6. CORPORATE GOVERNANCE STATEMENT

6.1. The set of corporate governance principles applicable to Budimex SA, and the place where it is publicly available

In 2015, the Company applied the “Best Practices of WSE Listed Companies” adopted by the resolution of the WSE Supervisory Board dated 4 July 2007, as amended, while further suspending the application of principles described in a report sent on 8 March 2011, i.e. principle 12 from Section I Recommendations on best practices of listed companies and item 2 of principle 10 from Section IV “Best Practices Applied by Shareholders” (principles indicated in accordance with the wording of the Best Practices as of 31 December 2015).

In 2012, following amendments to the best practices adopted by the WSE Supervisory Board in 2011 (resolutions of the WSE Supervisory Board of 31 August 2011 and 19 October 2011), the Ordinary General Shareholders Meeting (GSM) of the Company, by Resolution No 171 of 26 April 2012, adopted for application “Code of Best Practices for WSE Listed Companies” in its new wording, except for the above items 2 and 3 of rule 10 in Section IV “Best practices of shareholders” (following the wording valid on 31 December 2015, the exclusion included rule 12 in Section I Recommendations for Best Practice for Listed Companies and item 2 of rule 10 in Section IV “Best practices of shareholders”). Its adoption by the General Meeting was preceded by appropriate resolutions of the Management Board (of 28 September 2011 and 29 November 2011) and the Supervisory Board (of 13 October 2011 and 14 December 2011).

By Resolution No 19/1307/2012 of 21 November 2012, the Supervisory Board of WSE adopted further amendments to the principles of 4 July 2007.

On 20 December 2012, the Company’s Management Board, under Resolution No 18, adopted “Best Practices of WSE Listed Companies”, as amended on 21 November 2012, for application as of 1 January 2013, save for:

- the option to exercise the voting right during a general meeting either in person or through a proxy, outside the venue of the general meeting, using electronic communication means — Principle 12 of section I. Recommendations for Best Practice for Listed Companies,
- two-way real-time communication process during which shareholders can take the floor during the General Meeting of Shareholders while being at a location other than the meeting venue — Rule No 10 item 2) in Section IV of Best Practices Applied by Shareholders.

The decision in this matter was taken following an analysis covering matters relating to both technical and legal threats to the correct and efficient execution of the General Meeting of Shareholders, whilst
considering the number of shareholders who usually participate in the General Meeting of Shareholders of the Company. Upon clarifying all its doubts as to practical application of these regulations, the Company will start adhering to the principle of two-way communication in real time whereby the Shareholders may take floor during the General Meeting from a place other than the meeting venue, and the principle of exercising the right to vote in person or through a proxy during the General Meeting using means of electronic communication.

In the above Resolution No 18 of 20 December 2012, the Management Board recommended that the Company’s Supervisory Board adopted a resolution regarding the application by the Supervisory Board of “Best Practices of WSE Listed Companies” to the extent adopted by the Management Board. In view of the motion and recommendation of the Management Board, on 26 March 2013, by Resolution No 204, the Supervisory Board of the Company adopted “Best Practices of WSE Listed Companies” to be applied as of 1 January 2013, in the wording introduced by Resolution No 19/1307/2012 of the WSE Supervisory Board of 21 November 2012, save for providing the shareholders, using electronic communication means, with:

- the option to exercise voting rights in person or through a proxy in the course of the General Meeting of Shareholders from a location other than the general shareholders meeting venue,
- two-way real-time communication whereby shareholders can take the floor during the General Meeting of Shareholders from another location than the venue of the meeting.

Upon request of the Management Board, by Resolution No 206 of 26 March 2013, the Supervisory Board of the Company applied to the Ordinary General Meeting to adopt the resolution on observing “Best Practices of WSE Listed Companies” in the wording introduced by Resolution No 19/1307/2012 of the WSE Supervisory Board of 21 November 2012, save for the elements specified in aforementioned Resolution No 204 of the Supervisory Board of the Company.

In 2013, the Ordinary General Meeting of Shareholders of the Company, by Resolution No 201 of 24 April 2013, adopted for use “Best Practices of WSE Listed Companies” in their new wording, within the scope suggested by the Management Board and the Supervisory Board. The document containing corporate governance policies was and is posted on the Company’s website at [http://www.budimex.pl](http://www.budimex.pl).

Under rule No 9, Section I of “Code of Best Practice for WSE Listed Companies” (recommendations for best practice for listed companies) concerning a balanced proportion of women and men performing management and supervisory functions, the Company hereby advises that, in 2015, the Company Management Board was composed of six men (five in the period between the resignation from the function submitted by one of the members of the Management Board and the appointment of
Throughout 2015, the Supervisory Board was composed of one woman and eight men.

In connection with “Code of Best Practice for WSE Listed Companies 2016” adopted by the WSE Supervisory Board by way of Resolution No 26/1413/2015 of 13 October 2015, as of 1 January 2016, the Company applies new rules within the scope indicated in report No 1/2016 of 4 January 2016 sent via the EBI system and published on the Company’s website.

6.2. **Key features of the Company's internal control and risk management systems with respect to the process of preparation of the financial statements of Budimex SA**

The Management Board of Budimex SA is responsible for the implementation and functioning of the internal control system in the process of preparation of financial statements of Budimex SA. The obligation of drawing up the financial statements is implemented in practice by qualified employees of the Financial Division under the supervision of the Member of the Management Board – Economic and Financial Division Director of Budimex SA.

Drawing up of annual financial statements is preceded by a meeting of the Audit Committee with independent auditors in order to set up a plan and scope of the audit of the financial statements and to analyse the potential risk areas that may affect the reliability and correctness of the financial statements. Preparation of the financial statements is a pre-planned process that considers the appropriate allocation of tasks among personnel of the Financial Division of Budimex SA, in correspondence with their competence and qualifications. Additionally, Budimex SA applies computer software supporting the identification and management of risks related to the preparation of any financial information, including financial statements.

Separate financial statements of the Company are prepared on the basis of its books of account. The books of account of the most significant Group companies are maintained using the finance and accounting system, SAP R/3, which has been used for financial and management accounting purposes since 1 January 2003. The SAP R/3 system is managed centrally by qualified employees of Budimex SA, who set the authorisation levels for entering and modifying the transaction data, the structure of the basic reports and changes in the chart of accounts.

During preparation of the financial statements, among others, the following control activities are performed:

- evaluation of the significant, atypical transactions with regard to their influence on the financial standing of the Company and the manner of their presentation in the financial statements;
- verification of relevance of adopted assumptions to valuation of estimated values;
• comparative and substantive analysis of financial data,
• verification of arithmetical accuracy and consistency of data,
• analysis of completeness of disclosures.

The drawn-up annual financial statements are submitted for initial verification to the Economic and Financial Division Director, and then to the whole Management Board for final verification and approval.

Annual financial statements are subject to an audit by an independent certified auditor who presents post-audit conclusions and observations to the Audit Committee and then to the Supervisory Board.

### 6.3. Shareholders holding, directly or indirectly, large blocks of shares

According to the information available to Budimex SA, the shareholding structure of the Company as at 31 December 2015 was as follows:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Type of shares</th>
<th>Number of shares</th>
<th>% share in the share capital</th>
<th>Number of votes</th>
<th>% in the number of votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valivala Holdings B.V.</td>
<td>ordinary</td>
<td>15,078,159</td>
<td>59.06%</td>
<td>15,078,159</td>
<td>59.06%</td>
</tr>
<tr>
<td>Amsterdam (Netherlands) — Company of Ferrovial SA Group (Spain)</td>
<td>ordinary</td>
<td>1,280,000</td>
<td>5.01%</td>
<td>1,280,000</td>
<td>5.01%</td>
</tr>
<tr>
<td>Aviva OFE Aviva BZ WBK</td>
<td>ordinary</td>
<td>9,171,939</td>
<td>35.93%</td>
<td>9,171,939</td>
<td>35.93%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>25,530,098</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>25,530,098</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

### 6.4. Holders of securities conferring special control rights

The Company did not issue securities conferring special control rights.

### 6.5. Restrictions as to the exercise of voting rights

There are no restrictions with regard to the exercise of voting rights.

### 6.6. Restrictions on the transfer of ownership rights to securities of Budimex SA

There are no restrictions on the transfer of ownership rights to securities of Budimex SA, except for the rights concerning registered shares whose disposal requires approval of the Company. Such approval has to be granted by the Management Board in writing, otherwise null and void.
6.7. **Rules regarding appointing and recalling the management members and their powers, in particular the right to decide on the issue or buy-back of shares**

The Supervisory Board appoints and recalls President of the Management Board and, upon his/her request, the Vice-Presidents of the Management Board or other Board Members for a joint three-year term of office.

The Management Board does not have any authority to take a decision on the issue of shares. The rights of the Management Board regarding a decision to redeem shares do not vary from those set forth in the Code of Commercial Companies.

The policies concerning appointing and recalling Management Board Members, the rights of those persons, in particular the right to make a decision to issue or redeem Company’s shares, included in the Articles of Association did not change in 2015.

In accordance with the provisions of the Company’s Articles of Association, the Management Board conducts the Company’s affairs and represents the Company, which means that the scope of its duties follows the provisions of the Code of Commercial Companies. The particular scope of powers of the Management Board, provided for in the Articles of Association, includes:

- granting approval for the disposal of registered shares,
- determining the share issue price in the case of share capital increase,
- cancelling or limiting the pre-emptive right with respect to newly issued shares upon approval by the Supervisory Board,
- defining the method of determining the share issue price or issuing shares in exchange for non-monetary contribution upon approval by the Supervisory Board,
- making decisions on the purchase or disposal of property, perpetual usufruct or share in property, machines and equipment, securities or other asset items where the unit price on acquisition or disposal does not exceed one fifth of the Company’s share capital,
- taking a decision on the payment of advance dividend in anticipation of the year-end dividend, upon approval by the Supervisory Board.

6.8. **Amendment to the Articles of Association of Budimex SA**

Amendments to the Articles of Association are made by way of resolution of the General Meeting of
Shareholders and upon their entry in the National Court Register. These issues are regulated in par. 13 letter r) of the Articles of Association in the description of the rights of the General Meeting of Shareholders and in par. 17 section 1 letter l) of the Rules of Procedure of the General Meeting of Shareholders. Just as with any resolution of the General Meeting of Shareholders, prior to its adoption, its draft must be presented by the Management Board to the Supervisory Board for the latter to express its opinion. In accordance with the provisions of the Commercial Companies Code, the adoption of such a resolution requires a qualified majority, i.e. (i) as a rule — 3/4 of votes, (ii) in the case of a major change in business areas — 2/3 of votes.

6.9. Functioning of the General Meeting of Shareholders, its fundamental powers, rights of the shareholders and the manner of exercising those rights

The General Meeting of Shareholders operates on the basis of the Articles of Association, Rules of Procedure of the General Meeting of Shareholders (both documents are posted on the Company’s website) and provisions of other laws, including the provisions of the Code of Commercial Companies. Particular powers of the General Meeting of Shareholders are described in Par. 13 of the Articles of Association. Shareholders exercise their rights as specified in the Articles of Association, the Rules of Procedure of the General Meeting of Shareholders and the applicable laws.

The General Meeting may be ordinary or extraordinary. The Ordinary General Meeting is convened within six months after the end of the financial year at the latest. General Meetings of Shareholders are convened by the Company’s Management Board. The Supervisory Board may convene an Ordinary General Meeting of Shareholders if the Company’s Management Board does not convene it within the period defined in the Code of Commercial Companies or in the Articles of Association; the Supervisory Board may also convene an Extraordinary General Meeting of Shareholders, if such a meeting is deemed advisable. Shareholders representing at least half of the Company’s share capital or at least half of total voting rights in the Company are entitled to convene an Extraordinary General Meeting. If this is the case, the shareholders appoint the chairman of the Meeting.

The shareholder or shareholders representing at least one twentieth of the Company’s share capital may request, in writing or using electronic means of communication, that the Company’s Management Board convene an Extraordinary General Meeting of Shareholders and include certain specific matters on the meeting agenda or matters that are to be introduced to the meeting agenda. If, within two weeks of the date of forwarding such a request, the Extraordinary General Meeting of Shareholders is not convened, the court of registration may authorise the shareholders initiating that request to convene the Meeting. The court of registration then appoints the chairperson of the Meeting, and the shareholders should refer to that decision of the court of registration in the notification of convention
of the Meeting. The Meeting so convened adopts a resolution on whether the costs of convening and holding the Meeting are to be borne by the Company. The shareholders who requested convention of the Meeting may apply to the court of registration to be exempted from the costs imposed by the resolution of the Meeting.

At the Company’s website, there is a special e-mail address that can be used in cases provided for in the Code of Commercial Partnerships and Companies in connection with the General Meeting.

The General Meeting is convened by publishing of a notice at the Company’s website and in the manner anticipated for the provision of current information, pursuant to the regulations on public offers, the conditions of introducing financial facilities to organised trading system and public companies. The notice must be made at least twenty-six days before the scheduled date of the General Meeting of Shareholders.

The General Meeting of Shareholders may also be convened in the manner specified in the Code of Commercial Companies on condition that the provisions of Article 405 of the Code of Commercial Companies are fulfilled.

A shareholder or shareholders representing at least one twentieth of the Company’s share capital may request that certain matters be included on the agenda of the next General Meeting of Shareholders. The request should be submitted to the Management Board of the Company no later than twenty-one days before the scheduled date of the Meeting and it should contain a justification or a draft of the resolution concerning the proposed item of the agenda. The request may be submitted in an electronic form. The Management Board is obliged to announce the changes introduced to the agenda upon the Shareholders’ request immediately, but not later than eighteen days before the appointed date of the General Meeting. Such announcement is executed in the manner applicable to convening the General Meeting of Shareholders. A shareholder or shareholders representing at least one twentieth of the Company’s share capital may, before the date of the General Meeting of Shareholders, send to the Company in writing, or using electronic means of communication, draft resolutions concerning matters entered to the agenda of the General Meeting of Shareholders, or matters that are to be put on the meeting’s agenda. The Company immediately publishes the draft resolutions on its website. During the General Meeting, each Shareholder is entitled to submit draft resolutions concerning the issues put on the agenda.

The shareholders may participate in the General Meeting and vote in person or by a proxy. The power of attorney to participate in the General Meeting and to exercise the voting rights must be granted in writing on in electronic format. A proxy in electronic form does not require any secure electronic
signature verifiable through a qualified certificate.

In accordance with the Articles of Association, the General Meeting of Shareholders adopts resolutions on the following matters (apart from other matters provided for in the applicable laws):

- review and approval of the directors’ report on the Company’s operations and of the financial statements for the preceding financial year,
- review and approval of the directors’ report on the Group’s operations and of the consolidated financial statements of the Budimex Group,
- granting discharge to members of the Company’s governing bodies for performance of their duties,
- creation, liquidation and use of special funds and capital reserve,
- distributing profit or determining the method of covering losses; The General Meeting may pass a resolution stipulating that the dividend will be used, in part or in full, for the purpose of increasing the share capital and that the shareholders will receive new shares instead;
- claims for losses incurred at incorporation of the Company, or losses resulting from performing management or supervisory functions,
- disposing or leasing/renting the company or its organised part, or establishing limited property rights thereon,
- taking decisions on the company merger or liquidation, and appointing Company’s liquidators,
- issuing convertible bonds or bonds with priority rights, and subscription warrants,
- redemption of shares,
- amendment of the Company’s Articles of Association, in particular concerning a share capital increase or decrease, or change to the Company’s areas of business,
- adopting the Rules of Procedure of General Meeting of Shareholders;
- appointing and recalling Members of the Supervisory Board;
- determining the rules and amount of remuneration for the Supervisory Board members,
- re-acquisition of own shares to offer them to employees or persons who were employed at the Company or any related company for the period of at least three years,
- concluding a credit, loan or guarantee agreement or a similar agreement with a Member of the Management Board or Supervisory Board, a commercial representative or liquidator, or for the benefit of any of the above-mentioned persons;
- specification of the day on which the list of shareholders entitled to receive a dividend for a given financial year will be determined (dividend date).
Matters submitted by the Management Board for consideration of the General Meeting of Shareholders should be first submitted to the Supervisory Board for an opinion.

Resolutions of the General Meeting of Shareholders are adopted by an absolute majority of votes, irrespective of the number of shares represented at the meeting, unless the provisions of the Code of Commercial Companies provide otherwise.

6.10. Composition and changes thereto in the last financial year, and activities of the Company’s management and supervisory bodies and their committees

a) Composition of the Management Board

As at 31 December 2015, the Management Board of Budimex SA was composed of the following persons:

- Dariusz Jacek Blocher, President of the Management Board, General Director,
- Fernando Luis Pascual Larragoiti, Vice-President of the Management Board,
- Cezary Mączka, Board Member, Chief HR Officer,
- Jacek Daniewski, Board Member, Chief Legal and Organisational Officer,
- Henryk Urbański, Board Member, Chief Real Estate Officer,
- Marcin Węgłowski, Board Member, Chief Financial Officer.

Changes in the composition of the Management Board in 2015:

- Andrzej Artur Czynczyk resigned from the position of Member of the Management Board as of 17 September 2015,
- Upon the request of the President of the Management Board, the Supervisory Board, by resolution No 239 of 16 December 2015, appointed Cezary Mączka as Member of the Management Board.

As at 31 December 2015, the following persons had joint authorisations:

- Artur Popko — joint authorisation with the other commercial representative,
- Radosław Górski — joint authorisation with the other commercial representative.

Changes in the authorisations to represent the Company in 2015:

- on 26 February 2015, joint authorisations to represent the Company together with a Member of the Management Board, granted to Artur Popko, Radosław Górski and Andrzej Goławni, were withdrawn,
on 26 February 2015, joint authorisations to represent the Company together with the other commercial representative were granted to: Artur Popko, Radosław Górski and Andrzej Goławski.

on 5 October 2015, the joint authorisation to represent the Company together with the other commercial representative, granted to Andrzej Goławski, was withdrawn.

During the year 2015, policies concerning appointing or recalling members of managing bodies as well as the rights of members of these bodies, including the right to take decisions on share issuance or redemption, as provided in the Articles of Association, did not change.

b) **Composition of the Supervisory Board and its committees**

As at 31 December 2015, the Supervisory Board of Budimex SA was composed of the following persons:

- Marek Michałowski President of the Supervisory Board,
- Alejandro de la Joya Ruiz de Velasco Vice-President of the Supervisory Board,
- Igor Adam Chalupec Secretary of the Supervisory Board,
- Marzenna Anna Weresa Supervisory Board Member,
- Ignacio Clopés Estela Member of the Supervisory Board
- Javier Galindo Hernandez Supervisory Board Member,
- Joe Carlos Garrido-Lestache Rodriguez Supervisory Board Member,
- Piotr Kamiński Supervisory Board Member,
- Janusz Dedo Supervisory Board Member.

In 2015, there were no changes to the composition of the Supervisory Board or its structure.

As at 31 December 2015, the Audit Committee was composed of the following persons:

- Marzenna Weresa — Chairperson,
- Javier Galindo Hernandez — Member,
- Jose Carlos Garrido - Lestache Rodriguez — Member.

The composition of the Audit Committee did not change in 2015.

With respect to the independence of an Audit Committee member, provisions of the following apply: Article 56 section 3 item 1, 3 and 5 of the Act of 7 May 2009 on Statutory Auditors and their Self-Governance, Entities Authorised to Audit Financial Statements and on Public Oversight, as well as criteria of independence from the company and entities materially related to the company, within the
meaning of the Code of Best Practice for WSE Listed Companies (rule 6 Section III Best Practice for Supervisory Board Members).

The independent status of a Supervisory Board member is determined by the Company in accordance with the criteria defined in the Procedure for Integrated Management System No 05-05 relating to obtaining information from Supervisory Board members and publication thereof, based on representations filed by Board members and in accordance with Article 56 section 3 items 1, 3 and 5 of the Act of 7 May 2009 on Statutory Auditors and their Self-Governance, Entities Authorised to Audit Financial Statements and on Public Oversight.

As at 31 December 2015, the Investment Committee was composed of the following persons:
- Piotr Kamiński — Chairman,
- Alejandro de la Joya Ruiz de Velasco — Member,
- Javier Galindo Hernandez — Member.

The composition of the Investment Committee did not change in 2015.

As at 31 December 2015, the Remuneration Committee was composed of the following persons:
- Marek Michałowski — Chairman,
- Igor Chalupec — Member,
- Alejandro de la Joya Ruiz de Velasco — Member.

The composition of the Remuneration Committee did not change in 2015.

c) **Operation of the Management Board**

The Management Board acts pursuant to the Articles of Association, Bylaws of the Management Board and the applicable provisions of law, including provisions of the Code of Commercial Companies and Partnerships. The Management Board is composed of one or more members. The Management Board conducts the Company affairs and formally represents the Company.

The President of the Management Board is appointed and recalled by the Supervisory Board. The President of the Management Board is, at the same time, the Company’s General Manager. The Supervisory Board, at the request of the President of the Management Board, appoints vice-presidents and other members of the Management Board for a 3-year joint term of office.

The functioning of the Management Board is managed by the President of the Management Board.
The detailed method of the Management Board operations is provided in the Rules of Procedure of the Management Board, approved by the Supervisory Board.

Resolutions of the Management Board are adopted by an absolute majority of votes. In the event of an equal number of votes, the President of the Management Board has the casting vote.

Persons authorised to make representations and sign documents on behalf of the Company are:
- President of the Management Board — sole representation
- two Members of the Management Board acting together or one Board Member acting together with an authorised commercial representative.

Representations filed with the Company or submissions of documents are considered valid if addressed to one Board Member or commercial representative.

d) Operation of the Supervisory Board

The Supervisory Board operates on the basis of the Articles of Association, Rules of Procedure of the Supervisory Board and other legal regulations, including the Code of Commercial Companies. The organisation and work procedures of the Supervisory Board shall be laid down in the Bylaws of the Supervisory Board adopted by the Supervisory Board.

The Supervisory Board will adopt resolutions if at least half of its members are present at the meeting and all the members have been summoned. The Supervisory Board will adopt resolutions by absolute majority of votes. In the case of a tied vote, the Chairman of the Supervisory Board shall have the casting vote. The Supervisory Board can adopt resolutions in writing and via means of direct communication over distance. Resolutions of the Supervisory Board are valid and effective if all Board members were informed about the content of the draft resolution. Supervisory Board members may participate in adopting resolutions by voting in writing by proxy i.e. through another member of the Supervisory Board, in all matters listed on the agenda of the Supervisory Board meeting, except for matters that were added to the agenda in the course of the Supervisory Board meeting.

The Supervisory Board will be entitled to inspect all Company’s documents and to demand reports and explanations from the Management Board and the Company’s personnel, to review the assets and to verify the books and documents. The Supervisory Board has the right to demand that the necessary expert opinions and analyses be prepared for its purposes with regard to matters which come within the scope of its supervision and control.

The Supervisory Board shall exercise supervision over the activity of the Company, in all areas of such activity. Particular duties of the Supervisory Board include:
• assessment of the directors’ report on the company’s operations and of the financial statements for the preceding financial year,

• assessment of proposals made by the Management Board concerning the distribution of profit or coverage of loss,

• recommend the General Meeting to give discharge to members of the Company's Management Board for performance of their duties;

• submission of the annual written reports on the results of the aforementioned assessment to the General Meeting of Shareholders,

• suspend individual or all Members of the Management Board for important reasons and delegate the Members of the Supervisory Board to temporarily fill in for those Members of the Management Board who have been recalled, have resigned or are incapable of performing their duties for some other reasons, for the period of no more than 3 months;

• approval of the Rules of Procedure of the Management Board of the Company,

• conclude contracts with the Company Management Board Members and determine the remuneration of the President and the Members of the Management Board as well as their bonus schemes, exercise the rights resulting from the employment contract towards the Management Board Members on behalf of the Company; employment contracts shall be concluded by the Chairman on behalf of the Supervisory Board,

• appoint a statutory auditor from the National Council of Statutory Auditors in order for the Company’s financial statements to be audited,

• give consent for the Management Board to enter into an agreement with an underwriter for taking up the company's shares,

• give consent for a Member of the Management Board to engage in competitive business or to participate in a competitive company,

• give consent for the Management Board to exclude or limit a subscription right in respect of shares of new issues;

• give consent to the manner of determining the issue price and delivering shares in exchange for non-monetary contributions proposed by the Management Board;

• give consent to purchase or sale of property, perpetual usufruct or share in property, machinery and equipment and/or to sale or purchase of securities or other assets provided that the unit price of purchase or sale exceeds one-fifth of the Company’s share capital; in the case of transactions covered by the above-mentioned obligation to give consent, not exceeding the specified value, all decisions will be made by the Management Board.

e) **Responsibilities of the Audit Committee**

Tasks of the Audit Committee include:
• providing recommendations to the Board regarding the selection of an entity to perform the function of a statutory auditor authorised to audit the Company’s financial statements and consolidated financial statements for the previous financial year;
• monitoring the process of preparing the Company’s financial statements and consolidated financial statements for the previous financial year; performing detailed reviews of the results of those audits at each audit stage;
• monitoring the financial audit process;
• monitoring the effectiveness of the internal control, internal audit and risk management systems;
• forwarding to the Supervisory Board conclusions and recommendations relating to the audit and assessment of the financial statements of the Company and of the consolidated financial statements for the previous year, as well as the Management Board’s proposals concerning the distribution of profit or coverage of loss;
• forwarding to the Supervisory Board conclusions and recommendations concerning acknowledgement of the fulfilment of duties by the Chief Financial Officer,
• monitoring the independence of the statutory auditor and the entity authorised to audit financial statements, in this case — the independence of services referred to in article 48 par. 2 of the Act of 7 May 2009 on Statutory Auditors and Their Self-Governance, Entities Authorised to Audit Financial Statements and on Public Oversight,
• performing other tasks commissioned by the Supervisory Board depending on the current situation at the Company,
• submitting interim and annual reports on its activities to the Supervisory Board.

f) Responsibilities of the Investment Committee
The tasks of the Investment Committee include expressing opinions or appropriately, approving issues which are substantial for the Company due to their value concerning: investments and divestments into non-financial assets, creating and dissolving companies, investments, divestments and share issues, the object of which are financial assets, mergers, demergers and transformations of entities within the Budimex Group, financial transactions, appointment of one-task organisations to perform works or deliver services under conditions differing from the sample consortium agreement obligatory in the Budimex Group, preliminary contracts and non-binding offers, development projects, and substantial contracts with affiliated entities.

The Investment Committee performs its activities on the basis of the procedure approved by the Supervisory Board. The Supervisory Board is informed at its subsequent meetings about matters on which the Investment Committee was to provide opinions during the period in between the Supervisory Board’s meetings.
g) **Responsibilities of the Remuneration Committee**

The responsibilities of the Remuneration Committee comprise:

- submitting for approval by the Supervisory Board proposals concerning remunerating the Management Board Members, in particular: fixed remuneration, performance-based remuneration, retirement scheme and severity as well as long-term incentive programs, together with recommendations concerning objectives and assessment criteria for appropriate alignment of remuneration of Management Board Members with long-term shareholder interests and the Company’s objectives defined by the Supervisory Board; providing the Supervisory Board with proposals concerning remuneration of individual Management Board Members and ensuring that the remuneration proposed is consistent with the remuneration rules adopted by the Company, and assessment of work performance of individual Board Members; providing the Supervisory Board with proposals concerning the appropriate form of employment contracts for individual Board Members; providing the Supervisory Board with proposals concerning bonus ratios, their weight for Board members based on the budget for the given year; offering assistance to the Supervisory Board in supervising the process under which the Company meets the regulations in the area of remuneration disclosure (in particular in the area of remuneration of members of the Management Board); monitoring the level and structure of remuneration of Management Board members based on independent payroll reports, market ratios, and submitting to the Supervisory Board appropriate underlying studies and conclusions; providing opinions on the appointment and removal of members of Supervisory Boards at Budimex SA subsidiaries, except for SPVs;

- approving, at the request of the Management Board, the bonus ratio for employees of the Budimex SA head office to be used in calculation of preceding year bonus and the percentage ratio for remuneration increase in the current year;

- preparation of the annual report on activities of the Remuneration Committee.

### 6.11. Remuneration policy for Members of the Supervisory Board, of the Management Board and of key managers of Budimex SA

**Supervisory Board Members**

The body entitled to establish the rules to determine remuneration of the Members of the Supervisory Board of Budimex SA is the General Meeting of Shareholders. On 28 April 2015, the General Meeting of Shareholders resolved that members of the Supervisory Board of Budimex SA would receive a monthly remuneration for their work in the following amounts:

- Chairman of the Supervisory Board – double of the average monthly remuneration in the enterprise sector, without payments from the profit, with the index equal 1.7;

- Chairman of the Audit Committee of the Supervisory Board — twice the amount of the average
monthly remuneration in the enterprise sector without a profit-sharing bonus, calculated using the 1.5 ratio,

- Vice-Chairman of the Supervisory Board — twice the amount of the average monthly remuneration in the enterprise sector without a profit-sharing bonus, calculated using the 1.1 ratio,

- Secretary of the Supervisory Board — twice the amount of the average monthly remuneration in the enterprise sector without a profit-sharing bonus, calculated using the 1.2 ratio,

- Supervisory Board Member — twice the amount of the average monthly remuneration in the enterprise sector without a profit-sharing bonus, calculated using the 1.1 ratio.

**Management Board Members**

The body authorised to determine the rules of remuneration applicable to members of the Management Board of Budimex SA is the Supervisory Board. Those rules specify all forms of remuneration, in particular fixed remuneration, the performance-based remuneration system, the pension system, gratuities and long-term incentive programmes.

Additionally, the Supervisory Board performs all labour law-related activities between Budimex SA and the Members of the Management Board. The Chairman signs all employment contracts on behalf of the Supervisory Board. Agreements concluded between Budimex SA and the Members of the Management Board are set forth in item 5.1. Information about remunerating the management members are provided in the consolidated financial statements of the Budimex Group, in Note 42.1.

The remuneration of Management Board members is composed of the following:

- fixed remuneration – monthly basic rate;

- performance-based remuneration (annual bonus), composed of the following elements:
  - performance bonus determined on the basis of the annual evaluation of the completion of tasks and bonus for achieving performance indicators of Budimex Group;

incentive programme of Ferrovial Group called “Plan to grant shares related to the objectives of Ferrovial” – consisting in conditional granting of the rights to acquire shares of the parent company. Management Board members who have been employed at the Company for at least 36 months will be eligible to subscribe for the shares of the parent company. Both the award of shares and the number of awarded shares depend on achieving economic parameters set by the Ferrovial Group in the following three years and on the employment of eligible persons in the Management Board positions on the date of award.

**Key managers**

The body authorised to determine the rules of remuneration applicable to key managers is the
Management Board of Budimex SA. The rules of remuneration have been determined in remuneration by-laws and individual employment contracts.

The remuneration of key managers is composed of the following:

- fixed remuneration – monthly basic rate;
- performance-based remuneration (annual bonus) which is composed of the following elements:
  - task-related bonus which is determined on the basis of annual assessment of task completion, and
  - ratio-related bonus relating to the business activities – areas under management,
- incentive programme of Ferrovial Group called “Plan to grant shares related to the objectives of Ferrovial” – consisting in conditional granting of the rights to acquire shares of the parent company. Management Board members who have been employed at the Company for at least 36 months will be eligible to subscribe for the shares of the parent company. Both the award of shares and the number of awarded shares depend on achieving economic parameters set by the Ferrovial Group in the following three years and on the employment of eligible persons in the Management Board positions on the date of award.

Non-financial components of remuneration

Non-financial components of remunerations to which individual Board Members and key managers are entitled are the same and include “in-kind” benefits such as free-of-charge medical care, payment of life insurance policy premiums, company car.

Significant changes to the remuneration policy

There were no significant changes to the remuneration policy during the last financial year.

Assessment of the remuneration policy

The remuneration policy applicable in the Company is an effective management tool supporting the primary goal of the shareholders, i.e. the long-term appreciation of shares: in the period from 31 December 2010 to 31 December 2015, the value of shares increased from PLN 99.5 to PLN 194.0, representing a 95% growth. Furthermore, this policy ensures the stability of the exercise of the duties of the Management Board whose actions guarantee the economic success of the Company.

Management Board of Budimex SA