

Resolution no. 400
of the Budimex S.A. Supervisory Board
of 30 March 2023

on: accepting the report of the Supervisory Board of Budimex S.A. on remuneration of the members of the Management Board and the Supervisory Board in 2022.

Pursuant to Article 90g of the Polish Act of 29 July 2005 on public offering, terms of introducing financial instruments to organised trading and on public companies, it is resolved as follows:

Article 1.

The Supervisory Board of Budimex S.A. adopts the Report on remuneration of the members of the Management Board and the Supervisory Board in 2022 with the content presented in an appendix to this Resolution.

Article 2.

The Report is subject to the opinion of the General Meeting of Shareholders of Budimex S.A. for 2022.

Article 3.

The Resolution comes into force on the day of its adoption.

Appendix – 1 pc

Content of the Report of the Supervisory Board of Budimex S.A. on remuneration of the members of the Management Board and the Supervisory Board in 2022

9 members of the Supervisory Board participated in the ballot

Votes for: 9

Votes against: 0

Abstained: 0

Secretary of the Supervisory Board

Igor CHALUPEC

**for the Supervisory Board of
Budimex S.A.:
Chairman of the Supervisory
Board**

Marek MICHAŁOWSKI

Report on remuneration of the Members of the Management Board and the Supervisory Board in 2022

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PART 1: INTRODUCTION

I. Preliminary information

This Report on remuneration of the members of the Management Board and the Supervisory Board of Budimex S.A. covers the period 1 January 2022 to 31 December 2022 and presents information on remuneration and cash benefits received by the Management Board and the Supervisory Board in this period.

Pursuant to Resolution no. 386 of the General Meeting of Shareholders of Budimex S.A. of 18 June 2020, the remuneration policy for members of the bodies of Budimex S.A. was adopted. Pursuant to Article 90g(1) of the Polish Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading and public companies (consolidated text: Journal of Laws of 2022, item 2554), the Supervisory Board prepares an annual report on remuneration, providing a comprehensive review of remuneration.

In the reporting year, there were no adjustments of the Remuneration Policy for the Members of the Budimex S.A. bodies.

Pursuant to Article 36(2) of the Polish Act of 16 October 2019 amending the Act on public offering, conditions governing the introduction of financial instruments to organised trading and public companies and certain other acts (Journal of Laws of 2019, item 2217), the Supervisory Board prepares the report on remuneration for 2022.

The amounts in the report are given in gross amounts and in PLN currency, paid in 2022.

II. Definitions

'Company' – means Budimex S.A. with its registered office in Warsaw at ul. Siedmiogrodzka 9 entered into the Register of Entrepreneurs kept by the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register under KRS no. 0000001764

'Remuneration Policy' – means the Remuneration Policy for Members of the Budimex S.A. bodies adopted by way of resolution no. 386 of the General Meeting of Shareholders of 18 June 2020

'Supervisory Bard' – means the supervisory board of Budimex S.A.

'General Meeting' – means the ordinary or extraordinary General Meeting of Shareholders of Budimex S.A.

'Management Board' – means the Management Board of Budimex S.A.

'PPK' – means Employee Capital Plans

'Act on Public Offering' – means the Polish Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading and public companies (consolidated text: Journal of Laws of 2022, item 2554)

III. Management Board

During the period under review, the composition of the Management Board was as follows:

Composition of the Management Board as of 1 January 2022:

- Artur Popko President of the Management Board, Chief Executive Officer
- Jacek Daniewski Member of the Management Board, Director of the Legal and Organisational Division,
- Marcin Węglowski Member of the Management Board, Director of the Economic and Finance Division,
- Artur Pielech Member of the Management Board.

In 2022 there were no changes in the composition of the Management Board.

As regards the remuneration of the members of the Management Board in 2022, the payments of benefits described in this report were made in connection with resignation in 2021 by Mr Cezary Mączka from the function in the Management Board, as well as in connection with the pension request submitted by Mr Jacek Daniewski (which had no impact on the continuation of the term of office in the Management Board).

At the same time, by way of Resolution no. 387 of the Supervisory Board of 14 December 2022, the composition of the Management Board was extended, however, this change did not enter into force in the reporting year, but as of 1 January 2023.

Composition of the Management Board as at 31 December 2022:

- Artur Popko President of the Management Board, Chief Executive Officer
- Jacek Daniewski Member of the Management Board, Director of the Legal and Organisational Division,
- Marcin Węglowski Member of the Management Board, Director of the Economic and Finance Division,
- Artur Pielech Member of the Management Board.

IV. Supervisory Board

During the period under review, the composition of the Supervisory Board was as follows:

Composition of the Supervisory Board as at 1 January 2022:

- Marek Michałowski Chairman of the Supervisory Board,
- Juan Ignacio Gaston Najarro Vice-Chairman of the Supervisory Board,
- Igor Adam Chalupec Secretary of the Supervisory Board,

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- Janusz Dedo Member of the Supervisory Board,
 - Jose Carlos Garrido-Lestache Rodriguez Member of the Supervisory Board,
 - Artur Kucharski Member of the Supervisory Board,
 - Danuta Dąbrowska Member of the Supervisory Board,
 - Dariusz Blocher Member of the Supervisory Board,
 - Ignacio Aitor Garcia Bilbao Member of the Supervisory Board,
 - Mario Mostoles Nieto Member of the Supervisory Board.

In 2022, the following changes occurred in the composition of the Supervisory Board:

- a) as of the day of the Ordinary General Meeting of Budimex S.A., i.e. as of 19 May 2022, Mr Jose Carlos Garrido-Lestache Rodriguez ceased to perform the function of the member of the Supervisory Board, which results from the expiry of the mandate of the above-mentioned person as the member of the Supervisory Board in connection with the lack of appointment by the Ordinary General Meeting to perform the function in the new Supervisory Board, on 19 May 2022, the Ordinary General Meeting appointed Mr Mario Manuel Mendez Montoya to perform the function of the member of the Supervisory Board,
- b) on 8 November 2022 as a result of the resignation submitted, Mr Mario Mostoles Nieto ceased to perform the function of the member of the Supervisory Board.

Composition of the Supervisory Board as at 31 December 2022:

- Marek Michałowski Chairman of the Supervisory Board,
- Juan Ignacio Gaston Najarro Vice-Chairman of the Supervisory Board,
- Igor Adam Chalupec Secretary of the Supervisory Board,
- Janusz Dedo Member of the Supervisory Board,
- Artur Kucharski Member of the Supervisory Board,
- Danuta Dąbrowska Member of the Supervisory Board,
- Dariusz Blocher Member of the Supervisory Board,
- Ignacio Aitor Garcia Bilbao Member of the Supervisory Board,
- Mario Manuel Menendez Montoya Member of the Supervisory Board.

PART 2. The amount of total remuneration broken down into components and the relative proportions between these components of the remuneration

V. Remuneration of the Members of the Management Board

In 2022, the remuneration of the Members of the Management Board consisted of:

- fixed remuneration, which is made up of remuneration components set at a fixed amount or fixed rate, paid for the performance of work. The amount of fixed remuneration is set in contracts concluded between the Company and the Members of the Management Board,
- variable remuneration, which consists of bonuses and premiums, the amount of which is related to the level of achievement of individual and general corporate objectives, as well as the situation of the Company,
- other cash benefits,
- non-cash benefits.

Fixed remuneration

The body authorised to determine the rules of remuneration for the members of the Management Board of Budimex S.A. is the Supervisory Board. The remuneration is determined based on the following:

- research showing the levels of remuneration for members of management boards of companies listed on the WSE,
- reports on the remuneration of top executives of Polish companies,
- reports on remunerations of top management staff in European companies,
- current results of the company,
- long-term performance of the company.

All Members of the Management Board are employed on the basis of an employment contract.

Variable remuneration

In the Company, all Members of the Management Board are included in the variable remuneration scheme. According to the provisions of the Remuneration Policy, variable components of remuneration may take the form of: bonuses, retention bonuses or individual awards (§ 3 section 2 of the Remuneration Policy).

a) Bonus – within such bonus entitlement, each Member of the Management Board is entitled to a bonus depending on:

- level of achievement of individual objectives,
- achievement of indicators related to the Budimex Group's business activity.

Depending on the area for which Members of the Management Board are responsible, the third element is the bonus for:

- exceeding the indicators related to the business activities of the Budimex Group, or
- commission on the value of the gross profit generated by the construction industry (understood as one of the four main segments – building, infrastructure, railroad and power industry).

In 2022, the bonus scheme covered all of Members of the Management Board:

- b) Retention bonus** – within the variable remuneration applied by the Company there is a retention bonus, in which the payout of remuneration depends on the fact of remaining in the employment relationship with the Company until a specified date.

In 2022, such benefit was provided to Mr Artur Popko. The amount of the retention remuneration received in 2022 amounted to PLN 800,000, due to the results obtained as the Vice-President responsible for construction (the commission income not settled previously).

- c) Individual award** – an award granted on individual and special conditions in connection with special achievements and events in the business activity of the Company or the Budimex Capital Group.

In 2022, such benefit was granted to the following: Dariusz Blocher, Artur Popko, in connection with carrying out the sales transaction of Budimex Nieruchomości in 2021. This was the payment of amounts that exceeded possible premium limits in 2021. The rules and criteria for calculating this award were adopted by the Supervisory Board after obtaining a positive opinion of the Remuneration Committee. These rules were adopted prior to the sale process and then upon completion of the sale based on these rules, the Remuneration Committee approved the amounts to be paid. The amount of the individual award received in 2022 was:

First and last name	sales award for Budimex Nieruchomości
Artur Popko	1,200.00
Dariusz Blocher	339,660.96

The above-mentioned bonus benefit was fully settled and it will not be continued in subsequent years.

Variable remuneration components are applied for a period of one fiscal year. The Company does not apply long-term variable remuneration schemes that would provide longer bonus periods.

Other financial benefits

The members of the Management Board are entitled to other cash benefits such as:

- a) Employer contribution and additional employer contribution to the programme of Employee Capital Plans.** The members of the Management Board are entitled to participate in the Employee Capital Plans on the terms applicable to all employees in the Company. The programme is fully in line with the provisions of law (2% of the employee's contributions and 1.5% of the employer's contributions, record after 1 month from the employment). In addition, in Budimex, employees with higher seniority and good evaluation covering the work performance and the style in which it is achieved receive additional contributions (if they also declare contributions in the same amount) from 0% to 2.5%.

In the reporting year, the Members of the Management Board received contributions financed by Budimex in the amount of:

First and last name	PPK basic	Additional PPK
Artur Popko	37,936.08	63,226.79
Marcin Węglowski	21,679.12	33,127.90
Jacek Daniewski	21,135.28	35,225.45
Artur Pielech	24,198.62	40,331.04
Cezary Mączka	20,763.34	26,976.98

- b) **Funds transferred under the Company's Social Benefits Fund.** The members of the Management Board are eligible for a subsidy of 50% of the Multisport card subscription.
- c) **Non-competition compensation.** The members of the Management Board of Budimex S.A. concluded a separate agreement regarding the prohibition of competition after the cessation of the employment relationship with the Company (or the company from which they obtain their remuneration) valid for 12-18 months from the termination of the employment contract. During the term of the prohibition of competition, the Company will pay the employee between 25% and 100% of the monthly base salary, depending on the procedure of termination of the contract and the party initiating the termination of the contract. Contractual penalties will be applied to the Member of the Management Board in the event of violation of the prohibition of competition.
- d) **Compensation for termination of the employment contract.** The contracts provide for severance pays equal to 6 to 12 monthly salaries, depending on the position, in the case of dismissal from the Management Board or the lack of appointment for another term of office for reasons for which the Company is responsible.

The non-compete compensation benefit for 2022 was payable to Mr Dariusz Blocher and Mr Cezary Mączka.

In connection with the cessation of Mr Dariusz Blocher's employment with the Company, effective as of 19 May 2022, the Company paid non-compete compensation in 2021. The total compensation amounted to PLN 1,168,752,75. This benefit was fully paid.

In connection with the termination of the employment contract in 2022, the Company paid Mr Cezary Mączka the cash benefit related to the settlement of the Performance Shares Plan (the 'Plan for the grant of shares related to Ferrovial's objectives') in the amount of PLN 176,379.00, compensation in the amount of PLN 414,000.00 on account of the termination of the employment contract and compensation in the amount of PLN 71,915.00 on account of the right to finance the costs of endowment insurance not exercised by the Employee. These benefits were fully paid.

In connection with the cessation of the employment relationship in the Company by Mr Cezary Mączka as of 31 May

2022, the Company paid in 2022 compensation for refraining from competitive activities. The total compensation amounted to PLN 289,800,00. The benefit is continued in 2023.

Non-financial benefits

The Members of the Management Board receive under the rules in force in the Company additional benefits in the form of:

- a) **medical insurance coverage for Members of the Management Board and their families** – in 2022, all Members of the Management Board were entitled to these benefits.

First and last name	Total value of the benefit [PLN gross]	Value of the benefit granted to the nearest family [PLN gross]
	2022	2022
Artur Popko	11,512	6,011
Marcin Węglowski	10,562	6,011
Jacek Daniewski	10,562	6,011
Artur Pielech	-*	-*
Cezary Mączka	4,798	2,505

* value of the policy in the costs of FB Serwis S.A.

- b) **mutual fund life insurance coverage within specified annual limits** – in 2022, all Members of the Management Board were entitled to these benefits. The value of the benefit made available to the Members of the Management Board was as follows:

First and last name	Total value of the benefit [PLN gross]
	2022
Artur Popko	31,550.00
Marcin Węglowski	26,750.00
Jacek Daniewski	26,750.00
Artur Pielech	-*

* value of the policy in the costs of FB Serwis S.A.

- c) **equivalent to cover the costs of rental housing** (granted in accordance with the Domestic Relocation Instruction and approved by the Supervisory Board) – it was not granted in 2022.
- d) **company car for business and private purposes** (in line with the fleet policy of the Budimex Group) – in 2022 all Members of the Management Board were entitled to these benefits. In accordance with the Company's policy, members of the Management Board pay a lump sum for private use of a company car on the same basis as Company employees. The monthly amount of this lump sum is about PLN 1,000,
- e) **work tools: laptop and mobile phone** – in 2022 all Members of the Management Board were entitled to these benefits,
- f) **coverage of costs of school and kindergarten for children** (in the case of Members of the Management Board who are not Polish citizens, for whom performing their functions in the Company involves moving to Poland, the Company may undertake to cover costs of education of minor children) – in 2022 such benefits were not granted,
- g) **coverage of costs of plane flight** (in the case of Members of the Management Board who are not Polish citizens, for whom performing their function in the Company involves moving to Poland, the Company may undertake to cover the costs of plane flight – in 2022 such benefits were not granted.

Remuneration of the Members of the Management Board in 2022

First and last name	Contractual base rate*	Fixed remuneration components paid [PLN gross]	Variable remuneration components paid [PLN gross]	Other financial benefits paid [PLN gross]	Non-financial benefits paid [PLN gross]	Total remuneration paid [PLN gross]	ratio between variable and fixed components**
Artur Popko	116,500	1,378,500	2,319,200	101,163	27,152	3,826,015	168%
Marcin Węglowski	74,500	881,400	532,691	55,325	37,308	1,506,724	60%
Jacek Daniewski	73,200	879,964	519,115	202,761***	43,528	1,645,367	59%
Artur Pielech	75,600	879,200	758,523	65,017	20,915	1,723,655	86%
Cezary Mączka	0	595,911	1,194,450	337,540	9,030	2,136,931	-
Dariusz Blocher	0	0	339,661	1,180,641	0	1,520,302	-

* Current amounts as of 1 April 2022 after the remuneration increase in Bx (ratio 6%)

** Commentary to % of the proportion:

- Calculated as the ratio of variable to fixed pay (the value of other cash and non-cash benefits is not included in the ratio between variable and fixed components)
- In the case of Mr Artur Pielech, the remuneration given for 2022 was paid by FB Serwis S.A., which is a subsidiary of Budimex S.A. and was additionally included in part VII of the report.
- In the case of Mr Cezary Mączka, the amount of the base remuneration received is lower due to the termination of the employment contract.

*** Including retirement severance pay

VI. Remuneration of the Members of the Supervisory Board

Fixed remuneration

The Members of the Supervisory Board may receive fixed remuneration components in the form of **fixed remuneration** (fixed remuneration for performing the function of the member of the Supervisory Board, determined with reference to the average monthly remuneration in the enterprise sector, without bonuses paid from the profit) and **the function allowance** (additional remuneration component of a fixed amount due in connection with performing tasks in committees and teams appointed by the Supervisory Board).

The body authorised to establish rules of remunerating members of the Supervisory Board of Budimex SA is the General Meeting. The General Meeting of Shareholders on April 28, 2015 adopted a resolution under which the members of the Supervisory Board of Budimex S.A. are entitled to monthly remuneration for their participation in the work in the following amounts:

- Chairman of the Supervisory Board** – double the average monthly remuneration in the enterprise sector without bonuses paid from the profit, with the ratio of 1.7,
- Chairman of the Audit Committee of the Supervisory Board** – double the average monthly remuneration in the enterprise sector without bonuses paid from the profit, with the ratio of 1.5,

- c) **Chairman of the Investment Committee of the Supervisory Board** – double the average monthly remuneration in the enterprise sector without bonuses paid from the profit, with the ratio of 1.3,
- d) **Chairman of the Remuneration Committee of the Supervisory Board** – double the average monthly remuneration in the enterprise sector without bonuses paid from the profit, with the ratio of 1.3,
- e) **Vice-Chairman of the Supervisory Board** – double the average monthly remuneration in the enterprise sector without bonuses paid from the profit, with the ratio of 1.1,
- f) **Secretary of the Supervisory Board** – double the average monthly remuneration in the enterprise sector without bonuses paid from the profit, with the ratio of 1.2,
- g) **Member of the Supervisory Board** – double the average monthly remuneration in the enterprise sector without bonuses paid from the profit, with the ratio of 1.1.

Members of the Supervisory Board participate in the Employee Equity Plans if they meet the conditions under the Polish Act of 4 October 2018 on employee capital plans (consolidated text: Journal of Laws of 2020, item 1342) – it concerns Mr D. Blocher, I. Chalupiec, D. Dąbrowska, I. Bilbao, J. Najarro, A. Kucharski, M. Mostoles Nieto.

Remuneration of the Members of the Supervisory Board in 2022

First and last name	Fixed remuneration	Remuneration related to work in committees/teams	Additional benefits *	Total remuneration for the report	Comments difference
BLOCHER DARIUSZ	171,439.40	31,170.79	17,609.31	220,219.50	
CHALUPEC IGOR	171,439.40	31,170.79	3,009.09	205,619.28	
DĄBROWSKA DANUTA	171,439.40	62,341.60	3,472.01	237,253.01	
DEDO JANUSZ	171,439.40	46,756.20		218,195.60	
GARCIA BILBAO IGNACIO AITOR	171,392.60	31,170.79	3,008.39	205,571.78	
GARRIDO LESTACHE RODRIGUEZ JOSE CARLOS	69,555.46	-	-	69,555.46	until 20 May 2022
GASTON NAJARRO JUAN IGNACIO	171,439.40	-	2,546.17	173,985.57	
KUCHARSKI ARTUR	171,439.40	-	2,546.17	173,985.57	
MICHAŁOWSKI MAREK	171,439.40	124,683.20	6,482.30	302,604.90	
MOSTOLES NIETO MARIO	156,726.35	14,247.86	2,107.05	173,081.26	until December 2022
MENENDEZ MONTOYA MARIO MANUEL	108,168.48	-	-	108,168.48	from 20 May 2022

* Additional benefits include (PPK, medical care)

VII. Information on the amount of remuneration from entities belonging to the same capital group within the meaning of the Polish Accounting Act of 29 September 1994

During the period covered by the report, while performing the function of the Member of the Management Board in the Company, Mr Artur Pielech received remuneration from FB Serwis Sp. z o.o.

based on an employment contract entered into for a definite period of the term of office, with the notice period resulting from the applicable provisions of the Polish Labour Code.

Remuneration of the Members of the Management Board in 2022

First and last name	basic rate	fixed remuneration components [PLN gross]	variable remuneration components [PLN gross]	other financial benefits [PLN gross]	non-financial benefits [PLN gross]	total remuneration [PLN gross]	ratio between variable and fixed components
Artur Pielech	75,600	879,200	758,523	65,017	20,915	1,723,655	86%

PART 3. Information on the number of financial instruments granted or offered and the main conditions for the exercise of rights attached to these instruments

The Company does not grant or offer financial instruments to members of the Management Board or Supervisory Board.

Members of the Management Board may participate in the 'Plan for the grant of shares related to Ferrovial's objectives' (PSP), consisting of the conditional granting of rights to acquire shares in Ferrovial S.A. (a company under Spanish law) and conducted by this entity. However, this is not an element of remuneration coming from Budimex S.A. or its subsidiaries, the source of costs for the Company is the corporate programme. The Supervisory Board of Budimex S.A., in the form of Resolution No. 228 of April 24, 2014, approved the inclusion of the Management Board and key employees in the PSP Ferrovial Group incentive plan.

The 'Plan for the grant of shares related to Ferrovial's objectives' consists in granting participation units in the Ferrovial S.A. plan in 3-year periods and, after meeting the criteria related to the performance of Ferrovial S.A., the Ferrovial S.A. shares are granted. The aim is to approximate the interests of the participants and the interests of Ferrovial and the shareholders and to provide Ferrovial and its Group companies with a tool to acquire and retain the best managers.

In accordance with the Shareholder's decisions, the Plan benefits a group of approximately 20 Budimex employees, including Members of the Management Board. Between 800 and 8,000 units are awarded. After each 3-year period, there is a settlement and an award of shares. Finally, 50% of the previously granted participation units in the 2019-2022 PSP programme was granted in the form of Ferrovial S.A. shares.

The cost of shares granted in particular tranches is settled evenly throughout the 3-year period of acquiring the rights:

	tranche 2019	tranche 2020	tranche 2021	tranche 2022
Popko, Artur	1,775	2,400	5,000	4,200

Weglowski, Marcin	1,000	1,350	2,000	1,700
Daniewski, Jacek	1,000	1,350	2,000	1,700
Pielech, Artur	975	1,300	1,900	1,600

Estimated costs of share-based payouts under Ferrovia S.A. incentive schemes related to the Management Board of Budimex S.A. amounted to PLN 969 thousand, of which PLN 791 thousand was charged to Budimex S.A. costs, and the difference was covered by subsidiaries.

The value of costs recognised in the Company's accounting books in 2022 concerning tranches 2019-2022 allocated to particular Members of the Management Board is as follows:

	in PLN thousand
Popko, Artur	417
Weglowski, Marcin	187
Daniewski, Jacek	187
	791

The value of the settled PSP programme for Cezary Mączka is described in point V.

PART 4. Information on the use of the option to request reimbursement of variable remuneration components

A demand to reimburse the remuneration components paid is possible under the rules determined in the generally applicable law, including in particular in the Labour Code, Civil Code, Code of Commercial Companies and Partnerships.

During the reporting period, the Company did not make use of the possibility to claim reimbursement of variable remuneration components.

PART 5. Information on the link between the remuneration amount and the adopted policy

A. Linking remuneration to the achievement of the Company's long-term performance

The Company's compensation policy is designed to attract, retain, and motivate Executive Officers for the long-term and sustainable growth of the Company. Compensation is tied to company performance as well as individual performance.

Fixed salaries are shaped at a level appropriate to the position held, its complexity, impact on the company's results, as well as the required knowledge and experience. In order to properly determine the amount of remuneration, Budimex uses independent remuneration reports.

The second element of the remuneration system is a system of variable remuneration components for the Management Board Members. The primary variable component of compensation is bonuses, which consist of 3 independent components:

- 1) **individual performance bonuses and competency assessments,**
- 2) **bonuses for the achievement of company-wide targets for the Budimex Group,**
- 3) **bonuses for the achievement of company-wide targets for the Budimex Group,**

The bonus for the fulfilment of individual tasks allows directing actions of the Members of the Management Board at achieving:

- **personal tasks**, in particular development of competencies of Members of the Management Board or subordinate employees, mainly with regard to soft skills for effective performance of the functions assigned – in the Company's opinion, the development of personal competencies and skills of Members of the Management Board meets the long-term interest of the shareholders as it fosters the quality of services provided by Members of the Management Board to the Company,
- **economic tasks**, in particular in the area of development of specific sectors of the Company's activities, efficiency of the activities conducted, timeliness of project execution, sale or purchase of specific assets or parts of the enterprise, construction or change of the Company's organisational structures, increase in the employment effectiveness and efficiency of work in subordinate teams, effective implementation of specific organisational, technological or business solutions; the selection of economic tasks and indicators for measuring their execution takes into account the specificity of the industry in which the Company operates,
- **tasks taking into account the social interest of the Company's surroundings**, concerning strengthening the positive social role of the Company and its impact on the environment, which in particular refers to tasks aimed at reducing the Company's negative impact on the environment or society, reducing the number of accidents at work, implementing the Company's educational and social programmes, supporting the sustainable development of the economy and society, increasing innovation in this area and other tasks implemented within the Company's CSR strategy.

The bonus for the achievement of company-wide targets for the Budimex Group allows directing activities related to the achievement of the Company's key economic indicators, such as:

- sales,
- profit before tax,
- cash position,
- contracting.

The bonus in 2022 paid to the President of the Management Board for 2021 included also the commission component applied until May 2021.

The bonus for exceeding company-wide targets for the Budimex Group directs the pursuit of above-average business results.

To limit excessive performance improvement risk-taking, total variable compensation is capped at 200% of each employee's gross annual base salary.

The remuneration system combining fixed and variable elements of remuneration is the standard used in today's economic reality. It serves the long-term shareholder interest of increasing the value of the Company. On the one hand, the purpose of the remuneration system is to retain key employees, who are members of the Management Board, in the Company, while on the other hand, the total remuneration received from the Company depends on the economic results achieved by the Company. The purpose of the remuneration system is to retain employees in the Company, to motivate them to increase the quality of individual work for the Company and to achieve the set business objectives.

B. Method of applying performance criteria

The Supervisory Board is competent to determine individual bonus amounts for each Member of the Management Board, based on provisions of the employment contract regulating the amount and method of bonus payout as well as the adopted Remuneration Policy for Members of Budimex S.A.'s Bodies.

The most important factor, influencing the amount of bonus received, is the level of implementation of 4 key indicators of Budimex Group's business activity. At the beginning of each year, the Supervisory Board sets the expected levels of all indicators, as well as their weights, which will be taken into account in assessing their performance at the end of a given period.

The Supervisory Board also approves individual goals, as well as the expected level of their achievement.

The bonus is divided into different types of criteria, which are given weights.

Due to the amendments to the contracts during 2021, in connection with the change of the President, the type of bonus criteria and their weight for Mr Artur Popko changed.

Artur Popko

Bonus criteria and components	bonus for 2021 results paid in 2022			
	for the period January-May 2021		for the period June-December 2021	
	% of fixed annual remuneration	amount of bonus resulting from the level of performance of tasks [PLN gross]	% of fixed annual remuneration	amount of bonus resulting from the level of performance of tasks [PLN gross]
variable components of remuneration, individual bonus; depending on individual results of work and performance of tasks entrusted to them	up to 20%	PLN 88,750.00	up to 25%	PLN 148,225.00
variable remuneration components, bonus for achieving corporate goals; part depends on achieving financial results of the Budimex Capital Group business activity at the planned level	up to 30%	PLN 150,000.00	up to 75%	PLN 577,500.00
commission-based bonus	up to 0.40%	PLN 443,646.00	0	0
variable remuneration components, bonus for exceeding company targets; part depends on exceeding the financial results of the Budimex Capital Group business activity at the planned level	0	0	up to 15%	PLN 109,879.00
total bonus max	up to 115%	PLN 682,396.00	up to 115%	PLN 835,604.00

Marcin Węglowski

Bonus criteria and components	bonus for 2021 results paid in 2022	
	% of fixed annual salary	amount of bonus resulting from the level of performance of tasks [PLN gross]
variable components of remuneration, individual bonus; depending on individual results of work and performance of tasks entrusted to them	up to 15%	PLN 117,050.00
variable remuneration components, bonus for achieving corporate goals; part depending on achieving financial results of the Budimex Capital Group's business activities at the planned level	up to 35%	PLN 295,260.00
variable remuneration components, bonus for exceeding company targets; part depends on exceeding the financial results of the Budimex Capital Group business activity at the planned level	up to 15%	PLN 120,381.00
total bonus max	up to 65%	PLN 532,691.00

Artur Pielech

Bonus criteria and components	bonus for 2021 results paid in 2022			
	for the period January-July 2021		for the period August-December 2021	
	% of fixed annual salary	amount of bonus resulting from the level of performance of tasks [PLN gross]	% of fixed annual salary	amount of bonus resulting from the level of performance of tasks [PLN gross]
variable components of remuneration, individual bonus; depending on individual results of work and performance of tasks entrusted to them	up to 25%	PLN 128,180.75	up to 25%	PLN 65,800.00
variable remuneration components, bonus for achieving corporate goals; part depends on achieving financial results of the Budimex Capital Group business activity at the planned level	up to 50%	PLN 272,725.00	up to 60%	PLN 168,000.00
variable remuneration components, bonus for exceeding company targets; part depends on exceeding the financial results of the Budimex Capital Group business activity at the planned level	up to 15%	PLN 81,817.50	up to 15%	PLN 42,000.00
total bonus max	up to 90%	PLN 482,723.25	up to 100%	PLN 275,800.00

Jacek Daniewski

Bonus criteria and components	bonus for 2021 results paid in 2022	
	% of fixed annual salary	amount of bonus resulting from the level of performance of tasks [PLN gross]
variable components of remuneration, individual bonus; depending on individual results of work and performance of tasks entrusted to them	up to 15%	PLN 111,159.00
variable remuneration components, bonus for achieving corporate goals; part depends on achieving financial results of the Budimex Capital Group business activity at the planned level	up to 35%	PLN 289,800.00
variable remuneration components, bonus for exceeding company targets; part depends on exceeding the financial results of the Budimex Capital Group business activity at the planned level	up to 15%	PLN 118,156.00
total bonus max	up to 65%	PLN 519,115.00

Cezary Mączka

Bonus criteria and components	% of fixed annual remuneration	bonus for 2021 results paid in 2022
		amount of bonus resulting from the level of performance of tasks [PLN gross]
variable components of remuneration, individual bonus; depending on individual results of work and performance of tasks entrusted to them	up to 15%	PLN 124,200.00
variable remuneration components, bonus for achieving corporate goals; part depends on achieving financial results of the Budimex Capital Group business activity at the planned level	up to 35%	PLN 289,800.00
variable remuneration components, bonus for exceeding company targets; part depends on exceeding the financial results of the Budimex Capital Group business activity at the planned level	up to 15%	PLN 118,156.00
total bonus max	up to 65%	PLN 532,156.00

PART 6. Information on deviations from the procedure for implementing the remuneration policy

In the period of validity of the remuneration policy for the members of the bodies of Budimex S.A., there were no exceptions to the adopted remuneration policy.

Since 2010, the Company has had a Remuneration Committee established by way of Resolution No. 171 of the Supervisory Board of Budimex S.A. dated 19 May 2010. The basic tasks of the Committee include submitting proposals, for approval by the Supervisory Board, regarding the rules of remuneration and bonuses as well as the form of employment for the members of the Management Board. The Committee monitors the level and structure of executive compensation based on independent pay reports, market benchmarks.

PART 7. Information on the change on an annual basis in the remuneration, performance of the Company and the average remuneration of the Company's employees

Pursuant to Article 90g(3) of the Public Offering Act, the report does not include information regarding fiscal years for which the Supervisory Board was not required to prepare remuneration reports.

	2022**	2021	2020	2019	2018
Gross profit of Budimex S.A.					
[PLN thousand]	543,942	1,143,813	405,842	309,534	-
Change %	47.55%	181.8%	31%	-22%	-
Average remuneration in the company					
[PLN gross]*	15,527	13,646	11,894	10,357	-
Change in the Employees' average remuneration	13.78%	14.70%	14.84%	5.09%	-
<i>Including the Management Board:</i>					
Artur Popko	-7.37%	51.69%	51.69%	5.94%	-
Marcin Węglowski	-42.80%	99.40%	9.14%	-5.70%	-
Jacek Daniewski	-37.33%	106,27%	15.01%	-12.08%	-
Artur Pielech	lack of data				
Cezary Mączka	-0.03%	70.39%	14.17%	-14.80%	-
Dariusz Blocher	-74.56%	87.89%	25.17%	0.68%	-

*average monthly remuneration: 1/12 of the sum of all cash benefits (including: fixed and variable salaries, allowances, prizes, commissions, equivalents) paid in a given year divided by average employment.

** in 2022 compared to 2021, the bonus from the sale of Budimex Nieruchomości paid in 2021 had a significant impact on the rate of change in the average remuneration (effect of a high base).

PART 8. Information regarding the resolution giving an opinion on the report on remuneration for 2019 and 2020

In accordance with the procedure set forth in Article 90g(8) of the Act on Public Offering, the report concerning 2021 was discussed at the General Meeting of Shareholders of Budimex S.A. on 19 May 2022.

The General Meeting gave a positive opinion on the Supervisory Board's reports on the remuneration of members of the Management Board and Supervisory Board.

There were no comments on the report at the AGM and the opinion resolution was passed by majority vote: 17,416,466 votes FOR, 555,170 votes AGAINST and 1,195,000 votes ABSTAINED Resolution no. 431 was adopted on positive acknowledgement of the report of the Supervisory Board of Budimex S.A. on remuneration of the members of the Management Board and the Supervisory Board of the Company.

PART 9. SUMMARY

The Remuneration Committee of the Supervisory Board has reviewed and evaluated the applied rules from the perspective of their compliance with obligatory regulations as well as good market practices.

The Supervisory Board adopted this report by Resolution no. 400 of 30 March 2023.

*Under the authority of the Supervisory Board of
Budimex S.A.*

DIRECTOR OF THE REMUNERATION AND BENEFITS OFFICE
Krzysztof Olewnik