

REPORT OF THE SUPERVISORY BOARD OF ULMA Construcción Polska S.A. ON ITS ACTIVITIES IN 2015

The Report of the Supervisory Board covers the period from 1 January until 31 December 2015. During the above mentioned period, the Supervisory Board of Ulma Construcción Polska S.A. consisted of:

1. Aitor Ayastuy Ayastuy – Chairman of the Supervisory Board,
2. Maria Lourdes Urcelay Ugarte – Vice-Chairman of the Supervisory Board,
3. Rafał Alwasiak – Member of the Supervisory Board,
4. Ander Ollo Odriozola – Member of the Supervisory Board (from 1 January until 1 February 2015),
5. Felix Esperesate Gutierrez – Member of the Supervisory Board,
6. Iñaki Irizar Moyua – Member of the Supervisory Board,

During the reporting period, the Supervisory Board acted on the basis of the provisions of the Commercial Companies Code, the provisions of the Statutes of the Company and the Rules and Regulations of the Supervisory Board. While performing tasks of continuous supervision over internal matters of the Company and its enterprise, in any and all areas and interests of the Company, the Supervisory Board had access to necessary materials and information of the Management Board of the Company. The Supervisory Board performed all its supervisory tasks collectively.

In accordance with the provisions of the Statutes of the Company, the Supervisory Board holds at least four meetings a year. During the period from 1 January until 31 December 2015, the Supervisory Board held 5 meetings and adopted 14 resolutions:

1. Resolution No. 1/2015 of 30 January 2015 on appointing the Member of the Management Board,
2. Resolution No. 2/2015 of 5 May 2015 on appointing the chartered accountant of the Company,
3. Resolution No. 2A/2015 of 11 June 2015 on recommending the approval of the financial statements of the Company for the financial year 2014 to the General Meeting of Shareholders - resolution adopted by circulation,
4. Resolution No. 3/2015 of 11 June 2015 on approving the Directors' Report on the Company's activities in 2014.
5. Resolution No. 4/2015 of 11 June 2015 on recommending the approval of the consolidated financial statements of the Capital Group for 2014 to the General Meeting of Shareholders,
6. Resolution No. 5/2015 of 11 June 2015 on approving the Directors' Report on the activities of the Capital Group ULMA Construcción Polska S.A. in 2014,
7. Resolution No. 6/2015 of 11 June 2015 on approving the Report of the Supervisory Board on its activities in 2014,
8. Resolution No. 7/2015 of 11 June 2015 on recommending the adoption of the resolution on covering the loss of the Company for the financial year 2014 to the General Meeting of Shareholders,
9. Resolution No. 8/2015 of 11 June 2015 on granting a vote of acceptance to the President of the Management Board,

10. Resolution No. 9/2015 of 11 June 2015 on granting a vote of acceptance to the Member of the Management Board,
11. Resolution No. 10/2015 of 11 June 2015 on granting a vote of acceptance to the Member of the Management Board,
12. Resolution No. 11/2015 of 11 June 2015 on granting a vote of acceptance to the Member of the Management Board,
13. Resolution No. 12/2015 of 11 June 2015 on granting a vote of acceptance to the Member of the Management Board,
14. Resolution No. 13/2015 of 7 August 2015 on appointing the Member of the Management Board,
15. Resolution No. 14/2015 of 30 December 2015 on expressing consent to the Company's granting a loan and granting the power of attorney to the Management Board of the Company to grant the loan.

In 2015, the Supervisory Board steadily supervised the activities of the Company, in particular performed detailed analyses of financial results of the Company and the situation on the construction market in Poland.

Report of the Supervisory Board on the evaluation of the financial statements of ULMA Construcción Polska S.A., the Directors' Report on the activities of ULMA Construcción Polska S.A. in 2015, the consolidated financial statements of the Capital Group of ULMA Construcción Polska S.A., and the Directors' Report on the activities of the Capital Group of Construcción Polska S.A. for 2015

The Supervisory Board evaluated the financial statements of ULMA Construcción Polska S.A. for 2015 and the consolidated financial statements of the Capital Group. By adopting Resolution No. 1/2015 of 5 May 2015, the Supervisory Board appointed KPMG Audyt Sp. z o.o. as chartered accountant to audit the financial statements of ULMA Construcción Polska S.A. for 2015. The Supervisory Board based its evaluation on the opinion and report of the independent chartered accountant from the audit of the standalone and consolidated statement of financial position as of 31 December 2015, standalone and consolidated statement of comprehensive income, standalone and consolidated statement of changes in equity, standalone and consolidated statement of cash flows for the financial year until that day and additional information on the adopted accounting principles and other supplementary information.

As a result of the audit of the Directors' Report on the activities of the Company and Capital Group ULMA Construcción Polska S.A. in 2015, the Supervisory Board concludes that the Reports present a fair and true view of the property and financial situation of both the Company and the Capital Group, as well as they are consistent with legal provisions and relevant provisions of the Statutes of the Company.

Report of the Audit Committee

The Report of the Audit Committee of ULMA CONSTRUCCION POLSKA S.A. ("the Company") covers the period from 1 January until 31 December 2015. In 2015, the Audit Committee consisted of:

- Rafał Alwasiak - Chairman of the Audit Committee;
- Aitor Ayastuy Ayastuy - Member of the Audit Committee;

- Maria Lourdes Urcelay Ugarte – Member of the Audit Committee.

The composition of the Audit Committee has not changed until the date of this Report.

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

As in previous years, the main task of the Audit Committee in 2015 was to continuously monitor the activities of the Company and of the Management Board of the Company in particular in the following areas:

- monitoring the financial reporting process;
- monitoring the efficiency of internal control, internal audit and risk management systems;
- monitoring the performance of financial audit;
- monitoring the independence of the chartered accountant and the entity entitled to audit financial statements.

Members of the Audit Committee participated in meetings with financial and accounting professionals that concerned the audit of the financial statements of the Company for 2015 by KPMG Audyt Sp. z o.o. Sp.k., while discussing the most significant aspects of the adopted accounting policy, risks related to the fair and clear presentation of the property and financial situation of the Company, as well as evaluating the independence and objectivism of the chartered accountant. As of 17 March 2016, the Audit Committee collected a declaration from one chartered accountant on his impartiality and independence from the Company, as well as information on services rendered in 2015.

Having learnt the opinion and report of the chartered accountant from the audit of the financial statements and the Directors' Report on the activities of the Company in 2015, the Audit Committee submitted to the Supervisory Board its proposal to approve the above mentioned financial statements and the manner of appropriating net profit, as well as its proposal to submit the same recommendation to the General Meeting of Shareholders.

On the basis of performed analyses, the Audit Committee recommended the Supervisory Board to appoint KPMG Audyt Sp. z o.o. Sp. k. to conduct audit of the yearly and interim financial statements of the Company for 2016.

Furthermore, Members of the Audit Committee supervised the efficacy of the functioning of internal control and risk management systems in the framework of ongoing consultations with the Management Board of the Company and their functions in the Supervisory Board.

On the basis of performed activities, the Audit Committee favourably evaluated actions taken by the Management Board in terms of internal control and risk management.

Evaluation of the internal control system and evaluation of the management system of risk that is significant for the Company

The Management Board of the Company is responsible for the efficacy of the functioning of the internal control system in the Company within the process of preparing financial statements. The Finance Director/Member of the Management Board provides professional supervision over the process of preparing financial statements and interim reports, while tightly collaborating with the Chief Accountant. The Company continuously monitors changes required by external provisions and regulations regarding the requirements of the stock-exchange reporting and prepares to implement them well in advance. After accounting books have been closed, management reports with key

financial data and operational indexes are distributed to the Members of the Management Board of the Company and managers on a monthly basis. Financial statements are submitted to the Members of the Supervisory Board who analyse key data and indexes during regular meetings with the Management Board of the Company. Financial data which serve for preparing financial statements and interim reports come from the accounting and financial system where transactions are registered in accordance with the accounting policy of the Company that is based on the International Standards of Accounting. The yearly and half-yearly financial statements are subject to independent audit and review by the chartered accountant of the Company.

Furthermore, there is a system in the Company to control the achievement of budget assumptions in individual contracts, as well as fixed costs. The Management Board continuously monitors risks for the Company on a macro basis and undertakes remedial measures.

In organisational terms, internal control is executed by identifying main processes within the Company's operations and their formalisation in the form of procedures and detailed instructions whose compliance is subject to regular internal and external audits in the framework of the implemented and certified management system that is consistent with the requirements of the norm ISO 9001:2000. The detailed division of competences related to the decision making process and the established scope of reporting on commercial and logistics activities is of additional support.

The Supervisory Board evaluated the situation of the Company in 2015. The Supervisory Board prepares its evaluation on the basis of the current supervision over the Company, review of the Company's matters and discussion with the Management Board. The Supervisory Board took also into consideration the evaluation of the financial statements made by the very Supervisory Board and the independent chartered accountant. The opinion of the Supervisory Board is also based on the Directors' Report on the activities of the Company and the Capital Group ULMA Construcción Polska S.A.

The Supervisory Board favourably evaluated the activities of the Management Board of ULMA Construcción Polska S.A. in 2015. While submitting this Report to the General Meeting of Shareholders, the Supervisory Board requests to grant a vote of acceptance to the Members of the Management Board and the Supervisory Board of ULMA Construcción Polska S.A. for the discharge of their duties in the financial year 2015.

The Report has been prepared and approved by the Supervisory Board consisting of:

Aitor Ayastuy Ayastuy – Chairman of the Supervisory Board	
Maria Lourdes Urcelay Ugarte – Vice-Chairman of the Supervisory Board	
Felix Esperesate Gutierrez – Member of the Supervisory Board	
Iñaki Irizar Moyua – Member of the Supervisory Board	
Rafał Alwasiak – Member of the Supervisory Board	