

Statement of reasons to the draft resolutions for the Ordinary General Meeting of Shareholders of ACTION Spółka Akcyjna in restructuring due to convene on 26 June 2018:

1. Resolution No. 1 on appointing the Chairperson of the Meeting.

Pursuant to Article 409 (1), general meetings are chaired by the Chairperson appointed by the Shareholders from among those entitled to participate in the Meeting. Therefore, the adoption of a resolution on this matter is required to duly hold a General Meeting.

2. Resolution No. 2 on the adoption of the agenda.

Pursuant to Article 9 (1b) and (2) of the Rules of Procedure of General Meetings of Shareholders of ACTION S.A., the agenda of the general meeting is put to the vote.

Therefore, similarly to the vote on appointing the Chairperson, it is essential to fulfil the requirements concerning the correct course of the General Meeting.

3 – 5. Resolutions 3, 4 and 5 on approving the Management Report, the Company's financial statements and the Supervisory Board's report on the results of the assessment of the Management Report, the financial statements as well as the Management Board's motion and information on cover the loss and assessment of the Company's standing for the financial year 2017.

Pursuant to Article 395 (2) (1) of the Commercial Companies Code, required elements of a general meeting include considering and approving the Management Report on the Company's operations as well as the financial statements for the previous financial year. In the opinion of the Management Board, the Supervisory Board's report on the review of the reports referred to above and on the Company's standing should also be included in the agenda of the General Meeting. This conclusion arises from Article 382 (3) of the Commercial Companies Code and the Good Practice for WSE-Listed Companies (principle III 1.1) adopted by the Company.

The data included in the Management Report on the Company's operations and in the financial statements were analysed by a certified auditor and the Company's Supervisory Board.

6 – 8. Resolutions 6, 7 and 8 on approving the consolidated financial statements of the ACTION S.A. Capital Group, the Management Report on the operations of the ACTION S.A. Capital Group and the Supervisory Board's report on the results of the assessment of the Management Report, the consolidated financial statements, the Management Board's motion and information on cover the loss and assessment of the Company's standing for the financial year 2017.

Pursuant to Article 63c (4) of the Accounting Act, annual consolidated financial statements of a capital group are subject to approval by the approving authority of the parent entity, i.e. the General Meeting of Shareholders of ACTION S.A. Pursuant to Article 395 (5) (1) of the Commercial Companies Code, financial statements of a capital group may be considered and approved by an ordinary general meeting. In the opinion of the Management Board, on the grounds specified in the statement of reasons to Resolutions 3 – 5, the Management Report on the operations of the ACTION S.A. Capital Group as well as the Supervisory Board's report on the assessment of these statements and the standing of the Group shall also be included in the agenda of the Company's General Meeting.

The data included in the consolidated financial statements and the Management Report on the operations of ACTION S.A. Capital Group were analysed by a certified auditor and the Company's Supervisory Board.

9. Resolution No. 9 on covering the loss of the Company in the financial year 2016, establishing the record date and the dividend payment date.

With regard to the loss of 52 080 717,21 PLN shown in the Company's Financial Statements for the financial year 2016, the Ordinary General Meeting of ACTION S.A. is obligated, in pursuance of Article 395 (2) (2) of the Commercial Companies Code, to pass a Resolution on its covering. The Management Board emphasises that the aforementioned value is a result of an ongoing restructuring procedure of the Company.

The current activity of the Company, characterised by making profit during particular trading years, cash inflow from issuing Company's shares for public offering and the adopted dividend policy, allowed to generate high reserve capital. In the given situation of the Company the reserve capital should be allotted to cover the loss from the trading year 2017. Pursuant to §19 item 4 of Company's Articles of Association, the reserve capital is generated for this purpose. Taking the above into consideration the Board proposes to cover the loss sustained by the Company in the trading year 2017 with the reserve capital.

10. Resolution No. 10 on acknowledging the fulfilment of duties by Supervisory Board Members for the discharge of duties in financial year 2014.

With regard to the issues of draft Resolution No. 10 (which refers directly to personnel relations and the liability of the Management Board), the Management Board restricts its rationale to a statement that this matter falls into the exclusive competence of the OGM (Article 395 (2) (3) of the Commercial Companies Code) and the position of the Company should be taken into account during the vote.

11. Resolution No. 11 on acknowledging the fulfilment of duties by Supervisory Board Members in the financial year 2014.

As in the case of the Management Board, the Members of the Supervisory Board are also subject to the evaluation of the General Meeting in terms of performance of their duties during the previous financial year.

In the assessment of the Management Board, each Member of the Supervisory Board performed their duties with due care in the financial year 2014. As a result, the Management Board recommends acknowledging the fulfilment of duties by Supervisory Board Members.

Adam Świtalski

Piotr Chajderowski

Krzysztof Kaczmarczyk

Marek Jakubowski