**2. THE CONTENT OF THE APPLICATION**

**The applicant on the basis of Article 401 par. 4 of the CCC reports draft resolutions regarding matters placed on the agenda of the General Assembly of TOYA SA based in Wroclaw, which was convened on 23 June 2016.**

**Draft resolution to the point 19c of the announced agenda**

**Resolution No. …**

**Of the Ordinary General Shareholders’ Meeting of**

**TOYA SA with its registered office in Wrocław**

**Dated 23 June 2016**

 **on the use of funds from the supplementary capital**

**Section 1**

Pursuant to Article 395 sec. 5 of the Code of Commercial the Ordinary General Shareholders’ Meeting of TOYA SA decides to transfer part of the supplementary capital accumulated profits from previous years in the amount of PLN 14.635.567,78 (in words: fourteen millions six hundred thirty-five thousand five hundred sixty-seven zlotys seventy-eight cents) (i.e. in the amount of 60% of the profit generated in the financial year 2014) to increase the amount of dividends to be paid to shareholders in the distribution of profit for the year 2015.

**Section 2**

The Resolution comes into force as of the day when it was adopted.

JUSTIFICATION:

In the opinion of the Shareholder, the Company currently has the possibility to continue the previously adopted dividend policy – i.e. Making dividend payments at the level of 40-60% of net profit generated. The high level of capital reserve allows you to use part of it in order to increase the amount of dividends to shareholders. Considering the current capital structure of the Company and its market situation accumulation of profits - in the opinion of the Shareholder - is not economically justified.

The increase of the level of dividends to be paid in the distribution of profit for the financial year 2015 proposed by the Shareholders is further justified by the lack of implementation by the Board of investment presented as a basis for non-payment of dividend for the financial year 2014. So if the Company did not realize the announced investment the reason for the profit generated in the financial year 2014 to be retained in the Company has been dropped out. The payment of dividends according to the assumptions in the dividend policy in force until May will not be at the same unfavorable for the Company and will not interfere with its future business and development opportunities.

**Draft resolution to the point 20 of the announced agenda**

**Resolution No. …**

**Of the Ordinary General Shareholders’ Meeting of**

**TOYA SA with its registered office in Wrocław**

**Dated 23 June 2016**

 **on the distribution of profit for the financial year of 2015**

**Section 1**

Pursuant to the article 395 § 2 point 1 of the Commercial Companies Code and §26 point 1
letter b of the Articles of Association of TOYA S.A. the Ordinary General Meeting of TOYA S.A. decides to appropriate the net profit for year 2015, increased by PLN 14.635.567,78 (in words: fourteen millions six hundred thirty-five thousand five hundred sixty-seven zlotys seventy-eight cents) transferred by Resolution No. 8 of the General Meeting of Shareholders of 28 May 2015 year to supplementary capital in the following manner:

* allocate PLN 28 199 102,76 (twenty eight million one hundred ninety nine thousands one hundred two and seventy six cents) for dividend payment to Company’s shareholders which constitutes PLN 0,36 (thirty six cents) for one share,
* allocate PLN 9 447 512,12 (nine million four hundred forty seven thousands five hundred twelve and twelve cents) to supplementary capital.

**Section 2**

Dividend day is set for 11 July 2016.

**Section 3**

Payout date for 25 July 2016.

**Section 4**

The Resolution comes into force as of the day when it was adopted.

JUSTIFICATION:

In the opinion of the Shareholder, the Company currently has the possibility to continue the previously adopted dividend policy – i.e. making dividend payments at the level of 40-60% of net profit generated.

In such a situation, the lack of payment of dividends to shareholders and depriving them of the opportunity to financially participate in the success of the Company for is unfair for all shareholders and above it is all incompatible with the nature and specificity of the Company - which is intended to be "a dividend company".

The increase of the level of dividends to be paid in the distribution of profit for the financial year 2015 proposed by the Shareholders is further justified by the lack of implementation by the Board of investment presented as a basis for non-payment of dividend for the financial year 2014. So if the Company did not realize the announced investment the reason for the profit generated in the financial year 2014 to be retained in the Company has been dropped out. The payment of dividends according to the assumptions in the dividend policy in force until May will not be at the same unfavorable for the Company and will not interfere with its future business and development opportunities. The proposal in determining the dividend record date and the dividend payment is in line with the past practice of the Annual General Meeting (i.e. The same as in 2013-2014).