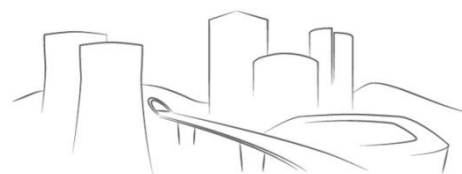


**STATEMENT ON APPLICATION  
OF CORPORATE GOVERNANCE PRINCIPLES BY  
ULMA CONSTRUCCION POLSKA S.A.  
IN 2021.**



**From the beginning** of your projects



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Management Board of ULMA Construcción Polska S.A. ("The Company") applies the corporate governance principles contained in the document "Code of Best Practice for WSE Listed Companies 2021" adopted by the Supervisory Board of the Warsaw Stock Exchange and published together with amendments on its website (<http://corp-gov.gpw.pl>). This statement has been prepared pursuant to Article 70.6.5 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent (Journal of Laws 2018, item 757).

#### **A. A SET OF CORPORATE GOVERNANCE PRINCIPLES TO WHICH ULMA CONSTRUCCION POLSKA S.A. IS SUBJECT AND WHERE THE TEXT OF THE RULEBOOK IS PUBLICLY AVAILABLE**

Since 2021, the Company has been subject to the corporate governance principles set out in the document "Code of Best Practice for WSE Listed Companies 2021", which were introduced by Resolution No. 13/1834/2021 of the WSE Supervisory Board of March, 16, 2021. The Company published a report on the application of the good practices and posted on its website, in accordance with the requirements of 1.1, information on the status of the Company's application of the recommendations and principles contained in the DPSN 2021.

#### **B. INFORMATION ON WITHDRAWAL FROM APPLICATION OF THE PROVISIONS OF THE SET OF CORPORATE GOVERNANCE PRINCIPLES**

In 2021. The Company applied corporate governance except for the rules indicated below:

**1.1. The Company conducts the effective communication with the participants of the capital market, informing on the matters concerning the company on a reliable basis. For this purpose, the Company uses diversified tools and forms of communication, including in particular the corporate website, at which it publishes all information of importance to the investors.**

*The Company does not apply this principle.*

*The Company makes all efforts to publish all corporate or result information on its official website and to inform the market of all significant matters concerning the Company on an on-going basis. However, the Company publishes no uniform document being its business strategy, which is laid down directly in the "Guidelines of the Corporate Governance Committee", primarily due to maintaining safety and security of the Company's competitiveness in the case of publication of strictly internal information. The Management Board comments the elements of the Company's strategy on a broad and detailed basis, both in terms of local market in Poland and in terms of export markets during the discussions with the stockholders and market analysts during the dedicated meetings, including in particular in the course of presentations of the published annual financial results.*

**1.3. In its business strategy, the company considers also the ESG issues, including in particular:**

1.3.1. The environmental issues containing the benchmarks and risks related to climate change and sustainable development aspects;

*The Company does not apply this principle.*

*The ESG is not directly included in the Company's strategy. The environmental issues are not visible in the on-going operation of the Company, which is reflected by among others: holding of the ISO 14001 certificate audited on an annual basis and addressing the environmental aspects, or various investment activities of the Company (for example LED lighting) which address the trend of developing an environmentally aware company. Promoting the environmental awareness of the Company is reflected also by the trainings organised among the employees and the group of subcontractors as well as in development of compliance mechanisms such as, for example, whistleblowing system or keeping the ISO*



9001 quality certificate. The environmental components are also taken into account in the wage policy document pertaining to the members of the Management Board and Supervisory Board of the Company.

1.3.2. Social and employee issues related to, among others, the undertaken and planned measures aiming at ensuring gender equality, due working conditions, respecting the employees' rights, dialogue with local communities and customer relations.

The Company does not apply this principle.

*Comment of the Company: Corporate social responsibility is not specifically separated in the Company's strategy. However, the Company have been taking numerous initiatives (e.g. obtaining of the ISO 45001 certificate in the area of health and safety, establishment of the Code of Ethics or dialogue of the Management of the Company with the employees in the form of the meetings of the Employee H&S Committee), aiming at care of health and safety at work and respecting the employees' rights. The social and employee components are also taken into account in the wage policy document pertaining to the members of the Management Board and Supervisory Board.*

**1.4. In order to ensure due communication with the stakeholders in the area of the adopted business strategy, the Company publishes on its official website information on the assumptions of the adopted strategy, measurable objectives, including in particular long-term objectives, planned activities and progresses in their implementation specified by means of financial and non-financial benchmarks. Information on the strategy in the ESG area should, among others:**

The Company does not apply this principle.

*Comment of the Company: the Company publishes no information related to the adopted business strategy from the reasons described in clause 1.1. However, information on the strategy and operating activities are communicated by the Company to the stakeholders and investors at various meetings, including during the annual meeting dedicated to financial results.*

**1.4.1. Explain, how the decision-making processes in the Company and the Group entities take into account the issues related to climate change, specifying the resulting risks;**

The Company does not apply this principle.

*Comment of the Company: the Company publishes no information related to the adopted business strategy from the reasons described in clause 1.1. However, information on the strategy and operating activities are communicated by the Company (including the issues related to climate change) to the stakeholders and investors at various meetings, including during the annual meeting dedicated to financial results.*

**1.4.2. Present the value of equal pay index for wages paid to the employees, calculated as the percentage difference between the average monthly wage (taking into account the bonuses, awards and other allowances) of men and women for the last year and present information on the measures taken to eliminate the potential inequalities in this area as well as the related risks and time horizon, in which the equality should be reached.**

The Company does not apply this principle.

*Comment of the Company: this principle is not applied due to no application of principle 1.4.*

**1.5. At least once a year, the Company discloses the expenditure incurred by the Company and the Group for supporting the culture, sport, charity institutions, media, community-based organisations, trade unions, etc. If the Company or the Group incurred such expenditure in the reported year, information should contain the summary of expenditure.**



The Company does not apply this principle.

*Comment of the Company: the company holds no formal strategy on charity, social or media activity. The measures taken in these areas are occasional and the expenditure is of episodic nature. Thus this aspects are not published.*

**2.1. The Company should have the diversity policy implemented with regard to the Management Board and the Supervisory Board, adopted by the Supervisory Board or General Meeting, respectively. The diversity policy lays down the objectives and criteria of diversity, among others in such areas as gender, education, specialist knowledge, age and professional experience as well as defines the deadlines and monitoring of delivery of these objectives. In terms of gender diversity, the condition to ensure diversity of the Company's bodies is the share of minorities in a given body at the level of at least 30%.**

The Company does not apply this principle.

*Comment of the Company: the Company holds the diversity policy for its employees, including the management of the Company. However, due to the specific nature of the construction industry dominated by men, ensuring diversity in particular in terms of gender of the members of the management is highly difficult. The selection of candidates for the members of the Company's bodies, however not fully independent from the Company, is made on the basis of non-discriminatory criteria of professional experience, competences and education level.*

**2.2. The persons decisive for the appointment of the members of Management Board or Supervisory Board of the Company should ensure versatility of these bodies by appointing the persons providing the diversity to enable among others achieving the target minimum share of minorities of at least 30%, in accordance with the objectives laid down in the adopted diversity policy, referred to in principle 2.1.**

The Company does not apply this principle.

*Comment of the Company: the composition of the Supervisory Board of the Company is the effect of the decisions made by the General Meeting, while establishing the composition of the Management Board of the Company rests upon the Supervisory Board.*

**2.7. Fulfilling the functions in the bodies of entities not belonging to the Group by the members of the Management Board of the Company requires consent of the Supervisory Board.**

The Company does not apply this principle.

*Comment of the Company: none of the internal documents in the Company, such as Statute, Rules and Regulations of the Management Board or of the Supervisory Board, bans directly any candidate member of the Management Board from working in the entities from outside the Group. However, on the basis of the corporate and regulatory documents, the Members of the Management Board and Supervisory Board are obliged, both to avoid the conflict of interest and work outside the Company, which could limit their time necessary to perform duties in the Company.*

**2.11. Apart from the activities laid down in the provisions of law, the Supervisory Board draws up and submits the annual statement to the General Meeting for approval on an annual basis. The statement referred to above contains at least:**

**2.11.5. Validation of expenditure, referred to in principle 1.5;**

The Company does not apply this principle.

*Comment of the Company: the Company publishes no information on such expenditure due to their insignificance (see comment in clause 1.5).*



**2.11.6. Information on the progress in the implementation of diversity policy with regard to the Management Board and Supervisory Board, including the delivery of the objectives, referred to in principle 2.1.**

*The Company does not apply this principle.*

*Comment of the Company: this principle is not applied due to no application of principle 2.1.*

**3.6. The person in charge of internal audit is subordinated to the President of the Management Board in organisational terms, while to the Chairman of the Audit Committee or of the Supervisory Board in functional terms, provided that the Board acts as the Audit Committee.**

*The Company does not apply this principle.*

*Comments of the Company: The internal audit function is not separated in the Company.*

The content of this report will also be published on the Company's website: <https://www.ulmaconstruction.pl/pl/dla-inwestorow/relacje-inwestorskie/spolka/lad-korporacyjny>

**C. DESCRIPTION OF THE MAIN FEATURES OF THE COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS WITH RESPECT TO THE PROCESS OF PREPARING FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS**

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

Substantive supervision over the process of preparing financial statements and periodic reports of the Company is exercised by the Financial Director. The main accountant functioning within the financial department is responsible for the organization of works related to the preparation of annual and interim financial reports.

The Company follows the required regulations and external regulations relating to the requirements of stock exchange reporting on a current basis and prepares for their introduction with considerable advance.

In 2021, a highly significant event requiring the additional measures was the capacity to draw up the consolidated financial statements in accordance with the requirements associated with the European Single Electronic Format (ESEF). In effect, the Management Board of the Company took many initiatives, including access to the applications enabling the preparation of consolidated financial statements in the ESEF standard as well as acquisition of the necessary technical knowledge to achieve compliance with the new formal requirements.

Every month, after the books are closed, reports with management information are distributed among the members of the Company's management board and the managerial staff, analysing key financial data and operational indicators concerning the areas of activity supervised by these managers. Meetings between the Management Board and the management are also organised in the same manner.

The financial statements are communicated to the members of the Supervisory Board who, at regular meetings, discuss key financial data and indicators as well as aspects of business risk management by the Company's Management Board .

The financial data being the basis for financial statements and periodical reports come from the accounting and financial system, in which transactions are recorded in accordance with the Company's





accounting policy prepared on the basis of International Accounting Standards. The prepared financial statements are forwarded to the Chief Financial Officer for initial review and then to the Board of Directors for approval.

#### **D. SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY SIGNIFICANT SHAREHOLDINGS**

The Company's shareholder structure as at 31 December 2021. - According to the best knowledge of the Company - it was as follows:

- ULMA C y E, S. Coop. - 3 967 290 shares - 75.49% of the share capital - 3 967 290 votes at the General Meeting of Shareholders - 75.49% of votes at the General Meeting of Shareholders
- TFI Quercus S.A. - 323,726 shares - 6.16% of share capital - 323,726 votes at GMS - 6.16% of votes at GMS
- Others - 964,616 shares - 18.35% of share capital - 964,616 votes at GMS - 18.35% of votes at GMS

#### **E. HOLDERS OF ANY SECURITIES THAT GIVE SPECIAL CONTROL RIGHTS, TOGETHER WITH A DESCRIPTION OF THOSE RIGHTS**

There are no securities in the Company that would give special control rights to their holders in relation to the Company. The Company shares are not privileged.

#### **F. RESTRICTIONS ON THE EXERCISE OF VOTING RIGHTS**

There are no restrictions on the exercise of voting rights attached to the Company's shares.

#### **G. RESTRICTIONS ON THE EXERCISE OF THE TRANSFER OF OWNERSHIP OF SECURITIES**

There are no restrictions on the transfer of ownership of the Company's securities.

#### **H. DESCRIPTION OF THE PRINCIPLES FOR APPOINTING AND DISMISSING MANAGERS AND THEIR RIGHTS, IN PARTICULAR THE RIGHT TO DECIDE ON THE ISSUE OR REDEMPTION OF SHARES**

Pursuant to §12 point 2 of the Company's Articles of Association, members of the Management Board are appointed and dismissed by the Supervisory Board. The term of office of a member of the management board (term of office) shall be determined by the supervisory board, but it may not exceed three years. The Management Board shall adopt resolutions on matters provided for by law and the Company's Articles of Association, provided that if the adoption of a resolution requires the consent of the General Meeting of Shareholders of the Company or the Supervisory Board of the Company, the resolution may be adopted after obtaining such consent. The Management Board shall adopt resolutions, in particular on matters concerning:

1. convening the general meeting of shareholders,
2. establishing the detailed organizational structure of the Company and internal regulations,
3. granting and revoking proxies and powers of attorney,
4. taking out loans,
5. making investments,
6. adopting rules of remuneration of the Company's employees,
7. determining the rules and manner of accounting,
8. establishing detailed principles of financial management of the Company,
9. developing annual financial plans for the Company,
10. developing long-term development plans for the Company,
11. setting and announcing the date of payment of the dividend to be paid by the general meeting of shareholders,
12. any matter brought to a Management Board meeting by a member of the Management Board.



Decisions concerning the issue or redemption of shares are solely the responsibility of the general meeting of shareholders.

#### **I. DESCRIPTION OF THE RULES FOR AMENDING THE ISSUER'S ARTICLES OF ASSOCIATION**

The General Meeting of Shareholders is solely responsible for amending the Company's Articles of Association. The General Meeting of Shareholders may authorise the Supervisory Board to determine the uniform text of the Company's Articles of Association or introduce other editorial changes specified in a resolution of the General Meeting of Shareholders. The provisions of Article 430 of the Commercial Companies Code shall apply to changes in the Company's Statute.

In 2021, the General Meeting of Shareholders did not make any changes to the Company's Article of Association.

#### **J. THE MANNER OF OPERATION OF THE COMPANY'S GENERAL MEETING OF SHAREHOLDERS AND ITS BASIC RIGHTS AND THE RIGHTS OF SHAREHOLDERS AND THE MANNER OF THEIR EXERCISE**

The Company's General Meeting of Shareholders operates on the basis of the provisions of the Commercial Companies Code, the Company's Articles of Association and the Regulations of the General Meeting of Shareholders.

The General Meeting of Shareholders is convened by means of an announcement made on the Company's website and in the manner specified for the provision of current information by public companies in accordance with applicable regulations. The General Meeting of Shareholders should be convened at least twenty six days before its date. The following persons participate in the General Meeting of Shareholders:

- persons who are shareholders of the Company sixteen days before the date of the General Meeting of Shareholders ("**Date of Registration in the General Meeting**"),
- persons entitled under registered shares and temporary certificates,
- pledgees and users who are entitled to vote, if they are entered in the share register on the day of registration of participation in the general meeting of shareholders,
- members of the Management Board and the Supervisory Board of the Company,
- persons invited to the General Meeting of Shareholders by the Company's Management Board.

The bearer shares in the form of a document give the right to participate in the general meeting of shareholders if the share documents are submitted to the Company not later than on the date of registration of participation in the general meeting of shareholders and are not collected before the end of that day. Instead of shares, a certificate issued as a proof of submission of shares to a notary public, a bank or an investment company having its registered office or a branch on the territory of the European Union or a country which is a party to the agreement on the European Economic Area, indicated in the announcement on convening the general meeting of shareholders, can be submitted.

The Company establishes a list of those entitled under bearer shares to participate in the General Meeting of Shareholders on the basis of submitted share documents, certificates and a list of holders of dematerialized shares entitled to participate in the General Meeting of Shareholders, drawn up by the entity maintaining the depository for securities. A shareholder is entitled to participate in the General Meeting of Shareholders in person or by proxy. A shareholder may participate in the General Meeting of Shareholders in person, by attending the General Meeting of Shareholders.





The power of attorney is granted in writing or in electronic form (electronic form means a text document sent electronically, secure electronic signature is not required). The presentation of the power of attorney to the Company takes place in the following manner:

- the shareholder should, not later than two days prior to the day on which the General Meeting of Shareholders was convened, send a notice of granting the power of attorney to the Company, provided that the power of attorney was issued in electronic form. The notice should be signed by the principal or persons authorized to represent him/her (in the case of a principal being a legal entity) and then sent in the form of a scan by e-mail to the address given in the announcement of convening the general meeting of shareholders or by fax to the number given in that announcement;
- a shareholder holding shares recorded on more than one securities account may appoint separate proxies to exercise the rights attached to shares recorded on each account. Members of the Company's bodies and its employees may be shareholders' proxies at the General Meeting of Shareholders. In such a case, and also if the proxy is a liquidator of the Company or a member of its bodies or an employee of the Company or of a Cooperative dependent on the Company, this proxy may represent more than one shareholder. The proxy shall exercise all rights of the shareholder at the general meeting of shareholders, unless otherwise specified in the power of attorney. The proxy may grant a further power of attorney, if it results from the content of the power of attorney;
- a shareholder may neither personally nor through a proxy vote on the adoption of resolutions concerning his liability towards the Company on any account, including the granting of a vote of acceptance, release from liability towards the Company and a dispute between him and the Company. A shareholder may vote as a proxy of another shareholder on the adoption of resolutions concerning him only if the following conditions are jointly met:
  - 1) The power of attorney entitles to representation only at one General Assembly of Shareholders,
  - 2) the proxy has disclosed to the shareholder circumstances indicating the existence or possibility of a conflict of interest,
  - 3) granting further power of attorney is excluded,
  - 4) the shareholder who is a proxy votes in accordance with the instructions given by the shareholder who is the principal.
- the shareholder is entitled to vote at the general meeting of shareholders in person or by proxy. A shareholder may vote differently from each of the shares held. If an attorney represents more than one shareholder, he may vote differently from each shareholder's shares. Registration of shareholders entitled to participate in the general meeting of shareholders starts one hour before the opening date of the general meeting of shareholders.

The General Meeting of Shareholders is opened by the Chairperson of the Supervisory Board of the Company, or in his absence by the Deputy Chairperson. In their absence, the General Meeting of Shareholders shall be opened by the President of the Management Board or a person appointed by the Management Board. The person opening the general meeting of shareholders shall order the election of the chairman of the general meeting of shareholders from among the persons entitled to participate. If a general meeting of shareholders is convened pursuant to article 399 §3 of the Commercial Companies Code, the election of the chairman of the general meeting of shareholders shall not take place.

The shareholders or their proxies participating in the general shareholders meeting, members of the Supervisory Board and of the Board of the Partnership are entitled to submit a candidacy for the chairman of the general shareholders meeting. The person opening the General Meeting of Shareholders shall order a vote on the election of the Chairperson of the General Meeting of Shareholders. The chairman of the general meeting of shareholders is elected by a simple majority of votes cast. Voting on individual candidacies is carried out in the order of their submission. When opening the general meeting of shareholders, after signing the minutes of voting on the election of the chairman of the general meeting of shareholders, he delegates the conduct of the meeting to him. The chairperson of the general meeting of shareholders confirms the correctness of its convocation and its



ability to adopt resolutions. The Chairperson of the General Meeting of Shareholders shall order a vote on the appointment of a ballot counting committee and other committees if it is necessary for the proper conduct of the General Meeting of Shareholders. In particular, if the Company ensures electronic counting of votes, the Chairperson may refrain from appointing the ballot counting committee. In the case of its appointment, the committee shall consist of not less than three and not more than five members elected from among shareholders and other persons by a simple majority of votes cast. The Chairperson of the General Meeting of Shareholders shall supervise its efficient conduct, order breaks in the meeting, settle disputes between shareholders, supervise the work of appointed committees and sign minutes of resolutions adopted by the General Meeting of Shareholders. Decisions of the Chairperson of the General Meeting of Shareholders may be overruled by the General Meeting of Shareholders by a simple majority of votes cast. The chairperson of the general meeting of shareholders has no right to independently remove items from the agenda of the general meeting of shareholders or to amend it.

Each shareholder is entitled to participate in the discussion, ask questions and request explanations from the Company's authorities on each item on the agenda. Requests of an orderly (formal) nature may be submitted by the shareholders before the general meeting of shareholders begins to consider the items on the agenda. The chairperson of the general meeting of shareholders shall decide whether to accept or reject a procedural (formal) motion. A request to convene an extraordinary general meeting of shareholders may be submitted by a shareholder after the agenda of the general meeting of shareholders has been exhausted.

At the request of shareholders representing at least one fifth of the share capital, the election of the Supervisory Board should be carried out by the next General Meeting of Shareholders by way of voting in separate groups, even if the Company's Articles of Association provide for a different way of appointing the Supervisory Board. Persons representing at the general meeting of shareholders the part of shares which falls from the division of the total number of represented shares by the number of members of the supervisory board may form a separate group in order to elect one member of the supervisory board, but do not participate in the election of the remaining members of the supervisory board. The formed group shall report its formation to the chairperson of the general meeting of shareholders, who in consequence shall state the formation of the group and record in the minutes of the meeting the composition of the group and the number of shares represented by the group. The group elects its representative on the supervisory board and reports this to the chairperson of the general meeting of shareholders. Mandates on the supervisory board not filled by a relevant group of shareholders shall be filled by way of a vote in which all shareholders whose votes were not cast when the members of the supervisory board were elected by voting in separate groups shall participate. If at the general meeting of shareholders at least one group capable of electing a member of the supervisory board is not formed, no election is made.

The Company may broadcast the proceedings of the general meeting of shareholders via the Internet, record the proceedings of the general meeting of shareholders on electronic media and publish it on the Company's website.

In matters not regulated by the Regulations of the General Meeting of Shareholders, the relevant provisions of the Commercial Companies Code and the provisions of the Company's Statute shall apply.

The competences of the General Meeting of Shareholders include

- a) examination and approval of the Management Board's report on the Company's operations and the financial statements for the previous financial year,
- b) the adoption of a resolution to distribute profits or to cover losses,
- c) granting discharge to members of the Company's bodies for the performance of their duties,



- d) amendment of the Company's Statute,
- e) merger with another Company and transformation of the Company,
- f) dissolution and liquidation of the Company,
- g) a bond issue,
- h) divestment and leasing of the undertaking and establishment of a right of use thereon,
- i) all provisions concerning claims for compensation for damage caused when establishing the Company or exercising management or supervision,
- j) Resolution on squeeze-out of shares, according to art. 418 of the Commercial Companies Code.
- k) adopting a resolution on adopting a remuneration policy for the members of the management board and the supervisory board,
- l) giving an opinion on the supervisory board's report on the remuneration of members of the management board and supervisory board.

In a case of resolution made by the general assembly of shareholders on allocation of a part of profit or of the whole profit for payment to the shareholders, definition of the date according to which the list of shareholders entitled to dividend for a given tax year is defined (the dividend date) and definition of the date of dividend payment.

In addition to the matters listed above, the General Meeting of Shareholders adopts resolutions on increasing or decreasing the share capital, including: increasing the share capital from the Company's funds, authorizing the Company's Management Board to make one or more subsequent increases in the share capital under the terms and conditions set forth in resolutions of the General Meeting of Shareholders (target capital), conditional increase in the share capital in order to grant rights to take up shares by bondholders of convertible or pre-emptive bonds, or granting rights to shares to employees, members of the Management Board or the Supervisory Board in exchange for non-cash contributions representing claims they are entitled to by virtue of their acquired rights to participate in the Company's or the Subsidiary's profit.

The Company's Articles of Association and Regulations of the General Meeting of Shareholders are available on the website:

<https://www.ulmaconstruction.pl/pl/dla-inwestorow/relacje-inwestorskie/spolka/lad-korporacyjny>

## **K. A DESCRIPTION OF THE ACTIVITY OF THE ISSUER'S MANAGEMENT, SUPERVISORY OR ADMINISTRATIVE BODIES AND THEIR COMMITTEES, INCLUDING AN INDICATION OF THE COMPOSITION OF THESE BODIES AND CHANGES IN THEM DURING THE LAST FINANCIAL YEAR**

### **Management Board:**

In 2020 the Management Board of the Company was composed with:

1. Rodolfo Carlos Muñiz Urdampilleta – President of the Board
2. Marek Czupryński – Member of the Board from 1 February 2021
3. Krzysztof Orzełowski – Member of the Board
4. Andrzej Sterczyński – Member of the Board
5. Ander Ollo Odriozola – Member of the Board

The Company's Management Board operates on the basis of the Commercial Companies Code, the Company's Articles of Association, resolutions of the General Meeting of Shareholders and the Management Board Regulations.

The Management Board consists of one to 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 (term of office) shall be determined by the supervisory board, but it may not exceed three years.



The board of supervisory directors shall determine the number of management board members and elect a chairperson from among them. The Management Board of the Company, chaired by the President, manages the Company and represents it outside. All matters related to managing the Company not reserved by the act or the Company Statute, unless they are within the competence of the General Meeting of Shareholders or the Supervisory Board, belong to the scope of activity of the Board. The detailed mode of operation of the Management Board shall be specified in the Regulations of the Management Board adopted by the Management Board and approved by the Supervisory Board.

The President of the Management Board alone or two members of the Management Board acting jointly, a member of the Management Board acting jointly with a commercial proxy or two commercial proxies acting jointly are authorised to make declarations of will and sign on behalf of the Company.

The Management Board shall adopt resolutions on matters provided for by law and the Company's Articles of Association, provided that if the adoption of a resolution requires the consent of the General Meeting of Shareholders or the Supervisory Board of the Company, the resolution may be adopted after obtaining such consent.

A member of the Management Board may also act as a director or other employee of the Company. The Management Board may entrust a member of the Management Board with the execution or supervision of matters falling within the competence of the Management Board within a strictly defined scope. The member of the management board responsible for the entrusted tasks shall report to the management board on its execution. Members of the Management Board shall supervise and be responsible for the work of the subordinate divisions and organizational units of the Company (in accordance with the adopted division of work within the Management Board) and coordinate the work of these units with the entire work of the Company.

Meetings of the Management Board shall be convened by the President of the Board or, in his absence, another member of the Management Board. Issues not included in the agenda are not subject to voting and adopting resolutions without the consent of all members of the Management Board. The person convening a meeting of the Management Board shall set the agenda and chair the meeting. The matters on the agenda shall be referred by members of the Management Board or persons invited to the meeting in order to discuss particular topics. Members of the Management Board shall participate in its meetings only in person. A member or members of the board of managing directors may participate in a meeting of the board of managing directors by means of a telephone for such conferences, a video or any other tool through which each member of the board may speak to, hear and be heard by all other members of the board. Such participation shall be considered as personal participation. Persons from outside the board of managing directors may attend meetings of the board of managing directors in an advisory capacity, if the person convening the meeting considers their presence to be appropriate. The attendance of board members at board meetings is mandatory. The board of managing directors may, for important reasons, justify the absence of a managing director from a meeting of the board of managing directors. The board of managing directors shall meet at least once every two months. All meetings shall be held at the registered office of the Company or at any other place indicated by the person convening the meeting. A meeting of the board of managing directors shall be valid regardless of the number of board members present if all board members have been duly notified.

Resolutions on all matters shall be adopted by the board of managing directors at meetings by a simple majority of votes cast. Each board member shall have one vote. The chairperson of the board of managing directors shall have a second or decisive vote. All votes of the board of managing directors shall be public. Notwithstanding any provisions to the contrary, a written resolution signed by all managing directors shall be valid and effective as if it had been adopted at a properly convened and held meeting of the board of managing directors. Such a resolution may consist of several documents drawn up in identical content and in a similar form, each signed by one or more board members.



### **Supervisory Board:**

In 2021, the Company's Supervisory Board acted in the following composition:

1. Aitor Ayastuy Ayastuy – President of the Supervisory Board
2. Iñaki Irizar Moyua – Vice-President of the Supervisory Board
3. Rafael Anduaga Lazcanoiturburu – Member of the Supervisory Board
4. José Joaquín Ugarte Azpiri – Member of the Supervisory Board until 6 May 2021
5. Eñaut Eguidazu Aldalur – Member of the Supervisory Board from 6 May 2021
6. Michał Markowski – Member of the Supervisory Board

The Supervisory Board exercises permanent supervision over the Company's operations. Apart from other matters reserved by the provisions of these Articles of Association of the Company, the individual powers of the Supervisory Board shall include:

- a) audit of the balance sheet,
- b) examination of the Company's Management Board's report and the Management Board's conclusions on the distribution of profits or coverage of losses,
- c) submitting to the general meeting of shareholders a written report on the results of the activities referred to in points "a" and "b",
- d) giving its opinion on all matters submitted by the Management Board for consideration by the General Meeting,
- e) suspension of a member of the Management Board or the entire Management Board for important reasons,
- f) delegating a member or members to temporarily perform the activities of the Management Board of the Company in the event of suspension or dismissal of the entire Management Board or when the Management Board cannot act for other reasons,
- g) approval of the Regulations of the Management Board of the Company,
- h) detailing the rules for determining fixed remuneration, variable remuneration and additional benefits with respect to Management Board members, as set out in the Remuneration Policy for Members of the Management Board and Supervisory Board adopted by the Company's General Meeting, and reviewing that Policy
- i) preparation of the annual remuneration report referred to in Article 90g of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Journal of Laws. 2005 No. 184, item 1539, i.e. Journal of Laws 2019, item 623),
- j) setting the rules of granting remuneration for members of the Management Board,
- k) authorisation of investments and purchases exceeding 4/5 (four fifths) of the share capital and borrowing of more than that value, unless such investments or purchases are reflected in the adopted annual budgetary targets,
- l) the appointment of an auditor,
- m) granting consent to the acquisition or disposal by the management of real estate or a share in real estate.

The Board performs supervision activities in relation to the Company collectively, however, it may delegate members to perform individual supervision activities.

Members of the Board may perform their duties in person or authorize another member of the Supervisory Board to vote on their behalf. The Supervisory Board performs its activities by adopting resolutions.

At least half of the members of the supervisory board shall constitute a quorum at meetings of the supervisory board, provided that all members of the supervisory board have been duly notified of the meeting. A supervisory director or supervisory directors may attend a meeting of the board of





supervisory directors by means of a telephone conference call, video or other system through which each supervisory director may speak to, hear and be heard by all other supervisory directors and such attendance shall constitute attendance.

Voting by the board of supervisory directors is by open ballot and requires a simple majority of votes for any resolution. A secret ballot shall be ordered on a personal basis or at the request of even one supervisory director. Each member of the supervisory board shall have one vote. The Chairperson of the Supervisory Board shall have a second vote in the event of an equal distribution of votes.

The Supervisory Board shall meet at least once per quarter. All meetings shall be held at the registered office of the Company or at any other place indicated by the person convening the meeting. The right to convene a meeting of the Supervisory Board shall be vested in its chairperson on his own initiative, at the request of the Management Board or at the request of any other member of the Supervisory Board. If the chairperson or vice-chairperson fails to convene a meeting of the board of supervisory directors within seven days of a supervisory director's request to do so, the supervisory director is entitled to convene the meeting of the board of supervisory directors himself. Notices of all board of supervisory directors' meetings shall be sent to each supervisory director no later than seven days before the date of the meeting specified in the notice. Each notice of the board of supervisory directors' meeting shall specify the time and place of the meeting and the agenda of the meeting, including all issues to be discussed. Matters not on the agenda shall not be voted on or passed without the consent of all members of the board of supervisory directors. The chairperson of the board of supervisory directors shall convene a meeting of the board of supervisory directors with prior notice given not less than seven working days before the date of the meeting and shall do so at the request of each supervisory director to discuss matters requiring urgent consideration.

Notwithstanding anything to the contrary, a written resolution signed by all supervisory directors shall be valid and effective as if it had been adopted at a properly convened and held supervisory board meeting. Such a resolution may consist of several documents in identical content and in a similar form, each signed by one or more board of supervisory directors (circular procedure).

All amendments to the Regulations of the Supervisory Board are made by way of resolutions of the General Meeting of Shareholders adopted in accordance with the provisions of the Company's Articles of Association.

### **Audit Committee**

The Supervisory Board has separated the audit committee from its structure, which in 2021 consisted of the following persons:

- |                                   |                                       |
|-----------------------------------|---------------------------------------|
| 1. Michał Markowski               | – Chairperson of the Audit Committee, |
| 2. Rafael Anduaga Lazcanoiturburu | – Member of the Audit Committee,      |
| 3. Aitor Ayastuy Ayastuy          | – Member of the Audit Committee       |

The Audit Committee shall act in accordance with the provisions of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision. The primary task of the audit committee is to supervise the Company's and the Company's Management Board's activities on an ongoing basis, in particular in the following areas:

- monitoring the financial reporting process,
- monitoring the effectiveness of internal control systems and operational and business risk management,
- monitoring the performance of auditing activities,
- monitoring the independence of the statutory auditor and the entity authorized to audit financial statements..





## L. DETAILS OF THE AUDIT COMMITTEE

### Identification of persons meeting the statutory independence criteria

- Michał Markowski - Chairperson of the Audit Committee
- Rafael Anduaga Lazcanoiturburu - Member of the Audit Committee

### Indication of persons having knowledge and skills in accounting or auditing financial statements, indicating how to acquire them

Michał Markowski (chairman of the audit committee) - has ACCA qualifications and has skills in accounting and preparation and reporting of financial statements gained during many years of professional work, including 3 years of work in financial consulting in Deloitte consulting company.

Rafael Anduaga Lazcanoiturburu (member of the audit committee) - has many years of experience in the field of accounting and preparation and reporting of financial statements gained during many years of work as a financial director.

Aitor Ayastuy Ayastuy (member of the audit committee) - has many years of experience in accounting and preparation of financial statements gained during many years of work as a financial controller and as a chief executive officer. Mr. Aitor Ayastuy Ayastuy also holds an MBA from the University of Aberdeen.

### Indication of persons having knowledge and skills in the industry in which the issuer operates with an indication of how to acquire them

Michał Markowski (Chairman of the Audit Committee) - he has been an independent member of the Supervisory Board for several years, during which he had the opportunity to delve into the specificity of the industry from which the Company originated.

Aitor Ayastuy Ayastuy (member of the audit committee) - has many years of experience in the positions of General Director of ULMA Argentina, General Director of the Region, and General Director of ULMA CyE, S. Coop, which provides full knowledge of the specifics of the industry in which the Company operates.

### Indication whether the issuer has been provided by an audit firm auditing its financial statements with permitted non-audit services

The audit firm charged with auditing the Company's 2021 financial statements did not provide any other permitted services to the Company.

### Indication of the main principles of the policy developed for the selection of the audit firm to carry out the audit and the policy for the provision by the audit firm carrying out the audit, by its affiliates and by a member of the audit firm's network of authorised non-audit services

The auditor selection policy indicates, in particular, the important criteria that candidates for the Company's auditor should be characterized by. Among them are:

- knowledge and skills in the field of IFRS, audit and control processes documented by many years of experience, and
- the global reach of an audit firm.



**Indication whether the recommendation concerning the selection of an audit firm to carry out an audit met the applicable conditions, and if the selection of the audit firm concerned the extension of the agreement on the audit of financial statements - whether the recommendation was prepared following a selection procedure organised by the issuer which met the applicable criteria**

Such a recommendation fulfilled the applicable conditions.



### Indication of the number of audit committee meetings held

The number of meetings of the audit committee was in accordance with the law and the Regulations of the Company's Audit Committee. In 2021 three meetings of the audit committee were held.

### M. A DESCRIPTION OF THE DIVERSITY POLICY APPLIED TO THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER WITH RESPECT TO, IN PARTICULAR, AGE, GENDER OR EDUCATION AND PROFESSIONAL EXPERIENCE

The Company recognizes the importance of diversity as an element of competitive advantage and rejects all forms of discrimination and is committed to ensuring and promoting diversity, inclusion and equal opportunities among its employees.

Diversity among our employees encourages innovation and creativity in responding effectively to our customers' needs.

The purpose of the Diversity and Equal Treatment Policy (the "Policy") is to set out the key principles of our operations that are necessary to continually build an organizational culture that is oriented towards diversity and the values that flow from it, and to provide equal opportunities and opportunities to all employees, regardless of their race, gender, age, sexual orientation, disability, political opinion, nationality, religion or any other personal, physical or social factor.

This policy is part of a consistent vision of action, applied and promoted by the Company, which is reflected in internal regulations (procedures, rules and regulations), including, among others, the Code of Ethics, the Organizational Regulations, the Anti-Bribery Procedure or the Recruitment Procedure.

The introduced Diversity and Equal Treatment Policy covers 3 main principles:

- equal access to employment, adequate remuneration and professional development;
- a working environment free from harassment,
- condemning discrimination.

The Management Board of the Company takes all measures to promote and maintain an atmosphere of mutual respect, while preserving the identity and dignity of the other person.

The Company's governing bodies, including the General Meeting of Shareholders and the Supervisory Board, consistently follows the above principles and tries to select members of the Company's governing bodies according to the principles of diversity, if it is possible to do so on the basis of the number and diversity of the submitted candidates.

### Management Board of ULMA Construcción Polska S.A.

Name and Surname:	Position	
Rodolfo Carlos Muñiz Urdampilleta	President of the Board	
Marek Czupryński	Member of the Board	
Andrzej Sterczyński	Member of the Board	



Krzysztof Orzełowski	Member oif the Board	
Ander Ollo Odriozola	Member oif the Board	

Koszajec, date 30 March 2022