefit due to a Member of the Management Board for using a company car for private purposes in accordance with the Personal Income Tax Act

\*\*\* Terry Roydon, as part of Hansom Property Company Limited, additionally provided consulting services totalling 537 (kPLN) in 2023.

The variable remuneration in the Table 3 only includes variable remuneration calculated in accordance with the accrual principle, some of which is deferred and will be paid in cash in future periods. The remuneration resulting from the granted instruments was shown and described below in the 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 S.A. or the Capital Group, depending on the area of responsibility of the Management Board Member and paid in installments over a 3-year period.

The variable remuneration paid in 2023 regarding the SECP program for 2022 and the LTIP program for 2020-2022 is shown in the table below (k PLN):

Table 4

	Variable remuneration paid in 2023
Jarosław Szanajca	1728
Małgorzata Kolarska	9928
Leszek Stankiewicz	1148
Mikołaj Konopka	707
Terry Roydon	1353

The remuneration of the Management Board Members granted and paid in the form of financial instruments (management options) in the financial year 2023 is shown in the tables below:

Table 5

OPTIONS GRANTED AND EXERCISED IN 2023	Options granted as of 1 January 2023 and not yet exercised (number of shares)	Price of one share on grant date	Options granted in 2023 (number of shares)	Options exercised in 2023 (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	0	n.d.	0	0	n.d.	n.d.	n.d.
Leszek Stankiewicz	200 0000	95,80 zł	0	50 000	102,40 zł	50,00 zł	08.02.2023
Mikołaj Konopka	100 0000	95,20 zł	0	50 000	102,40 zł	50,00 zł	08.02.2023
Terry Roydon	0	n.d.	0	0	n.d.	n.d.	n.d.

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.

Mr Leszek Stankiewicz and Mr Mikołaj Konopka exercised some options to which they acquired the right to exercise in 2023, respectively.

TOTAL REMUNERATION OF SUPERVISORY BOARD MEMBERS BY COMPONENT

The remuneration of the Supervisory Board Members paid in 2023 is shown in the table below (k PLN):

Table 6

	Fixed Remuneration	Non-Cash Benefits (medical care, life insurance, sports card)	Ratio of fixed non-cash benefits to fixed remuneration
Grzegorz Kiepszc	600	29	5%
Markham Dumas	50	0	0%
Krzysztof Grzyliński	58	3	5%
Marek Moczulski	70	3	4%
Dorota Podedworna-Tarnowska	153	7	4%
Mark Spiteri	144	0	0%
Janusz Zalewski	110	5	5%
Edyta Wojtkiewicz	69	0	0%
Anna Panasiuk	69	0	0%
Philippe Bonaverio	60	0	0%

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, variable remuneration exceeded the limit of 5-times the basic salary in the Capital Group, thus failing to meet par. 6, point 3 of the Remuneration policy. Overall the variable component of Management Board Members' remuneration 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 being delivered 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 share options 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 in 2023 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):

Table 7

MANAGEMENT BOARD	Cash benefits to the immediate family	Non-cash benefits to the immediate family (medical care, life insurance, sports card)
Jarosław Szanajca	0	4
Małgorzata Kolarska	0	13
Leszek Stankiewicz	0	11
Mikołaj Konopka	0	0
Terry Roydon	0	0

Table 8

<b>SUPERVISORY BOARD</b>	<b>Cash benefits to the immediate family</b>	<b>Non-cash benefits to the immediate family (medical care, life insurance, sports card)</b>
Grzegorz Kiełpsz	0	22
Markham Dumas	0	0
Krzysztof Grzyliński	0	8
Marek Moczulski	0	9
Dorota Podedworna-Tarnowska	0	9
Mark Spiteri	0	0
Janusz Zalewski	0	12
Edyta Wojtkiewicz	0	0
Anna Panasiuk	0	0
Philippe Bonavero	0	0

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

Table 9

	2019	2020	2020/2019	2021	2021/2020	2022	2022/2021	2023	2023/2022
<b>Remunerations of Members of Management Board*</b>	<b>12 087</b>	<b>13 358</b>	<b>111%</b>	<b>13 035</b>	<b>98%</b>	<b>16 697</b>	<b>128%</b>	<b>11 816</b>	<b>71%</b>
Jarosław Szanajca	2 785	2 931	105%	2 956	101%	3 406	115%	3 750	110%
Małgorzata Kolarska	5 183	5 744	111%	5 985	104%	7 271	121%	1 407	19%
Janusz Zalewski	2 439	2 686	110%	377	14%				
Leszek Stankiewicz				1 595		3 246	204%	3 484	107%
Mikołaj Konopka	604	739	122%	783	106%	1 097	140%	1 326	121%
Terry Roydon	1 076	1 258	117%	1 339	106%	1 677	125%	1 850	110%
<b>Remunerations of Members of Supervisory Board</b>	<b>1 301</b>	<b>1 295</b>	<b>100%</b>	<b>1 309</b>	<b>101%</b>	<b>1 389</b>	<b>106%</b>	<b>1 431</b>	<b>103%</b>
Grzegorz Kiełpsz	624	624	100%	624	100%	625	100%	629	101%
Michael Cronk	110	110	100%	28	25%				
Markham Dumas	116	110	95%	110	100%	110	100%	50	46%
Krzysztof Grzyliński	121	121	100%	121	100%	131	108%	61	47%
Marek Moczulski	110	110	100%	110	100%	150	136%	73	49%
Dorota Podedworna-Tarnowska	110	110	100%	110	100%	124	113%	160	129%
Mark Spiteri	110	110	100%	110	100%	127	115%	144	113%
Edyta Wojtkiewicz								69	
Anna Panasiuk								69	
Philippe Bonavero								60	
Janusz Zalewski				96		122	127%	116	95%
<b>Company Profit After Tax (net profit)</b>	<b>304 665</b>	<b>264 217</b>	<b>87%</b>	<b>306 767</b>	<b>116%</b>	<b>373 684</b>	<b>122%</b>	<b>441 114</b>	<b>118%</b>
<b>Consolidated Profit Before Tax (gross profit)</b>	<b>320 482</b>	<b>378 627</b>	<b>118%</b>	<b>405 485</b>	<b>107%</b>	<b>512 620</b>	<b>126%</b>	<b>573 255</b>	<b>112%</b>
<b>Average employee remuneration at Dom Development S.A.</b>	<b>199</b>	<b>198</b>	<b>99%</b>	<b>215</b>	<b>109%</b>	<b>229</b>	<b>107%</b>	<b>232</b>	<b>101%</b>

\*this item does not include remuneration obtained in other Capital Group companies. The amounts in this respect are presented in Table 10  
The remuneration of Management Board Members in this table is presented consistently with the presentation of remuneration in Table 3.

## 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):

Table 10

	Company	2023
Jarosław Szanajca	Dom Development Wrocław Sp. z o.o.	60*
	Euro Styl S.A.	60*
Leszek Stankiewicz	Dom Construction Sp. z o.o.	60*
Mikołaj Konopka	Euro Styl S.A.	2 573**
	Euro Styl Construction Sp. z o.o.	6*
	Euro Styl Montownia Sp. z o.o.	6*
	GGI Dolne Miasto Sp. z o.o.	6*
	Your Destination Sp. z o.o.	6*
	Apartamenty Las Jastarnia Sp. z o.o.	6*

\*fixed remuneration

\*\*fixed and variable remuneration in the form of SECP program for 2023 and profit bonus for 2023

The variable remuneration paid in 2023 regarding the SECP program for 2022 and profit bonus for 2022 is shown in the table below (k PLN):

Table 11

	Variable remuneration paid in 2023
Mikołaj Konopka	1504

Moreover, Mr Jarosław Szanajca was a member of the Management Board of the following companies: Sento S.A. (Sento S.A. lost its legal existence on April 3, 2023 as a result of the merger with Dom Development Kraków sp. z o.o.), Dom Development Kraków 2 Sp. z o.o. (Dom Development Kraków 2 Sp. z o.o. lost its legal existence on July 28, 2023 as a result of the merger with Dom Development Kraków sp. z o.o.), Dom Development Kraków 21 Sp. z o.o. (Dom Development Kraków 21 Sp. z o.o. lost its legal existence on May 22, 2023 as a result of the merger with Dom Development Kraków sp. z o.o.), Dom Development Kraków 12 Sp. z o.o. and Dom Development Kraków Sp. z o.o. and received no remuneration for the function performed. Ms Małgorzata Kolarska was a member of the Management Board of Mirabelle Investments Sp. z o.o. (Ms. Małgorzata Kolarska ceased to be a Member of the Management Board of Mirabelle Investments sp. z o.o. on January 4, 2024) and received no remuneration for the functions performed. Mr Leszek Stankiewicz was a member of the the Management Board of Issogne Sp. z o.o. and he received no remuneration for the functions performed (Mr Leszek Stankiewicz was dismissed from the Issogne Management Board on November 10, 2023).

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 exceeding the limit of 5-times the amount of the variable remuneration in relation to fixed remuneration.

With regard to 2023, Mr Terry Roydon's variable remuneration exceeded the limit of 5-times the basic salary in the Capital Group, thus failing to meet par. 6, point 3 of the Remuneration Policy.

Pursuant to Resolution No. 9 of June 15, 2023, 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 2022, 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.