

**REPORT ON OPERATIONS OF THE SUPERVISORY BOARD OF  
ULMA Construcción Polska S.A.  
FOR 2012**

The report of the Supervisory Board covers the period from 01.01 to 31.12.2012. During the period, the Supervisory Board of Ulma Construcción Polska S.A. operated in the following composition:

1. Aitor Ayastuy Ayastuy, Chairman of the Supervisory Board/Member of the Audit Committee
2. Lourdes Urzelai Ugarte, Deputy Chairwoman of the Supervisory Board/Member of the Audit Committee
3. Rafał Alwasiak, Member of the Supervisory Board/Chairman of the Audit Committee
4. Ernesto Julian Maestre Escudero, Member of the Supervisory Board
5. Ander Ollo Odriozola, Member of the Supervisory Board
6. Felix Esperesate Gutierrez, Member of the Supervisory Board

There were no changes to the composition of the supervisory Board in 2012.

During the reporting period, the Supervisory Board was operating pursuant to the provisions of the Code of Commercial Companies, provisions of the Company's By-Laws and the Rules of the Supervisory Board. In performing the tasks of ongoing supervision inside the Company and its business, in all areas and interests of the Company, the Supervisory Board had access to all required materials and information of the Company's Management Board. All supervisory activities of the Supervisory Board were carried out in a collective manner.

In compliance with the provisions of the Company's By-Laws, the Supervisory Board holds at least four meetings annually. In the period from 1 January to 31 December 2012, the Supervisory Board held 5 meetings and adopted 14 resolutions:

1. Resolution No. 1/2012 of 6 April 2012 on the appointment of the chartered auditor,
2. Resolution No. 2/2012 of 21 May 2012 approving the proposal of the Management Board concerning distribution of the Company's profit for the financial year of 2011 to be submitted to the General Meeting,
3. Resolution No. 3/2012 of 20 June 2012 on recommending to the General Meeting the approval of the Company's financial statements for the financial year of 2011,

4. Resolution No. 4/2012 of 20 June 2012 on adoption of the Management Board's report on operations of the Company in 2011,
5. Resolution No. 5/2012 of 20 June 2012 on recommending to the General Meeting adoption of the consolidated financial statements of the Group for 2011,
6. Resolution No. 6/2012 of 20 June 2012 on adoption of the Management Board's report on operations of the Group in 2011,
7. Resolution No. 7/2012 of 20 June 2012 on adoption of the report on operations of the Supervisory Board for 2011,
8. Resolution No. 8/2012 of 20 June 2012 on recommending to the General Meeting of a resolution on distribution of the Company's profit for the financial year of 2011,
9. Resolution No. 9/2012 of 20 June 2012 on approving a motion to discharge the President of the Management Board,
10. Resolution No. 10/2012 of 20 June 2012 on approving a motion to discharge a Member of the Management Board,
11. Resolution No. 11/2012 of 20 June 2012 on approving a motion to discharge a Member of the Management Board,
12. Resolution No. 12/2012 of 20 June 2012 on approving a motion to discharge a Member of the Management Board,
13. Resolution No. 13/2012 of 20 June 2012 on approving a motion to discharge a Member of the Management Board,
14. Resolution No. 14/ 2012 of 14 November 2012 on approving the budget for 2013,

In 2012, the Supervisory Board performed ongoing supervision over the business of the Company and was focused primarily on assessment of the financial statements of companies in the group, analysis of the financial performance of the Company and monitoring of implementation of strategic plans. At its meetings, discussions were focused on current matters of the Company, in particular the Supervisory Board studied periodic information from the Management Board concerning current and planned operations of the Company, assessed the market environment in which the Company operated and analysed the assumptions underlying development of exports. Apart from current operations within its duties, the Supervisory Board reviewed and approved a draft budget of the Company and a consolidated budget of the group.

The report of the Supervisory Board on review of the financial statements of ULMA Construcción Polska S.A., the report of the Management Board on operations of ULMA Construcción Polska S.A. for 2012, the consolidated financial statements of the Group of

## ULMA Construcción Polska S.A. and the report of the Management Board on operations of the Group of ULMA Construcción Polska S.A. for 2012

The Supervisory Board reviewed the financial statements of ULMA Construcción Polska S.A. for 2012 and the consolidated financial statements of the Group. Pursuant to Resolution No. 1/2012 of 06.04.2012 the Supervisory Board appointed KPMG Audyt Sp. z o.o. as the chartered auditor to audit the financial statements of ULMA Construcción Polska S.A. for 2012. The review performed by the Supervisory Board was based on the auditor's opinion and report on the audit of the stand-alone and the consolidated statements of the financial condition as at 31 December 2012, the stand-alone and the consolidated statements of consolidated income, the stand-alone statement of changes in equity, the stand-alone and the consolidated cash flow statements for the financial year ended on the same day and additional notes on the adopted accounting standards and other explanatory information.

As a result of the review of the Management Board's reports on operations of the Company and the Group of ULMA Construcción Polska S.A. in 2012, the Supervisory Board states that the reports reliably present the economic and financial condition of the Company and of the Group and that they are compliant with applicable law and provisions of the Company's By-Laws.

### Report of the Audit Committee

The operations of the Supervisory Board were supported by the Audit Committee, in the period from 1 January 2012 to 31 December 2012 its composition was the following:

- Rafał Alwasiak, Chairman of the Audit Committee;
- Aitor Ayastuy Ayastuy, Member of the Audit Committee;
- Lourdes Urzelai Ugarte, Member of the Audit Committee.

Until the date hereof, the composition of the Audit Committee has not changed.

The Audit Committee operated in compliance with the provisions of the Act on statutory auditors, their self-governing body, entities entitled to audit financial statements, and public supervision of 7 May 2009.

As in the previous years the key task of the Audit Committee in 2012 involved an ongoing supervision over the operations of the Company and of the Company's Management Board in the following areas:

- monitoring of the process of financial reporting;
- monitoring of the efficiency of the systems of internal control, internal audit, and risk management;
- monitoring of the process of financial audit,

- monitoring of independence of the chartered auditor and the entity authorised to audit financial statements.

Having reviewed the auditor's opinion and report on the audit of the financial statements and report of the Management Board on operations of the Company in 2012, the Audit Committee proposed to the Supervisory Board to approve the above statements and the method of profit distribution and further proposed that the Supervisory Board would make such recommendation to the General Meeting.

On the basis of its analysis, the Audit Committee recommended to the Supervisory Board to select KPMG Audyt Sp. z o.o. Sp. k. to audit the annual and interim financial statements of the Company for 2012.

Additionally, members of the Audit Committee supervised the efficiency of operations of internal control systems and risk management systems in their regular meetings with the Company's Management Board and as part of their work in the Supervisory Board. On the basis of its operations, the Audit Committee expressed its positive opinion on operations of the Management Board in the areas of internal control and risk management.

#### Assessment of the internal control system and the management system of risks that are material to the Company

The Company's Management Board is responsible for the efficiency of the internal control system in the process of drafting financial statements. The process of drafting financial statements and interim reports of the Company is supervised by the Finance Director / Member of the Management Board in close collaboration with the Chief Accountant. The Company monitors, on an ongoing basis, modifications required pursuant to external regulations related to public disclosures and prepares their implementation appropriately in advance. Every month, when the books of account are closed, members of the Company's Management Board and executives receive reports with management information containing analyses of key financial data and operational indicators. Financial statements are provided for information to members of the Supervisory Board who at their regular meetings analyse the data and indicators together with the Management Board of the Company. The financial data underlying the financial statements and interim reports are derived from the accounting and financial system where transactions are recorded in accordance with the Company's accounting policies based on International Accounting Standards. Annual and semi-annual financial statements are audited and reviewed by the Company's statutory auditor.

Additionally, the company operates a controlling system related to budget performance with respect to individual contracts and overheads. On an ongoing basis,

the Management Board monitors risks on the macro scale in the Company and takes appropriate preventive measures, e.g. in the form of insurance contracts and capital management.

With respect to organisation, internal control is exercised by identifying the key processes in the Company's operations which are formalised in the form of procedures and detailed instructions the compliance with which is subject to regular internal and external audit within the integrated certified management system, compliant with ISO 9001:2000 standard. The above is additionally supported by a detailed division of competences related to taking decisions and a pre-approved reporting system concerning commercial and logistics activities.

The Supervisory Board positively assesses the operations of the Management Board of ULMA Construcción Polska S.A. in 2012. By submitting this report to the General Meeting, the Supervisory Board proposes to discharge the members of the Management Board and the Supervisory Board of ULMA Construcción Polska S.A. with respect to their duties in the financial year of 2012.

Aitor Ayastuy Ayastuy  
Chairman of the Supervisory Board