

**ASSESSMENT OF THE MANAGEMENT BOARD'S PROPOSAL
ON DISTRIBUTION OF KRUK S.A.'S NET PROFIT FOR 2016**

Having read the Management Board's proposal to allocate the entire net profit generated by KRUK S.A. in 2016, of PLN 4,212,086.30, to payment of dividends to the Company's shareholders, the Supervisory Board approves the proposal.

Therefore, the Supervisory Board of KRUK S.A. proposes that the General Meeting resolve to allocate the entire net profit generated by KRUK S.A. in 2016, of PLN 4,212,086.30, to payment of dividends to the Company's shareholders.

Furthermore, the Supervisory Board approves the Management Board's resolution to recommend to the General Meeting that a dividend of PLN 2.0 per share be distributed to the Company's shareholders. The dividend shall be distributed from the Company's net profit for 2016, of PLN 4,212,086.30, increased by the amount of PLN 33,276,345.70 transferred from statutory reserve funds created out of the Company's earnings.

The recommendation concerning the dividend payment and dividend amount was prepared taking into account the KRUK Group's current financial condition as well as its further growth strategy, plans and prospects.