

SUPPLEMENT TO THE ANNUAL REPORT FOR 2012 - A STATEMENT OF CORPORATE GOVERNANCE

Current Report No. 7/2013

Acting under par. 91 sec. 5 Cpt. 4 point. a-b Regulation of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognizing as equivalent information required by the law of a non-member state, the Management Board hereby provides a report on corporate governance.

Legal basis: *Other regulations*

Date *15-04-2013*

Signatures *Andrzej Sterczyński – Member of the Management Board*
Henryka Padzik – Proxy

**STATEMENT OF COMPLIANCE
WITH CORPORATE GOVERNANCE IN
ULMA CONSTRUCCION POLSKA S.A. IN 2012**

The Management Board of ULMA Construcccion Polska S.A. applies the principles of corporate governance included in the „Code of Best Practice for WSE Listed Companies” adopted by the Supervisory Board of the Warsaw Stock Exchange and published, together with amendments thereto, on the website of the WSE (<http://corp-gov.gpw.pl>).

A) THE RULES OF CORPORATE GOVERNANCE WHICH HAVE NOT BEEN COMPLIED WITH BY THE ISSUER, INCLUDING THE INFORMATION ON THE CIRCUMSTANCES AND CAUSES OF NON-COMPLIANCE WITH A GIVEN RULE AND THE WAY IN WHICH THE COMPANY INTENDS TO REMOVE POSSIBLE CONSEQUENCES OF NON-COMPLIANCE WITH A GIVEN RULE, AS WELL AS THE STEPS IT WILL TAKE IN ORDER TO REDUCE THE RISK OF NON-COMPLIANCE WITH A GIVEN RULE IN THE FUTURE.

In 2012 the Company complied with corporate governance except for the rules indicated below:

I. Recommendations for Best Practice for Listed Companies

Rule 1.1. The company should enable on-line broadcasts of General Meetings over the Internet, record General Meetings, and publish the recordings on the company website

Grounds: This rule has not been complied with due to the current shareholder structure and the fact that so far the Company has not received any information on the interest in such a form of following the General Meetings. The Company does not rule out organisation of General Meetings in the future with the use of modern multimedia technologies. The Company will start to comply with this rule if the costs incurred for that purpose are justified with a significant interest among the Company's Shareholders in such a form of communication.

Rule 1.5. A company should have a remuneration policy and rules of defining the policy. The remuneration policy should in particular determine the form, structure, and level of remuneration of members of supervisory and management bodies. When specifying the payroll policy for the members of company's supervisory and management authorities, the Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) supplemented with the Commission Recommendation of 30 April 2009 (2009/385/EC) should be applied.

Grounds: The remuneration of the Management Board and Supervisory Board is subject to an independent decision of the Supervisory Board and the General Meeting, respectively. The Management Board of the Company has no impact on adopting any regulations in this respect. The remuneration of members of the Company's authority bodies is determined on the basis of the scope

of obligations and responsibilities arising from their function and depends on the economic results of the Company.

Rule I.9. The WSE recommends to public companies and their shareholders that they ensure a balanced proportion of women and men in management and supervisory functions in companies, thus reinforcing the creativity and innovation of the companies' economic business.

Grounds: The Company has no plans to introduce any changes in the current term of office of the Management Board and Supervisory Board to comply with the recommendation on ensuring a balanced proportion of women and men in management and supervisory functions in companies; the primary criteria for electing the Company's authorities are: professionalism, experience and skills of the candidates. It is worth noting, however, that there is one woman in the Supervisory Board who holds the position of the Deputy Chairperson of the Supervisory Board, and furthermore, both Proxies of the Company are also women.

Rule I.10. If a company supports different forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers its activity in this area to be a part of its business mission and development strategy, impacting the innovativeness and competitiveness of the enterprise, it is good practice to publish, in a mode adopted by the company, the rules of its activity in this area.

Grounds: The Company occasionally supports certain forms of activities listed above, it does not, however, consider its current activity in this area to be a part of its business mission and development strategy impacting the innovativeness and competitiveness of the enterprise.

Rule I.12. A company should enable its shareholders to participate in a General Meeting using electronic communication means through:

- 1) real-life broadcast of General Meetings;
- 2) real-time bilateral communication where shareholders may take the floor during a General Meeting from a location other than the General Meeting.
- 3) allowing them to exercise their right to vote during a General Meeting either in person or through an authorised representative.

Grounds: This principle has not been complied with in the part referring to broadcasting of General Meetings and real-time bilateral communication, because according to the provisions of the Company's Statutes the corporate documents of the Company do not provide for a possibility of participating in the General Meeting and of taking the floor during the General Meeting with the use of electronic means of communication, or for exercising voting rights by mail or by means of electronic means of communication. In the opinion of the Management Board the course of the General

Meetings of ULMA Construcccion Polska S.A. so far, does not indicate that there might be any necessity to introduce the foregoing options.

II. Best Practice for Management Boards of Listed Companies

Rule II.1. A company should operate a corporate website and publish on it, in addition to information required by legal regulations:

2a) on an annual basis, in the fourth quarter – information about the participation of women and men respectively in the Management Board and in the Supervisory Board of the company in the last two years;

Grounds: The composition of Company's authorities is updated on an ongoing basis by means of ongoing reporting and the website www.ulma-c.pl. The information on the composition of the management and supervisory bodies in the past can be found in interim reports.

Rule II.1. A company should operate a corporate website and publish on it, in addition to information required by legal regulations:

14) information about the content of the company's internal rules of changing the company authorised to audit financial statements or information about the absence of such rules.

Grounds: The company authorised to audit the Company's financial statement is appointed or changed by an independent decision of the Supervisory Board. The only information which is not published on the Company's website is the information about the content of the company's internal rules of changing the company authorised to audit financial statements or information about the absence of such rules.

III. Best Practice for Supervisory Board Members

Rule III.6. At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board. Irrespective of the provisions of point (b) of the said Annex, a person who is an employee of the company or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting.”

Grounds: One member who meets the criteria of independence has been appointed to the Supervisory Board. Other members of the Supervisory Board are appointed independently by the Company's GMS.

IV. Best Practices of Shareholders:

Rule IV.10. A company should enable its shareholders to participate in a General Meeting using electronic communication means through: 1) real-life broadcast of General Meetings; 2) real-time bilateral communication where shareholders may take the floor during a General Meeting from a location other than the General Meeting; 3) allowing them to exercise their right to vote during a General Meeting either in person or through an authorised representative.

Grounds: This rule has not been complied with due to the current shareholder structure and the fact that so far the Company has not received any information on the interest in such a form of following the General Meetings. The Company does not rule out organisation of General Meetings in the future with the use of modern multimedia technologies.

The contents of this report will also be published on the Issuer's website www.ulma-c.pl, in the investor relations section.

B) DESCRIPTION OF THE FUNCTIONING OF GENERAL MEETING OF SHAREHOLDERS, ITS SUBSTANTIAL POWERS AND SHAREHOLDERS' RIGHTS AND THE MANNER OF EXERCISING THEREOF

Shareholder structure of ULMA Construcccion Polska S.A. as on 31 December 2012:

- ULMA C y E, S. Coop. – 3,967,290 shares – 75.49% of the share capital – 3,967,290 votes in the GMS – 75.49% of votes in the GMS
- AVIVA Powszechnie Towarzystwo Emerytalne BZ WBK S.A. – 450,000 shares – 8.56% of the share capital – 450,000 votes in the GMS – 8.56% of votes in the GMS
- Other shareholders – 788,342 shares – 15.95% of the share capital – 788,342 votes in the GMS – 15.95% of votes in the GMS

There are no securities in the Company which would give their holders special control rights with respect to ULMA Construcccion Polska S.A.

There are no limitations in exercising the voting rights or limitations related to transfer of property rights connected with the Company's shares.

General Meeting of Shareholders of ULMA Construcción Polska S.A. (“GMS”) operates pursuant to the provisions of the Polish Code of Commercial Companies, Company's Statutes and Regulations of the General Meeting of Shareholders of ULMA Construcción Polska S.A.

The General Meeting is convened by means of an announcement on the Company's website and in the manner specified for delivering current information by public companies in accordance with applicable regulations, which should be done at least 26 (twenty six) days before the date of the General Meeting.

The General Meeting is attended by the persons who were Company's shareholders 16 (sixteen) days before the date of the General Meeting (“**Registration Date for Participation in the General Meeting**”), beneficiaries of rights attached to bearer shares and interim certificates as well as pledgees and usufructuaries having voting rights, provided they are entered to the share register on the registration date of participation in the General Meeting, members of the Company's Management Board and Supervisory Board, persons invited to the General Meeting by the Management Board.

Bearer shares that have a form of a document entitle to participation in the General Meeting if they are deposited with the Company no later than on the Registration Date for Participation in the General Meeting and are not collected prior to the end of that day. A certificate attesting that shares have been deposited with a notary public, a bank or an investment company having its registered office or branch in the territory of the European Union or a state that is a party to the agreement on the European Economic Area as specified in the notice on convening the General Meeting may be deposited in lieu of shares.

The Company prepares a list of persons authorised to participate in the General Meeting pursuant to bearer shares on the basis of share documents, certificates and the list, prepared by an entity maintaining a deposit of securities, of holders of dematerialised shares authorised to participate in the General Meeting.

A shareholder is entitled to participate in the General Meeting in person or through an authorised representative. The shareholder may participate in the General Meeting in person, by attending it.

A power of attorney is granted in writing or in an electronic form (an electronic form means an electronically sent text document. A secure electronic signature is not required).

The power of attorney is presented to the Company in the following way:

No later than two days prior to the date for which the General Meeting has been Convened, a shareholder should send to the Company the notification of granting the power of attorney if the power of attorney was issued in an electronic form. The notification should be signed by a principal or the persons authorised to represent the principal (in the event of a principal being a legal person) and then sent in a form of a scan via e-mail to the address indicated in the announcement of the convening of

the General Meeting or by fax to the number indicated in the announcement of the convening of the General Meeting.

A shareholder having shares registered in more than one security account may appoint separate proxies for exercising the rights attached to the shares registered in each of the accounts.

Members of the Company's authorities and its employees may be appointed as authorised representatives of shareholders in the General Meeting. In such a case, as well as if the Company's receiver or a member of the company's authorities or an employee of the company or of the Company's subsidiary cooperative acts as an authorised representative:

The authorised representative may represent more than one shareholder. The authorised representative exercises all the rights of the shareholder in the General Meeting, unless the power of attorney provides otherwise. If permitted to do so pursuant to the power of attorney, the authorised representative may grant a further power of attorney.

Shareholders may not, personally or through an authorised representative, vote on the resolutions concerning their liability towards the Company arising from any grounds whatsoever, including the acknowledgement of fulfilment of duties, release from an obligation towards the Company and any dispute between such a shareholder and the Company.

The shareholder may vote as an authorized representative of another shareholder on the resolutions concerning such a shareholder referred to in point 4.12 of the Regulations only if all of the following conditions have been met:

- the power of attorney gives the shareholder the right to represent another shareholder in only one General Meeting;
- the authorised representative has disclosed to the shareholder the circumstances indicating the existence or a possibility of existence of a conflict of interests;
- granting of a further power of attorney is precluded;
- the shareholder acting as the authorised representative votes in accordance with the instructions given to him or her by the shareholder being the principal.

A shareholder is entitled to vote in the General Meeting in person or through an authorised representative. A shareholder may cast different votes per every share held.

If the authorized representative represents more than one shareholder, he or she may cast different votes per every shareholder' shares.

Registration of the shareholders entitled to participate in the General Meeting begins one hour before the opening of the General Meeting.

The General Meeting is opened by the Chairperson of the Supervisory Board or, should the Chairperson be absent, by the Deputy Chairperson. If both the Chairperson and the Deputy

Chairperson are absent, the General Meeting is opened by the President of the Management Board or a person appointed by the Management Board.

The person opening the General Meeting orders appointment of the Chairperson of the Meeting from among the persons authorised to participate in the General Meeting. If the General Meeting has been convened pursuant to Article 399 § 3 of the Polish Code of Commercial Companies, the Chairperson of the General Meeting is not appointed.

The candidates for the role of a Chairperson of the General Meeting may be appointed by shareholders or their authorised representatives participating in the General Meeting, members of the Supervisory Board and Management Board.

The person opening the General Meeting orders a vote on appointment of the Chairperson of the General Meeting.

The Chairperson of the General Meeting is elected by a simple majority of votes cast.

Votes on individual candidates are taken in the order in which the candidates were proposed.

After having signed the minutes of the vote on appointment of the Chairperson of the General Meeting, the person opening the General Meeting hands over the holding of the meeting to the appointed Chairperson.

The Chairperson of the General Meeting confirms that the General Meeting has been convened properly and that it is capable of adopting resolutions.

The Chairperson of the Meeting orders a vote on appointment of the tellers committee and other committees, if necessary for proper course the General Meeting. The Chairperson of the Meeting may abandon appointment of the tellers committee in particular if the Company ensures an electronic tallying of votes.

If the Committee is appointed, it consists of at least three and not more than five members appointed from among the shareholders and other persons by simple majority of votes.

The Chairperson of the Meeting is responsible for efficient course of the General Meeting, he or she orders breaks in the Meeting, settles disputes between shareholders, supervises the work of the Committees appointed by the Meeting and signs minutes of the resolutions adopted by the General Meeting.

Decisions of the Chairperson may be overruled by the General Meeting by simple majority of votes.

The Chairperson of the Meeting has no right to independently remove any issues from the agenda or change their order.

Every shareholder is authorised to participate in the discussion, ask questions and demand that the authorities of the Company provide some explanation regarding every item on the agenda of the Meeting.

The Chairperson has the right to forbid the shareholder or their authorised representative to continue speaking if the speech is not connected with the agenda of the meeting or if duration of the speech exceeds 15 minutes.

Any motions on procedural matters (formal motions) may be proposed by shareholders before the General Meeting begins to examine the items of the agenda. The decision on accepting or rejecting the formal motion is made by the Chairperson. Point 7.2 of the Regulations applies accordingly.

The motion for convening the Extraordinary General Meeting may be proposed by a shareholder after all the issues on the agenda have been addressed.

Upon a motion of shareholders representing at least one-fifth of the share capital, the Supervisory Board ought to be appointed by the next general meeting in group voting, even if the statutes provide for a different manner of appointment of the supervisory board.

The participants of the general meeting who represent the part of shares corresponding to the quotient of the total represented shares and the number of members of the supervisory board may form a separate group for the purpose of appointing one member of the supervisory board; they do not, however, participate in appointment of other members of the supervisory board.

The group formed in such a way informs the Chairperson of the General Meeting of its establishment. The Chairperson of the General Meeting acknowledges establishment of the group and records, in the minutes of the Meeting, the members of the group and the number of shares represented by them.

The group appoints its representative for the supervisory board and submits such person's name to the Chairperson.

The positions in the supervisory board not filled by a relevant group of shareholders established in accordance with point 7.9 of the Regulations are filled by way of voting in which all the shareholders whose votes have not been cast in the course of appointment of members of the supervisory board by voting in groups, participate.

Unless at least one group capable of electing a member of the supervisory board is formed at the general meeting, no vote will be taken.

The Company may broadcast the sessions of the General Meeting via internet, record the course of the General Meeting on electronic carriers and publish it on the Company's website.

In matters not governed by these Regulations, relevant provisions of the Polish Code of Commercial Companies and of the Company's Statutes apply.

The powers of the General Meeting include:

- a) examination and approval of the report of the Management Board on Company's activities and Company's financial statement for the previous accounting year,
- b) adoption of a resolution on allocation of profit or loss coverage,
- c) acknowledgement of the fulfilment of duties by members of the Company's authorities,
- d) amendment of the Company's Statutes,
- e) merger with another company and transformation of the Company,
- f) dissolution and winding up of the Company,
- g) issuance of bonds,

- h) disposal and lease of the company's business and its encumbrance by rights to use,
- i) decisions regarding claims for damages made on the establishment of the Company or in ordinary course of the company's business or supervision,
- j) adoption of a resolution on compulsory redemption of shares in accordance with Article 418 of the Polish Code of Commercial Companies.

In the case of adoption by the General Meeting of a resolution on allocating part or the entire amount of the profit for distribution among shareholders, setting the date based on which the list of shareholders authorised to receive dividend for a given financial year (dividend date) will be established and setting the date of dividend payment.

Apart from the issues listed above the General Meeting adopts resolutions on the increase and decrease of the share capital, including:

- increase of the share capital with the Company's resources,
- authorisation for the Company's Management Board to increase the share capital once or several times in a row, in accordance with the conditions set forth in the resolutions of the General Meeting (authorised capital),
- conditional increase of the share capital in order to grant the rights to take over shares by the holders of convertible bonds or bonds with priority right, or granting the right to shares to employees, members of the Management Board or Supervisory Board in lieu of contributions in kind such as their receivables arising from their rights to share in the profit of the company or a subsidiary.

C) DESCRIPTION OF THE PRINCIPLES OF AMENDING THE ISSUER'S STATUTES OR ARTICLES OF ASSOCIATION

The Company's Statutes may be amended solely by the General Meeting. The GMS may authorise the Supervisory Board to prepare a consolidated text of the Statutes or introduce other editorial changes specified in the resolution of the meeting. To amendments of the Company's Statutes the provisions of Article 430 shall apply.

D) COMPOSITION AND PRINCIPLES OF OPERATION OF THE COMPANY'S MANAGEMENT AND SUPERVISORY BODIES AND THEIR COMMITTEES.

The Management Board of "ULMA Construcccion Polska S.A.", hereinafter referred to as the "Company", operates by virtue of the Polish Code of Commercial Companies, Company's Statutes, resolutions of the General Meeting and Regulations of the Management Board.

The Management Board is composed of between 1 (one) and 5 (five) members. Members of the Management Board are appointed and dismissed by the Supervisory Board. The term of office of a member of the Management Board is determined by the Supervisory Board, however, it cannot

exceed three years. The Supervisory Board determines the number of members of the Management Board and chooses the President from among them.

The Management Board lead by the President manages the Company's affairs and represents it in external relations.

All the issues related to managing the Company not attributed by the law or these Statutes to the competence of the General Meeting or Supervisory Board are within the competence of the Management Board.

Detailed procedure of operation of the Management Board is set forth in the Regulations of the Management Board approved by the Supervisory Board.

The persons authorised to submit statements of intent and to sign them on behalf of the Company, are: President of the Management Board independently or two members of the Management Board acting jointly, a member of the Management Board acting together with a proxy or two proxies acting jointly.

The Management Board adopts resolutions on issues provided for by law and Company's Statutes; however, if adoption of a resolution requires a consent of the Company's General Meeting or of the Supervisory Board, such a resolution may be adopted only upon obtaining such a consent.

The Management Board adopts resolutions in particular in matters concerning:

1. convening of the General Meeting of Shareholders,
2. establishing a detailed organisational structure of the Company and internal regulations,
3. granting and withdrawing powers of attorney for representatives and proxies,
4. incurring loans,
5. making investments,
6. determination of the principles of establishing remuneration for Company's employees,
7. determination of the principles and manner of accounting,
8. determination of detailed principles of the Company's financial management,
9. preparation of annual business plans for the Company,
10. preparation of long-term plans of Company's development,
11. setting and announcing the payment date of the dividend allocated by the General Meeting for payment,
12. every issue introduced into the meeting of the Management Board by its member.

A member of the Management Board may at the same time hold a position of a director or any other employee of the Company. The Management Board may appoint individual member of the Management Board to implement and control the issues which fall within the competence of the Management Board in a precisely defined scope. The member of the Management Board responsible

for the tasks with which they have been entrusted submits to the Management Board a report on implementation of tasks.

Members of the Management Board supervise and are responsible for operation of the divisions and organizational units of the Company subordinated to them (in accordance with the adopted distribution of work in the Management Board) and coordinate their operation with the overall operation of the Company.

The meetings of the Management Board are convened by the President, and in case of his or her absence, by another member of the Management Board. The issues not included in the agenda of the meeting may be put to vote or be an object of adopted resolutions only if all the members of the Management Board give their consent thereto.

The agenda of the meeting is prepared and the meeting is chaired by the person who has convened the meeting. The matters included in the agenda of the meeting are presented by the members of the Management Board or by the persons invited to discuss individual issues.

The members of the Management Board may participate in its sessions in person only.

A member or members of the Management Board may participate in the meeting of the Management Board by means of a telephone suitable for use in such conferences, a video connection or any other system by means of which every member can speak to all the other members, hear them and be heard by them. Such a participation in the meeting is considered as a personal participation.

Persons from outside the Management Board may participate in the meetings of the Management Board for advisory purposes if the person convening the meeting deems their presence justified.

Members of the Management Board have the obligation to participate in the meetings of the Management Board. The Management Board may excuse a member of the Management Board for being absent in the meeting of the Management Board for serious reasons.

Meetings of the Management Board are held at least once a month.

All the meetings are held in the Company's registered office or any other place indicated by the person convening the meeting.

If all the members of the Management Board have been properly informed of the meeting of the Management Board, the meeting will be valid regardless of the number of the members present.

Resolutions on all issues are adopted by the Management Board by simple majority of votes cast.

Every member of the Management Board has one vote. The President of the Management Board has the second, or the casting vote. Every voting of the Management Board is an open ballot.

Without prejudice to any other provisions, a written resolution signed by all members of the Management Board is valid and effective as if it was adopted during a properly convened and held meeting of the Management Board. Such a resolution may be composed of several documents with identical content and similar form, each of which will be signed by one or more members of the Management Board.

Composition of the Management Board of ULMA Construcción Polska S.A. in 2010

1. Andrzej Kozłowski – President of the Management Board
2. Krzysztof Orzełowski – Member of the Management Board
3. José Irizar Lasa – Member of the Management Board
4. Jose Ramon Anduaga – Member of the Management Board
5. Andrzej Sterczyński – Member of the Management Board

The Supervisory Board of “ULMA Construcción Polska S.A.”, hereinafter referred to as the “Company”, operates by virtue of the Polish Code of Commercial Companies, Company's Statutes and Regulations of the Supervisory Board.

The Supervisory Board consists of between 5 (five) and 9 (nine) members appointed by the General Meeting. The term of office of the Supervisory Board is three years.

The Supervisory Board holds its meetings at least once a quarter. The Chairperson of the Supervisory Board or the Deputy Chairperson is obliged to convene a meeting of the Supervisory Board also on a written request of the Supervisory Board's or Management Board's member. The meeting should be held within 2 (two) weeks from receiving the request.

Members of the Supervisory Board may cast their votes in writing through the agency of another member of the Supervisory Board.

The resolutions of the Supervisory Board may be adopted in writing or by means of direct communication.

The principles of adopting resolutions in accordance with the principles set forth in point 3 and 4 of this Article are specified in the Regulations of the Supervisory Board.

Resolutions of the Supervisory Board are valid provided that all the members of the Board have been invited to the session in writing and at least half of the members of the Board are present during the session.

Resolutions of the Supervisory Board are adopted by an absolute majority of votes cast. If the result of the voting is not decisive, the chairperson of the Supervisory has the casting vote.

The Supervisory Board adopts, by way of resolution, its internal regulations which contain, among other things, the following provision: "Every member of the Supervisory Board may put forward a proposal to adopt any resolution".

The Supervisory Board exercises constant supervision over the Company's operation. Apart from other issues stipulated in the provisions of these Statutes, particular rights of the Supervisory Board include:

- a) examination of the balance sheet,
- b) examination of the Management Board's report and conclusions made by the Management Board on allocation of profit or coverage of loss,
- c) submitting to the General Meeting a written Report on the results of the activities referred to in point "a" and "b",
- d) suspending in service, for material reasons, individual members of the Management Board or the entire Management Board,
- e) delegating a member or members for acting temporarily as the Management Board in the case of suspension or dismissal of all the members of the Management Board or when the Management Board is unable to act for other reasons,
- f) approving the regulations of the Management Board,
- g) determination of the Management Board's remuneration policy,
- h) granting permits for investments and purchases which exceed 4/5 (four fifth) of the share capital nominal value and for incurring loans which exceed the said value,
- i) appointment of the expert auditor,
- j) granting a consent for purchase or sale by the Management Board of a real estate or a share in a real estate.

The Supervisory Board provides supervision over the Company collectively, it may, however, delegate its members to individual performance of supervisory activities.

Members of the Supervisory board may perform their duties personally or authorise another member of the Supervisory Board to cast a vote on their behalf.

The Supervisory Board operates by adopting resolutions.

The minimum number of members of the Supervisory Board present in the session of the Supervisory Board is at least half of the members, including the Chairperson or the Deputy Chairperson, provided, however, that all the members of the Supervisory Board have been properly informed of the session. A member or members of the Supervisory Board may participate in the meeting of the Supervisory Board by means of a telephone suitable for use in such conferences, a video connection or any other system by means of which every member can speak to all the other members, hear them and be

heard by them, and such participation in the meeting of the Supervisory Board will be considered as a presence in the meeting.

Supervisory Board adopts resolutions in an open ballot, by a simple majority of votes.

Secret ballot is ordered in the case of personal matters or on the request of at least one member of the Supervisory Board.

Every member of the Supervisory Board has one vote. In the case of equal distribution of votes the Chairperson of the Supervisory Board has the second vote.

Meetings of the Supervisory Board are held at least once a quarter.

All the meetings are held in the Company's registered office or any other place indicated by the person convening the meeting.

The meeting of the Supervisory Board may be convened by its Chairperson on his or her own initiative, on the request of the Management Board or on the request of any other member of the Supervisory Board. If the Chairperson or the Deputy Chairperson has not convened the meeting of the Supervisory Board within seven days from the request from its member, such a member has the right to convene the Supervisory Board.

Notifications of every meeting of the Supervisory Board will be sent to every member of the Supervisory Board not later than seven days before the date of a given meeting specified in the notification. Every notification of a meeting must specify the time and place of the meeting as well as the agenda covering all the issues which may be the object of the meeting.

The issues not included in the agenda of the meeting may be put to vote or be an object of adopted resolutions only if all the members of the Supervisory Board give their consent thereto.

The Chairperson of the Supervisory Board convenes the meetings of the Supervisory Board by way of a notice issued not later than 3 working days before the date of the meeting and does this on the request of every member of the Supervisory Board in order to discuss the issues which require prompt examination.

Without prejudice to any other provisions, a written resolution signed by all the members of the Supervisory Board is valid and effective as if it was adopted in a properly convened and held meeting of the Supervisory Board; such a resolution may be composed of several documents with identical content and similar form, each of which will be signed by one or more than one member of the Supervisory Board (by circulation).

Any amendments of the Regulations of the Supervisory Board require a resolution of the Shareholders' Meeting adopted in accordance with the provisions of the Statutes.

Composition of the Supervisory Board in 2011:

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

Within its structure the Supervisory Board has established an Audit Committee composed of:

1. Rafał Alwasiak – Chairman of the Audit Committee who meets the criteria of independence
2. Aitor Ayastuy – Member of the Audit Committee
3. Lourdes Urzelai – Member of the Audit Committee.

E) DESCRIPTION OF MAIN CHARACTERISTICS OF THE SYSTEMS OF INTERNAL CONTROL AND RISK MANAGEMENT USED IN THE COMPANY AND RELATED TO THE PROCESS OF PREPARATION OF FINANCIAL STATEMENTS.

The Company's Management Board is responsible for the system of internal control in the Company and for its effectiveness in the process of drafting financial statements.

The process of drafting financial statements and interim reports in the Company is supervised by the Financial Director (Member of the Management Board). The person responsible for organisation of the work connected with drafting annual and intermediary financial statements is the Chief Accountant in the Accounting Department.

The Company keeps monitoring the modifications 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 key executives receive reports with management information containing analyses of key financial data and operational indicators. Besides, meetings of the Management Board with the management staff are held on a quarterly basis for the purpose of discussing the Company's results in individual areas of operation.

Financial statements are provided for information to members of the Supervisory Board who at their regular meetings analyse the data and indicators jointly 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. The prepared financial statement is submitted to the Financial Director for preliminary verification and then to the Management Board for final verification.

Annual and semi-annual financial statements are audited and reviewed by the Company's statutory auditor. Results of the examination are presented by the auditor to the management of the financial division and during summary meetings with the Company's Management Board.

Management Board of ULMA Construcción Polska S.A.

Andrzej Kozłowski – President of the Management Board	
José Irizar Lasa – Member of the Management Board	
Jose Ramon Anduaga – Member of the Management Board	
Krzysztof Orzełowski – Member of the Management Board	
Andrzej Sterczyński – Member of the Management Board	