ERBUD S.A.

REPORT ON ACTIVITIES OF THE SUPERVISORY BOARD FOR THE PERIOD FROM 1 JANUARY 2014 TILL 31 DECEMBER 2014

I. Composition of the Supervisory Board

In the period from 1 January 2014 to 31 December 2014, the Supervisory Board consisted of:

Udo Berner – Chairman of the Supervisory Board
Józef Olszyński – Deputy Chairman of the Supervisory Board
Albert Dürr – Member of the Supervisory Board
Zofia Dzik – Member of the Supervisory Board
Gabriel Główka – Member of the Supervisory Board
Michał Otto – Member of the Supervisory Board
Janusz Lewandowski – appointed by a resolution of the AGM of 25 June 2014 as a member of the Supervisory Board

II. Activities of the Supervisory Board

During the period from 1 January 2014 to 31 December 2014, there were four meetings of the Supervisory Board (on 19 March 2014, 24 April 2014, 25 June 2014 and 11 October 2014).
At each meeting, the Supervisory Board took note of the current results of the Company's operations. The examination also included the overall development of the construction market and the Company's performance against the market.

The important topics dealt with by the Supervisory Board in 2014 were also:

1. Continuous monitoring of financial results and performance of the financial plan for 2014.
2. Continuous monitoring of the Modlin project.
3. The development strategy of ERBUD SA.
4. Financing the Company's operations (incl. cooperation with banks and the fulfilment of covenants by the Company).
5. Agreeing on new investments in excess of the powers of the Management Board. Tenders for said major projects were discussed at the meetings, and approved by written resolutions taken by correspondence.
6. Issue of shares under employee scheme
7. Selection of an auditor to audit separate and consolidated financial statements for 2014.

During the year of 2014, the Supervisory Board passed 25 resolutions, of which most were related to the construction projects being in excess of the powers of the Management Board and were adopted by correspondence.

The development of ERBUD in the financial year 2014 proceeded as planned. There was a further improvement in the overall performance of the Company and its level of profitability.

2014 was to a large extent devoted to the development of the newly established company operating within the ERBUD Capital Group, i.e. ERBUD Industry sp.z o.o. There were two acquisitions of entities rendering services for industry, which the Supervisory Board approved, i.e. a 100 percent stake in NGK Ojrzynski from Gdansk and a 100 percent stake in Energoserv Pomorze Sp. z o. o. In connection with the development of ERBUD Industry sp. z o.o, the Supervisory Board of ERBUD SA, by adopting appropriate resolutions, agreed to grant guarantees by ERBUD SA to ERBUD Industry sp. z o. o.

Each month the Supervisory Board had access to current financial reports describing the current financial position of the Company and the ERBUD Group, received from the Management Board of ERBUD.
Essential Company's business was analysed together with the Management Board of ERBUD, so by phone, during the meetings of the Supervisory Board, as well as in the form of video conferencing.

The Chairman of the Supervisory Board has been kept informed by the Management Board in writing and orally of special events. Also during regular personal talks, the Management informed the Chairman of the Supervisory Board on all important events and significant decisions that have to be taken.

One of the key areas of Supervisory Board activity was a continuous monitoring of the situation related to the construction of the runway at the Modlin Airport. The Supervisory was notified day-by-day on developments and at each meeting examined them in detail as well as any risks resulting to the Company's business.

In 2014, the Supervisory Board appointed an auditor to audit separate and consolidated financial statements for 2014, i.e. Horodko TPA Horwath Audit Sp. z o. o.

The Supervisory Board members expressed their consent to issue by ERBUD SA of corporate bonds Series B worth PLN 52 million, with a maturity of 4 years. On 9 March 2014, the Issuer filed for approval to introduce bonds on the Catalyst market, the trading platform of debt financial instruments carried by the Stock Exchange in Warsaw in the formula of the alternative trading system.

The funds from the issuance of bonds were used to retire the bonds of 2011 and allocated to working capital for execution of new projects.

Moreover, in 2014 the Supervisory Board of ERBUD SA recommended to the General Meeting of Shareholders to allocate the whole profit of PLN 8,415,922.14 earned in 2013 by ERBUD SA + a part of reserve capital in the amount of PLN 484,259.76 to the payment of dividends, which gave PLN 0,70 per share.

Within the Supervisory Board there was also acting the Audit Committee appointed by the Board.

Warsaw, April 28, 2015

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Udo Berner

Chairman of the Supervisory Board