



ERBUD S.A.

**REPORT ON THE ACTIVITIES OF THE SUPERVISORY BOARD
FOR THE PERIOD FROM 1 JANUARY 2022
UNTIL 31 DECEMBER 2022**

ERBUD S.A.
Report on the activities of the Supervisory Board
for the period from 1 January 2022 to 31 December 2022

I. Composition of the Supervisory Board

From 1 January 2022 to 31 December 2022, the composition of the Supervisory Board of ERBUD S.A. was as follows:

- Roland Bosch - Chairman of the Board,
- Gabriel Główka - Vice-Chairman of the Board,
- Albert Dürr - Member of the Board,
- Michał Otto - Member of the Board,
- Janusz Reiter - Member of the Board,
- Beata Jarosz - Member of the Board,
- Michał Wosik - Member of the Board.

The dependent Members of the Supervisory Board of ERBUD SA are:

Mr Roland Bosch and Mr Albert Dürr (representing the shareholder Wolff & Müller Baubeteiligungen GmbH & Co. KG and Wolff & Müller Holding GmbH & Co. KG) and Mr Gabriel Główka, who became dependent after serving 12 years on the Supervisory Board of ERBUD SA.

The following Members of the Supervisory Board of ERBUD S.A. meet the criteria for independence specified in the Act on Statutory Auditors: Ms Beata Jarosz, Mr Michał Otto, Mr Janusz Reiter and Mr Michał Wosik.

Moreover, the following Members of the Supervisory Board of ERBUD S.A. have no actual or significant relations with a shareholder holding at least 5% of the total number of votes in ERBUD S.A.: Ms Beata Jarosz, Mr Gabriel Główka, Mr Michał Otto, Mr Janusz Reiter and Mr Michał Wosik.

The Supervisory Board consists of six men and one woman. The members of the Supervisory Board have university degrees in economics (finance and banking, production economics, business economics, German studies and specialist knowledge in areas such as international relations, capital markets and strategy). The composition of the Supervisory Board by age criterion is as follows: 0 Supervisory Board members aged under 30, 2 Supervisory Board members aged between 30 and 50 and 5 Supervisory Board members aged over 50.

The education, experience and specialist knowledge of the members of the Supervisory Board in the areas indicated above complement the competencies of the Management Board, which allows the Supervisory Board to exercise comprehensive and effective supervision over the Company's activities, including the activities of the Management Board also in highly specialised areas of the Company's economic activity.

Within the Supervisory Board of ERBUD S.A. there are two Committees, namely:

1) Audit Committee, which from 01 January 2022 to 31 March 2022 was composed of:

- Michał Otto - Chairman of the Committee (independent Member of the Supervisory Board, on the Audit Committee since 28.04.2016),
- Gabriel Główka - Committee Member (dependent Member of the Supervisory Board, on the Audit Committee since 15.11.2006),
- Janusz Reiter - Committee Member (independent Member of the Supervisory Board, on the Audit Committee since 29.05.2018).

On 1 April 2022, the Supervisory Board appointed two new members to the Audit Committee, and thus from 1 April 2022 until the date of issue of this Report the Audit Committee of ERBUD S.A. has been composed of:

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- Michał Otto - Chairman of the Committee (independent Member of the Supervisory Board, on the Audit Committee since 28.04.2016),
- Gabriel Główka - Committee Member (dependent Member of the Supervisory Board, on the Audit Committee since 15.11.2006),
- Janusz Reiter - Committee Member (independent Member of the Supervisory Board, on the Audit Committee since 29.05.2018)
- Roland Bosch - Member of the Audit Committee (dependent Member of the Supervisory Board, as representative of the shareholder - Wolff & Müller Group, in the Audit Committee since 01.04.2022)
- Michał Wosik - Member of the Audit Committee (independent Member of the Supervisory Board, in the Audit Committee since 01.04.2022)

In the Audit Committee of the Company as of 31.12.2022, Mr. Michał Otto, Mr. Janusz Reiter and Mr. Michał Wosik met the criteria for independence within the meaning of Article 129 section 3 of the Act on Statutory Auditors.

In addition, as of 01.04.2022, Mr Michał Wosik joined the independent members of the Audit Committee of ERBUD SA.

Mr. Gabriel Główka fulfils the conditions of the Act on Auditors concerning knowledge and skills in accounting or auditing. Mr. Gabriel Główka graduated from the Warsaw School of Economics, Faculty of Production Economics, specialization in construction and investment economics. His knowledge in this area is also evidenced by obtaining a Doctor of Science degree in the area of economic science, discipline finance. This is the highest degree awarded in the field of economic sciences. Obtaining the degree of Doctor of Science in the discipline of finance is a confirmation of knowledge in a wide area of this subject, including financial verification of enterprises, assessment of their financial condition etc. The competences of Mr. Gabriel Główka are also confirmed by his experience gained, among others:

(i) in the Credit Department at ING Bank Śląski, (ii) in the position of the chairman of the Credit Committee of the Warsaw Region of ING Bank Śląski, the most important task of which was to assess and verify the financial capacity of enterprises to contract credit obligations and make decisions on granting them working capital and investment loans, (iii) while holding the position of President of the Management Board of Śląski Bank Hipoteczny - later ING Bank Hipoteczny, where he managed the finances - as Financial Director, (iv) while acting in the State Qualification Committee for property value assessment – where he has acquired the knowledge and skills in the area of enterprise assets valuation.

The conditions of the Act on Statutory Auditors concerning possession of knowledge and skills in the industry in which the Issuer operates are fulfilled by Mr Gabriel Główka, who graduated from the Warsaw School of Economics, Faculty of Production Economics, specialisation: construction and investment economics. For over 30 years he has been a researcher and lecturer at the Warsaw School of Economics - currently he is also the director of the Institute of Corporate Finance and Investments and the dean of the College for Enterprise Sciences. In the years 2002-2004 and again since 2009 he has been a member of the State Qualification Committee - Subcommittee for granting professional certification in the area of property value assessment.

As a result, the Issuer meets the requirements referred to in Art. 129 sections 1, 3 and 5 of the Act on Auditors.

2022, the Audit Committee held 4 meetings convened by the Chairman of the Audit Committee, (on: 01.04.2022, 23.06.2022, 02.09.2022, 30.11.2022), in which the participation of other members of the Supervisory Board as well as of managers of: the Legal Division and the Department of Audit and Internal Control was possible.

On 14.12.2020, by Resolution No. 14/2020, the Audit Committee of ERBUD S.A. issued a recommendation to the Supervisory Board on the selection of an auditor (PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyty sp.k) to review the interim financial statements and audit the annual financial statements of the Company and the Company's Capital Group for the years 2021-2023.

By Resolution No. 2/2021 of 07.01.2021 the Supervisory Board of ERBUD S.A. agreed to extend the agreement with PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyty sp.k. for the review of interim

financial statements and the audit of annual financial statements of the Company and the Company's Capital Group for the years 2021-2023, in accordance with the recommendation of the Audit Committee of ERBUD S.A.

The Remuneration Committee (RC) from 01 January 2022 to 31 December 2022 and as of the date of issue of this Report was composed as follows:

- Roland Bosch - Chairman of the Committee
- Michal Otto - Member of the Committee
- Janusz Reiter - Member of the Committee

In the opinion of the Supervisory Board, there is no need to set up any committees other than those currently functioning on the Supervisory Board.

II. Activities of the Supervisory Board

In the period from 01 January 2022 to 31 December 2022 there were 4 meetings of the Supervisory Board of ERBUD S.A. (01.04.2022, 20.05.2022, 16.09.2022, 30.11.2022). Apart from the meetings indicated above, the Supervisory Board adopted resolutions in writing or using means of direct remote communication - in accordance with §5 section 3 of the By-Laws of the Supervisory Board of ERBUD SA.

In 2022, in view of the economic situation and the high level of inflation in Poland, the Supervisory Board particularly analysed the actions taken by the Management Board mainly in the construction segment, which is ERBUD S.A.'s core business. After the pandemic thaw, the war in Ukraine started already in the first quarter, which strongly destabilised the world economy. ERBUD SA was on the list of companies particularly affected by the economic crisis. A sharp increase in the prices of construction materials, energy, rising interest rates meant that construction projects carried out in 2022 and calculated in 2021 or earlier started to generate losses. The Supervisory Board monitored and analysed the financial situation of the company on an ongoing basis, taking into account the work of the Management Board and the managers responsible for the performance of construction projects, who, since the beginning of March 2022, have been making every possible effort to minimise the losses resulting from the rising prices mentioned above.

In addition, other financial and economic issues such as bank covenants, overdue receivables and others were analysed during the 2022 Supervisory Board meetings.

In 2022, the Supervisory Board adopted 53 resolutions, both at meetings - including online - and in writing or by means of direct remote communication, including, but not limited to

- It appointed two new Members of the Audit Committee of ERBUD SA (Mr Roland Bosch and Mr Michal Wosik);
- It adopted the directions of the company's and ERBUD SA Group's development strategy for the years 2022 – 2026;
- It gave its consent to the Management Board of the Company to purchase its own shares for the purpose of redemption;
- It gave its consent to transactions under a buy-back of ERBUD SA's own shares worth PLN 20 million;
- It issued an assessment on the compliance of the ERBUD SA's 2021 report on operations and annual financial statements, with the books, documents and facts;
- It provided the Supervisory Board's assessment of the compliance of the report on the activities of ERBUD SA for 2021 and the annual financial statements, with the books, documents and facts;

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- It issued a statement on the appointment and activities of the Audit Committee of ERBUD SA;
- It adopted the report on the remuneration of Members of the ERBUD SA bodies for 2021;
- It considered and evaluated the Management Board's proposal for the distribution of profit for 2021.
- It assessed transactions with related parties of ERBUD SA;
- It gave opinions on draft resolutions for the OGM;
- It gave its consent for ERBUD SA to submit bids worth more than EUR 30 million;
- It agreed to signing of agreements to incur liabilities with financial institutions (or annexes thereto);
- It agreed to provide a guarantee for MOD21 GmbH;
- It approved the material and financial plan and the investment plan of ERBUD SA and the ERBUD Group for 2023.

The Company has a procedure for selecting an audit firm, a policy for selecting an audit firm to conduct an audit and a policy for the provision of permitted non-audit services by the audit firm conducting the audit, by entities related to the audit firm and by a member of the audit firm's network. 2021, ERBUD S.A. selected an audit firm to conduct an audit on the basis of the procedures adopted in this respect. The selection of the audit firm for the statutory audit for the 2021 financial year, which concerned the renewal of the agreement, was made on the basis of a resolution of the Audit Committee adopted on 14 December 2020, which made a recommendation to the Supervisory Board regarding the selection of the audit firm. Subsequently, on 7 January 2021, the Supervisory Board adopted a resolution to extend the agreement with the audit firm Pricewaterhousecoopers Polska spółka z ograniczoną odpowiedzialnością Audyt Sp. k. for statutory audit services for 2021 – 2023.

Moreover, the Audit Committee, acting pursuant to Article 130 section 1 item 4) of the Act on Auditors, Audit Firms and Public Supervision (Journal of Laws of 2020, item 1415), adopted a resolutions on the assessment of the auditor's independence and consent to the provision by the auditor of permitted non-audit services, i.e.:

- review services of the financial statements of ERBUD S.A. for the first half of 2022 and the consolidated financial statements of the ERBUD Group for the first half of 2022;
- assurance services on selected non-financial indicators for the year 2022;

Moreover, on 31.01.2023 the Audit Committee of ERBUD SA adopted resolutions concerning:

- consent to admissible non-audit services performed by the auditor, i.e. assessment services for the 2022 report on the remuneration of company bodies;
- consent to admissible non-audit services performed by the auditor, i.e. services to prepare an audit report on the compliance of the 2022 financial statements in XBRL format with ESMA standards.

In the period from 01 January 2022 until 27 June 2022 the Management board consisted of:

Dariusz Grzeszczak -	President of the Management Board
Agnieszka Głowacka -	Vice-President of the Management Board
Jacek Leczkowski -	Vice-President of the Management Board
Radosław Górski -	Member of the Management Board

On 27 June 2022, Mr Radoslaw Gorski resigned from his position as Member of the Management Board with immediate effect, therefore the Management Board of ERBUD SA from 28 June 2022 until 31 December 2022 and until the date of this Report has consisted of:

Dariusz Grzeszczak -	President of the Management Board
Agnieszka Głowacka -	Vice-President of the Management Board
Jacek Leczkowski -	Vice-President of the Management Board

From 28 June 2022 until 31 December 2022 and until the date of this Report, the Management Board is composed of two men and one woman. The members of the Management Board hold degrees in construction and finance and economics and have specialist knowledge resulting from years of experience in managing capital groups As of 31

December 2022, the composition of the Management Board in terms of age is as follows: no Management Board members aged under 30, two Management Board members aged between 30 and 50 and one Management Board member aged over 50.

Important matters and financial data were analysed and discussed by the Audit Committee and the Supervisory Board together with the Management Board of ERBUD S.A., both by telephone and during the meetings of the Supervisory Board.

In addition, the Supervisory Board received from the Management Board of ERBUD S.A. monthly reports describing the current financial and economic situation of the Company and the ERBUD Group, as well as ongoing information on the extension of the plant in Ostaszewo including business processes – a plant designed to produce module buildings.

The Management Board kept the members of the Supervisory Board informed of its operational activities of special nature, the Members of the Supervisory Board were also kept informed in advance of all important events and significant decisions to be taken.

III. Assessment of the Company's situation, including assessment of internal control systems, risk management, compliance and internal audit function.

The Supervisory Board confirms that in the ERBUD S.A. Group there is an audit and internal control unit, which directly reports to the Management Board of ERBUD SA.

The Audit and Internal Control Department is made up of independent work units focused on planning and coordinating audit and control projects. Due to organisational changes within the ERBUD Group, as of 1 January 2022, the Audit and Internal Control Department is headed by a manager newly appointed to this function, functioning within the Group's structures since 2014.

The tasks of the Audit and Internal Control Department include:

- Ongoing supervision of performed projects.
- Ongoing analysis of performed projects in respect of potential claims and indexation.
- Supervision of processes in the company in terms of economy, legality, purposefulness, reliability, as well as transparency and openness of applied solutions.
- Identification of risk areas and initiation of corrective and preventive actions to eliminate irregularities that may occur in the future, by making recommendations for specific solutions and standards, including an analysis of risk charts at the stage of offer preparation.
- Submitting of proposals of changes in the organisation of implemented projects and changes aimed at lowering the costs of implementation or increasing the competitiveness of ERBUD S.A.'s offer.
- Examination of the correctness of the performance of tasks belonging to the scope of activity of the Company's organisational units - presentation of protocols, reports, post-control speeches and recommendations.
- Disclosing of financial irregularities and ensuring compliance of activities with the binding legal order, rules of expertise and established internal standards and procedures.
- Determination of the actual state of implementation of the tasks belonging to the scope of activity of the controlled entities, documenting it, comparing it with the required state and assessing the established facts in terms of legality, economy, purposefulness and reliability. Identification of persons responsible for irregularities.
- Preparation and implementation of an annual audit and control plan, as well as ad hoc audits and controls commissioned by the Company's Management Board.

- Monitoring of the implementation of recommendations from audit / control proceedings and providing support in implementing the recommendations.
- Close cooperation with the controlling department and the legal division with regard to the correctness of the valuation of long-term contracts as of the date of control (including the balance sheet date); joint monthly analysis of results on individual projects taking into account potential risks.

The Audit Department carries out its activities on the basis of audits and controls planned and commissioned by the Management Board.

In the opinion of the Supervisory Board, the obligations relating to financial reporting and operating activities are fulfilled by the units appointed to that effect in a proper manner.

The Supervisory Board, after reviewing the reports and activity reports of the Audit and Internal Control Department, positively assesses the control mechanisms in place at the Company.

In addition, the Supervisory Board was informed about the scope of disclosures within the framework of non-financial reporting and positively assesses Erbud CG's ESG report for 2022.

IV. Assessment by the Supervisory Board of the compliance of the report on the operations of ERBUD SA and the annual financial statements with the books, documents and facts.

During 2022 and until 24 March 2023, both the Supervisory Board and the Audit Committee of ERBUD SA held meetings, the purpose of which was to analyse and assess the separate and consolidated financial documents of ERBUD SA and ERBUD Group for the period 01.01.2022 - 31.12.2022.

On 29 March 2023, acting on the basis of §70 section 1 item 14 and §71 section 1 item 12 of the Regulation of the Minister of Finance of 29 March 2018 on periodic information provided by issuers of securities and the conditions for recognising as equivalent the information required by the laws of a non-member state, the Supervisory Board of ERBUD SA adopted a resolution stating that the report on the operations of ERBUD S.A. and the ERBUD S.A. capital group and the annual financial statements of ERBUD S.A. and the consolidated financial statements of the ERBUD S.A. capital group are consistent with the books, documents and facts.

The Supervisory Board justified its assessment as follows:

ERBUD S.A. keeps the books of account in a proper manner and economic events are correctly reflected in the accounting records. The report on operations and the financial statement prepared on their basis properly reflect the formal and factual state of ERBUD S.A. and the capital group.

The Management Board of the Parent Company is responsible for preparing the Consolidated Report on Operations in accordance with the law.

The Management Board of the Parent Company and members of the Supervisory Board are obliged to ensure that the Consolidated Report on Operations together with the separated parts meet the requirements provided in the Accounting Act.

In its opinion of 29 March 2023, the certified auditor assured that the consolidated financial statements of the ERBUD capital group in which ERBUD SA is the parent company:

- gives a true and fair view of the consolidated asset and financial conditions of the group Erbud S.A. (the "Group"), in which Erbud S.A. is the parent company (the "Parent Company"), as of 31 December 2022 and its consolidated financial result and consolidated cash flows of the Group for the financial year then ended, in accordance with applicable International Financial Reporting Standards as adopted by the European Union and with adopted accounting policies;
- is consistent in form and content with the legal regulations binding on the Company and the its Statutes;

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- has been prepared on the basis of properly maintained accounting records in accordance with the provisions of chapter 2 of the Accounting Act of 29 September 1994 (the “Accounting Act”).

This opinion is consistent with the additional report for the Audit Committee that was issued by PwC on 29 March 2023.

The Management Board of ERBUD SA also stated that the financial statements of ERBUD SA for 2022 had been prepared in accordance with the applicable accounting principles and reflect, in a true, fair and clear manner, the asset and financial situation of the company ERBUD SA.

The Supervisory Board of ERBUD SA, having familiarized itself with the documents submitted by the Management Board:

1) Separate financial statements of ERBUD Spółka Akcyjna for the year ended on 31 December 2022, including:

- a) introduction to the financial statements,
- b) the balance sheet as of 31 December 2022, with total assets and liabilities of PLN 1,055,963,601.21 (one billion fifty five million nine hundred sixty three thousand six hundred and one 21/00 Zloty),
- c) the profit and loss statement for the period from 1 January to 31 December 2022, showing a net profit of PLN 29,300,018.54 (twenty nine million three hundred thousand eighteen 54/00 Zloty),
- d) the cash flow statement showing a decrease in cash during the financial year ended on 31 December 2022 by PLN 104,981,789.67 (one hundred and four million nine hundred eighty one thousand seven hundred eighty nine 67/00 Zloty),
- e) the statement of changes in equity showing an increase in equity during the financial year ended on 31 December 2022 by PLN 9,300,098.54 (nine million three hundred thousand ninety eight 54/00 Zloty),
- f) notes on adopted accounting policies and other explanatory notes.

2) Consolidated financial statements of the ERBUD S.A. Capital Group for the year ended on 31 December 2022, including:

- a) introduction to the consolidated financial statements,
- b) consolidated balance sheet of the ERBUD Capital Group as of 31 December 2022, with total assets and liabilities of PLN 2,016,268,868.12 (two billion sixteen million two hundred sixty eight thousand eight hundred sixty eight 12/00 Zloty),
- c) the consolidated profit and loss statement of the ERBUD Capital Group for the period from 1 January to 31 December 2022, showing a net profit of PLN 10,994,689.96 (ten million nine hundred ninety four thousand six hundred eighty nine 96/00 Zloty),
- d) the ERBUD Capital Group's consolidated cash flow statement showing a decrease in cash during the financial year ended on 31 December 2022 by PLN 199,248,883.40 (one hundred ninety nine million two hundred forty eight thousand eight hundred eighty three 40/00 Zloty),
- e) the statement of changes in consolidated equity showing a decrease in equity during the financial year ended on 31 December 2022 by PLN 19,254,515.06 (nineteen million two hundred fifty four thousand five hundred fifteen 06/00 Zloty),
- f) notes on adopted accounting policies and other explanatory notes.

3) The auditor's report and opinion of 29 March 2023.

made a positive assessment of the above-mentioned documents as regards their compliance with the Company's books and documents, as well as with the actual state of affairs. Therefore, the Supervisory Board of ERBUD SA decides to submit this assessment to the Ordinary General Meeting of ERBUD SA.

The Supervisory Board recommends that the General Meeting of ERBUD SA approve:

- Separate financial statements of ERBUD Spółka Akcyjna for the financial year ended on 31 December 2022,
- Consolidated financial statements of the ERBUD Capital Group for the financial year ended on 31 December 2022,
- Management Board's reports on the operations of the ERBUD Capital Group including the report on the operations of ERBUD S.A. in 2022.

V. Evaluation of the Management Board's proposal on the allocation of net profit of ERBUD SA for the year ended 31 December 2022.

Due to the fact that the Management Board of ERBUD SA resumed the application of the dividend policy in ERBUD SA (current report no. 12/2023 dated 03.04.2023), the Supervisory Board positively assesses the proposal of the Management Board of ERBUD SA to the Ordinary General Meeting of ERBUD SA of the allocation of net profit of ERBUD SA for 2022 in the amount of PLN 29,300,018.54, dividing it as follows:

- the amount of PLN 10,021,062.24 (ten million twenty one thousand sixty two 24/00 Zloty) - to be allocated for dividend payment;
- the remaining amount of PLN 19,278,956.30 (nineteen million two hundred seventy eight thousand nine hundred fifty six 30/00 Zloty) – to be allocated to the Company's supplementary capital.

VI. Assessment of the manner in which the Management Board has fulfilled its information obligations towards the Supervisory Board, including with regard to independently informing the Board and providing the Board with the documents and explanations requested by the Board. Self-Assessment of the Supervisory Board's Activities

The Supervisory Board maintained its independence as regards the assessment of the work of the Management Board and the Company's activity also in the area of its functioning as a public interest entity. With regard to the personal composition, it can be stated that the Company's Supervisory Board is distinguished by its composition, which has diverse knowledge and experience. The members of the Supervisory Board represent a high level of preparation and are prepared in terms of their merits, taking into account the specific nature of the Company's and the Capital Group's operations. All Members of the Supervisory Board have exercised due diligence in performing their duties, using their knowledge, qualifications and skills.

All members of the Supervisory Board have a good understanding of the risks associated with the Company's operations. In performing its duties, the Supervisory Board used the information and documents presented by the Management Board of the Company, as well as by the Company's appointed employees, in particular in the area of internal audit or legal department. The members of the Management Board provided the Board with all information, explanations in a timely and comprehensive manner and prepared and sent documents and reports requested by the Board during the year. The Supervisory Board views the active participation of the Management Board in all Board meetings positively. Furthermore, the Management Board independently notified the Supervisory Board of all important events and significant circumstances in the operational area. The Supervisory Board actively cooperates with the committees of the Supervisory Board and positively assesses the activities of these committees. In the opinion of the Supervisory Board, the cooperation with the Company's Management Board was very efficient and there were no cases of the Supervisory Board taking over the competences. Members of the Supervisory Board were involved in the work of the Board, usually participating in its deliberations in full composition. Few cases of absence were always justified. Activities to which the Supervisory Board is obliged were performed on time and with the utmost care. Decisions were made after detailed discussions, listening to the Management Board's arguments, not infrequently intensified by expert opinions and opinions prepared by external advisors. Significant observations and opinions of the Supervisory Board members were reflected in the

minutes of the Board meetings. All Members of the Supervisory Board performed their functions in an active way, showing the necessary level of involvement in the work of the entire Supervisory Board. Members of the Supervisory Board devoted the necessary amount of time to perform their duties resulting from sitting on the supervisory body, including the committees of the Supervisory Board, in particular the Audit Committee. In light of the obligations arising from the provisions of law and the Company's Statutes, the Supervisory Board duly fulfilled its obligations arising from permanent supervision over the Company.

2022, the Supervisory Board did not pass resolutions to have a certain matter relating to the company's business or its assets examined at the company's expense by a selected advisor (advisor to the Supervisory Board), thus no obligation to pay remuneration as referred to in Article 382 §3 item 5) of the Code of Commercial Companies and Partnerships arose on the part of the Company.

In the opinion of the members of the Board, the Supervisory Board of the Company properly fulfilled its obligations arising from the provisions of law, the Statutes and the Supervisory Board Rules..

VII. Assessment of the manner in which the Company fulfils its information obligations concerning the application of corporate governance rules specified in the Rules of the Warsaw Stock Exchange and the regulations concerning current and periodic information provided by issuers of securities

The Supervisory Board evaluated the way in which the Company fulfils its information obligations related to the application of corporate governance rules specified in the Rules of the Warsaw Stock Exchange –Gielda Papierów Wartościowych w Warszawie S.A. and regulations concerning current and periodical information provided by issuers of securities.

The Supervisory Board positively assesses the fulfilment of the obligations referred to above by the Company ERBUD S.A.

Since 30 July 2021, ERBUD S.A. has been following the guidelines developed by the Stock Exchange Council in the set of corporate governance principles called “Best Practices of WSE Listed Companies 2021”. In order to verify the correctness of ERBUD S.A.’s performance of obligations arising from the Best Practices, the Supervisory Board reviewed the list of principles applied by the Company and documents and information published on the Company's website in the execution of the Best Practices 2021 principles. Moreover, the Supervisory Board reviewed the Company's explanations as to non-application of particular principles of the Best Practices.

The Supervisory Board positively assesses the fulfilment by ERBUD S.A. of obligations resulting from the Best Practices principles applied by the Company and assesses the Company's explanations regarding non-application of individual Best Practices principles as coherent and satisfactory.

The Supervisory Board is aware of the regulations applicable to ERBUD S.A. concerning current and periodic information provided by issuers of securities and internal regulations developed by ERBUD S.A. regulating the flow of confidential information in ERBUD S.A. and identifying the types of events subject to qualification in ERBUD S.A. for recognition as confidential information subject to reporting.

VIII. Assessment of the rationality of the Company's policy on charity, sponsoring or other activities or information about the lack of such policy

The ERBUD Group has a sponsorship policy in place, which defines the assumptions and main areas of sponsorship and social activities. Sponsorship activities - in accordance with the Policy - are aimed at building the Group's image as a friendly and socially committed company.

- Onde sponsors sports teams (basketball, hockey and speedway club).
- ERBUD is the title partner of the university league of computer games - Counter-Strike: Global Offensive and League of Legends

- Erbud is strongly involved in the promotion of construction among women and girls, together with the Foundation two parts of the book “Klara builds” were published and a series of 6 construction workshops for girls Young MajstERki in cooperation with the Science Centre Copernicus organized
- 2022 was primarily a year of financial support for Ukraine, to which funds from all Group companies were allocated.

The Supervisory Board assessed the rationality of the Company's policy on charity and sponsorship activities.

2022, through Eryk Grzeszczak Foundation ERBUD Common Challenges, the ERBUD Group committed itself to helping the families of employees of ERBUD Group companies and the families of employees of ERBUD Group subcontracting companies (Ukrainian citizens - victims of the war in Ukraine). For this purpose, ERBUD Group companies donated a total of PLN 790,000 and EUR 45,000. Other donors (legal entities and individuals) contributed an additional amount of approximately PLN 150,000 to the budget of the HELP Ukraine project.

As part of the HELP Ukraine project, support in the form of:

- rental of flats
 - organisation and funding of Polish language courses
 - purchase of basic necessities and food (including legal, psychological, medical assistance)
- was received by more than 300 people, most of whom were children.

Moreover, the Company focused strongly on supporting the ongoing activities of Eryk Grzeszczak Foundation “ERBUD - Common Challenges”, the aim of which is to help the pupils of orphanages and foster care in the process of becoming independent.

2022, for the second time, friends of the Foundation were able to donate 1% of their taxes to support the wards of the Foundation. In total, **PLN 232,937** was raised in this way.

2022 was another year of intense work of all committed to support foundation wards.

Projects carried out 2022 by ERBUD Common Challenges Foundation are among others:

Recipe for Success

Tutoring

Dreams

Psychotherapy and psychological assistance

Program Together

Sports Olympics “Players of the Year”

Talent Campus

Driving License (programme dedicated to future drivers)

IX. Evaluation of the degree of implementation of the diversity policy.

The Company pursues the objectives of the adopted diversity policy for the Supervisory Board and the diversity policy for the Management Board by ensuring the comprehensiveness of competencies, knowledge, education and professional experience in the Company's bodies.

As of 31.12.2022 and as of the date of this Report, the criterion of gender diversity in the bodies was met at the level of 33.3% in the Management Board and at the level of 14% in the Supervisory Board. The Company aims to achieve a level of gender diversity in the bodies at 30%, taking first of all into account the need to ensure competence, skills and taking into account the characteristics and factors of the candidates for the members of the bodies that justify the conviction that they will properly perform the duties associated with their functions in the given body. In selecting from among the candidates for members of the bodies, the Company will be guided by the need to ensure gender diversity at the level indicated, apply the criteria referred to above, and make its selection taking into account the facts of the available and proposed candidates.

X. Dividend

The Company did not pay a dividend in 2022 due to suspension of the Dividend Policy (current report No. 16/2020).

Warsaw, 24th April 2023

Dr. Roland Bosch
Chairman
of the Supervisory Board