

REPORT OF THE SUPERVISORY BOARD OF ULMA Construcción Polska S.A. FOR 2013

This Supervisory Board Report covers the period starting on 01.01.13 and ending on 31.12.2013. In the abovementioned period, composition of the Supervisory Board of Ulma Construcción Polska S.A. was as follows:

1. Aitor Ayastuy Ayastuy – Chairperson of the Supervisory Board/Member of the Audit Committee,
2. Lourdes Urzelai Ugarte – Deputy Chairperson of the Supervisory Board/Member of the Audit Committee,
3. Rafał Alwasiak – Member of the Supervisory Board/Chairperson of the Audit Committee,
4. Ernesto Julian Maestre Escudero – Member of the Supervisory Board (until 18 June 2013),
5. Ander Ollo Odriozola – Member of the Supervisory Board,
6. Felix Esperesate Gutierrez – Member of the Supervisory Board,
7. Iñaki Irizar Moyua – Member of the Supervisory Board (from 18 June 2013).

In the reporting period, the Supervisory Board acted in accordance with the Code of Companies and Partnerships, the Articles of Association and the Rules of the Supervisory Board. When performing its constant supervision tasks relating to the internal affairs of the Company and to its enterprise, as well as to all areas and interests of the Company, the Supervisory Board had access to the necessary materials and information of the Management Board. All supervisory activities of the Supervisory Board were performed collectively.

In accordance with the Articles of Association, the Supervisory Board holds at least four meetings per year. Between 1 January and 31 December 2013, the Supervisory Board held 7 meetings and adopted 24 Resolutions:

1. Resolution No. 1/2013 of 15 May 2013 on the selection of a certified auditor,
2. Resolution No. 2/2013 of 20 May 2013 on the approval of the Management Board's proposal to share the profit of the Company for the accounting year 2012, presented on the Annual General Meeting,
3. Resolution No. 3/2013 of 14 June 2013 on the recommendation of approval of the Company's financial statements for the accounting year 2012 to the Annual General Meeting,
4. Resolution No. 4/2013 of 14 June 2013 on the adoption of the Management Board Report on the Company's operations in 2012,
5. Resolution No. 5/2013 of 14 June 2013 on the recommendation of approval of the Group's consolidated financial statements for the accounting year 2012 to the Annual General Meeting,

6. Resolution No. 6/2013 of 14 June 2013 on the adoption of the Management Board Report on the Group's operations in 2012,
7. Resolution No. 7/2013 of 14 June 2013 on the adoption of the Report of the Supervisory Board for 2012,
8. Resolution No. 8/2013 of 14 June 2013 on the recommendation of the Resolution on the Company profit sharing for the accounting year 2012 to the Annual General Meeting,
9. Resolution No. 9/2013 of 14 June 2013 on the motion to grant the vote of acceptance to the Chairperson of the Management Board,
10. Resolution No. 10/2013 of 14 June 2013 on the motion to grant the vote of acceptance to the Member of the Management Board,
11. Resolution No. 11/2013 of 14 June 2013 on the motion to grant the vote of acceptance to the Member of the Management Board,
12. Resolution No. 12/2013 of 14 June 2013 on the motion to grant the vote of acceptance to the Member of the Management Board,
13. Resolution No. 13/2013 of 14 June 2013 on the motion to grant the vote of acceptance to the Member of the Management Board,
14. Resolution No. 14/2013 of 18 June 2013 on the selection of the Chairperson of the Supervisory Board for a new term of office,
15. Resolution No. 15/2013 of 18 June 2013 on the selection of the Deputy Chairperson of the Supervisory Board for a new term of office,
16. Resolution No. 16/2013 of 18 June 2013 on the determination of the number of Members of the Management Board,
17. Resolution No. 17/2013 of 18 June 2013 on the appointment of the Member of the Management Board,
18. Resolution No. 18/2013 of 18 June 2013 on the appointment of the Member of the Management Board,
19. Resolution No. 19/2013 of 18 June 2013 on the appointment of the Member of the Management Board,
20. Resolution No. 20/2013 of 18 June 2013 on the appointment of the Member of the Management Board,
21. Resolution No. 21/2013 of 18 June 2013 on the appointment of the Member of the Management Board,
22. Resolution No. 22/2013 of 18 June 2013 on the authorisation of the Chairperson of the Supervisory Board to execute employment contracts with the Members of the Management Board,
23. Resolution No. 23/2013 of 18 June 2013 on the establishment of the Audit Committee,
24. Resolution No. 24/2013 of 18 June 2013 on the appointment of the Member of the Audit Committee,

25. Resolution No. 25/2013 of 18 June 2013 on the appointment of the Member of the Audit Committee,
26. Resolution No. 26/2013 of 18 June 2013 on the appointment of the Member of the Audit Committee.

In 2013, the Supervisory Board provided constant supervision of the Company's operations, mainly analysing the Company's financial results and monitoring the implementation of its strategic goals. The Board discussed current matters of the Company at the meetings, in particular learning the interim information of the Management Board about the ongoing and planned operations of the Company, assessing the market conditions under which the Company operated and analysing the objectives of exports development. Moreover, the Supervisory Board, apart from its current tasks, analysed and assessed the financial statements of the Company and of the Group.

Report of the Supervisory Board on the assessment of the financial statements of ULMA Construcción Polska S.A., of the Report of the Management Board on the operations of ULMA Construcción Polska S.A. in 2013, of the consolidated financial statements of ULMA Construcción Polska S.A. Group and of the Report of the Management Board on the operations of ULMA Construcción Polska S.A. Group in 2013

The Supervisory Board assessed the financial statements of ULMA Construcción Polska S.A. for 2013 and the consolidated financial statements of ULMA Construcción Polska S.A. Group. By way of Resolution No. 1/2013 of 15 May 2013, the Supervisory Board selected KPMG Audyt Sp. z o.o. as the certified auditor for the audit of the financial statements of ULMA Construcción Polska S.A. for 2013. The decision of the Supervisory Board in this respect was based on the Auditor's Opinion and Report on the audit of single and consolidated statement of financial position as of 31 December 2013, single and consolidated income statement, single statement of changes in equity, single and consolidated cash flow statements for the accounting year ending on that day and notes to the financial statements regarding the adopted accounting policy, as well as other notes.

Consequently to the audit of the Report of the Management Board on the operations of ULMA Construcción Polska S.A. and of the Group in 2013, the Supervisory Board has determined that those Reports accurately present the property and financial situation of both the Company and the Group and that they are compliant with the legislation in force and with the Articles of Association.

Report of the Audit Committee

The Report of the Audit Committee of ULMA CONSTRUCCION POLSKA S.A. ("Company") covers the period starting on 1 January 2013 and ending on 31 December 2013. In 2013, the composition of the Audit Committee was as follows:

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

Until the date of execution of this Report, the composition of the Audit Committee has remained unchanged.

The Audit Committee operated in accordance with the Act of 7 May 2009 on certified auditors and their self-government, entities authorised to audit financial statements and public supervision.

As it had been the case in the previous years, in 2013 the main task of the Audit Committee was to supervise the operations of the Company and of the Management Board on an ongoing basis, in particular with regard to:

- monitoring of financial reporting;
- monitoring of efficiency of the systems of internal control, internal audit and risk management;
- monitoring of financial revision tasks;
- monitoring of independence of the Certified Auditor and the entity authorised to audit financial statements.

Members of the Audit Committee participated in the meetings with representatives of the entity auditing the Company's financial statements for 2013, i.e. KPMG Audyt Sp. z o.o. Sp. k., discussing the most important aspects of the adopted accounting policy, the risks related to the accurate and clear presentation of the Company's property and financial situation and assessing the independence and objectivity of the Certified Auditor. On 14 March 2014, the Audit Committee received the declaration of the Certified Auditor on their impartiality and independence of the Company, as well as the information about the services provided in 2013.

The Audit Committee, having learnt the Auditor's Opinion and Report on the audit of the financial statements and the Report of the Management Board on the Company's operations for 2013, presented a proposal to the Supervisory Board regarding the approval of the abovementioned financial statements and the manner of profit sharing, to be followed by submitting such recommendation by the Supervisory Board to the Annual General Meeting. After the completed analyses, the Audit Committee recommended the selection of KPMG Audyt Sp. z o.o. Sp. k. to revise the annual and interim financial statements of the Company for 2014 to the Supervisory Board.

Moreover, Members of the Audit Committee supervised the efficiency of the systems of internal control and risk management through constant cooperation with the Management Board and through their works in the Supervisory Board.

On the basis of the tasks performed, the Audit Committee assessed the operations of the Management Board with regard to internal control and risk management as satisfactory.

Assessment of the system of internal control and assessment of the system of material risk management

The Management Board is responsible for the efficiency of the system of internal control in the Company in the context of financial reporting. Substantial supervision of the process of preparation of financial statements and interim reports of the Company is performed by the Chief Financial Officer/Member of the Management Board in close cooperation with the Chief Accounting Officer. The Company systematically follows the changes resulting from legislation in force and internal regulations relating to the requirements of stock market reporting and prepares their implementation in advance. Every month, after the closure of the books, Management Information Reports analysing the key financial indicators and operating ratios are distributed among Members of the Management Board and senior staff. The financial statements are presented to the Members of the Supervisory Board, who, at the regular meetings, analyse the key data and indicators in cooperation with the Management Board. The financial data forming the basis of financial statements and interim reports are derived from the accounting and financial system in which transactions are registered in accordance with the Company's accounting policy based on the International Accounting Standards. Annual and interim financial statements are subject to independent audit and revision by the Company's Auditor.

Moreover, the Company has a system of controlling the implementation of the budget objectives for respective contracts and fixed costs. The Management Board also provides current monitoring of the macro risk for the Company and takes appropriate remedial measures, such as concluding contracts of insurance and capital management.

With regard to organisation, internal control is performed through identification of the main operating processes of the Company and their formulation in the form of procedures and detailed instructions, the compliance with which is subject to regular internal and external audits under the implemented and certified management system in line with the requirements of the ISO 9001:2000 standard. Detailed division of decision-making competences and specified scope of reporting with regard to trade and logistics provide additional support.

The Supervisory Board assessed the Company's situation in 2012. The assessment of the Supervisory Board was based on the ongoing supervision of the Company, revision of Company matters and discussions with the Management Board. The Board also took into account the assessment of the financial statements performed both by the Supervisory Board itself and by the independent Certified Auditor.

In the opinion of the Supervisory Board, the operations of the Management Board of ULMA Construccjon Polska S.A. in 2013 were satisfactory. The Supervisory Board submits this Report to the Annual General Meeting, applying for the approval of the operations of

the Members of the Management Board and of the Supervisory Board of ULMA
Construccion Polska S.A. in the accounting year 2013.

Aitor Ayastuy Ayastuy
Chairperson of the Supervisory Board