
Statement of reasons to the draft Resolutions for the Annual General Meeting of ACTION Spółka Akcyjna in restructuring due to convene on 12 June 2017:

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 adopting the agenda.

Pursuant to § 9 (1b) and (2) of the Rules of Procedure of General Meetings 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 no. 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 regarding the covering the loss of the Company's standing and the activities of the Supervisory Board for financial year 2016.

Pursuant to Article 395 § 2 (1) of the Commercial Companies Code, required elements of a general meeting include examining 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 assessment 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 Code of Best Practice for WSE Listed Companies (principle II.Z.10) adopted by the Company.

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

6. - 8. Resolutions no. 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 regarding the the covering the loss of the Company's standing of the ACTION S.A. Capital Group for financial year 2016.

Pursuant to Article 63c (4) of the Accounting Act, annual consolidated financial statements of a capital group should be approved by the approving body of the parent company, i.e. the General Meeting of ACTION S.A. Pursuant to Article 395 § 5 of the Commercial Companies Code, an annual general meeting may also verify and approve financial statements of a capital group. In the opinion of the Management Board, on the grounds specified in the statement of reasons to Resolutions no. 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 those reports 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 the ACTION S.A. Capital Group was analysed by a statutory 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 profit of PLN 154,414,402.75 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 reconstruction procedure in the Company. The decrease in 2016 is mainly of an "in-kind" nature. It is a consequence of a decision made by the Board (including a suggestion by an expert auditor) characterised by a very conservative approach when determining the result. In particular, the established provisions equal 100% of the Company's potential obligations arising from received tax rulings. The most significant events affecting the reported results are: 1) costs of the established provisions; 2) costs of write-offs of financial assets; 3) loss arising from the sales of goods during the recovery procedure and the direct costs of the recovery in 2016; 4) costs of the write-offs of receivables. Detailed information about it is included in the annual periodic report published on 24.04.2017. 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 2016. 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 2016 with the reserve capital.

10. Resolution no. 10 on acknowledging the fulfilment of duties by Members of the Management Board in financial year 2016.

With regard to the issues of draft Resolution 10 (which refers directly to personnel relations and the liability of the Management Board), the Management Board restricts its justification 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 Members of the Supervisory Board in financial year 2016.

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

According to the Management Board's judgement, each Member of the Supervisory Board performed their duties with due care in the financial year 2016. Thus, the Management Board recommends an acknowledgement of the fulfilment of duties by Supervisory Board Members.

12. – 13. Resolution No. 12 and 13 on the amendment to §2 (1) and §11 (3) of the Company's Articles of Association.

The Board has taken the position that it is necessary to change the registered office of the Company (from Warsaw to a town of Zamienie). The need has arisen due to the fact that in the current location of the Company, at ul. Jan Kazimierza, the current landlord is conducting construction works. These works aim at changing significantly the purpose of the aforementioned property (from office with storage spaces to residential), which will prevent the Company from further use of it. The main hub of the Company's operation is located in Zamienie, too.

The change of the registered office requires an amendment to Company's Articles of Association, the proposal of which has been included by the Board in the draft of the Resolution No. 12.

Whereas the draft of the Resolution No. 13 on the amendment to §11 (3) of the Company's Articles of Association is a necessary consequence of the change of the Company's registered office and aims at enabling the organisation of the General Meeting also in Warsaw.

14. Resolution No. 14 on rewording § 6 (1) of the Company's Articles of Association.

With regard to the issue of rewording § 6 (1) of the Company's Articles of Association, the Company's Board states that the proposal in this respect entails increasing the Company's issued capital (as a part of a conditional increase of the issued capital), which took place on 22 January 2016, pursuant to art. 452§1 in conjunction with art 451§2 of the Commercial Companies Code, in the execution of Resolution No. 3 of the Extraordinary General Meeting of ACTION S.A. of 15 November 2006 (amended by Resolution No. 3 of the Extraordinary General Meeting of ACTION S.A. of 5 December 2007, Resolution No. 3 of the Extraordinary General Meeting of ACTION S.A. of 31 July 2008, Resolution No. 3 of the Extraordinary General Meeting of ACTION S.A. of 21 December 2009 and Resolution No. 3 of the Extraordinary General Meeting of ACTION S.A. of 25 November 2015).

Because the increase in the issued capital in question has been carried out pursuant to the aforementioned provisions of the act on the day of recording class C shares on securities accounts, no amendment to the Company's Articles of Association has been introduced in that respect. The Board only drew up a consolidated text of the Articles of Association of Action S.A. on 28 January 2016, pursuant to the art. 9 (4) of the act of National Court Register, and pursuant to the content of the submitted clarification of the amount of the issued capital in the Articles of Association, pursuant to art. 310§2 and 4 of the Commercial Companies Code, in order to submit it in the Registry Court due to the increase of the Company's issued capital.

Thus, the Board's revision of the Articles of Association through the General Meeting will adjust their content to the actual legal status.

15. Resolution no. 15 on adopting the consolidated text of the Company's Articles of Association.

To perform the obligation to register amendments to the Articles of Association in the National Court Register, as well as statutory requirements in this scope, this Resolution also provides for the adoption of a consolidated text for the Company's Articles of Association by the General Meeting. The draft of the consolidated text of the Company's Articles of Association including the amendments introduced through the Resolutions No. 12-14 has been published on the webpage of the Company.

Piotr Bieliński

Edward Wojtysiak

Sławomir Harazin