

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

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SECTION 1: INTRODUCTION

I. Preliminary Information

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

Pursuant to Resolution No. 386 of the Annual General Meeting of Shareholders of Budimex S.A. of 18 June 2020, the remuneration policy for members of the bodies of Budimex S.A. was adopted. Pursuant to Article 90g Section 1 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (consolidated text Journal of Laws 2020, Item 2554), the Supervisory Board shall prepare an annual compensation report providing a comprehensive review of compensations.

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

Pursuant to Article 36 (2) of the Act of 16 October 2019 amending the Act on Public Offering and the Conditions for Introducing Financial Instruments to the Organised Trading System and on Public Companies and certain other acts (Journal of Laws of 2019, item 2217), the Supervisory Board prepares the remuneration report for 2022.

The amounts in the report are given in gross amounts and in PLN currency, paid in 2023.

II. Definitions

“Company” – means Budimex S.A. with its registered office in Warsaw at Siedmiogrodzka 9 entered into the Register of Entrepreneurs kept by the District Court for the Capital City of Warsaw, XIII Economic Section of the National Court Register under KRS No. 0000001764

“Remuneration Policy” – means the Remuneration Policy for Members of the Budimex S.A. Governing Bodies adopted by way of resolution No. 386 of the Annual General Meeting of 18 June 2020

“Supervisory Board” – means the supervisory board of Budimex S.A.

“General Meeting” – means the annual or extraordinary General Meeting of Shareholders of Budimex S.A.

“Management Board” – means the Management Board of Budimex S.A.

“PPK” – means Employee Capital Plans

“Act on Public Offering” – means the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of July 29, 2005 (consolidated text Journal of Laws of 2022, item 2554)

III. Management Board

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

Composition of the Management Board as of 1 January 2021:

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

In 2022 there were no changes to the composition of the Management Board:

With regard to the remuneration of members of the Management Board in 2022, the benefits described in this report were paid in connection with the resignation in 2021 from the function in the Management Board by Mr. Cezary Mączka, as well as in connection with the pension application submitted by Mr. Jacek Daniewski (which did not affect the continuation of the term of office in the Management Board).

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

Composition of the Management Board as at 31 December 2022:

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

IV. Supervisory Board

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

Supervisory Board composition as of 1 January 2022:

- Marek Michałowski Chairman of the Board,
- Juan Ignacio Gastón Najarro Vice-Chairman of the Board
- Igor Adam Chalupec Secretary of the Board,
- Janusz Dedo Board Member,

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- José Carlos Garrido-Lestache Rodríguez Board Member,
 - Artur Kucharski Board Member,
 - Agnieszka Słomka-Gołębiowska Board Member,
 - Dariusz Blocher Board Member,
 - Ignacio Aitor Garcia Bilbao Board Member,
 - Mario Mostoles Nieto Board Member.

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

- a) on the date of the Ordinary General Meeting of Budimex SA, i.e. on 19 May 2022, Mr. Jose Carlos Garrido-Lestache Rodriguez ceased to be a member of the Supervisory Board, which results from the expiry of the mandate of the above-mentioned person as a member of the Supervisory Board, due to the lack of appointment by the Ordinary General Meeting to perform functions in the Supervisory Board of the new term, on 19 May 2022 the Ordinary General Meeting appointed Mr. Mario Manuel Menendez Montoya to the function of a member of the Supervisory Board,
- b) on 8 November 2022, Mr. Mario Mostoles Nieto ceased to be a member of the Supervisory Board as a result of his resignation.

Supervisory Board composition as of 31 December 2022:

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

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

V. Remuneration of Management Board Members

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

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

Fixed remuneration

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

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

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

Variable remuneration

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

- a) **Bonus** – as part of such bonus, each Member of the Management Board is entitled to a bonus depending on:
- level of achievement of individual objectives,
 - achievement of indicators related to the Budimex Group's business activity.

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

- exceeding the indicators related to the business activities of the Budimex Group
or
- commission on the value of the gross profit generated by the construction division (understood as one of the four main divisions – general construction, infrastructure, railway and energy industry).

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

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

For the year 2022, Mr. Artur Popko was granted such benefit. The amount of retention bonus received by him in 2022 amounted to PLN 800,000 for the results obtained in the position of Vice-President responsible for construction (commission not settled previously).

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

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

Name and surname	award for selling Budimex Nieruchomości
Artur Popko	1,200.00
Dariusz Blocher	339,660.96

The above-mentioned bonus benefit has been fully settled and will not continue in future years.

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

Other cash benefits

Board members are entitled to other cash benefits such as:

- a) **Employer contribution and additional employer contribution to the Employee Equity Plan program.** Members of the Management Board are entitled to participate in the Employee Equity Plan on the terms applicable to all employees in the Company. The scheme is fully compliant with the law (2% of the employee's contributions and 1.5% of the employer's contribution, subscription after 1 month of employment). In addition, at Budimex, employees with more seniority and a good evaluation covering work performance and the style in which it is achieved receive additional contributions (as long as they also declare themselves in the same amount) of between 0% and 2.5%.

Board members received Budimex-funded contributions in the reporting year in the amount of:

Name and surname	Employee Equity Plan base	Employee Equity Plan additional
Artur Popko	37,936.08	63,226.79
Marcin Węglowski	21,679.12	33,127.90
Jacek Daniewski	21,135.28	35,225.45
Artur Pielech	24,198.62	40,331.04
Cezary Mączka	20,763.34	26,976.98

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

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

In connection with the termination of Mr. Dariusz Blocher's employment with the Company, effective 19 May 2021, the Company paid non-compete compensation in 2022. The total compensation amounted to PLN 1,168,752.75. PLN

This benefit has been fully realised.

In connection with the termination of the employment contract in 2022, the Company paid Mr. Cezary Mączka a cash benefit related to the settlement of the Performance Shares Plan (the "Ferrovial Targets Allocation Plan") in the amount of PLN 176,379.00 of shares, compensation in the amount of PLN 414,000.00 due to the termination of the employment contract and compensation in the amount of PLN 71,915.00 due to the Employee's unexercised entitlement to fund life and endowment insurance. These benefits were fully realised.

In connection with the termination of employment in the Company by Mr. Cezary Mączka as of May 31, 2022, the Company paid compensation in 2022 for not undertaking competitive activities. The total amount of compensation amounted to PLN 289,800.00. The benefit is continued in 2023.

Non-cash benefits

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

- a) **medical insurance coverage for Board Members and their families** – in 2022, all Board Members were eligible for these benefits,

Name and surname	Total value of the benefit [PLN gross]	Value of benefit granted to the nearest family [PLN gross]
	2022	2022
Artur Popko	11,512	6,011
Marcin Węglowski	10,562	6,011
Jacek Daniewski	10,562	6,011
Artur Pielech	0*	0*
Cezary Mączka	4,798	2,505

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

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

Name and surname	Total value of the benefit [PLN gross]
	2022
Artur Popko	31,550.00
Marcin Węglowski	26,750.00
Jacek Daniewski	26,750.00
Artur Pielech	0*

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

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

to Poland, the Company may undertake to cover the costs of plane flight – in 2022 such benefits were not granted

Remuneration of Members of the Management Board in 2022

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

* Amounts current as of 1 April 2022 after Bx salary increase (6% rate).

** Comment on % proportion:

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

*** Including retirement severance pay

VI. Remuneration of Members of the Supervisory Board

Fixed remuneration

Members of the Supervisory Board may receive fixed remuneration components in the form of a **fixed remuneration** (fixed remuneration for performing the function of a member of the Supervisory Board, determined with reference to the average monthly remuneration in the enterprise sector, exclusive of profit sharing) and a **function allowance** (additional remuneration component of a fixed amount due in connection with performing tasks in committees and teams appointed by the Supervisory Board).

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

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

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

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

Remuneration of Supervisory Board Members in 2022

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

* Additional benefits include (PPK, medical care)

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

During the period covered by the report, while holding the position of Member of the Management Board in the Company, Mr. Artur Pielech received remuneration from FB Serwis S.A. based on an employment contract entered into for a definite period of time of the term of office, with the notice period resulting from the applicable provisions of the Labour Code.

Remuneration of Management Board Members in 2022

Name and surname	base salary	fixed components of remuneration paid [PLN gross]	variable components of remuneration paid [PLN gross]	other cash benefits [PLN gross]	non-cash benefits [PLN gross]	remuneration paid - total [PLN gross]	proportion between variable and fixed components
Artur Pielech	75,600	879,200	758,523	65,017	20,915	1,723,655	86%

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

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

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

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

In accordance with the Shareholder’s decisions, the Plan benefits a group of approximately 20 Budimex employees, including Members of the Management Board. Between 800 and 8,000 units are awarded.

After each 3-year period, there is a settlement and an award of shares. Finally, 30% of the previously granted units of the 2019–2022 PSP were granted in the form of Ferrovial S.A. shares.

The cost of shares granted in individual tranches is accounted for evenly over the 3-year vesting period:

	tranche 2019	tranche 2020	tranche 2021	tranche 2022
Popko, Artur	1 775	2 400	5 000	4 200
Weglowski, Marcin	1 000	1 350	2 000	1 700
Daniewski, Jacek	1 000	1 350	2 000	1 700
Pielech, Artur	975	1 300	1 900	1 600

Estimated costs of share-based payouts under Ferrovial S.A. incentive schemes related to the Management Board of Budimex S.A. amounted to PLN 969,000, of which PLN 791,000 was charged to Budimex S.A.'s costs, and the difference was covered by subsidiaries.

The value of the costs recognised in the Company's accounts in 2022 relating to the 2019-2022 tranches attributable to individual Board Members is as follows.

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

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

SECTION 4: Information on the use of the option to request reimbursement of variable compensation components

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

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

SECTION 5: Information on the link between remuneration and the policy adopted

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

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

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

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

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

The bonus for individual tasks allows to orientate the actions of Management Board members to achieve:

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

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

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

The bonus in 2022 paid to the CEO for 2021 also included the commission component that applied until May 2021.

Bonus for exceeding company-wide targets for the Budimex Group orientates the pursuit of above-average business results.

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

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

B. Method of applying performance criteria

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

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

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

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

Due to changes in contracts during 2021 and due to the change of the CEO, the type of bonus criteria and their weights for Mr. Artur Popko have been modified

Artur Popko

Bonus criteria and components	Bonus for performance 2021 paid in 2022			
	January - May 2021		June - December 2021	
	% of fixed annual salary	amount of bonus resulting from the level of performance of tasks [PLN gross]	% of fixed annual salary	amount of bonus resulting from the level of performance of tasks [PLN gross]
variable components of remuneration, individual bonus; depending on individual results of work and performance of tasks entrusted to them	up to 20%	88 750,00 zł	up to 25%	148 225,00 zł
variable remuneration components, bonus for achieving corporate goals; this part depends on achieving the financial results of the business activities of the Budimex Capital Group at the planned level	up to 30%	150 000,00 zł	up to 75%	577 500,00 zł
commission bonus	up to 0,40%	443 646,00 zł	0	0
variable remuneration components, bonus for exceeding corporate goals; this part depends on exceeding the financial results of the business activities of the Budimex Capital Group over the planned level	0	0	up to 15%	109 879,00 zł
total maximum bonus	up to 115%	682 396,00 zł	up to 115%	835 604,00 zł

Marcin Węglowski

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

Artur Pielech

	Bonus for performance 2021 paid in 2022			
	January - July 2021		August - December 2021	
Kryteria i składniki premiowe	% of fixed annual salary	amount of bonus resulting from the level of performance of tasks	% of fixed annual salary	amount of bonus resulting from the level of performance of tasks
variable components of remuneration, individual bonus; depending on individual results of work and performance of tasks entrusted to them	up to 25%	128 180,75 zł	up to 25%	65 800,00 zł
variable remuneration components, bonus for achieving corporate goals; this part depends on achieving the financial results of the business activities of the Budimex Capital Group at the planned level	up to 50%	272 725,00 zł	up to 60%	168 000,00 zł
variable remuneration components, bonus for exceeding corporate goals; this part depends on exceeding the financial results of the business activities of the Budimex Capital Group over the planned level	up to 15%	81 817,50 zł	up to 15%	42 000,00 zł
total maximum bonus	up to 90%	482 723,25 zł	up to 100%	275 800,00 zł

Jacek Daniewski

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

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

SECTION 6: Information on deviations from the procedure for implementing the remuneration policy

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

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

SECTION 7: Information on the change, on an annual basis, in the compensation, performance of the Company and the average remuneration of the Company's employees

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

	2022**	2021	2020	2019	2018
Gross profit of Budimex S.A.	543,942	1,143,813	405,842	309,534	-
[PLN thousand]					
Change %	47.55%	181.8%	31%	-22%	-
Average remuneration in the company	15,527	13,646	11,894	10,357	-
[PLN gross]*					
Change in average remuneration of the Company's employees	13.78%	14.70%	14.84%	5.09%	-
<i>Including Management Board:</i>					
Artur Popko	-7.37%	51.69%	51.69%	5.94%	-
Marcin Węglowski	-42.80%	99.40%	9.14%	-5.70%	-
Jacek Daniewski	-37.33%	106.27%	15.01%	-12.08%	-
Artur Pielech	no data available				
Cezary Mączka	-0.03%	70.39%	14.17%	-14.80%	-
Dariusz Blocher	-74.56%	87.89%	25.17%	0.68%	-

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

** in 2022, compared to 2021, the average salary change rate was significantly influenced by the bonus paid in 2021 for the sale of Budimex Nieruchomości (high base effect).

SECTION 8: Information regarding the resolution giving an opinion on the salary report for 2019 and 2020

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

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

There were no comments on the report at the General Meeting and the opinion resolution was passed by majority vote: 17.416.466 votes FOR, 555.170 votes AGAINST and 1.195.000 votes ABSTAIN. Resolution No. 431 was adopted on positive acknowledgement of the report of the Supervisory Board of Budimex S.A. on remuneration of members of the Management Board and the Supervisory Board of the Company.

SECTION 9: SUMMARY

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

The Supervisory Board adopted this report by Resolution No. 400 dated March 30, 2023.

On behalf of the Supervisory Board of Budimex S.A.