Subject matter: Allocation of net profit for 2017

PROPOSAL

Acting pursuant to Art. 395.2.2 of the Commercial Companies Code and Art. 50.3 of the Articles of Association of Grupa Azoty S.A., the Management Board requests that the General Meeting approve the following allocation of the 2017 net profit of PLN 354,792,505.28 (three hundred and fifty-four million, seven hundred and ninety-two thousand, five hundred and five złoty, 28/100):

- PLN 52,377,430.82 to cover retained losses,
- PLN 123,994,355.00 for payment of dividend (of PLN 1.25 per share),
- PLN 178,420,719.46 to statutory reserve funds.

The Company’s Management Board also recommends the following record and payment dates with respect to the dividend for 2017:

- June 25th 2018 as the dividend record date, i.e. the date on which the list of shareholders entitled to receive dividend for the financial year from January 1st to December 31st 2017 is determined;
- August 8th 2018 as the dividend payment date.

GROUNDS

When making decisions on profit distribution, the Management Board is guided by the need to ensure growth of the Company and its group (the “Group”), considering in particular the Group’s prospects, cash requirements, investment plans and financial position.

This proposal is consistent with the announced Strategy for the Grupa Azoty Group. It would help to maintain financial liquidity, ensuring successful delivery of the investment projects envisaged in the Strategy that aim to further diversify the Group’s business, expand its production capacities, consolidate its market position, and enhance its competitiveness. It would also enable the Group to offer more innovative products and employ more innovative processes and technology.

In view of the above, the Management Board recommends the following allocation of net profit for 2017:

- PLN 52,377,430.82 to cover retained losses,
- PLN 123,994,355.00 for payment of dividend (of PLN 1.25 per share),
- PLN 178,420,719.46 to statutory reserve funds.

Grupa Azoty S.A.
District Court for Kraków-Śródmieście
13th Commercial Division
National Court Register (KRS) No.: 0000075450,
Industry Identification Number (REGON): 850002268,
Telephone: +48 14 633 07 81-85
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Share capital paid of PLN 495,977,420

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In the Management Board’s opinion, allocation of a part of the 2017 net profit to the statutory reserve funds is fully justified as it would directly contribute to creating value for shareholders.

CC:
1. Recipient

Member of the Management Board
[illegible signature]
Artur Kopeć

Vice President of the Management Board
[illegible signature]
Józef Rojek

Vice President of the Management Board
Director General
[illegible signature]
Witold Szczypiński

President of the Management Board
[illegible signature]
Wojciech Wardacki, PhD