

Supplement to the Annual Report for 2013 – corporate governance statement

Current Report No. 4/2014

Pursuant to Article 91 (5) (4) (a) to (b) of the Ordinance of the Minister of Finance of 19 February 2009 on current and interim information submitted by issuers of securities and on conditions of recognising information required by law of a country other than a Member State as equivalent information, the Company's Management Board hereby submits the corporate governance statement for 2013.

Date: 14-03-014

Signatures: Andrzej Sterczyński – Member of the Management Board
Henryka Padzik - Attorney

CORPORATE GOVERNANCE STATEMENT OF ULMA CONSTRUCCION POLSKA S.A. FOR 2013

The Management Board of ULMA Construcccion Polska S.A. applies the rules of corporate governance defined in a document entitled *Best Practices of WSE Listed Companies* adopted by the Supervisory Board of the Warsaw Stock Exchange, published with all amendments at the WSE website (<http://corp-gov.gpw.pl>).

A) INDICATION OF WHICH CORPORATE GOVERNANCE RULES WERE NOT APPLIED BY THE ISSUER AND INDICATION OF UNDER WHAT CIRCUMSTANCES AND FOR WHAT REASONS THE SPECIFIC RULE WAS NOT APPLIED, AND HOW THE COMPANY INTENDS TO REMOVE EFFECTS, IF ANY, OF NOT HAVING APPLIED A GIVEN RULE AND WHAT STEPS IT INTENDS TO TAKE TO MITIGATE THE RISK OF THE SPECIFIC RULE NOT BEING APPLIED IN THE FUTURE.

In 2013, the Company applied corporate governance except for the following rules:

I. Recommendations for Best Practice for Listed Companies

Rule I.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. Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC) should apply in defining the remuneration policy for members of supervisory and management bodies of the company.

Justification: Determination of remuneration of the Management Board and of the Supervisory Board is a sovereign decision of the Supervisory Board and of the General Meeting, respectively. The Company's Management Board has no authority to impose regulations in this respect. Remuneration of members of the Company supervisory and management bodies is determined on the basis of the scope of tasks and responsibilities

resulting from the performed functions and depends on the economic performance 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.

Justification: Under the current term of office of the Management Board and Supervisory Board, the Company does not plan any changes in order to implement the recommendation with regard to ensuring balanced proportion of women and men in management and supervisory functions in the Company. With regard to selection of members of such Company bodies, the priorities are the professionalism, experience and skills of candidates. However, it is worth noting that the Deputy Chairperson of the Supervisory Board is a woman, and so are both Company Proxies.

Rule I.10. If a company supports different forms or 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.

Justification: Although the Company happens to support the abovementioned activities, it does not currently consider its 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 consisting in:

- 1) real-time broadcast of General Meetings,
- 2) bilateral, real-time communication, allowing shareholders to speak at the General Meeting while staying outside the venue of the General Meeting,

3) exercising the voting rights during the General Meeting either in person or through a plenipotentiary.

Justification: This rule did not apply in the part relating to the real-time streaming of the General Meeting and to the bilateral, real-time communication, as, in accordance with the Company Articles of Association, corporate documents of the Company do not provide for the possibility to participate in the General Meeting and to speak at the General Meeting with the use of electronic communication means, or to exercise the voting rights by post or with the use of electronic communication means. In the opinion of the Management Board, the course of General Meetings of ULMA Construcccion Polska S.A. to date does not suggest that implementation of any of the abovementioned options is indeed necessary.

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,

Justification: Composition of the Company bodies is updated on an ongoing basis through current reporting and through the Company website: www.ulma-c.pl. Information about the historical composition of the management and supervisory bodies can be found in the interim reports.

9.a) a record of the General Meeting in audio or video format.

Justification: At present, the Company does not keep a record of the General Meeting in audio or video format; however, preparations to implement this recommendation in the near term are in progress.

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

Justification: The company authorised to audit financial statements is selected and changed by way of a sovereign decision of the Supervisory Board. The Company does not publish the information about the content of the Company's internal rule of changing the company authorised to audit financial statements or information about the absence of such rule on its website.

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, a subsidiary 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.

Justification: One member of the Supervisory Board was appointed on the basis of the independence criteria. The remaining members of the Supervisory Board are appointed by way of a sovereign decision of the General Meeting of the Company.

IV. Best Practices of Shareholders

Rule IV.10. A company should enable its shareholders to participate in a General Meeting using electronic communication means consisting in: 1) real-time broadcast of General

Meetings; 2) bilateral, real-time communication, allowing shareholders to speak at the General Meeting while staying outside the venue of the General Meeting.

Justification: This rule did not apply due to the current shareholder structure and the fact that until now the Company has not received any information about possible interest in such form of following General Meetings. In the future, the Company does not exclude the possibility to organise General Meetings with the use of cutting-edge multimedia technologies.

The content of this Report will be also published at the Issuer's website: www.ulma-c.pl, under the tab dedicated to investor relations.

B) DESCRIPTION OF THE PROCEDURES OF THE GENERAL MEETING AND ITS MAIN POWERS AND THE RIGHTS OF THE SHAREHOLDERS AND PROCEDURES OF THEIR EXECUTION

As of 31 December 2013, the shareholder structure of ULMA Construcción Polska S.A. was as follows:

- ULMA C y E, S. Coop. – 3,967,290 shares – 75.49% of share capital – 3,967,290 votes at the General Meeting – 75.49% of votes at the General Meeting
- AVIVA Powszechne Towarzystwo Emerytalne BZ WBK S.A. – 466,679 shares – 8.88% of share capital – 466,679 votes at the General Meeting – 8.88% of votes at the General Meeting
- Others – 821,663 shares – 15.63% of share capital – 821,663 votes at the General Meeting – 15.63% of votes at the General Meeting

The Company has no securities which would grant their holders any special control powers with regard to ULMA Construcción Polska S.A.

Company shares do not imply any limitations with regard to exercising voting rights or with regard to transfer of ownership.

The General Meeting of ULMA Construcción Polska S.A. ("GM") operates on the basis of the provisions of the Commercial Companies Code, Company Article of Association and the Rules of the General Meeting of ULMA Construcción Polska S.A.

The General Meeting is convened through an announcement on the Company website and in the manner provided for the purposes of communicating current information by public companies in accordance with the legislation in force; such announcement should be published at least 26 (twenty-six) days before the date of the General Meeting.

The following persons may participate in the General Meeting: persons being Company shareholders as of 16 (sixteen) days before the date of the General Meeting ("**Date of Registration of Participation in the General Meeting**"); persons authorised under registered shares and temporary certificates, as well as lienholders and users entitled to vote, provided they are listed in the shareholder register as of the Date of Registration of Participation in the General Meeting; members of the Supervisory Board and of the Management Board of the Company; and persons invited to the General Meeting by the Company's Management Board.

Bearer shares in the form of a document entitle their holders to participate in the General Meeting if the share documents are submitted to the Company no later than on the Date of Registration of Participation in the General Meeting and they are not withdrawn before the end of that day. Instead of shares, a certificate issued to prove that the shares have been deposited with a notary, a bank or an investment firm having its seat or branch on the territory of the European Union or a country being party to the Agreement on the European Economic Area, specified in the announcement of the General Meeting, can be submitted to the Company.

The Company makes a list of persons authorised under bearer shares to participate in the General Meeting on the basis of the share documents and certificates submitted to the Company and on the basis of a list of holders of dematerialised shares authorised to participate in the General Meeting, drawn up by the entity keeping the securities depository.

Shareholders may participate in the General Meeting either in person or through a plenipotentiary (attorney). Shareholders may participate in the General Meeting in person, by appearing at the General Meeting.

The power of attorney is granted in writing or in digital form (digital form means a text document sent electronically; secure electronic signature is not required).

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

No later than two days before the date for which the General Meeting was convened, a shareholder should notify to the Company of the granted power of attorney, if such power of attorney was granted in digital form. Notification should be signed by the principal or by persons authorised to represent the principal (in the case of principals being legal persons), and then sent as a scan, by e-mail, to the address provided in the General Meeting announcement, or by fax to the number provided in the General Meeting announcement.

A shareholder having shares registered on more than one securities account may appoint separate attorneys to the exercise the rights from shares registered on respective accounts.

Members of Company bodies and Company employees may be appointed as attorneys of shareholders at the General Meeting. In such case and where the attorney is a Company liquidator or a member of Company bodies, or a Company employee, or an employee of a cooperative that is subsidiary to the Company:

The attorney may represent more than one shareholder. The attorney exercises all the powers of the shareholder at the General Meeting, unless the power of attorney provides otherwise. The attorney may grant further powers of attorney, if such an option has been provided for in their power of attorney.

A shareholder may not vote in person or through an attorney with regard to resolutions relating to their liability towards the Company on any grounds, including the vote of acceptance, release from liability towards the Company, or a dispute between such shareholder and the Company.

A shareholder may vote as an attorney of another shareholder with regard to resolutions relating to them, referred to in Point 4.12 of the Rules, only if all of the following conditions are met:

- The power of attorney authorises them to represent the other shareholder only at one General Meeting;
- The attorney informs the shareholder of the circumstances suggesting the occurrence or possible occurrence of a conflict of interest;
- Possibility to grant further powers of attorney has been excluded;
- The shareholder being the attorney votes according to the instructions provided by the shareholder being the principal.

Shareholders may vote at the General Meeting either in person or through an attorney. A shareholder may vote differently under each of the shares they hold.

If an attorney represents more than one shareholder, they may vote differently under the shares of each shareholder they represent.

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

A General Meeting is opened by the Chairperson of the Company's Supervisory Board, and in their absence, by the Deputy Chairperson of the Supervisory Board. In their absence, a General Meeting is opened by the Chairperson of the Management Board or by the person designated by the Management Board.

The person opening the General Meeting calls for the election of the Chairperson of the General Meeting from among all persons authorised to participate in the General Meeting. If the General Meeting is convened under Article 399 (3) of the Commercial Companies Code, the Chairperson of the General Meeting is not elected.

Candidates for the Chairperson of the General Meeting can be proposed by shareholders or their attorneys participating in the General Meeting, members of the Supervisory Board and members of the Management Board.

The person opening the General Meeting orders a vote to elect the Chairperson of the General Meeting.

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

Voting on respective candidates takes place in the order in which the candidates were proposed.

Having signed the minutes from the voting on the Chairperson of the General Meeting, the person opening the General Meeting vests the management of the meeting in the newly elected Chairperson of the General Meeting.

The Chairperson of the General Meeting verifies the compliance with the Meeting convention procedure and the capacity of the General Meeting to adopt resolutions.

The Chairperson of the General Meeting calls for a vote on the appointment of a tellers' committee and other committees, if that is necessary for the correct organisation of the General Meeting. In particular, if the Company allows electronic counting of votes, the Chairperson of the General Meeting may decide not to appoint a tellers' committee.

If such committee is appointed, it is composed of at least three and no more than five members selected from among the shareholders and other persons by simple majority of votes.

The Chairperson of the General Meeting ensures that the General Meeting proceeds efficiently, calls for breaks during the debate, settles disputes between shareholders, supervises the works of the committees appointed by the General Meeting, and signs the minutes from the adoption of resolutions by the General Meeting.

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

The Chairperson of the General Meeting may not delete any items from the agenda or otherwise change the agenda on their own.

Each shareholder is entitled to participate in the discussion, ask questions and request clarifications from the Company bodies with regard to any item on the agenda.

The Chairperson of the General Meeting may take back the floor from a shareholder or their attorney of the speech is unrelated to the agenda or if it is longer than 15 minutes.

Shareholders may submit formal motions before the General Meeting proceeds to the consideration of the items on the agenda. The Chairperson of the General Meeting decides on the acceptance or dismissal of a formal motion. Point 7.2 of the Rules applies accordingly.

A motion for the convention of an Extraordinary General Meeting may be submitted by a shareholder after the completion of the agenda at the General Meeting.

Upon request of the shareholders representing at least one-fifth of the initial capital, the Supervisory Board should be elected at the nearest General Meeting by way of voting in separate groups, even if the Articles of Association provide for other methods to appoint the Supervisory Board.

Persons representing at the General Meeting the proportion of shares being the quotient of the total number of represented shares and the number of Supervisory Board members may form a separate group in order to select one member of the Supervisory Board; they do not, however, participate in the selection of other members.

The newly created group notifies the Chairperson of the General Meeting of its formation.

The Chairperson of the General Meeting recognises the creation of the group and registers the composition of the group and the number of shares represented by the group in the minutes from the General Meeting.

The group selects its representative to the Supervisory Board and informs the Chairperson of the General Meeting accordingly.

Membership in the Supervisory Board, remaining after the selection of the respective group of shareholders created in accordance with Point 7.9 of the Rules, is granted by way of voting by all shareholders who did not vote on the selection of members of the Supervisory Board elected by voting in separate groups.

If at least one group capable of selecting a member of the Supervisory Board is not created at the General Meeting, no selection is organised.

The Company may broadcast the debate at the General Meeting with the use of the Internet, register the debate on digital carriers and publish it on the Company's website.

To matters not regulated by these Rules, relevant provisions of the Commercial Companies Code and the provisions of the Company Articles of Associations apply.

The powers of the General Meeting include:

- Consideration and approval of the Management Report on Company operations and the financial statements for the previous financial year;
- Adoption of resolution on profit sharing or loss coverage;
- Granting vote of acceptance to members of Company bodies with regard to performance of their duties;
- Amendment of the Company Articles of Association;
- Merger with another company and Company transformation;
- Winding up and liquidation of the Company;
- Issuance of bonds;
- Disposal and lease of the enterprise and establishment of usufruct of the enterprise;
- Any decisions regarding claims for the liquidation of damages incurred during the Company's incorporation or during the management or supervision process;
- Adoption of resolution on mandatory redemption of shares under Article 418 of the Commercial Companies Code.

If the General Meeting resolves to allocate the profit in whole or in part to payments for shareholders, determination of the date of reference as of which the list of shareholders entitled to dividend for a given financial year (dividend date) is to be drawn up, and determination of the date of dividend payment.

Apart from the abovementioned matters, the General Meeting adopts resolutions on the increase or decrease in the initial capital, including:

- Increase in the initial capital from Company funds;
- Authorisation of the Company's Management Board to increase the initial capital once or more than once on conditions specified in the resolutions of the General Meeting (authorised capital);
- Conditional increase in the initial capital in order to grant the right to hold shares to holders of convertible bonds or bonds with pre-emption rights, or to grant the right to shares to employees, members of the Management Board or members of the Supervisory Board in exchange for contribution in kind in the form of receivables resulting from their acquired rights to participate in the Company or subsidiary profit sharing.

C) DESCRIPTION OF THE RULES OF AMENDING THE ISSUER'S ARTICLES OF ASSOCIATION OR MEMORANDUM OF ASSOCIATION

The Company Articles of Association may be amended solely by the General Meeting. The General Meeting may authorise the Supervisory Board to agree on a consolidated text of the Articles of Association or to introduce other editorial amendments specified in the resolution of the General Meeting. Amendment of the Company Articles of Association is governed by provisions of Article 430 of the Commercial Companies Code.

D) PERSONAL COMPOSITION AND PROCEDURES OF THE COMPANY'S MANAGING AND SUPERVISORY BODIES AND THEIR COMMITTEES

The Management Board of ULMA Construccin Polska S.A., hereinafter referred to as the "Company", operates on the basis of the Commercial Companies Code, Company Articles of Association, resolutions of the General Meeting and the Rules of the Management Board.

The Management Board of the Company is composed of at least 1 (one) up to 5 (five) members. Members of the Management Board are appointed and revoked by the Supervisory Board. The term of office of a member of the Management Board is defined by the Supervisory Board; the term of office cannot be longer than three years. The Supervisory Board defines the number of members of the Management Board and selects the Chairperson of the Management Board from among those members.

The Company's Management Board presided over by the Chairperson manages the Company and represents it in contacts with other entities.

All matters related to the management of the Company that are not vested in the General Meeting or the Supervisory Board in accordance with an act of law or the Articles of Association fall within the scope of tasks of the Management Board.

Detailed procedure of operation of the Management Board is defined by the Rules of the Management Board adopted by the Management Board and approved by the Supervisory Board.

The following persons are authorised to make declarations of will and to sign documents on behalf of the Company: the Chairperson of the Management Board, independently, or two members of the Management Board acting jointly, or a member of the Management Board acting jointly with an attorney, or two attorneys acting jointly.

The Management Board adopts resolutions on matters provided for by the law and by the Company Articles of Association; however, if adoption of a resolution requires the approval of the General Meeting of the Company or of the Supervisory Board of the Company, such resolution can be adopted only upon such approval.

In particular, the Management Board adopts resolutions on matters regarding:

1. Convention of the General Meeting of shareholders;
2. Determination of the detailed organisational structure of the Company and internal rules;
3. Awarding and revoking powers of attorney and powers of proxy;
4. Taking loans;
5. Making investments;
6. Adopting the rules of remuneration of Company employees;
7. Determination of the principles and method of accounting;
8. Determination of detailed rules of the Company's financial management;
9. Preparation of annual business plans of the Company;
10. Preparation of multiannual development plans of the Company;
11. Determination and announcement of the date of payment of the dividend planned for payment by the General Meeting;
12. All matters referred to at the meeting of the Management Board by a member of the Management Board.

A member of the Management Board may at the same time perform the function of a director or other Company employee. The Management Board may vest in a member of the Management Board the task to carry out or supervise matters falling within the scope of authority of the Management Board; the scope of such task must be clearly defined. The member of the Management Board responsible for the vested tasks reports to the Management Board with regard to their execution.

Members of the Management Board supervise and are responsible for the works of the Company divisions and organisational units subordinated to them (in accordance with the adopted division of tasks in the Management Board) and coordinate the works of such units so as to integrate them with overall Company operations.

Meetings of the Management Board are convened by the Chairperson, and in their absence, by another member of the Management Board. Matters not included in the agenda are not subject to voting or referred to in the adopted resolutions without prior approval of all members of the Management Board.

The person convening the meeting of the Management Board prepares the agenda and presides over the debate. Matters to be discussed are referred to by members of the Management Board or by persons invited in order to discuss respective topics.

Members of the Management Board participate in its meetings in person only.

One or more members of the Management Board may participate in the meeting of the Management Board with the use of a telephone allowing conference calls, video conference or other system that would permit every member of the Management Board to speak to others, to hear them and to be heard by them. Such form of participation in the meeting is considered participation in person.

Persons other than members of the Management Board may participate in the meetings of the Management Board in advisory capacity, if the person convening the meeting considers their presence relevant.

Participation in the meetings of the Management Board is obligatory for all members of the Management Board. The Management Board may excuse the absence of a member of the Management Board at the meeting for important reasons.

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

All meetings are held at the Company's seat or in another venue determined by the person convening the meeting.

Meetings of the Management Board are valid regardless of the number of members of the Management Board present, if all members of the Management Board have been duly notified of the meeting.

Resolutions regarding all matters are adopted by the Management Board at the meetings by simple majority of votes.

Each member of the Management Board has one vote. The chairperson of the Management Board has the second, or the decisive, vote. All votings of the Management Board are open.

Without prejudice to any other provision stipulating otherwise, a written resolution signed by all members of the Management Board is valid and effective as if it was adopted at the duly convened and held meeting of the Management Board. Such resolution may be composed of several documents drawn up in identical copies and in similar form, each of them being signed by one or more members of the Management Board.

Management Board of ULMA Construcción Polska S.A. in 2013

1. Andrzej Kozłowski – Chairperson of the Management Board
2. Krzysztof Orzełowski – Member of the Management Board
3. Jose 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 on the basis of the Commercial Companies Code, Company Articles of Association and the Rules of the Supervisory Board.

The Supervisory Board is composed of 5 (five) up to 9 (nine) members appointed by the General Meeting. The term of office of the Supervisory Board is three years.

The Supervisory Board holds meetings at least once every three months. The Chairperson of the Supervisory Board or their deputy is obliged to convene the meeting of the Supervisory Board also upon written request of a member of the Supervisory Board or a member of the Management Board of the Company. In such case, the meeting should be held within 2 (two) weeks from the date of receipt of the request.

A member of the Supervisory Board may vote in writing through the agency of another member of the Supervisory Board.

The Supervisory Board may adopt resolutions in writing or by means of direct remote communication.

The rules of adopting resolutions on conditions specified in Points 3 and 4 of this Paragraph are defined in the Rules of the Supervisory Board.

Resolutions of the Supervisory Board are valid if all members of the Supervisory Board are invited to the meeting in writing and at least one half of all members are present at the meeting.

Resolutions of the Supervisory Board are adopted by absolute majority of votes. If the voting is undetermined, the Chairperson of the Supervisory Board has the decisive vote.

The Supervisory Board adopt its internal rules by way of resolution. The rules contain the following provision: *Each member of the Supervisory Board may suggest a resolution on any matter.*

The Supervisory Board supervises the Company's operations on a regular basis. Apart from other matters referred to in the Articles of Association, the powers of the Supervisory Board include:

- a) Audit of the balance sheet;
- b) Audit of the Management Report and motions of the Management Board regarding profit sharing or loss coverage;
- c) Submission of a written Report on the results of the activities referred to in Points (a) and (b) to the General Meeting;
- d) Suspension of a member of the Management Board, or of the whole Management Board, for important reasons;
- e) Delegation of one or more members to perform the functions of the Company's Management Board on a temporary basis in case of suspension or revocation of the whole Management Board, or in case the Management Board cannot act for other reasons;
- f) Approval of the Rules of the Company's Management Board;
- g) Determination of the rules of remuneration of members of the Management Board;
- h) Approval of investments and purchases exceeding 4/5 (four-fifths) of face value of the initial capital and of taking loans exceeding that value;
- i) Selection of the certified auditor;
- j) Approval of acquisition or disposal of real property or share in real property by the Management Board.

The Supervisory Board performs the supervisory functions with regard to the Company on a collective basis; it may, however, delegate its members to perform respective supervisory activities individually.

Members of the Supervisory Board may perform their duties in person or authorise another member of the Supervisory Board to vote on their behalf.

The Supervisory Board performs its functions by way of adopting resolutions.

The quorum at the meetings of the Supervisory Board is at least one half of all members of the Supervisory Board, including the Chairperson or the Deputy Chairperson, provided all

members of the Supervisory Board are duly notified of the meeting. One or more members of the Supervisory Board may participate in the meeting of the Supervisory Board with the use of a telephone allowing conference calls, video conference or other system that would permit every member of the Management Board to speak to others, to hear them and to be heard by them. Such form of participation is considered presence at the meeting of the Supervisory Board.

All votings of the Supervisory Board are open and require simple majority of votes to adopt any resolution.

Secret ballot occurs in personal matters or upon request of at least one member of the Supervisory Board.

Each member of the Supervisory Board has one vote. In the event of equal distribution of votes, the Chairperson of the Supervisory Board has the second, decisive vote.

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

All meetings are held at the Company's seat or in another venue determined by the person convening the meeting.

The Chairperson of the Supervisory Board may convene a meeting of the Supervisory Board of their own initiative, upon request of the Management Board, or upon request of any of the remaining members of the Supervisory Board. If the Chairperson or the Deputy Chairperson fails to convene the meeting within seven days from the date of submission of the request to convene the meeting by a member of the Supervisory Board, such member is entitled to convene the meeting of the Supervisory Board.

Notifications of all meetings of the Supervisory Board are sent to each member of the Supervisory Board no later than seven days before the date of the meeting indicated in the notification. Each notification of the meeting specifies the time and place of the meeting, as well as the agenda including all matters to be discussed.

Matters not included in the agenda are not subject to voting or referred to in the adopted resolutions without prior approval of all members of the Supervisory Board.

The Chairperson of the Supervisory Board convenes meetings of the Supervisory Board upon prior notice sent at least three business days before the date of the meeting, upon request of any member of the Supervisory Board, in order to discuss urgent matters.

Without prejudice to any other provision stipulating otherwise, a written resolution signed by all members of the Supervisory Board is valid and effective as if it was adopted at the duly convened and held meeting of the Supervisory Board. Such resolution may be composed of several documents drawn up in identical copies and in similar form, each of them being signed by one or more members of the Supervisory Board (circulation procedure).

All amendments to the Rules of the Supervisory Board are made by way of resolutions of the General Meeting adopted in accordance with the Articles of Association.

Supervisory Board in 2013:

1. Aitor Ayastuy Ayastuy – Chairperson of the Supervisory Board
2. Lourdes Urzelai Ugarte – Deputy Chairperson of the Supervisory Board
3. Ernesto Julian Maestre Escudero – Member of the Supervisory Board until 18-06-2013
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
7. Iñaki Irizar – Member of the Supervisory Board until 18-06-2013

The Supervisory Board appointed an Audit Committee from among its members, composed of:

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| <ol style="list-style-type: none">1. Mr Rafał Alwasiak – Chairperson of the Audit Committee who meets the independence criteria2. Mr Aitor Ayastuy – Member of the Audit Committee |
|---|

3. Ms Lourdes Urzelai – Member of the Audit Committee

E) DESCRIPTION OF THE BASIC FEATURES OF THE COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS RELATED TO THE PROCESS OF PREPARING FINANCIAL STATEMENTS

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

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. Chief Accounting Officer at the Accounting Department operating within the financial division is responsible for the organisation of works relating to the preparation of annual and interim financial statements.

The Company monitors the amendments specified by law and internal regulations relating to the requirements of stock exchange reporting, and prepares to implement them in due advance.

Each month, after the closure of the books, members of the Company's Management Board and senior officers receive reports including management information analysing key financial data and operating indicators. On a quarterly basis, meetings of the Management Board with senior officers are organised in order to discuss the Company's performance broken down by respective areas of operation.

Financial statements are notified to the members of the Supervisory Board, who, during regular meetings, discuss key data and indicators with the Company's Management Board.

Financial data forming the basis of financial statements and interim reports originate from the accounting and financial system where transactions are registered in accordance with the Company's accounting policy based on the International Accounting Standards. The

completed financial statements are submitted to the Chief Financial Officer for preliminary verification, and then to the Management Board for final verification.

Annual and semi-annual financial statements are subject to independent audit and revision by the Company auditor. The results of the audit are presented by the auditor to the management of the financial division and on the final meetings with the Company's Management Board.

Management Board of ULMA Construcción Polska S.A.

Andrzej Kozłowski – Chairperson of the Management Board	
Jose 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	