



This document is the English translation of the draft Remuneration Policy of the Employee Stock Ownership Plan of Duna House Holding Plc. This translation has been prepared for courtesy reasons. Only the Hungarian version of the Remuneration Policy shall be deemed as official and in case of any discrepancies, the Hungarian version shall prevail.

Remuneration Policy of the Employee Stock Ownership Plan defined by Duna House Holding Public Limited Company

Proposed entry into force: date defined by the Founder



With reference to Duna House Holding Public Limited Company's (seat: 1016 Budapest, Gellérthegy str. 17.; Company Reg No: Cg. 01-10-048384; hereinafter referred to as "**Company**", or "**DUNA HOUSE**") General Meeting Resolutions No. (...), and the Company's Board of Directors Resolutions (hereinafter referred to as "**Board of Directors**") No. (...),

The Board of Directors of the Company hereby establishes the following remuneration policy (hereinafter referred to as "**Remuneration Policy**")

1. Definitions:

The present Remuneration Policy uses the following terms/definitions with the below detailed interpretation:

„Founder”	The Founder of the „DUNA HOUSE ESOP Organization” is Duna House Holding Plc.
„Articles of Association”	Articles of Association of „DUNA HOUSE ESOP Organization”.
„BSE”	“Budapest Stock Exchange”
„Duna House Holding Plc.”	Duna House Holding Public Limited Company's (seat: 1016 Budapest, Gellérthegy str. 17.; Company Reg No: Cg. 01-10-048384) hereinafter referred to as " Company ", or " DUNA HOUSE ".
„Profitability Condition”	Condition in accordance with section 1. § (7) of the ESOP Law, related to the economic performance of the Company.
„Term”	A condition to be met in connection with the continuation of the legal relation establishing the participation by the Participants of the Program within the certain Programs, with the starting point being the entry into force of the given Program.
„Board of Directors”	The Company's Board of Directors.
„Beneficiary(ies)”	Any Person(s) defined in writing by the Participants of the Program, who, in the event of the death of the Participant of the Program, shall become successor(s) of the ESOP Organizations' members' shares by right of acquisition of the Participant of the Program
„Acquirable Shares”	DUNA HOUSE common shares of series “A”, registered under ISIN code HU0000135090, produced in a dematerialized form, with a nominal value of HUF 50, owned or to be acquired by the Company, as well as its maximum quantity in relation of the given Program, serving as



the subject of Purchase Right aiming at the implementation of the certain Programs. In case when the number of Acquirable Shares is lower than the maximum quantity defined for the given Program, the Acquirable Shares shall be divided among the Participants of the Program within the given Program proportionally, with the maximum quantity related to the original proportion.

„ESOP Organization”

Organization of the Employee Stock Ownership Plan (“DUNA HOUSE ESOP Organization”) founded with the objective of managing financial assets acquirable within the Remuneration Policy, launched in accordance with the ESOP Law by the Company.

„ESOP Law”

Act XLIV of 1992 on the Employee Stock Ownership Plan.

„Labor Code”

Act I. of 2012 on the Labor Code.

„Public Offering”

The first trading day of the Company’s Shares on the Budapest Stock Exchange, that is, the 4th of November, 2016.

„Program”

An Employee Stock Ownership Plan, established in accordance with the ESOP Law and within the framework of the present Remuneration Policy, in relation of which specific decisions (in particular in relation of the launch of the Program, term, entry into force, Participants of the Program, the number of Acquirable Shares and related conditions, Option Price) shall be made by the Company’s General Meeting. The present Remuneration Policy defines the general conditions of the Programs, whereas the specific conditions of the different Programs are indicated in the attachments of the present Remuneration Policy, with content in accordance with the relevant General Meeting Resolution of the Company.

„Entry into force of the Program”

The date of entry into force of the certain Programs shall be the date of the relevant General Meeting Resolution of the Company, or a date defined by the Board of Directors, based on the relevant authorization of such Resolution.

„ Participant of the Program”

Any private individual, under the term of the present Remuneration Policy, employed by the Company or its Subsidiaries within a legal employment



	<p>relation in compliance with the Labor Code (or relevant law in a foreign legal system), or other legal relation with employment objective, or by a legal assignment relation in compliance with the Civil Code (or relevant law in a foreign legal system), entitled to participate in one or more Programs.</p>
<p>„Participants of the Program”</p>	<p>Individuals under the term of the present Remuneration Policy, participating in one or more Programs, referred to jointly.</p>
<p>„Civil Code”</p>	<p>Act V of 2013 on the Civil Code.</p>
<p>„Option Contracts”</p>	<p>Acquirable Shares, as the founding contracts of Purchase Rights with reference to the Purchase Price, under the eligibility of the ESOP Organization.</p>
<p>„Option Price”</p>	<p>The purchase price per share paid by the Participant of the Program as the counter value of the ownership of Acquirable Shares during the execution of the Purchase Right in connection with the certain Programs, which price (or the formula, guide for its definition) shall be defined by the General Meeting approving the given Program in the form of a Resolution, and prior to the entry into force of the given Program.</p>
<p>„Total Option Price”</p>	<p>Multiplication of the number of Acquirable Shares affected by the execution of the Purchase Right in connection with the certain Programs and the relevant Option Price.</p>
<p>„Successor”</p>	<p>A natural person, as a legal heir not excluded from succession based on debarment from succession, in accordance with Book VII. of the Civil Code (Act V of 2013).</p>
<p>„Share” or „Shares”</p>	<p>DUNA HOUSE common shares of class “A” registered under ISIN code: HU0000135090 issued by the Company, produced in a dematerialized form, with a nominal value of HUF 50.</p>
<p>„Subsidiaries”</p>	<p>The Company’s subsidiaries inside and outside Hungary.</p>
<p>„Act on the Capital Market”</p>	<p>Act CXX of 2001 on the Capital Market.</p>
<p>„Purchase Right”</p>	<p>The purchase right (share option), referred to in a general sense, in relation of Acquirable Shares, to which the ESOP Organization is entitled based on eligibility</p>



in the Option Contracts.

2. Objective of the Remuneration Policy

The basic principle behind the Remuneration Policy –simultaneously with the execution of Company business objectives- shall be the financial recognition of persons significantly contributing to the Company’s success, i.e. the Participants of the Program. The Company hereby presents a transparent remuneration system for the Participants of the Program for this purpose. The remuneration system shall compose of the Programs launched based on the resolutions of the Company’s General Meeting. The Company’s General Meeting shall make its decision on the amendment of the Remuneration Policy, or the launch of a new program or programs within, following the assessment of the Programs and based on the report and proposal of the Company’s Board of Directors. The remuneration system and the included Programs executed within the Remuneration Policy reflect the Company’s long term business development plans and approach, the goal of which shall be the growth of the Company’s business performance.

The objective of the present Remuneration Policy is the development of a remuneration system which is in compliance with the Company’s business strategy and which aims at improving the Company’s performance, with a relevant HR strategy, the Company’s long term interests and corporate values, and which, at the same time offers a motivating remuneration path for the Participants of the Program.

Implementation of the Remuneration Policy and Programs based on the policy will, by the long term motivation of corporate performance, ensure that the interest of the participants and the Company are in harmony. It is the Company’s prime interest to motivate the Participants of the Program to achieve performance increase in addition to high quality work, as well as to make the participants interested in the Company’s long term profitable operation. The Remuneration Policy shall encourage deepening dedication of the Participants of the given Program, and shall make them interested in the increase of Corporate value by keeping their remuneration connected to the market price of DUNA HOUSE Shares. It is the further goal of the Programs to increase the long term dedication of the Participants of the Program towards the Company.

3. People and objects covered; term of the Remuneration Policy

- 3.1. People covered: personal effect of the present Remuneration Policy shall cover the Company’s deputy to the CEO, also those members, senior executives of the top management –accountable towards the Company’s Board of Directors, and carrying out their tasks based on a legal employment relation, or other legal relation with employment objective- who are responsible for a business segment rated based on an evaluation system approved by the Board of Directors. The evaluation system rates the different business divisions’, business segments’ influencing effect on the Company’s financial and operation performance based on their contribution to the Company’s consolidated result and/or its strategic importance. The ranking of the different business divisions, business segments shall be revised annually. Participants of the different Programs shall be defined in the attachment of the present Remuneration Policy with relevance to the given Program.
- 3.2. Objects covered: the present Remuneration Policy presents the basic principles of the remuneration offered within the Program(s), as well as the conditions connected to the financial assets acquirable by the ESOP Organization, and the share of the Participants of the given Program. The basic principles shall be applicable and obligatory to all the Participants of the Program.



- 3.3. Term: the present Remuneration Policy and the Programs within, shall enter into force on the date defined by the Founder. The present Remuneration Policy – including up to the latest launched Program- shall terminate based on the resolution of the Company’s General Meeting with relevant content, or based on the expiry of the Purchase Right in accordance with section 5.3 with reference to the Acquirable Shares within the different Programs, or in case when the ESOP Organization has executed the Purchase Right in relation of every Acquirable Share, and the ESOP Organization has concluded the settlement with every Participant of the given Program.

4. Details and Conditions of the different Programs

- 4.1. The ESOP Organization, based on the different Programs as the eligible entity, shall have the Purchase Right in favor of the Participants of the Program in relation of the Acquirable Shares within the given Program. The register of the Participants of the different Programs, and the Purchase Right which can be executed in favor of the Participants of the given Program shall be indicated in the attachment of the present Remuneration Policy with relevance to the given Program.
- 4.2. The Founder shall provide the Purchase Right to be executed within the different Programs; also the ESOP Organization shall provide the members’ shares with reference to the Purchase Right free of compensation or charge. The market value per share of the Purchase Right shall be defined based on its value at the time of its availability for the ESOP Organization, and shall also be indicated in the attachments of the present Remuneration Policy for the different Programs, for every Program separately.
- 4.3. The Participant of the Program shall, within the framework of the different Programs, obtain a members’ share in the ESOP Organization with the nominal value calculated by the multiplication of the number of Purchase Rights provided for the ESOP Organization with reference to the Participant of the Program and the value per share of the Purchase Right. The members’ shares obtained applying the above method within the different Programs shall not be aggregated.

5. Conditions related to the execution of the Purchase Rights connected to the Programs

The Purchase Right connected to the different Programs may be executed if

- the Participant of the given Program fulfills the same position (or fulfills a higher position) in the Company or its Subsidiary from the date of entry into force of the given Program during the entire Term, up to its last day, without interruption, and
 - the Profitability Condition for the given Program is fulfilled, thus the Company is presenting improving economic performance. When evaluating the Company’s economic performance, data from the reports –in case of annual reports, the version with the approval of the General Meeting- and accounts available on the Company’s official platforms for disclosure shall be used.
- 5.1. The starting date of the execution of the Purchase Right shall be the last day of the Term connected to the different Programs.
- 5.2. The period ensured for the execution of the Purchase Right shall start on the first day of the execution of the Purchase Right, and shall last until the expiry of the 90th day following the starting date. In case when the ESOP Organization does not execute its



Purchase Right during the above indicated period based on the request of the Participant of the Program, the Purchase Right shall cease effect following the expiry of the indicated period.

- 5.3. The condition for executing the Purchase Right shall be the payment of the Total Option Price for the ESOP Organization.

6. Other

- 6.1. Shares acquired via the execution of the Purchase Right are not to be sold by the ESOP Organization or the Participant of the Program on a lower price than the introduction price of the shares offered by the Company within Initial Public Offering on the BSE, i.e. on a lower price than HUF 3960-, per share.

7. Termination of the right to participate in the Remuneration Policy for the Participants of the Program

7.1. Termination of the right to participate prior to the starting date of the execution of the Purchase Right

- 7.1.1. The termination of the legal relation establishing the right to participate for the Participant of the Program, termination by mutual consent, termination by ordinary notice or extraordinary notice.

In case of termination of the legal relation establishing the right to participate by mutual consent, termination by ordinary notice or extraordinary notice, the members' share obtained by the Participant of the Program based on the Purchase Right in the ESOP Organization shall be transferred to the Founder.

- 7.1.2. Retirement

In case of retirement, the right to execute the Purchase Right shall terminate on the last day of the legal relation, and members' share obtained by the Participant of the Program based on the Purchase Right in the ESOP Organization shall be transferred to the Founder.

- 7.1.3. Death of the Participant of the Program

In the case of the death of the Participant of the Program, the right to execute the Purchase Right of the Participant of the Program, as well as the members' share obtained by the Participant of the Program based on the Purchase Right in the ESOP Organization shall be transferred to the Beneficiary indicated in writing by the Participant of the Program. In case when no appointed Beneficiary is indicated, the right to execute the Purchase Right, as well as the members' share shall be transferred to the heir, Successor.

The Beneficiary or Successor shall have the rights of the deceased Participant of the Program and shall bear the obligations of the deceased Participant of the Program with the proviso that the Beneficiary or Successor shall not have the right to appoint another Beneficiary for the case of their death and the members' share transferred to them shall not be inherited.



Should there be no Beneficiary and Successor, the right to execute the Purchase Right shall terminate and the members' share of the deceased Participant of the Program shall be transferred to the Founder starting on the day of the death of the Participant of the Program.

7.1.4. Change in the scope of activity

In case when the scope of activity of the Participant of the Program –the scope of activity not falling under the people covered in relation of the given program – changes, the right to execute the Purchase Right of the Participant of the Program in connection with their original scope of activity shall terminate on the day of entry into force of the new scope of activity and the members' share(s) obtained by the Participant of the Program based on the Purchase Right in the ESOP Organization shall be transferred to the Founder, except when the body entitled to grant the Purchase Right (the General Meeting, or the Board of Directors based on the authorization of the General Meeting) decides in favor of sustaining the right for participation. The body entitled to grant the Purchase Right shall have the right to set conditions for the sustaining of the right for participation.

The body entitled to grant the Purchase Right shall pass the resolution on the sustaining of the right of participation until the day of entry into force of the new scope of activity the latest. In the lack of such resolution, the right of participation of the Participant of the Program shall terminate on the day of entry into force of the new scope of activity and the members' share(s) of the Participant of the Program shall be transferred to the Founder.

Should the body entitled to grant the Purchase Right decide in favor of sustaining the right for participation, the Participant of the Program shall be entitled to the Purchase Right and the members' share obtained in the ESOP Organization under the original conditions, rights and obligations, but with reference to the conditions set in the resolution on the sustaining of the right of participation. Failing to comply with the conditions, or breach of the conditions shall result in the immediate termination, on the day of the incompliance or breach of the right of participation, of the Participant of the Program, and the members' share of the Participant of the Program shall be transferred to the Founder.

7.2. Termination of the right to participate following the starting date of the execution of the Purchase Right

7.2.1. The termination of the legal relation establishing the right to participate for the Participant of the Program, termination by mutual consent, termination by ordinary notice or extraordinary notice.

In case of termination of the legal relation of the Participant of the Program by mutual consent, termination by ordinary notice or extraordinary notice, the Purchase Right can be executed until the last day of the existing legal relation, initiated by the Participant of the Program.

In case when the Participant of the Program does not initiate the execution of the Purchase Right, the right to execute the Purchase Right shall terminate on the day following the last day under the term of the legal relation, and the members' share(s) obtained by the Participant of the Program based on the Purchase Right in the ESOP Organization shall be transferred to the Founder on the same day.

7.2.2. Retirement



In case of the retirement of the Participant of the Program, the Purchase Right can be executed until the last day of the existing legal relation, initiated by the Participant of the Program.

In case when the Participant of the Program does not initiate the execution of the Purchase Right, the right to execute the Purchase Right shall terminate on the day following the last day under the term of the legal relation, and the members' share(s) obtained by the Participant of the Program based on the Purchase Right in the ESOP Organization shall be transferred to the Founder on the same day.

7.2.3. Death of the Participant of the Program

In the case of the death of the Participant of the Program, right to execute the Purchase Right of the Participant of the Program, as well as the members' share obtained by the Participant of the Program based on the Purchase Right in the ESOP Organization shall be transferred to the Beneficiary indicated in writing by the Participant of the Program. In case when no appointed Beneficiary is indicated, the right to execute the Purchase Right, as well as the members' share shall be transferred to the heir, Successor.

The Beneficiary or Successor shall have the rights of the deceased Participant of the Program and shall bear the obligations of the deceased Participant of the Program with the proviso that the Beneficiary or Successor shall not have the right to appoint another Beneficiary for the case of their death and the members' share transferred to them shall not be inherited.

Should there be no Beneficiary and Successor, the right to execute the Purchase Right shall terminate and the members' share of the deceased Participant of the Program shall be transferred to the Founder starting on the day of the death of the Participant of the Program.

7.2.4. Change in the scope of activity

The right to execute the Purchase Right and the members' share obtained in the ESOP Organization shall remain unchanged with the same conditions, rights and obligations in cases when the scope of activity of the Participant of the Program changes on the day, or following the day of the first day of the right to execute the Purchase Right of the Participant of the Program.

8. Withdrawal of the members' share, settlement

Termination of entitlement conditions, the achieving of the goals set by the remuneration policy or should the remuneration policy be cancelled, the members' share of the Participant of the Program shall be withdrawn in accordance with the provisions in the Articles of Association. The Founder, in case of the termination of the right to participate of the Participant of the Program, will withdraw the members' share transferred to it until the effective date of the second interim balance statement or report due following the day of the termination of the right to participate.

The Participants of the Program hereby accept that they shall not be entitled to any form of compensation in connection with the termination of the right to participate, nor in connection with the transfer of the members' share of the Participant of the Program obtained based on the Purchase Right in the ESOP Organization.

9. Financial support



Participants of the Program, in connection with the acquisition of the desired and indicated number of Acquirable Shares within the execution of the Purchase Right, as an exclusive transaction target, are entitled to receive a loan with the exact amount of the Total Option Price of the Acquirable Shares from the ESOP Organization. The granting of the loan from the ESOP Organization shall be applied for by the Participant of the Program. The ESOP Organization's representative shall make the decision on the loan application.

10. Execution of the Purchase Right

10.1. The Purchase Right in the ESOP Organization shall be executed upon the request of the Participant of the Program.

10.2. The application for the execution of the Purchase Right, by the type, can be chosen by the Participant of the Program, as unconditional immediate request or a request with a future condition (the two together as "type of application"). In case of a request with a future condition, the condition shall be the rate (daily average/closing/peak) of the Shares on the BSE, as defined by the Participant of the Program.

10.3. The application submitted by the Participant of the Program shall include the following:

- Type of the application
 - In case of a request with a future condition:
 - Term of the application:
 - ❖ in case of definite term, clear definition of the closing date
 - ❖ in case of indefinite term, the indication of „valid until recalled“
 - Indication of the BSE rate, in case of which the execution of the Purchase Right is requested
- The number of Acquirable Shares, in relation of which the Participant of the Program is requesting the execution of the Purchase Right
- Declaration of the Participant of the Program in the following:
 - Whether or not they are willing to apply for the loan offered by the Founder and the ESOP Organization
 - In case of a loan application, the declaration of the Participant of the Program about their consent to the ESOP Organization selling as many shares on the BSE or outside stock trading, as it is needed to ensure the guarantee for the claim arising as a result of the financial support, following the execution of the Purchase Right.
 - In case when the Participant of the Program is not planning to submit a loan application, the declaration about the settlement of the Total Option Price of the Acquirable Shares until the issue of the declaration.
 - Whether the members' shares upon the withdrawal of the members' share connected to the Purchase Right - in case of benefiting from the financial support, the remaining shares- are to be returned in the form of securities or in cash, with reference to section 6.2 if applicable.

10.4. The ESOP Organization shall execute the Purchase Right in relation of the number of Acquirable shares indicated in the application within 3 days following the confirmed receipt of the application, or in case when the condition set in the application is met, and shall begin the withdrawal of the members' share connected to the executed Purchase Right of the Participant of the Program in accordance with the provisions of the Articles of Association.

11. Execution and Audit of the Remuneration Policy

11.1. Principles of the Remuneration Policy shall be approved by the Founder.



- 11.2. In accordance with the Articles of Association, the authorized and the senior executive shall be responsible for the execution of the Remuneration Policy and the supervision of compliant operation.
- 11.3. The Remuneration Policy shall be audited internally by the Founder on annual basis, in addition to which the Founder shall also have the right to execute extraordinary audits, or terminate the Policy, should a significant change occur in its organization, legislative background (with special reference to the ESOP Law on the Employee Stock Ownership Plan), in the capital market or other relevant market environment.

12. Tax and contribution related issues

The generated income tax and contribution related consequences, gained from the ESOP Organization based on the present Remuneration Policy shall be defined based on the Hungarian income tax and social security contributions related legislation, as well as relevant conventions for the avoidance of double taxation, Regulation of the European Parliament and of the Council

13. Guiding law and relevant legislative provisions

- 13.1. Legislation of Hungary shall prevail as the guiding law, with interpretation in accordance with the provisions of Hungarian law, in relation of the present Remuneration Policy, the Participants of the Program and the Company's rights and obligations generated by the Program.
- 13.2. Should any section or sections of the present Remuneration Policy become invalid or unenforceable for any reason, it shall not affect the validity or enforceability of the other sections.
- 13.3. The present Remuneration Policy, as the basis for the Program, can be amended by the Founder only without causing the decrease of reasonable expectations, the failure of expectations, or the increase of undertaken obligations in connection with the Program of the participants in the ESOP Organization.

14. Program administration

- 14.1. The ESOP Organization's senior executive shall keep an up-to-date register on the beneficiaries and the beneficiaries' members' shares, as well as the Founder.
- 14.2. Within 8 (eight) days following the issue and withdrawal of members' shares, the senior executive of the ESOP Organization shall inform the court keeping the register about the exact number and total nominal value of the issued, withdrawn members' shares, also the same information on the existing volume following the issue, or the remaining volume following the withdrawal.
- 14.3. Internal Rules of the ESOP Organization, in accordance with the ESOP Law, shall consist of the Remuneration Policy and its attachments serving as grounds for the ESOP.
- 14.4. Should the Participant of the Program have any questions in connection with the operation of the Program and any of the above regulated issues, the senior executive of the ESOP Organization shall be contacted.

Name: < senior executive of the ESOP Organization >

Phone: +36 XX XXX XXX

Email address: a@a.bg



Budapest, *date of entry into force.*

TERVEZET



Attachment No. 1

Specific conditions of Program 1018/2020 under the Remuneration Policy

Entry into force: *date defined by the Founder*

Term: 24 months

Profitability Condition: the consolidated after-tax profit of the Company for financial year 2019 without the after-tax profit of the below companies

MyCity Residential Development Kft.	Cg: 01 09 984485
Pusztakúti 12. Kft.	Cg: 01 09 276819
Reviczky 6-10. Kft.	Cg: 01 09 276817
Hunor utca 24 Ingatlanfejlesztő Kft.	Cg: 01 09 276368

shall exceed the Company's consolidated after-tax profit for the year 2017, calculated with the same method.

Option Price: X.XXX HUF/Acquirable Share

Participants of the Program:

Name of the Participant of the Program	Position of the Participant of the Program	Number of Acquirable Share (piece)
Ferenc Máté	Deputy to the CEO (Duna House Holding Nyrt.)	10.000
Marta Zolkowska	Participant of the Program in executive position	5.300
Krisztián Fülöp	Participant of the Program in executive position	5.300
Tomasz Przyrowski	Participant of the Program in executive position	2.650
Zoltán Tóth	Participant of the Program in executive position	2.650
István Istókovics	Participant of the Program in executive position	2.650
Dániel Schilling	Participant of the Program in executive position	2.650
Total:		31.200