

**Report of
the Supervisory Board of
MOSTOSTAL WARSZAWA S.A
for 2014**

From 1 January 2014 to 31 December 2014, the Supervisory Board of 7th term of Mostostal Warszawa S.A worked in the following composition:

- Francisco Adalberto Claudio Vazquez - Chairman of the Board
- Jose Manuel Terceiro Mateos - Vice-Chairman of the Board
- Raimundo Fernandez-Cuesta Laborde - Member of the Board
- Neil R. Balfour - Member of the Board
- Leszek Wysocki - Member of the Board (from 01.01. to 30.06.2014)
- Piotr Gawryś - Member of the Board

During the entire financial year 2014 the Management Board of the Company operated in the following composition:

- Miguel Angel Heras Llorente - Vice-president of the Management Board
- Jose Angel Andres Lopez - Vice-president of the Management Board
- Carlos Resino Ruiz - Member of the Management Board (from 26.06. to 31.12.2014)
- Miguel Vegas Solano - Member of the Management Board (from 01.01. to 26.06.2014)
- Jacek Szymanek - Member of the Management Board
- Krzysztof Sadłowski - Member of the Management Board (from 01.01 to 24.06.2014)

The Supervisory Board assesses that the composition of the Management Board represented in the financial year 2014 ensured the Company professional and effective management and complied with the reorganisation policy adopted by the Company.

During 2014 the Supervisory Board made systematic assessments of the Company's situation on the basis of reports and information materials submitted by the Management Board and on the basis of reports of the independent auditor – PricewaterhouseCoopers Sp. z o.o. with its registered office in Warsaw, selected by the Supervisory Board to audit financial statements for 2014.

The Supervisory Board of Mostostal Warszawa S.A performs its activities on the basis of the Code of Commercial Companies, Articles of Association and the Rules of the Supervisory Board.

The special duties of the Supervisory Board of the Company are:

1. Auditing financial statements of the Company and Capital Group, both in the scope of compliance with the books and documents, and with the actual state, and auditing report of the Management Board of the Company's operations, applications for the distribution of profits and covering loss and filing to the General Meeting of Shareholders a written report of audits;
2. Providing opinions on motions filed by the Management Board of the Company to be considered by the General Meeting of Shareholders;
3. Appointing and recalling the Management Board of the Company.

The works of the Supervisory Board of Mostostal Warszawa S.A are managed by its Chairman, and in case of his/her absence, the Deputy Chairman of Supervisory Board or other person selected among the current members of the Supervisory Board.

The resolutions of the Supervisory Board are passed by an absolute majority of votes, with at least half of the members of the Supervisory Board present. The meetings of the Supervisory Board are minuted, and the minutes are signed by all its members present at the meeting.

In the Supervisory Board of the Company there were no committees, and the tasks of the audit committee were performed collectively by the entire Supervisory Board.

In the financial year 2014 there were 4 meetings of the Supervisory Board. All resolutions were passed with the required by law quorum. The total number of resolutions adopted by the SB in 2014 was 14. In the past reporting year the Supervisory Board adopted 6 resolutions by correspondence.

- On 17 January 2014 the Supervisory Board adopted by correspondence the resolution on granting consent to establish or acquire the special purpose vehicle

At the meeting on 19.03.2014 the following resolutions were adopted:

- on granting an acceptance vote to the Members of the Management Board for 2013,
- on the report of the Supervisory Board of operations for 2013,
- on presenting to the General Meeting of the Company "The assessment of the Supervisory Board of its work for the financial year 2013" prepared in accordance with the requirements of the Code of Best Practice of WSE Listed Companies.

- on considering and providing opinions on the matters being the subject of the resolutions of the general Meeting of the Company in accordance with the Corporate Governance rules.

On 20 March 2014 the Supervisory Board adopted by correspondence the following resolutions:

- on the Financial statements for 2013 and the report of the Management Board of operations of the Company for 2013.
- on the consolidated financial statements for 2013 and the report of operations of the Capital Group for 2013.
- on covering the losses of the Company for 2013.
- on the performance of the tasks of the audit committees by the Supervisory Board in 2013.
- on selecting the entity qualified to audit financial statements of the Company and consolidated statements of the Capital Group for 2014

At the meeting on 26.06.2014 the following resolutions were adopted:

- on the changes in the composition of the Management Board,
- on granting consent to the establishment of the special purpose vehicles (SPV),

At the meeting on 13 November 2014 the following resolution was adopted:

- on granting consent to the disposal of real estate.

At the meeting on 16 December 2014 no resolution was adopted.

On 16.03.2015 the Supervisory Board got acquainted with the Auditor's Report including the assessment of the financial statements and the report of the Management Board for 2014 which does not state any irregularities in the operations of the Management Board of the Company.

- After the analysis of the operations and reports of the Company, taking into account the Auditor's opinion, the Supervisory Board decided to recommend to the General Meeting of the Shareholders to grant to the Management Board composed of: Miguel Angel Heras Llorente, Jose Angel Andres Lopez, Carlos Resiono Ruiz (for the period from 26.06.2014 to 31.12.2014), Jacek Szymanek Miguel Vegas Solano (for the period from 01.01.2014 to 26.04.2014), Krzysztof Sadłowski (for the period from 01.01.2014 to 24.06.2014)

- and to the Supervisory Board composed of: Francisco Adalberto Claudio Vazquez, Jose Manuel Terceiro Mateos, Neil Roxborough Balfour, Piotr Gawryś, Raimundo Fernandez-Cuesta Laborde a vote of acceptance for 2014 and Leszek Wysocki (for the period from 01.01.2014 to 30.06.2014)

Warsaw,

Francisco Adalberto Claudio Vazquez

Jose Manuel Terceiro Mateos

Raimundo Fernandez-Cuesta Laborde

Neil Balfour

Piotr Gawryś