

Appendix No. 1 to the Resolution No. 19/2024, dated 17 April 2024, adopted by Supervisory Board of ERBUD S.A.



**REPORT OF ERBUD S.A. SUPERVISORY BOARD ON ITS ACTIVITIES
in 2023**

17 April 2024

REPORT
of ERBUD S.A. Supervisory Board on its activities in 2023
for the Ordinary Annual General Meeting of Shareholders (AGM) of ERBUD S.A.

comprising the results of evaluation of:

1. Management Board Report on the Company's activities in 2023, together with the financial statements in terms of their compliance with the account books, documents and factual state as well as the results of the evaluation of the Management Board's motion concerning 2023 profit distribution, the 2023 Report on non-financial information of Erbud S.A. and the 2023 Report on non-financial information of the Erbud Group S.A.,
2. The Company position on a consolidated basis, taking into account the adequacy and effectiveness of the company's systems for internal control, risk management, compliance and the internal audit function,
3. Fulfilment by the Management Board of the obligations referred to in Article 3801 of the Commercial Companies' Code and the methodology used by the Management Board to prepare and submit to the Supervisory Board the requested information, documents, reports or explanations,
4. Company's application of the corporate governance principles and the manner of fulfilling the disclosure obligations regarding their application set forth in the Stock Exchange Rules and the regulations on current and periodic information provided by the issuers of securities,
5. The justifiability of the expenses incurred by the Company for the purposes indicated in Principle 1.5 of the Good Practice for WSE Listed Companies 2021,

along with information on:

6. Total liabilities of the Company in relation to all examinations commissioned by the Supervisory Board during the financial year pursuant to Art. 382¹ of the Commercial Companies' Code;
7. The degree of implementation of the diversity policy with regard to the Management Board and the Supervisory Board, including the attainment of the objectives referred to in Principle 2.1. of the Good Practice for WSE Listed Companies 2021, as well as

Other information resulting from the scope of application of Good Practices for WSE Listed Companies 2021 adopted by the Company and Art. 382 §3¹ of the Commercial Companies' Code. Evaluation of Management Board Report on the Company's activities in 2023, together with the financial statements in terms of their compliance with the account books, documents and factual state as well as the results of the evaluation of the Management Board's motion concerning 2023 profit distribution, the 2023 Report on non-financial information of Erbud S.A. and the 2023 Report on non-financial information of the Erbud Group S.A.

Pursuant to Article 382 § 3 of the Commercial Companies' Code and in accordance with the regulations described in the By-Laws of the Supervisory Board of Erbud S.A. on 26 March 2024, the Supervisory Board audited and assessed the Management Board's Report on the Operations of the Erbud Group and Erbud S.A. and the Separate and Consolidated Financial Statements for the financial year 2023 as to their conformity with the account books and documents as well as with the facts, and assessed the Management Board's motion for 2023 profit distribution. The Supervisory Board also took note of the report on non-financial information for 2023 (Separate and Consolidated), as a result of which it concludes as follows:

1. During the audit of documents for 2023 accounting year:
 - 1) the Management Board's Report on the Operations of the Erbud Group and Erbud S.A., preceded by a presentation of the financial performance with the participation of the Management Board and

representatives of the audit firm during the Supervisory Board meeting held on 20 March 2024;

- 2) review and analysis was performed of the following documents: the financial statements (separate and consolidated), the Statement of financial position, P&L account, Statement of comprehensive income, statement of changes in equity, cash flow statement, Notes and explanatory notes,
- 3) the audit reports were read on the course and results of the audit of the separate and consolidated financial statements and auditor's explanations and answers to questions from Supervisory Board members were listened,
- 4) a review was performed of Erbud S.A.'s and the Erbud Group's 2023 non-financial information reports describing issues relating to Erbud S.A.'s and the Erbud Group's impact on the environment, social and labour issues, respect for human rights, anti-corruption and anti-bribery, and listened to the Board's explanations in this regard. The audit reports describe the business model, policies in place, key risks and key non-financial indicators related to the business.

On the grounds of the analyses carried out on the report on activities and the financial statements, referred to in subsections 1) - 2) and the audit reports, referred to in subsection 3), the Supervisory Board concludes that the information presented in the reports drawn up by the Company correctly and fairly reflects the result of the Company's and the Erbud Group's business activities as well as the Company's assets and financial position. The Supervisory Board views positively the content of the non-financial information reports drawn up by the Company and the Erbud Group. According to the Supervisory Board, the reports on non-financial information, referred to in point 4) cover the scope of information required by the Accounting Act and describe fairly and correctly the activities of Erbud S.A. and the Erbud Group presented in the context of environmental, social and labour issues, respect for human rights, anti-corruption and bribery activities.

The Supervisory Board got familiar with the issues presented by the Company's Management Board on the need for resolutions to be adopted by the Ordinary Annual General Meeting, including resolutions on matters related to the Company's day-to-day operations.

The Supervisory Board, in accordance with the aforementioned position, gives a positive opinion and requests the Ordinary Annual General Meeting of Erbud S.A. to:

1. Adopt a resolution on the approval of the Management Board's Report on ERBUD S.A. Operations in the financial year ended on 31 December 2023 and the approval of the Separate Financial Statements of ERBUD S.A. for the financial year ended on 31 December 2023.
2. Adopt a resolution on the approval of the Management Board's on the Operations of the ERBUD Capital Group in the financial year ended on 31 December 2023 and on the approval of the Consolidated Financial Statements of the ERBUD Capital Group for the financial year ended on 31 December 2023.
3. Adopt a resolution on approval of the Report on the Activities of ERBUD S.A. Supervisory Board in the financial year ended on 31 December 2023.
4. Adopt a resolution on the distribution of the profit generated ERBUD S.A. in the financial year ended on 31 December 2023.
5. Adopt of resolutions on granting a vote of approval to the members of the ERBUD S.A. Management Board for the performance of their duties in the financial year ended on 31 December 2023.
6. Adopt resolutions on granting a vote of approval to the members of the ERBUD S.A. Supervisory Board for the performance of their duties in the financial year ended on 31 December 2023.

7. Review and adopt a resolution on stating an opinion on the Report of the Company's Supervisory Board on the remuneration of the members of the ERBUD S.A. Management Board and ERBUD S.A. Supervisory Board in 2023.
8. Adopt a resolution on the approval of amendments to the By-Laws of Supervisory Board of the ERBUD S.A.
9. Adopt a resolution on the appointment of new members of ERBUD S.A. Supervisory Board.
10. Adopt resolutions on the appointment of Supervisory Board members for the next term of office.
11. Adopt resolutions on the Remuneration Policy for the Members of Management and Supervisory Boards of ERBUD S.A.
12. Adopt a resolution to amend ERBUD S.A. Statutes.
13. Adopt a resolution to approve the uniform text of ERBUD S.A. Statutes.

Evaluation of the Company position on a consolidated basis, taking into account the adequacy and effectiveness of the company's systems for internal control, risk management , business compliance with the standards and the internal audit function,

Erbud S.A.'s core business is the provision of construction and maintenance services as well as management and consultancy services to the Erbud Group member companies. Erbud S.A.'s performance of the consultancy, management and financial functions is aimed at:

- > the rapid flow of information within the Group structure,
- > bolstering the efficiency of the financial and cash management of individual companies, and strengthening the Group's market position.

In the period of 12 months of 2023, Erbud SA generated sales revenues totalling PLN 1,351 million, down by 30.93% compared to the revenues generated in 2022.

Gross profit on sales in 2023 amounted to PLN 46 million, while in the previous year it reached PLN 75 million. The gross sales profitability in 2023 was therefore 3.18%, while in 2022 this index was 1.74%.

In 2023 the opening cash balance in the Company's bank accounts and cash in hand was PLN 94 million. In 12 months of 2023 net cash flows were positive and totalled PLN 30 million and as of 31 December 2023 the Company reported cash of PLN 124 million.

In 2023, operational cash flows were up to PLN 122 million.

The Company's investment activity cash flow balance was down by PLN 59 million, with the largest contribution coming from borrowings totalling PLN 57 million.

In 2023 the financial activity cash flows were negative and totalled PLN (33) million. The expenses related to the dividend payment by the Company in the amount of PLN 10 million and debt repayment - interest expense in the amount of PLN 18 million.

In 2023, the Erbud Group generated total sales revenues of PLN 3,234 million; down by 16.13% compared to the revenues generated in 2022. In 2023, the sales in value terms in the Erbud Group's building construction segment was down by 31.21% compared to 2022.

Sales in the building construction sector was down by 31.21% (from PLN 2,214 million in 2022 to PLN 1,523

million in 2023), sales in the renewable energy sector was down by 9.71% (from PLN 875 million in 2022 to PLN 790 million in 2023), whereas sales in the industrial services sector was up by 4.56% (from PLN 548 million in 2022 to PLN 573 million in 2023).

In 2023, the Erbud Group member companies signed construction contracts with a total value of PLN 3.1 billion. As of 31 December 2023 Erbud Group's construction order backlog totalled PLN 2.4 billion, down by 4.2% compared to the end of 2022.

The Group's financial position in 2023 remained at a good level. Net cash flows in 2023 were positive and totalled PLN 99 million. In 2023, operational cash flows were up to PLN 257 million. Investment activity cash flows closed with a negative balance of PLN 33 million. In 2023 financial activity cash flows were negative and totalled PLN (125 million) and were mainly the result of expenses from the loan debt repayment of PLN 94 million.

The Erbud Group's current financial position in terms of liquidity and access to external financing does not pose any risks to the financing of operations in 2024.

Erbud S.A. has a system of internal control for the process of preparing financial statements, the implementation and operation of which is the responsibility of the Company's Management Board. The financial statements are drawn up by the qualified employees of the Erbud Group's Finance and Accounting Division under the supervision of Vice President - CFO Agnieszka Glowacka. The preparation of the annual reports is preceded by a meeting between the Management Board and the independent auditors to establish the plan and scope of the audit of the financial statements and to discuss potential areas of risk that may affect the fairness and accuracy of the financial statements.

The preparation of financial statements is an orchestrated process, taking into account the appropriate division of tasks between Erbud Shared Services support staff and the CFO, adequate to their competences and qualifications. The separate financial statements are based on the books of account. The books of account of the Group's Polish companies are kept using the financial and accounting software Dynamics365, which satisfies the basic information needs of financial and management accounting function.

The consolidated financial statements are prepared on the basis of consolidation packages prepared electronically by individual Group member companies under the supervision of Erbud Shared Services staff. The data consolidation process takes place in the Team appointed to prepare the financial statements at Erbud Shared Services.

The aforementioned reporting team is responsible for recommending solutions concerning the modification and updating of accounting policies and satisfying other stock exchange financial reporting requirements, as well as their implementation after prior approval by the Management Board.

The following control activities are undertaken, inter alia, during the preparation of the financial statements:

- > evaluation of significant unusual transactions in terms of their impact on the Group's financial position and presentation in the financial statements,
- > verification of the adequacy of the assumptions made to value the estimates,
- > comparative and subject matter analysis of financial data,
- > verification of the arithmetic correctness and consistency of the data,
- > analysis of the completeness of disclosures.

The prepared annual accounts are submitted to the CFO for initial review and then to the full Management Board for final review and authorisation.

The annual financial statements are audited by an independent auditor who, following the completion of the audit, presents his findings and conclusions to the Audit Committee and then to the Supervisory Board.

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

- identification and analysis of risks in the ERBUD Group,
- the prevention of risk drivers,
- analysis of contract performance processes,
- preparing reports and issuing orders to take corrective action and supervising their implementation.

The specific tasks of the Audit and Internal Control Division comprise:

- to identify the areas to be audited and the main lines of action for internal audit,
- examination of the actual status of control mechanisms, re-engineering projects and/or improvement of business processes, planning and implementation of individual audit tasks in the ERBUD Group, including preparation of reports on audit activities containing conclusions, audit recommendations, monitoring and reporting on the degree of implementation of post-audit recommendations resulting from completed audit tasks,
- to promote good practice concerning the internal control system.

The effectiveness of the internal control and internal audit systems is monitored by the Audit Committee of the Supervisory Board. The Audit Committee receives information on the audits carried out and completed, data on contracts specifically monitored and other events covered by the audit are presented at each Audit Committee meeting.

The personnel of the Audit and Internal Control Division is required to carry out audits, inter alia, on behalf of the Management Board, while it is also possible to carry out audits commissioned by the Supervisory Board and the Audit Committee of the Supervisory Board.

The Chairman of the Audit Committee reports to the Board at Board meetings on the Committee's activities, including on the operational activities of the Audit and Internal Control Division.

In 2023, the Audit and Internal Control Division provided the Company's Management Board and the Audit Committee of the ERBUD SA Supervisory Board with summaries of its activities, including information on completed audits, conclusions and recommendations from completed and ongoing audit tasks.

In 2023, the Audit and Internal Control Division carried out 58 audits. Additionally:

- An electronic Bid Register was implemented into the WEBCON system at Erbud S.A.
- The process of reviewing and approving Risk Cards, together with detailed cash flow analysis, was transferred to the WEBCON system;
- The projects of Engineering (formerly Erbud Industry sp. z o. o.) were included in the scope of assessment of the Audit Division to the full extent, and the projects of ERBUD International sp. z o. o. and Erbud Industry Centrum sp. z o. o. to the extent of the values subject to the approval of the Management Board / Supervisory Board;
- There was constant monitoring of contract performance in terms of execution risks;
- Contracts that had been signed before 24 February 2022 were monitored and audited with a particular focus on the value of claims.

In the Audit and Internal Control Division the headcount was four employees in 2023.

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

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

- the Company's Statutes,
- Code of Ethics of ERBUD S.A.,
- the Company's By-Laws, Policies, Procedures, Instructions/Manuals, Corporate Directives, etc., including in particular those concerning the minimisation of the risk of the addressees participation and the Company being involved in any corrupt or patronage practices, as well as those aimed at preventing the "diversion" of funds from the Company.

All Company employees are responsible for applying and complying with the Compliance Policy. To this end, the Company has implemented a unified whistleblowing system, through the 4 available Compliance communication channels.

Direct supervision of the application of and compliance by the Company and Compliance Policy addressees is exercised by a specially appointed Compliance Officer, the Head of the Legal Division, who reports directly to the Vice-Presidents of the Company's Management Board.

The Company's Management Board, within the scope of its competences or upon the relevant recommendations of the Company's Supervisory Board, adopts internal Policies, Procedures or Instructions pertaining to individual areas of the Company's operations, including both internal and external relations, and rules of conduct with third parties, the purpose of which is to mitigate risks related to the Company's operations (including in the area of compliance) and prevent situations which may expose ERBUD S.A. to criminal, civil, administrative or fiscal liability.

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

Evaluation of the implementation by the Management Board of the obligations referred to in Article 380¹ of the Commercial Companies' Code, self-assessment of the performance of the Supervisory Board.

The Management Board of the Company provides current information on the current situation in the Company, including acquisitions, the order book, the financial results of Erbud S.A. and the Erbud Group during Supervisory Board meetings, while providing answers and explanations to the questions from Supervisory Board members. The Management Board also provided the Supervisory Board with information on the resolutions passed and their subject matter. In 2023, the Supervisory Board found no information deficit on the part of the Company's Management Board in the area subject to the disclosure requirement under Article 380¹ §1 of the Commercial Companies' Code. At the same time, in addition to the questions to which individual members of the Management Board provided answers on an ongoing basis during the Supervisory Board meetings, the Supervisory Board did not formulate requests for the preparation or submission of additional information, documents or reports to the Supervisory Board.

Given the above, the Supervisory Board positively assesses the implementation by the Management Board of the obligations referred to in Art. 380¹ of the Commercial Companies' Code.

In the opinion of the Supervisory Board, the Supervisory Board of the Company has properly discharged its duties under the law, the Articles of Association and the By-Laws of Supervisory Board Regulations.

An evaluation of the Company's application of the corporate governance principles and the manner of fulfilling the disclosure obligations regarding their application set forth in the Stock Exchange Rules and the regulations on current and periodic information provided by the issuers of securities

The Company in 2023 applied the "Good Practice for WSE-Listed Companies 2021" ("Good Practice 2021") introduced by virtue of Resolution No. 13/1834/2021 of the Stock Exchange Board of 29 March 2021.

In 2023, additional events requiring reporting in accordance with Good Practice 2021 were not applicable.

As reported on 09 February 2022, the Company did not apply the following Good Practice 2021 rules:

Principle	ERBUD S.A. comment
4. General meeting and relations with the shareholders	
<p>4.1. The company should enable shareholders to participate in the general meeting by means of electronic communication (e-general meeting) if this is justified by the expectations of shareholders notified to the company, provided that it is able to provide the technical infrastructure necessary for holding such a general meeting.</p>	<p>The Company plans to comply with the indicated rule if the party convening the general meeting has decided on an option to participate in the general meeting by means of electronic communication. If shareholders participate in the general meeting using means of electronic communication, the Company plans to provide real-time two-way communication to the Company's shareholders who have registered for the general meeting;</p>
<p>4.3. The Company shall provide a publicly available real-time broadcast of the general meeting.</p>	<p>The Company does not plan to provide a publicly available real-time broadcast of the general meeting. In the Company's opinion, performing information obligations in relation to general meetings, i.e., in particular, publishing current reports and publishing other relevant information on the Company's website, will ensure that shareholders have full access to information concerning its general meetings.</p>
<p>4.4. Representatives of the media should be allowed to be present at General Meetings.</p>	<p>The Rule is not applied. In the Company's opinion, proper performance of information obligations related to general meetings, i.e. in particular publication</p>

	of current reports and publishing other relevant information on the Company's website ensures that shareholders as well as other stakeholders have full access to information concerning general meetings.
4.8. Draft resolutions of the general meeting concerning issues included in the agenda of the general meeting should be submitted by shareholders no later than 3 days before the general meeting.	The Company does not apply the indicated rule. The Company is not in a position to assure that the Company's shareholders will always comply with the aforementioned rule and submit draft resolutions in compliance with the deadline provided for therein. In particular, the Company is not able to ensure that its shareholders will not exercise their rights under Article 401 § 5 of the Commercial Companies' Code to propose draft resolutions on the issues added to the agenda already during the Company's general meeting.
4.9.1. Where the subject matter of the general meeting is to be the appointment to the Management Board or the appointment of the Supervisory Board for a new term in office: 4.9.1. candidates for members of the board should be proposed within a timeframe allowing the shareholders present at the general meeting to make a decision with due discernment, but no later than 3 days before the general meeting; the candidates, together with a set of materials concerning them, should be immediately published on the company's website;	The Company does not apply the indicated rule. The Company is not in a position to ensure that the Company's shareholders comply with the aforementioned rule and propose candidates for the Supervisory Board members within the time limit provided for therein. In particular, the Company is not in a position to ensure that its shareholders do not exercise their right to propose candidates for Supervisory Board Members already during the Company's general meeting.

The Supervisory Board, taking into account the explanations received from the Management Board, is of the opinion that the scope of application of the Good Practice 2021 is adequate for the scale and profile of the Company's business.

The justifiability of the expenses incurred by the Company for the purposes indicated in Principle 1.5 of the Good Practice for WSE-Listed Companies 2021,

Erbud S.A. has for many years been involved in activities for the benefit of local communities, e.g. by implementing social projects and supporting cultural and sporting events.

In 2023, Erbud SA continued to develop its proprietary charitable and social programmes, mainly through the

activities of the ERBUD "Common Challenges" Foundation named after Eryk Grzeszczak, which aims to support foster children of orphanages in the process of becoming independent. As part of the Foundation's projects - children under foster care gain self-confidence, become stronger, discover passions, learn to make decisions and cope with setbacks. The total expenditure of the ERBUD "Common Challenges" Foundation in 2023 amounted to PLN 958 thousand, of which PLN 133 thousand was financed with donations from ERBUD companies.

An extensive description of social and charitable activities can be found in the ERBUD Group's 2023 Sustainability Report.

The Supervisory Board positively evaluates the aforementioned activities understood both as a permanent constituent of the Company's operations and individual initiatives which, in the Supervisory Board's opinion, express the tenets of corporate social responsibility, bringing the Company a material image advantage. The costs delegated by the Company for each initiative are, according to the Board's opinion, reasonable and meet the needs arising from the initiatives undertaken.

The Company's CSR activities have been recognised by the market, industry organisations and the media for many years.

2023 AWARDS granted to the ERBUD Group:

- Innovator ESG for emission calculator (MOD21 sp. z o. o.)

Distinction in Category E - Environmental Innovation for a calculator comparing the carbon footprint of traditional and timber modular construction. The tool was developed in cooperation with the Kraków-based Stanislaw Staszic Academy of Mining and Metallurgy.

- IVT Weiner + Reimann GmbH was granted an "Employer of the Future" award from the German Institute for Sustainability and Digitalisation.
- Climate Awareness Survey (CCA) - ERBUD SA's efforts to minimise its climate impact have been recognised by experts. In the 2023 Company Climate Awareness Survey, ERBUD S.A. received 9.5 out of a possible 10 points - the highest of any national construction industry. During the survey, 10 evaluation criteria were applied, including management of greenhouse gas (GHG) emissions, reporting of emissions or inclusion of climate impacts in the strategy.

The survey was initiated by the Reporting Standards Foundation, the Association of Listed Issuers and Bureau Veritas, with MATERIALITY and Energopomiar as supporting partners.

- "Polish Building Contractors 2022" Report by Deloitte – 4th Position.
- MOD21 Sp. z o. o. was granted an award for innovative environment-friendly solution.

Total payables of the Company in relation to all audits/examinations commissioned by the Supervisory

Board in 2023 pursuant to Art., 382 (1) of the Commercial Companies' Code was PLN 0, net.

Information on the degree of implementation of the diversity policy with regard to the Management Board and Supervisory Board and other information arising from the scope of the Company's adoption of the Good Practice for WSE-Listed Companies 2021 and Art. 382 §3¹ of the Commercial Companies' Code

As of 31 December 2023 the Company's 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

In 2023, 66.6% of the members of the Management Board were men over the age of 50 and 33.4% were women over the age of 50.

As of 31 December 2023 the Company's Supervisory Board comprised the following persons:

- Roland Bosch - Supervisory Board Chairman,
- Gabriel Główka - Deputy Chairman of the Supervisory Board
- Albert Dürr - a Supervisory Board Member
- Michal Otto - a Supervisory Board Member
- Janusz Reiter - a Supervisory Board Member
- Beata Jarosz - a Supervisory Board Member
- Michal Wosik - a Supervisory Board Member

The Supervisory Board is composed of experienced managers and academics (fields of economics, banking, finance) Full details of the educational background and career paths of the Supervisory Board members are published on the corporate website. The Supervisory Board views positively the competence of the Supervisory Board members in light of the Company's profile and activities.

During 2023, the Company's Supervisory Board consisted of 1 woman and 6 men aged 30-50 (2 members) and over 50 (5 members).

The Company has published on its website the Erbud S.A. Management Board Diversity Policy adopted by the Company's Supervisory Board and the Erbud S.A. Supervisory Board Diversity Policy adopted by the General Meeting of Shareholders

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

- Beata Jarosz
- Michal Otto
- Janusz Reiter
- Michal Wosik

Two members of the Supervisory Board, i.e. Roland Bosch and Albert Dürr, have a real and significant relationship with a shareholder (Wolff & Müller).

In 2023, the composition of the Supervisory Board did not change.

Two Supervisory Board Committees, reporting to the Supervisory Board, were active throughout 2023:

1. The Audit Committee with the tasks set forth in § 11, para 3 of the By-Laws of the Supervisory Board of Erbud S.A. and the Audit Committee By-Laws approved by the Supervisory Board,
2. Remuneration Committee with the tasks set forth in § 11, para 8 of the By-Laws of Erbud S.A. Supervisory Board.

The membership of all Supervisory Board Committees at the end of 2023 was as follows:

Composition of the Audit Committee as of 31 December 2023:

- Michał Otto - Chairman of Audit Committee,
- Roland Bosch – a member of the Audit Committee,
- Gabriel Główka - a member of the Audit Committee,
- Janusz Reiter – a member of the Audit Committee,
- Michał Wosik - a member of Audit Committee

There were no changes in the composition of the Audit Committee in 2023.

With regard to the fulfilment of the independence conditions for the members of the Audit Committee in 2023, the Company applied the provisions of Article 129, para 3 of the Act of 11 May 2017 on auditors, audit firms and public supervision, as well as the independence criteria for the members of the Board within the meaning of the Good Practice for WSE-Listed Companies 2021.

In 2023, the Audit Committee member with the most experience, knowledge and skills in accounting and management was Mr Gabriel Główka, who graduated from the Warsaw School of Economics (WSE), Faculty of Production Economics, specialising in construction and investment economics. His knowledge in this area is further evidenced by his postdoctoral degree (doctor habilitated) in economics, in the field of finance.

This is the highest degree awarded in the economic sciences. Obtaining a postdoctoral degree in the discipline of finance is a confirmation of knowledge in a broad area of this field, including financial verification of companies, assessment of their financial health, etc. Gabriel Główka's acquired competencies are testified by his experience gained, *inter alia*, at:

- (i) the Loan Department, ING Bank Śląski, (ii) ING Bank Śląski, where he was the chairman of the Loan Committee of the Warsaw Region of ING Bank Śląski. The most important objective of the Loan Committee was to assess and verify the financial standing of enterprises to incur loan liabilities and make decisions on granting them revolving and investment loans, (iii) while serving as the President of the Management Board of Śląski Bank Hipoteczny - later ING Bank Hipoteczny (ING Mortgage Bank), where he managed the finances of this business entity - in the position of Chief Financial Officer (CFO), (iv) while in office in the National Qualification Commission for the Property Appraisal he acquired knowledge and skills regarding the valuation of business assets.

He has been a research worker and lecturer at the Warsaw School of Economics for over 30 years - currently he is the Director of the Institute of Corporate and Investment Financing and Dean of the College of Business Administration. In the 2002-2004 period and again from 2009 he has been a member of the National Qualification Committee - Sub-Committee for Property Appraisal.

There were no changes in the composition of the Remuneration Committee in 2023. As of 31 December 2023 the Remuneration Committee consisted of the following persons:

- Roland Bosch - Remuneration Committee Chairman
- • Michal Otto – a member of Remuneration Committee,
- Janusz Reiter – a member of the Remuneration Committee,

Activities of the Erbud S.A. Supervisory Board and its committees in 2023

In 2023 the Supervisory Board operated in compliance with the rules set forth in the Company's Statutes and the By-Laws of the Supervisory Board. The Supervisory Board reviewed and, following the request of the Management Board, gave its opinion on issues of importance to the Company and the Erbud Group related to its current operations, formulating possible recommendations to the Management Board on the implementation of corrective instruments or improvement measures. The members of the Supervisory Board donated their time to the Company to the extent necessary for the proper performance of their duties both within the Supervisory Board and their functions on the various committees. In addition to the aforementioned duties, the Supervisory Board Chairman performed the duties of convening the various Council meetings and chaired over the meetings.

In 2023, the Supervisory Board held four meetings, of which three meetings were held with full composition. The Supervisory Board members responsible for the various business areas of the Company took active participation in the Board meetings.

In 2023 the **Supervisory Board** adopted 57 resolutions, which covered the following issues in particular:

- adoption of the Supervisory Board Report on the remuneration of the members of Management and Supervisory Boards of Erbud S.A. in 2022,
- consideration and giving an opinion on the materials and draft resolutions of two Extraordinary General Meetings and one Ordinary Annual General Meeting of Erbud S.A. for 2022,
- issuing a statement on the appointment and activities of the Audit Committee of ERBUD SA.
- the appointment of the auditing firm to audit the annual financial statements and the consolidated financial statements in accordance with the applicable regulations.
- to adopt the annual Report on the Supervisory Board Activities in 2022,
- consideration and evaluation of the Board's motion on 2022 profit distribution.
- the Supervisory Board's assessment of the compliance of the 2022 ERBUD SA Activity Report and the 2022 annual financial statements with the account books, documents and facts,
- determination of the dividend payment date,
- assessment of transactions concluded with related parties of ERBUD S.A. (1 July 2022 - 31 December 2022 and 1 January 2023 - 30 June 2023).
- granting special awards to the Management Board members (Dariusz Grzeszczak and Agnieszka Głowacka) and former Management Board member of ERBUD S.A. Józef Zubelewicz in connection with the positive settlement of dispute between Erbud S.A. and Bank Millennium S.A.
- to adopt the Business Financial Plan and the Investment Plan of Erbud S.A. and the Erbud Group for the year 2024,
- determining the manner of voting by the Company's representatives on the resolution of the Extraordinary Meeting of Shareholders of Erbud Industry Centrum sp. z o.o. on the merger of Erbud Industry Centrum sp. z o.o. (as the Acquiring Company) with Erbud Industry Południe sp. z o.o. (as the Acquired Company),
- determining the manner of voting by the Company's representatives on the resolution of the Extraordinary General Meeting of Shareholders of Erbud Industry Południe sp. z o.o. on the merger

of Erbud Industry Centrum sp. z o.o. (as the Acquirer) with ERBUD Industry Południe Sp. z o.o. (as the Acquiree),

- expressing consent to the submission of bids by Erbud S.A. pursuant to §11(3)(13) of the Company's Statutes,
- expressing consent for the signing of loan and guarantee agreements pursuant to §11(3)(14) of the Company's Statutes,
- consent to the extension of guarantees within the Erbud Group pursuant to §11(3)(6) of the Company's Statutes,

The Company's Statutes and By-Laws of the Supervisory Board provide for the Supervisory Board an option to adopt resolutions by written ballot or by means of direct remote communication.

The Supervisory Board members delegated to its various Committees participated in the Committees' meetings and in the decision-making process, keeping the Supervisory Board informed of the findings and decisions made.

In 2023 the **Remuneration Committee** held one meeting.

In 2023 the **Audit Committee** held four meetings in 2023. At its meetings, the Audit Committee met with representatives of the audit firm PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k regarding the 2023 financial statements.

The Supervisory Board was kept informed of significant actions taken by the Audit Committee and their results at subsequent meetings. In accordance with the provisions of the By-Laws of the Audit Committee of Erbud S.A., the Supervisory Board members may attend the Audit Committee meetings without voting rights..

The Supervisory Board, in accordance with the Company's procedure "Periodic assessment by the Supervisory Board of Erbud S.A. of material transactions with related entities in the Erbud Group", got familiar itself in 2023 with material transactions with related parties in the Erbud Group in the period from July 2022 to June 2023. A subject matter analysis of the transactions showed that all identified intercompany transactions were made in the ordinary course of the companies' business, under market conditions.

The Supervisory Board acknowledged the above explanations by approving, on 24 March 2023 and 4 September 2023, a written information on transactions with related parties carried out in the Erbud Group in the period from 1 July 2022 to 30 June 2023.

Warsaw, dated 17 April 2024
The Chairman of the Supervisory Board
Roland Bosch