

Resolution No. 418
of the Supervisory Board of Budimex SA
of 9 April 2024

on: adoption of the annual report on the Boards activities in 2023.

Pursuant to § 16 (9) section d) of the Articles of Association of Budimex S.A., the following is resolved:

§ 1

The Supervisory Board adopts the Report for the Annual General Meeting (AGM) of Budimex S.A. for 2023 on the results of the evaluation:

1. Report on the Company's activities in 2023, together with the financial statements (standalone and consolidated) as regards their compliance with the books, documents and factual state, as well as the results of the assessment of the Management Board's proposal for the distribution of profit for 2023, the report on non-financial information of Budimex S.A. for 2023 and the report on non-financial information of the Budimex Group for 2023.
2. The situation of the company on a consolidated approach, taking into account the adequacy and effectiveness of the company's systems of internal control, risk management, compliance and the internal audit function.
3. The implementation by the Management Board of the obligations referred to in Article 3801 of the Commercial Companies Code and the manner in which the Management Board prepares and submits to the Supervisory Board the requested information, documents, reports or explanations.
4. The Company's application of the principles of corporate governance and the manner in which it fulfils its disclosure obligations regarding their application as set out in the Stock Exchange Rules and the regulations on current and periodic information provided by issuers of securities.
5. The reasonableness of the expenses incurred by the Company for the purposes indicated in Rule 1.5 of the Code of Best Practice for WSE Listed Companies 2021.

along with information on:

6. The total remuneration payable by the Company for all examinations commissioned by the Supervisory Board during 2023 pursuant to Article, 382 (1) of the Code of Commercial Companies.
7. The degree of implementation of the diversity policy with regard to the Management Board and the Supervisory Board, including the achievement of the objectives referred to in principle 2.1 of the Best Practices for Companies Listed 2021, as well as
8. Other information resulting from the scope of application of the Set of Best Practices for Companies Listed on the WSE 2021 and Art. 382 §31 of the Code of Commercial Companies adopted for application in the Company.

The report is attached to this Resolution.

§ 2

The resolution shall enter into force on the date of its adoption.

Appendix: 1.

Appendix 1 - Budimex S.A. Supervisory Board Report for 2023.

The vote was attended by 9 members of the Board

For: 9

Against: 0

Abstained votes: 0

secretary of Supervisory Board

for the Supervisory Board of Budimex S.A.
chairman of Supervisory Board

REPORT
of the Supervisory Board of Budimex S.A.
for the Annual General Meeting (AGM) of Budimex S.A. for the year 2023

containing the results of the evaluation of:

9. the report on the Company's operations in 2023, together with the financial statement (standalone and consolidated), in terms of their compliance with the books, documents and facts as well as the Management Board's proposal concerning the distribution of profit for 2023, the report on non-financial information of Budimex S.A. for 2023, and the report on non-financial information of Budimex S.A. for 2023 and the report on non-financial information of the Budimex Group for 2023,
10. the Company's standing on a consolidated basis, considering the adequacy and effectiveness of the company's internal control systems, risk management, compliance and the internal audit function,
11. Implementation by the Management Board of the obligations referred to in Article 380¹ of the Commercial Companies Code and the manner of preparing and submitting to the Supervisory Board by the Management Board the requested information, documents, reports or explanations,
12. the Company's compliance with the corporate governance principles and of how it complies with the disclosure requirements related to their application specified in the Warsaw Stock Exchange regulations and in the legal provisions concerning current and periodic information submitted by issuers of securities,
13. the reasonableness of the expenses incurred by the Company for the purposes indicated in principle 1.5 of the Code of Best Practice for WSE Listed Companies 2021 (DPSN 2021),

along with information on:

14. total remuneration due from the Company for all audits commissioned by the Supervisory Board in the course of 2023 pursuant to Art. 382 (1) of the Commercial Companies Code,
15. the degree of implementation of the Diversity Policy regarding the Management Board and the Supervisory Board, including the fulfilment of the objectives referred to in principle 2.1., DPSN 2021, as well as
16. other information resulting from the adopted scope of application of the Code of Best Practice for WSE Listed Companies 2021 and Art. 382 §3¹ of the Commercial Companies Code.

Pursuant to art. 382 § 3 of the Commercial Companies Code and in accordance with § 11 section 1 point e) of the Budimex S.A. Supervisory Board By-Laws, the Board at its meeting on 9 April 2024 examined and evaluated the report on the activities of the Budimex Group and Budimex S.A. as well as standalone and consolidated financial statements for the financial year 2023, as regards their compliance with the books and documents, as well as with the facts, and assessed the Management Board's proposal regarding the distribution of profit for 2023. The Supervisory Board also became acquainted with the report on non-financial information for 2023 (standalone and consolidated), as a result of which it states as follows:

1. During the examination of documents for the financial year 2023:
 - 1) we became acquainted with the report on the activities of the Budimex Group and Budimex S.A. and heard the Management Board's explanations concerning this report,

- 2) we read the standalone and consolidated financial statements and analysed: statement of financial position, profit and loss account, statement of comprehensive income, statement of changes in equity, statement of cash flows, and explanatory notes,
- 3) we became acquainted with the statutory auditor's reports on the course and results of the audit of the standalone and consolidated financial statement and we heard the auditor's explanations and answers to questions of the Supervisory Board's Members,
- 4) we became acquainted with reports on non-financial information of Budimex S.A. and the Budimex Group for 2023 describing issues concerning the impact of Budimex S.A. and the Budimex Group on the environment and social and labour issues, the respect for human rights and counteracting corruption and bribery, and we heard the Management Board's explanations in this respect. The reports describe the business model, policies applied, main risks and key non-financial ratios related to operations.

Based on the analysis concerning the report on activities and financial statements referred to in subpoints 1) – 2) as well as indicated in subpoint 3) of the auditor's reports, the Supervisory Board hereby states that the information disclosed in these documents accurately and reliably reflects the result of the business activities of the Company and Budimex Group, as well as the Company's assets and financial standing. The Supervisory Board positively assesses the content of non-financial information reports prepared by the Company and the Budimex Group. In the opinion of the Supervisory Board, the reports on non-financial information referred to in subpoint 4) cover the scope of information required by the Accounting Act and in a reliable and correct manner describe the activities of Budimex S.A. and the Budimex Group presented in the context of environmental, social and employee issues, respect for human rights, counteracting corruption and bribery.

1. Assessment of the company's situation on a consolidated basis, including the assessment of internal control, risk management, compliance systems and the internal audit function.

The core business of Budimex S.A. is the provision of construction and assembly services as well as management and advisory services to the Budimex Group companies. The implementation of the advisory, management and financial functions by Budimex S.A. is aimed at:

- fast flow of information within the Group's structure,
- strengthening the efficiency of the financial and monetary economy of individual companies,
- strengthening the Group's market position.

In the period of 12 months of 2023, Budimex S.A. generated sales revenues of PLN 8,470 million, which represents an increase of 12.8% compared to revenues obtained in 2022.

Gross profit on sales in 2023 amounted to PLN 940 million, while in the previous year it reached PLN 718 million. Gross margin on sales in 2023 was therefore 11.1%, while in 2022 this ratio reached 9.6%.

The balance of cash on bank accounts and in the Company's hand at the beginning of 2023 amounted to PLN 2,831 million. For the purposes of preparing the statement of cash flow, this amount was adjusted by funds with limited disposability in the amount of PLN 9 million, mainly related to funds accumulated on split payment accounts and on consortium accounts in the part attributable to co-consortium members. Net cash flows in the period of 12 months of 2023 were positive and amounted to PLN 649 million and as of 31 December 2023 the

Company reported cash in the amount of PLN 3,485 million, including cash with limited disposability in the amount of PLN 13 million.

In 2023, cash from operating activities increased and amounted to PLN 1,177 million.

The Company's cash balance from investing activities decreased by PLN 7 million, the largest contribution to which was the acquisition of property, plant and equipment and loans granted to Group companies, including Budimex F Sp. z o.o., Mostostal Kraków SA and Fotowoltaika HIG XIV Sp. z o.o., at the same time the Company received dividends, including those from FBSerwis SA, Budimex Budownictwo Sp. z o.o. and Mostostal Kraków SA.

Cash flows from financing activities for 2023 were negative and amounted to PLN 521 million. The expenses concerned the payment by the Company of dividends in the amount of PLN 459 million and repayment of lease liabilities.

In 2023, the Budimex Group generated total sales revenues of PLN 9,802 million, which were 13.7% higher than in 2022.

In 2023, the value of sales in the construction segment of the Budimex Group increased by 13.8% compared to 2022.

Sales in the general construction sector decreased by 2.5% (from PLN 2,897 million in 2022 to PLN 2,826 million in 2023), sales in the infrastructure construction sector increased by 17.9% (from PLN 3,035 million in 2022 to PLN 3,578 million in 2023), while sales in the railway construction sector increased by 32.2% (from PLN 1,889 million in 2022 to PLN 2,498 million in 2023).

In 2023, Budimex Group companies signed construction contracts with a total value of PLN 8.29 billion. The portfolio of construction orders of the Budimex Group as of 31 December 2023 amounted to PLN 13.14 billion, which was comparable to the state at the end of 2022.

The Group's gross profit on sales in 2023 amounted to PLN 1,125 million, while in the previous year it reached PLN 872 million. Gross profitability on sales in 2023 reached 11.5%, and in 2022 this ratio was of 10.1%.

The Group's financial situation in 2023 remained at a good level. Net cash flows for 2023 were positive and amounted to PLN 655 million. In 2023, cash from operating activities increased by PLN 1,312 million. Cash flows from investing activities closed with a negative balance of PLN 132 million. Cash flows from financing activities for 2023 were negative and amounted to PLN 526 million and were mainly the result of dividend payment for 2022 and repayment of lease and credit liabilities.

The current particularly good financial standing of the Budimex Group, its cash resources, access to credit limits in banks and a low level of financial debt mean that there are no threats to the financing of the Group's operations in 2024.

Budimex S.A. has an internal control system in the process of preparing financial statements, for the implementation and functioning of which the Management Board of the Company is responsible. Financial statements are prepared by qualified employees of the Economic and Financial Department of Budimex S.A. under the supervision of a member of the Management Board - the director of the above-mentioned department. The preparation of annual reports is preceded by a meeting of the Audit Committee with independent auditors, the subject of which is to determine the plan and scope of the audit of financial statements and discuss potential risk areas that may affect the reliability and correctness of financial statements. The Budimex Group additionally uses a software supporting the identification and

management of risks related to the preparation of all financial information, including financial statements.

Preparation of financial statements is a planned process, considering the appropriate division of tasks among the employees of the Economic and Financial Department of Budimex S.A., adequate to their competences and qualifications. The basis for the preparation of standalone financial statements are accounting books. The accounting books of the most important Group companies are kept using the SAP R/3 financial and accounting program, which has been satisfying basic information needs for financial and management accounting since 1 January 2003. The SAP R/3 system is managed centrally by qualified employees of Budimex S.A., who set authorization levels for entering and modifying transaction data, layout of basic reports and changes in the chart of accounts.

Consolidated financial statements are prepared based on uniform consolidation packages prepared electronically by individual Group companies. The data consolidation process takes place in the Reporting and Consolidation Team under the supervision of the Director of the Accounting Office.

The Budimex Group companies apply uniform accounting principles approved by the management boards of Budimex S.A. and individual subsidiaries. The correctness of the application of accounting principles by individual companies is monitored on an ongoing basis by the employees of the Reporting and Consolidation Team and the Controlling Office of Budimex S.A.

The Reporting and Consolidation Team of Budimex S.A. is responsible for recommending solutions for modifying and updating accounting policies and other requirements of stock exchange financial reporting, as well as for their implementation after prior approval by the Management Board.

While preparing financial statements, the following control activities, among others, are undertaken:

- assessment of material, unusual transactions in terms of their impact on the Group's financial position and presentation in the financial statements,
- verification of the adequacy of the assumptions made for the valuation of estimated values,
- comparative and substantive analysis of financial data,
- verification of arithmetic correctness and consistency of data,
- analysis of the completeness of disclosures.

The prepared annual financial statements are forwarded for initial verification to the director of the Economic and Financial Department, and then to the entire Management Board for final verification and authorization.

The annual financial statements are audited by an independent statutory auditor who, after the audit, presents their conclusions and observations to the Audit Committee and then to the Supervisory Board.

The Company has a structurally separate Internal Control Office, reporting to the President of the Management Board and the Audit Committee, responsible for:

- identification and analysis of risks in the Budimex Group,
- prevention of risk factors,
- examination of the activities of organizational units and companies from the Group,

- monitoring compliance with normative acts in force in the Group and external acts of general application,
- analysis of site execution processes,
- control of the use of resources,
- preparing reports and issuing instructions for taking corrective actions and supervising their implementation.

The Company has a structurally separate Internal Audit Office, organizationally subordinated to the President of the Management Board and functionally to the Supervisory Board and the Audit Committee, responsible for:

- establishing policies and procedures for managed or supervised areas, including the "Internal Audit Charter",
- development and implementation of the "Internal Audit Plan",
- development and implementation of the "Internal Audit Quality Assurance and Improvement Program", covering all material aspects of the entity's operations,
- informing stakeholders about the results of internal audits and consulting tasks,
- monitoring and supervising the implementation of internal audit recommendations by the organization,
- reporting to senior management and the Supervisory Board on the activities of the internal audit function.

In accordance with the Operating Procedure "Internal Audit Charter", the objectives of the Internal Audit Office are:

- identification of threats existing in business processes in Budimex through actions taken during and because of planned and ad hoc audits, the results of which are one of the input data to the risk management process at Budimex,
- educating audited entities in the field of control mechanisms, reorganization projects and/or improvement of business processes and in the field of other system solutions,
- analysis and evaluation of existing control mechanisms in terms of ensuring efficiency and economy of operational and administrative activities conducted by Budimex, as well as their compliance with the law, regulations and internal requirements,
- cooperation with external control and supervisory authorities and external auditors.

The specific tasks of the Internal Audit Office include:

- identification of the areas to be audited and the main directions of internal audit activities,
- examination of the actual state of control mechanisms, reorganization projects and/or improvement of business processes,
- planning and implementation of individual audit tasks in the Budimex Group, including preparation of reports on audit tasks containing conclusions, post-audit recommendations,
- monitoring and reporting the degree of implementation of post-audit recommendations that are the result of completed audit tasks,
- promoting good practices and education in internal control system solutions.

The Manager of the Internal Audit Office is appointed by the President of the Management Board of Budimex S.A. with the consent of the Supervisory Board after obtaining the consent of the Audit Committee. The removal of a person from the position of Manager of the Internal Audit Office shall take place with the approval of the Supervisory Board after obtaining the approval of the Audit Committee, considering that a prior hearing of the Manager of the Internal Audit Office by the Supervisory Board is required. The amount of remuneration (including bonuses) of the Head of the Internal Audit Office is approved by the Supervisory Board after the Audit Committee has presented an opinion in this respect, ensuring the fulfilment of requirements provided for in the regulations/procedures regarding

the remuneration policy. The amount of remuneration (including bonuses) should not differ from the remuneration of other persons performing key functions in the Company.

The effectiveness of internal control and internal audit systems is monitored by the Audit Committee of the Supervisory Board. The Audit Committee is informed about internal control plans, receives reports on this work or periodic summaries from the Internal Control Office, employees of the Internal Control Office are obliged to perform controls, among others at the request of the Management Board, the Supervisory Board and the Audit Committee of the Supervisory Board. The Audit Committee gives its opinion on documentation concerning processes taking place in the Internal Audit Office and implemented by the Office, including the Charter and the Internal Audit Plan, as well as receives a report on the activities conducted from the Director of the Internal Audit Office.

Last year, the Internal Audit Office provided the President of the Management Board and the Audit Committee of the Budimex Supervisory Board with periodic, quarterly reports on audit activities. The reports included a list of completed audits, conclusions and recommendations from completed audit tasks, the status of the implementation of the training program of the Office team and the current level of use of available resources.

The Director of the Internal Audit Office presented to the President of the Management Board, the Management Board of the Company and the Audit Committee of the Company's Supervisory Board a report on the implementation of the Annual Audit Plan and the implementation of the Office's budget (Internal Audit Report - annual).

The annual report included, among others, information on completed and uncompleted audit tasks included in the Annual Audit Plan, conclusions and recommendations from completed audit tasks, ad hoc audit tasks performed in the last year, monitoring the implementation of recommendations and audit tasks in progress. The report also included information on the reaffirmation of the independence of the internal audit function in the Company and ensuring that the Internal Audit Office collectively has and obtains the knowledge, skills and other competencies necessary to perform the tasks to comply with the Internal Audit Charter. The report on the implementation of the Annual Audit Plan was presented to the President of the Management Board of the Company and then adopted by the Audit Committee of the Company's Supervisory Board.

Budimex S.A. has implemented the "Compliance Policy" to ensure compliance of the organization's operations with applicable laws, standards and internal regulations. As one of the largest construction companies operating on the Polish market, Budimex S.A. attaches particular importance in its activities to the implementation and application of the best standards regarding compliance with the law in force in Poland and other regulations related to the Company's operations.

The basic principles of the Compliance Policy of Budimex S.A. aimed at eliminating or minimizing risks related to all areas of Budimex S.A.'s activity are:

- respect for the law,
- ethics and integrity,
- transparency of activities,
- zero tolerance for activities inconsistent with applicable law and the Compliance System.

Observation of the Compliance Policy takes the form of compliance by the Company and the addressees with applicable laws and:

- the Company's Articles of Association,
- Budimex S.A. Code of Ethics,

- the Company's Regulations, Policies, Procedures, Instructions, Orders, etc., including those concerning the minimization of the risk of the addressees and the Company being involved in any corruption or influence peddling, as well as those aimed at preventing the "diversion" of funds from the Company.

All employees of the Company are responsible for applying and complying with the Compliance Policy. To this end, the Company has introduced a uniform system of signalling irregularities through four available compliance communication channels.

Direct supervision over the application and compliance by the Company and the addressees of the Compliance Policy is exercised by a specially appointed Legal Director of the Compliance Area, reporting directly to a Member of the Management Board of the Company – the Director of the Legal and Organizational Department.

The Management Board of the Company, within the scope of its competences or after obtaining relevant recommendations of the Company's Supervisory Board, adopts internal Policies, Procedures or Instructions regarding individual areas of the Company's operations, both including relations within the Company and external relations, and rules of conduct with third parties, the purpose of which is to reduce the risks associated with the Company's operations (including those covering the Compliance sphere) and prevent the occurrence of situations that may expose Budimex S.A. for criminal, civil, administrative or penal-fiscal liability. The Company conducts regular compliance trainings aimed at raising compliance awareness among employees and engaging employees in building an ethical organizational culture that employees recognize as their own system of values (Integrity).

The Supervisory Board, based on information and materials obtained from the Company's Management Board and the Audit Committee, as well as based on the analysis of internal regulations defining the principles of functioning of the internal control system, risk management, internal audit, as well as supervision of compliance of activities with the law and their relation to regulatory requirements, positively assesses the above-mentioned systems and the effectiveness of their operation.

The Supervisory Board positively assessed the activities of the Company's Management Board in 2023.

2. Assessment of the implementation by the Management Board of the obligations referred to in Article 380¹ of the Commercial Companies Code

At subsequent meetings of the Supervisory Board, the Management Board of the Company provides current information on its current situation, including contracts acquisition, order portfolio, financial results of Budimex S.A. and the Budimex Group, at the same time providing answers and explanations regarding questions from members of the Supervisory Board. The Management Board also presents the Supervisory Board with information on the adopted resolutions and their subject. In 2023, the Supervisory Board did not find a deficit of information on the part of the Company's Management Board in the area subject to the information obligation under Article 380¹ §1 of the Commercial Companies Code. Apart from questions answered on an ongoing basis by individual members of the Management Board during Supervisory Board meetings, the Supervisory Board did not formulate requests to prepare or provide the Supervisory Board with additional information, documents or reports.

In view of the above, the Supervisory Board positively assesses the implementation by the Management Board of the obligations referred to in Article 380¹ of the Commercial Companies Code.

On 18 May 2023, the Ordinary General Meeting of Budimex S.A. adopted Resolution No. 481 on amending the Company's Articles of Association, excluding the application of Article 380¹ from §1 to §4 of the Commercial Companies Code. The Annual General Meeting also introduced a procedure according to which the Management Board provides the Supervisory Board at its meetings with material information concerning the Company and material information held by the Management Board regarding its subsidiaries, unless the Supervisory Board in the form of a resolution requests that the Management Board provide information between the meetings of the Supervisory Board in a specific matter. The Management Board shall provide the Supervisory Board with information in any form unless the Supervisory Board specifies in a resolution the form of providing the information. In the course of 2023, the Supervisory Board did not formulate expectations towards the Management Board in the manner specified above.

3. Assessment of the company's compliance with corporate governance principles and of the way it fulfils the disclosure obligations established in the Warsaw Stock Exchange regulations and in the legal provisions concerning current and periodic information submitted by issuers of securities

In 2023, the Company applied the "Best Practices of WSE Listed Companies 2021" ("DPSN 2021") introduced by Resolution No. 13/1834/2021 of the Stock Exchange Supervisory Board of March 29, 2021.

In 2023, undertaking activities aimed at adapting internal regulations to the implementation of subsequent DPSN 2021 rules, the Company informed each time about the change in the scope of applied rules, presenting full information in subsequent reports of 30 June 2023 and 22 December 2023, as well as by publishing the above-mentioned reports on the Company's website. Thus, it should be concluded that in 2023 the Company correctly fulfilled its disclosure obligations regarding the application of corporate governance principles.

The company included in published reports explanations of the reasons for the exclusion of DPSN 2021 rules, which the company chose not to implement or whose implementation was postponed. According to the report of 12 December 2023, the Company did not apply the following principles of DPSN 2021:

- rules 1.3.1, 1.3.2, 1.4 and 1.4.1. in connection with the ongoing works on the Company's strategy – the planned date of completion of works is the end of 2024, On 30 June 2023, the Management Board of Budimex S.A. adopted the "ESG Strategy of Budimex for 2023-2026",
- principles 2.1. and 2.2 concerning the diversity policy - the Company published on its website the Diversity Policy of the Management Board of Budimex S.A. adopted by the Company's Supervisory Board and the Diversity Policy of the Supervisory Board of Budimex S.A. adopted by the General Meeting. The above-mentioned documents do not contain a minority participation condition of not less than 30%. Instead, they provide for the introduction of a minimum level of representation of each gender in the selection process of 30% of all candidates if they are represented among the candidates and their competence is at least equal to that of other candidates. The Supervisory Board gives a positive opinion on the Company's approach to the above-mentioned principles of DPSN 2021, finding no deficiencies in the application of the adopted diversity policy in 2023,
- principle 3.4 – concerning the remuneration of persons responsible for risk management and compliance and the head of internal audit – the Company explained that in accordance with principle 3.4, the remuneration of the person in charge of internal audit, employees of the Internal Audit Office, as well as the person responsible for compliance depends on the performance of assigned tasks, and not on the short-term results of the

Company. The remuneration of risk managers, due to combining this function with other duties, depends on the short-term results of the Company. Once these tasks are entrusted to a person solely responsible for risk management, the principle will be applied by the Company.

- rule 3.7 – The Company explained that FBSerwis S.A. is a company of significant importance for Budimex's operations. A Compliance Coordinator has been appointed in the company, who reports directly to the President of the Management Board of FBSerwis S.A., and organizationally to the Director of the Legal Department – Member of the Management Board of FBSerwis S.A. The remuneration of the Coordinator depends partly on the financial results of FBSerwis S.A. The company has implemented regulations and risk management structure. A Management Board Plenipotentiary for Systems and Risk Management was appointed – reporting directly to the President of the Management Board of FBSerwis S.A., and organizationally to the Director of the Legal Department – Member of the Management Board of FBSerwis S.A. Their remuneration depends partly on the financial results of FBSerwis S.A. The Company periodically analyses strategic and operational risks. In the scope of internal audit, the Company concluded an agreement under which it uses the support of Budimex S.A. in this respect,
- rule 4.1 – The Company maintains the position presented so far in connection with the still existing doubts as to the possibility of ensuring legally safe participation in the General Meeting to shareholders using electronic means of communication, in particular considering the number of shareholders usually participating in the General Meeting of Budimex S.A. Thus, in the opinion of the Company, there are still threats of both technical and legal nature for the proper and efficient conduct of e-General Meetings.

The Supervisory Board, considering the explanations obtained from the Management Board, is of the opinion that the scope of application of DPSN 2021 is adequate to the scale and profile of the Company's operations

4. Assessment of the reasonableness of the expenses incurred by the Company for the purposes indicated in principle 1.5 of the Code of Best Practice for WSE Listed Companies 2021.

For many years now, Budimex S.A. has been involved in activities for the benefit of local communities, for example, by implementing its own social projects and supporting cultural and sports events.

In 2023, Budimex S.A. continued to develop its social programmes such as “Parents Zone Budimex for Children” and “Hello ICE”.

“Parents Zone”. Budimex for Children” - Parents Zone is a nationwide social programme initiated and fully financed by the company. As part of the campaign, spaces are created in the children's wards of hospitals all over Poland. Thanks to the appropriate arrangement of unused rooms or fragments of corridors, the youngest patients get a place where they can spend time with their parents, forgetting about the disease and discovering the world through play. The project also has a broader dimension – it promotes the emotional and health benefits of family participation in the care of a child under treatment. It is carried out with the participation of Budimex S.A. employees who, as part of their volunteer work, participate in the arrangement of the zones, for example performing minor interior finishing works. In 2023, Budimex S.A. created a Parents Zone at the hospital in Ełk.

“Hello ICE” is another original educational campaign of the Company. It consists in the organization of interesting, interactive safety lessons, during which preschoolers and primary school pupils learn about appropriate behaviour on the road and practice first aid. In 2023, the

subject matter of the project was expanded to include how to safely move around on rollerblades, scooters or an electric bike. In the aforementioned year, over 20,000 children from various educational institutions took part in meetings with 160 Budimex S.A. volunteers, as well as representatives of the police and fire brigade.

In 2023, the third edition of the “House from the Heart” programme was launched, which aims to support families struggling with housing and financial difficulties. This time, Budimex S.A., with the support of other construction companies and volunteers from the Budimex Group, is building a modern and ecological modular house in Wołomin for Teresa, who lost her home because of a fire. A handover of the house, which will be fully finished and equipped, will take place in spring 2024.

In 2023, Budimex S.A. continued to co-finance the Diamond Explorers scholarship programme, the idea of which is to provide financial support to talented and effective groups of young people to enable them to take part in prestigious national and international competitions in the field of science and technology.

In 2023, Budimex S.A. continued its aid activities aimed at young people in a difficult life situation by donating funds to the activities of the Demos Foundation, which creates premises for educational, therapeutic and sports activities, as well as organises scholarship programmes and workshops for youth leaders. The company also supports the purchase of school equipment and the organization of educational tournaments and summer holidays for students in regions fighting poverty located in the following provinces: Warmińsko-Mazurskie, Mazowieckie, Podlaskie and Łódzkie, as well as the functioning of volunteer fire brigades.

Other areas of the company's involvement in 2023 include, among others, assistance to soldiers of the Polish Army who have been injured in military missions abroad and their families, the development of youth sports and the protection of the historic Powązki Cemetery.

In 2023, Budimex S.A. also supported the Foundation for the Development of the University of Gdańsk, responsible for the marine station and seal centre in Hel. As part of the cooperation, the seal rehabilitation centre received an advanced biochemical analyser. The device will significantly reduce the waiting time for blood test results, which will significantly increase the chances of saving the treated animals.

The sum of all donations made by Budimex SA in 2023 amounted to approx. PLN 1.25 million, and the total value of all the company's sponsorship projects in this period amounted to PLN 1.79 million.

The Supervisory Board positively evaluates the above-mentioned activities, understood both as a permanent element of the Company's operations, as well as individual initiatives which, in the opinion of the Supervisory Board, express the assumptions of corporate social responsibility, bringing a significant image benefit to the Company. In the opinion of the Supervisory Board, the costs delegated by the Company to the above-mentioned initiatives are justified and meet the needs resulting from the initiatives undertaken.

- 5. In 2023, the Supervisory Board did not commission any audits to be conducted at the Company's expense pursuant to Article 382 (1) of the Commercial Companies Code.**
- 6. Information on the degree of implementation of the diversity policy with respect to the Management Board and the Supervisory Board**

As of December 31, 2023, the Management Board consisted of six members of the Management Board:

- Mr Artur Popko, President of the Management Board, Chief Executive Officer,
- Ms Anna Karyś, Sosińska Member of the Management Board, Director of the Human Resources Management Department
- Mr Jacek Daniewski, Member of the Management Board, Director of the Legal and Organisational Department,
- Mr Marcin Węglowski, Member of the Management Board, Director of the Economic and Finance Department,
- Mr Cezary Łysenko, Member of the Management Board, Operational Director of Infrastructure Construction,
- Mr Maciej Olek – Member of the Management Board, Operational Director of Railway, Energy and Industrial Construction.

In the period from 1 January 2023 to 30 March 2023, Mr. Artur Pielech also served as a member of the Management Board of Budimex S.A., who, as the CEO of FBSerwis S.A., was not responsible for any business area of Budimex S.A. or any part of its organizational structure.

Members of the Management Board of Budimex S.A. have education adequate to the above-mentioned area of responsibility in the Company. Prior to taking up their positions in the Management Board of Budimex S.A., the Management Board members gained and expanded their experience and expertise by working in the areas of professional activity in the Company and other entities, including managerial positions. Full details of the educational background and career paths of the members of the Management Board are published on the Company's website.

The age range of members of the Management Board of Budimex S.A. is: 40-50 (three members of the Management Board) and over 50 (three members of the Management Board).

As of 31 December 2023, the Supervisory Board consisted of nine members:

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| - Marek Michałowski | Chairperson of the Board, |
| - Juan Ignacio Gastón Najarro | Vice-Chairman of the Board |
| - Igor Adam Chalupiec | Secretary of the Board, |
| - Danuta Dąbrowska | Board Member, |
| - Silvia Rodriguez Hueso | Board Member, |
| - Janusz Dedo | Board Member, |
| - Ignacio Aitor Garcia Bilbao | Board Member, |
| - Mario Manuel Menendez Montoya | Board Member, |
| - Artur Kucharski | Board Member, |

In 2023, Mr Dariusz Blocher was also a member of the Board.

The Supervisory Board is composed of experienced managers, engineers and people with an academic background (law, economics, banking, audit), which is a significant benefit for the Company due to the potential broadening of the Management Board's competences and the possibility of obtaining information and guidelines from the Supervisory Board in the field of specialist areas. Full details of the educational background and career paths of the Members of the Supervisory Board are published on the Company's website. The Supervisory Board positively assesses the competences of its members in the context of the Company's profile and operations.

During the year, the Company's Supervisory Board was composed of two women and eight men aged 30-50 (three members) and over 50 (seven members).

The Company has published on its website the Diversity Policy of the Management Board of Budimex S.A. adopted by the Supervisory Board of the Company and the Diversity Policy of the Supervisory Board of Budimex S.A. adopted by the General Meeting. The above-mentioned policies state that a minimum level of representation of each gender in the selection process of 30 per cent of all candidates should be introduced if they are represented among the candidates and their competences are at least equal to those of the other candidates. The Supervisory Board, considering the scale and profile of the Company's operations, considers such approach to filling positions in its governing bodies to be correct.

Information on the composition and structure of the Supervisory Board and its committees in 2023.

As of 31 December 2023, the Supervisory Board of Budimex SA was composed as follows:

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|---------------------------------|----------------------------|
| - Marek Michałowski | Chairperson of the Board, |
| - Juan Ignacio Gastón Najarro | Vice-Chairman of the Board |
| - Igor Adam Chalupiec | Secretary of the Board, |
| - Danuta Dąbrowska | Board Member, |
| - Silvia Rodriguez Hueso | Board Member, |
| - Janusz Dedo | Board Member, |
| - Ignacio Aitor Garcia Bilbao | Board Member, |
| - Artur Kucharski | Board Member, |
| - Mario Manuel Menendez Montoya | Board Member, |

The following members of the Supervisory Board meet the independence criteria set out in the Act on Statutory Auditors of 11 May 2017:

- Ms Danuta Dąbrowska,
- Mr Janusz Dedo,
- Mr Artur Kucharski

The above-mentioned members of the Supervisory Board do not have actual and relevant connections with a shareholder holding at least 5% of the total number of votes in Budimex S.A.

In 2023, the following changes took place in the composition of the Supervisory Board:

- on 30 March 2023, the Supervisory Board co-opted Ms Silvia Rodriguez Hueso with effect from 1 April 2023,
- on 27 April 2023, Mr. Dariusz Blocher resigned from the position of a member of the Supervisory Board.

Throughout 2023, the Supervisory Board had three Committees operating as part of the Supervisory Board:

1. The Investment Committee with the tasks and competences specified in the Operational Procedure PO-01-04 *Rules for issuing opinions and making investment, financial and corporate decisions*, which was previously accepted by the Supervisory Board and approved by its Chairman. The competences and tasks of the Investment Committee are also included in § 12 section 9-11 of the Supervisory Board bylaws.
2. The Audit Committee with the tasks set out in § 12 section 6 of the Bylaws of the Supervisory Board of Budimex S.A. and the Rules of Procedure of the Audit Committee approved by the Supervisory Board,

3. The Remuneration Committee with the tasks set out in § 12 section 14 of the Bylaws of the Supervisory Board of Budimex S.A. and the Rules of Procedure of the Remuneration Committee approved by the Supervisory Board.

As of the end of 2023, the composition of all Supervisory Board Committees was as follows:

Composition of the Audit Committee as of 31 December 2023:

- Danuta Dąbrowska, Chairperson,
- Janusz Dedo, Committee Member,
- Ignacio Aitor Garcia Bilbao, Committee Member

In 2023, there were no changes in the composition of the Audit Committee.

With respect to meeting the conditions for the independence of members of the Audit Committee in 2023, the Company applied the provisions of Article 129 section 3 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision, as well as the criteria of independence of members of the Supervisory Board within the meaning of the Code of Best Practice for WSE Listed Companies 2021.

The status of independence of a member of the Supervisory Board is determined by the Company in accordance with the criteria set out in the Operational Instruction No. IO-01-07-02 concerning obtaining information from members of the Supervisory Board and making it public, on the basis of statements made by members of the Supervisory Board and pursuant to article 129 Section 3 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision.

The following members of the Audit Committee met the statutory criterion of independence during 2023: Ms Danuta Dąbrowska and Mr Janusz Dedo.

In 2023, the member of the Audit Committee with the greatest experience, knowledge and skills in accounting and management was Ms Danuta Dąbrowska, a member of the Association of Chartered Certified Accountants (ACCA), a member of supervisory boards of companies listed on the Warsaw Stock Exchange. The member of the Audit Committee with the greatest experience, knowledge and skills in the field of the broadly understood construction industry was Ignacio Aitor Garcia Bilbao – Financial Director at Ferrovial Construction SA, the main company of the construction segment of the Ferrovial Group.

The composition of the Investment Committee as of 31 December 2023 was as follows:

- Janusz Dedo, Chairperson,
- Ignacio Aitor Garcia Bilbao, Committee Member.

The composition of the Investment Committee changed as of 27 April 2023 in connection with the resignation of Mr Dariusz Blocher from the Supervisory Board, which also resulted in the termination of his function as a member of the Committee.

Composition of the Remuneration Committee as of 31 December 2023:

- Marek Michałowski, Chairperson,
- Silvia Rodriguez Hueso, Committee Member,
- Igor Chalupiec, Committee Member,

In 2023, there were no changes in the composition of the Remuneration Committee. On April 1, 2023, Ms Silvia Rodriguez Hueso became a member of the Committee. Silvia Rodriguez Hueso, As of 27 April 2023, in connection with the resignation of Mr Dariusz Blocher from

the Supervisory Board of Budimex SA, he also ceased to be a member of the Remuneration Committee.

Activity of the Supervisory Board of Budimex S.A. and its committees in 2023

The Supervisory Board functioned in 2023 in accordance with the rules set out in the Company's Articles of Association and the Bylaws of the Board. The Board became acquainted with and, at the request of the Management Board, gave opinions on issues of importance to the Company and the Budimex Group related to its current activities, formulating recommendations to the Management Board as to the implementation of corrective instruments or improvement measures. The members of the Board devoted their time to the Company to the extent necessary for the proper performance of the entrusted duties both within the Board and functions performed in individual committees. The Chairperson of the Board, in addition to the above-mentioned duties, performed activities related to the convening of Board meetings and chaired the meetings.

Over the course of 2023, the Supervisory Board held five meetings, four of which were held in full. The members of the Management Board responsible for the various areas of the Company's business actively participated in the Board meetings.

The **Supervisory Board** adopted twenty-one resolutions in 2023 on the following subjects:

- suspending a member of the Budimex S.A. Management Board,
- completion of the composition of the Budimex S.A. Supervisory Board,
- appointment of a member of the Remuneration Committee of the Supervisory Board,
- dismissal of a member of the Management Board of Budimex S.A.,
- assessment of the Supervisory Board of Budimex S.A. as regards annual financial statements and the annual report on the activities of the Budimex Group and Budimex S.A. for 2022, with regard to the manner of selection of the auditing company and the assessment of its fulfilment of the conditions to prepare an impartial and independent report on the audit of the annual financial statements, as well as the assessment on the correctness of the appointment of the Audit Committee and the fulfilment of its tasks,
- adopting of the report of the Supervisory Board on the remuneration of the members of the Management Board and the Supervisory Board for 2022,
- adoption of the annual report on the Boards activities in 2022,
- to examine and give an opinion on the materials and draft resolutions of the Annual General Meeting of Budimex S.A. for 2022.
- recommendations regarding granting a vote of approval for the performance of their duties to the members of the Management Board of Budimex S.A. for the year 2022,
- awarding members of the Management Board of Budimex S.A. a bonus for 2022,
- amendment of employment contracts with members of the Management Board of Budimex S.A,
- change of the procedure specifying the rules of approving the budget of the Supervisory Board of Budimex S.A., selection of external entities preparing, at the request of the Board, opinions, expert reports, analyses and other studies necessary for the Board to perform its duties, use by the Members of the Supervisory Board of various forms of professional development and settlement of travel costs related to the performance of supervisory functions,
- approval of the revision of the annual Audit Plan for 2023,
- giving an opinion on the implemented tax strategy for 2022,
- giving an opinion on the report on the functioning of the Internal Tax Supervision Framework,
- adoption of the Budimex S.A. Supervisory Board budget for 2024,

- approval of the annual Audit Plan for 2024.

The Company's Articles of Association and the Bylaws of the Board provide for the possibility of the Board to adopt resolutions by voting in writing or by means of direct communication at a distance. The Supervisory Board in 2023 made use of the possibility of voting in this mode by adopting Resolution No. 410 on the Supervisory Board's report on remuneration of members of Budimex S.A.'s bodies in 2022 (to the extent of authorising the Chairperson of the Supervisory Board to sign individually the report and the accompanying statement).

The members of the Supervisory Board assigned to its various Committees took an active part in the meetings of the Committees and in the decision-making process, keeping the Board informed of the findings and decisions made. Mr Ignacio Aitor Garcia Bilbao, based on the Supervisory Board's decisions, monitored and gave his opinion on the Company's derivatives operations.

The Investment Committee of the Supervisory Board considered Board's forwarded applications in full and on an ongoing basis. In 2023, 8 applications were referred to the Investment Committee. The Board was informed of the actions taken by the Investment Committee and their results at subsequent meetings in 2023, based on materials on considered and pending applications prepared in accordance with Operational Procedure PO-01-04 *Principles for the opinion and decision-making of investment, financial and corporate decisions*, as well as on any additional oral explanations.

The Investment Committee submitted a written Report for the financial year 2023 to the Supervisory Board on 9 April 2024, which was approved by the Board.

The **Remuneration Committee** held six meetings in 2023. The Board was kept informed of the significant actions taken by the Remuneration Committee and their results.

The Remuneration Committee submitted a written Report on its activities in 2023 to the Supervisory Board on 9 April 2024, which was approved by the Board.

The **Audit Committee** held seven meetings in 2023. At its meetings, the Audit Committee met with representatives of the auditing firm Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Sp. k. regarding the financial statements.

The Board was kept informed of the significant actions taken by the Audit Committee and their results at subsequent meetings.

The **Audit Committee**, prior to the holding of the Budimex SA Annual General Meeting 2024 (**AGM**), recommended to the Board:

- to approve the financial statements, the reports on non-financial data and the management report for 2023,
- to grant a vote of approval for the performance of the duties in 2023 to the member of the Management Board, Director of the Economic and Financial Division,

The Audit Committee submitted a written Activity Report for the first half of 2023 to the Board on 20 September 2023. On 9 April 2024, the Committee submitted its annual activity report for 2023. The abovementioned reports were approved by the Board.

The Audit Committee assessed the situation of the Company, including the evaluation of the systems of internal control, risk management, compliance and the internal audit function, finding no deficiencies.

The Supervisory Board, in accordance with the operating procedure 01-04-03 "Periodic assessment by the Supervisory Board of Budimex S.A. of material transactions with related parties within the Budimex Group" adopted in the Company, on 29 February 2024 reviewed the written information of the Budimex S.A. Internal Control Office on material transactions with related parties within the Budimex Group in 2023. The subject analysis of the transactions showed that all identified intragroup transactions were made in the ordinary course of business of the companies, under market conditions.

The Supervisory Board took note of the above explanations by approving, on 29 February 2024, the written information of the Internal Control Office of Budimex S.A. on transactions with related parties conducted in the Budimex Group in 2023.

secretary of Supervisory Board

**for the Supervisory Board of Budimex S.A.
chairperson of Supervisory Board**

.....
Igor CHALUPEC

.....
Marek MICHAŁOWSKI