

Annex No. 2 to the Resolution of the Supervisory Board No. 3/2017

ASSESSMENT OF THE MANAGEMENT BOARD'S REPORT ON THE COMPANY'S ACTIVITY, COMPANY'S FINANCIAL STATEMENTS AND MANAGEMENT BOARD'S MOTION REGARDING THE DISTRIBUTION OF THE PROFIT

Pursuant to Article 382(3) of the Code of Commercial Companies and Partnerships, the Supervisory Board assessed:

1. Company's financial statements for financial year 2016;
2. Management Board's report on the Company's activity and on the group of companies LC Corp S.A's activity for the period from 1 January 2016 to 31 December 2016 in respect of their compliance with the books and the documents and the factual status; and
3. assessment of the Management Board's motion regarding the distribution of the profit for year 2016.

The financial statements for 2016 include:

1. Statement of financial position made as at 31 December 2016 with total assets and liabilities and equity of PLN 1,400,946,000 (in words: one billion four hundred million nine hundred forty-six thousand zloty).
2. Statement of comprehensive income for the financial year from 1 January 2016 to 31 December 2016 with the net profit of PLN 31,218,000 (in words: thirty one million two hundred eighteen thousand zloty) and comprehensive income of PLN 31,218,000 (in words: thirty-one million two hundred eighteen thousand zloty)
3. Statement of changes in equity for the financial year from 1 January 2016 to 31 December 2016 with the decrease in equity by PLN 49,342,000 (in words: forty-nine million three hundred forty-two thousand zloty).
4. Cash flow statement for the period from 1 January 2016 to 31 December 2016 with the increase in cash by the net amount of PLN 60,677,000 (in words: sixty million six hundred seventy -seven thousand zloty).
5. Notes to the financial statements: accounting policies (rules) and additional explanatory notes.

Upon analysing the documents and familiarising itself with the certified auditor's opinion dated 20 March 2017, the Supervisory Board concludes that the financial statements of LC Corp S.A. and the Management Board's report on the Company's activity and on the group of companies LC Corp S.A's activity for the period from 1 January 2016 to 31 December 2016 were prepared fairly and truly and according to the books and documents and the factual status known to the Supervisory Board. The Supervisory Board assesses positively the application of the corporate governance rules by the Company.

The Supervisory Board positively assesses the Management Board's motion regarding the distribution of the profit for 2016 and concurs with Management Board's proposal to dedicate the whole net profit for 2016 of PLN 31,218,000 (in words: thirty one million two hundred eighteen thousand zloty), the amount in full zlotys PLN 31,217,938.75 (in words: thirty-one million two hundred seventeen thousand nine hundred thirty eight zloty and seventy-five grosz) entirely to the payment of the dividend.

Furthermore, the Supervisory Board positively assesses the Management Board's motion to:

1. allocate the profit of PLN 31,218,000 (in words: thirty-one million two hundred eighteen thousand zloty), the amount in full zlotys PLN 31,217,938.75 (in words: thirty one million two hundred seventeen thousand nine hundred thirty eight zloty and seventy-five grosz), generated by the Company in 2016; and

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2. allocate the supplementary capital created from the profits generated in the preceding years, in the amount of PLN 111,143.02 (in words: one hundred eleven thousand one hundred forty-three zloty and two grosz) to pay the dividend to the Company's shareholders of a total amount of PLN 31,329,081.77 (in words: thirty one million three hundred twenty nine thousand eighty one zloty and seventy seven grosz). 447,558,311 shares would be earmarked for dividend payment; each share would entitle to the dividend of PLN 0.07 (in words: seven grosz). Supervisory Board positively assesses the proposal of Management Board concerning the dividend day to be set at 25 July 2017 and the dividend payment date to be set at 8 August 2017.

Considering the foregoing, the Supervisory Board requests the Annual General Meeting of LC Corp S.A. to accept and approve:

1. Management Board's report on the Company's activity and on the group of companies LC Corp S.A's activity for the period from 1 January 2016 to 31 December 2016;
2. Company' financial statements for 2016;
3. Management Board's motion regarding the distribution of the profit for 2016.