

Dear Shareholders,

The Management Board of Eurocash S.A. (hereinafter the "**Company**" or "**Eurocash**") hereby presents the justification of the particular resolutions of the Ordinary Shareholders' Meeting convened for April 25, 2017 (hereinafter the "**OSM**").

Resolution No. 1 and 2

concerning the appointment of the Chairman of the Shareholders' Meeting and concerning the adoption of the Agenda of the Ordinary Shareholders' Meeting

Resolutions of organizational character.

Resolution No. 3 and 4

concerning the approval of the Company's annual report for 2016, including the separate financial statements for 2016 and the Management Board's report on the operations of the Company in 2016 and concerning the approval of the Company's Capital Group annual consolidated report for 2016, including the consolidated financial statements for 2016 and the Management Board's report on the operations of the Eurocash Capital Group in 2016

The approval of the Company's annual report for 2016 and approval of the Company's Capital Group annual consolidated report for 2016, on which the opinion was issued by an expert auditor KPMG Audyt Sp. z o.o., is justified by the fact that the documents are complete, reliable and give a true view of the Company's operations for the period they cover. They were approved and obtained a positive recommendation to the OSM in Resolution No. 1 of the Supervisory Board dated March 28, 2017.

Resolution No. 5

concerning distribution of profit for 2016

In the opinion of the Management Board, the proposed distribution of the net profit for 2016 is in accordance with the policy of the Management Board of the Company, which is to assign the maximum possible amount to be paid in a form of dividend, subject to the condition that it will not have a negative impact on the financing of the Company's current operations and the planned investment program.

Resolutions No. 6 - 12

concerning granting the Management Board members of a vote of approval of their duties in 2016

Granting of the vote of approval expresses the acceptance of the work of the pertinent persons who were the Company's Management Board Members within the period to which the approval applies. The results for 2016 and the set prospects for development confirm the correctness of the development strategy of the Company assumed and implemented by the Management Board. Granting the vote of approval to the abovementioned persons is in compliance with the recommendation expressed in Resolution No. 1 of the Supervisory Board of March 28, 2017.

Resolutions No. 13 - 17

concerning granting the Supervisory Board members of the vote of approval of their duties in 2016

Granting of the vote of approval expresses acceptance of the work of the pertinent persons who were on the Company's Supervisory Board within the period to which the approval relates. Granting of the approval to the Supervisory Board members of their duties is justified by the result of the audit of

the Company's annual report by the expert auditor.

Resolution No. 18
concerning changes to the Company's Statutes

Proposed changes are of strictly technical nature.

Changes of § 6 Sec. 1 are to reflect the actual amount of the already increased share capital shares in which were subscribed for by authorized persons within the completed on January 2017 motivation and reward schemes for employees.

The remaining proposed changes are to remove provisions of the Statutes that became out of date.

Resolution No. 19
concerning the uniform text of the Company's Statutes

Adoption of the uniform text of the Statutes covering all the aforementioned amendments is justified by the need to submit such a text to the registry court, together with the application for registration of the amendments to the Statutes.

Resolution No. 20
concerning the approval of changes to the By-laws of the Supervisory Board

Pursuant to § 13 Section 8 of the Statute of Eurocash S.A. such changes of the By-laws require the approval of the Shareholders' Meeting.

Proposed changes are of strictly technical nature.

Changes to § 3 Sec. 1 Item b) of the By-laws of the Supervisory Board result from the need to adapt the wording of the By-laws to the current wording of the Statutes (as amended on the basis of Resolution No. 4 of the Extraordinary Shareholders Meeting of October 25, 2010). This amendment of the Statutes has not been reflected in the By-laws of the Supervisory Board so far.

Remaining changes are the consequence of introduction of the Regulation (EU) no 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

The above changes were introduced on the basis of resolutions of the Supervisory Board dated June 27, 2016, and March 28, 2017.

Resolutions No. 21 – 38
concerning the Employees Incentive and Reward Schemes

The Employees Incentive and Reward Schemes for 2017, 2018 and 2019 (“Incentive Schemes”) are introduced in connection with the Company's intention to continue previous years employees incentive schemes for the management, directors and persons of key importance for the business conducted by the Company and the Eurocash Group and to create basis for offering shares in the Company as a reward to outstanding employees.

The schemes are introduced to create additional incentive mechanisms for persons of key importance for the Company and the Eurocash Group. The foregoing persons, as participants of the Incentive and Reward Schemes for 2017, 2018 and 2019 shall be motivated to perform their best for the Company and the Eurocash Group and thereby for the Company and encouraged not to quit the Eurocash Group in the long time perspective. This shall contribute to stimulate a constant improvement of the Company group management system, which in the long term shall positively influence the economic performance of the Company group and the valuation of the Eurocash shares on the Warsaw Stock Exchange.

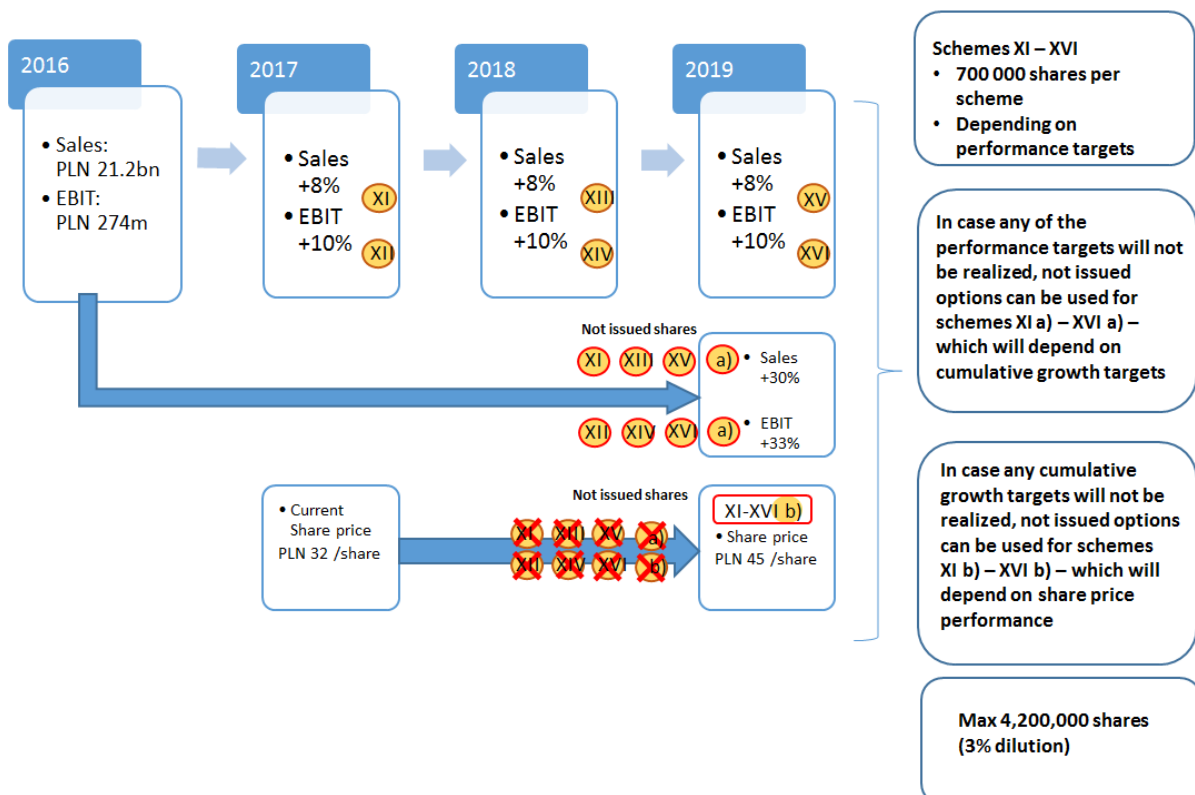
At the same time, it should be noted, that in line with the current practice, the President of the

Management Board of Eurocash S.A. – Mr. Luis Amaral, will be excluded from participation in the Incentive Schemes. As a main shareholder of the Company, he does not participate in incentive programs based on the issue of the Company’s shares.

The Incentive Schemes assume issue of up to 4 200 000 shares (app. 3% of current equity). The vesting period of the options (the right to subscribe for and take up shares) is 3-5 years. The issue price of the shares issued within the Incentive Schemes shall be equal to the average price of the Eurocash shares on the day immediately preceding the date of resolution approving the Incentive Schemes.

The Incentive Schemes consists in total of 6 tranches with 700 000 shares per each tranche, and granting of each tranche should be conditional to achievement of performance targets, which will be verified at three levels:

- **Level 1 – Realization of short-term targets**
 - Increase of sales by at least 8% per annum
 - Increase of EBIT by at least 10% per annum
- **Level 2 – Realization of mid-term targets**
 - Increase of sales by at least 30% in 3 years period
 - Increase of EBIT by at least 33% in 3 years period
- **Level 3 – Realization of mid-term, strategic targets**
 - Increase of Eurocash share price at Warsaw Stock Exchange to at least PLN 45.00 per share.



The proposed performance targets should be relatively easy to control and are linked with realization of the Eurocash Group development strategy:

- Sales increase (both organic and through acquisitions) - is one of the most important factors driving long term competitiveness of the Eurocash Group. Additionally sales growth drives Company's value through achievement of scale effects and synergies. Due to the possibility of taking into account the effects of possible acquisitions, the proposed schemes include also medium-term growth targets.
- EBIT increase (operational profit) – reflects improvement of profitability resulting from the sales growth, M&A transaction and improvement of cost effectiveness. As is may be affected by one-off issues, the proposed schemes also include medium-term growth targets.
- Share price increase – gives forward looking perspective, which may be very important in reflecting the results of M&A transaction on the fundamental value of the company. Acquisitions of other FMCG market players and being active in market consolidation is significant part of Eurocash strategy. This is the reason for including share price as an element of the incentive system for management and key employees of Eurocash Group.

Opinion of the Eurocash Management Board on the proposed Incentive Schemes

In the opinion of the Management Board of Eurocash S.A., the proposed comprehensive incentive schemes allow to align the interest of Eurocash key managers with performance targets which are in line with development strategy and value creation of Eurocash S.A. Issue of the shares within this program will be realized at the current average price of Eurocash shares at WSE and should be conditional of reaching specific growth targets of sales and EBIT. Additionally, given the specific of Eurocash Group, where acquisitions are significant element of the value creation, realization of the Incentive Schemes can be also conditional to additional growth targets of sales and EBIT or share price at WSE in 3 years period from start of the Program. These additional medium-term (3 years) growth targets will come into force in case when the short-term (annual) targets will not be achieved.

Additionally the introduction of the performance target based on Eurocash share price will allow to include effects of potential acquisitions, in case when effects of such transactions will not be included yet in financial results of the Company, but those potential effects of such transactions would be already discounted in the Eurocash share price.

Performance targets vs analysts' expectations

In the table below, we present comparison of proposed sales and EBIT targets to market consensus available at Nasdaq IR platform on 22 March 2017 and to estimation of analysts in most current and publicly available report (available on Nasdaq IR platform and Broker's website).

Sales performance targets in Incentive Schemes are proposed at 8% growth p.a. in 2017, 2018, 2019. Analysts expectations are similar to proposed target only in 2017, and in next years are significantly lower.

Assumed in the Incentive Schemes cumulated sales growth at 30% is significantly higher than analysts' expectations, which for next 3 years is estimated at 14%.

Estimations	2013A	2014A	2015A	2016A	2017F	2018F	2019F	2019F cum.
Total Sales (Actual / Targets / Estimate)	16 538	16 964	20 318	21 220	22 917	24 751	26 731	27 586
Consensus	16 624	17 174	20 438	21 168	22 670	23 456	24 132	24 132
Recent 4 reports - Avg					22 990	23 561	24 231	24 231
<i>VTB Capital</i>					22 593	23 125	23 826	
<i>JP Morgan</i>					23 055	23 521	24 204	
<i>Berenberg</i>					22 881	23 484	24 144	
<i>Vestor</i>					23 432	24 113	24 748	
Diff to Consensus	-0,5%	-1,2%	-0,6%	0,2%	1,1%	5,5%	10,8%	14,3%
Diff to 4 Brokers					-0,3%	5,1%	10,3%	13,8%
Growth - Stock Options					8,0%	8,0%	8,0%	30,0%
Growth - Consensus					6,8%	3,5%	2,9%	13,7%
Growth - 4 Brokers					8,3%	2,5%	2,8%	14,2%

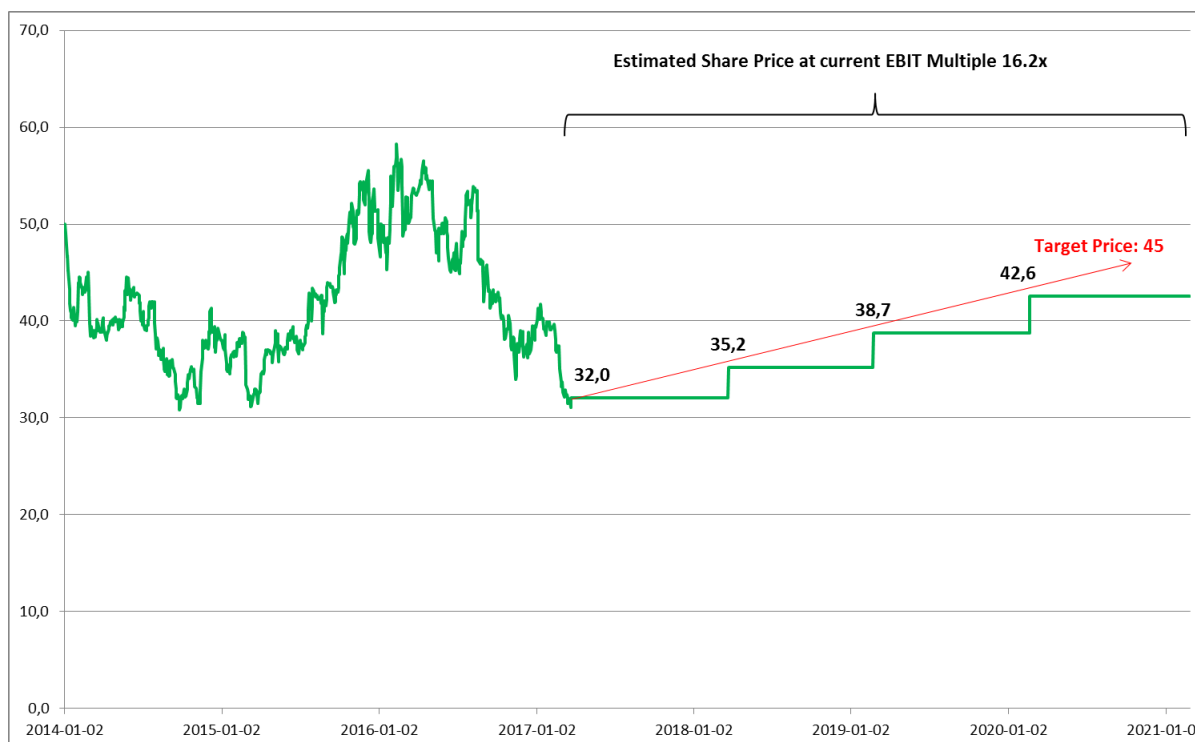
Performance targets for EBIT are set at 10% growth p.a. in 2017, 2018, 2019. Analysts' expectation are, depending on the forecast period, different from this level, however it should be noted that the average annual growth rate (CAGR) in 2017-2019 expected by analysts amounts to 9%, which is lower than the 10% assumed in the Incentive Schemes.

Cumulated EBIT growth is settled in Incentive Scheme at the level of 33% (2019 comparing to 2016), while in analysts' expectations an increase amount to 29.5%.

Estimations	2013A	2014A	2015A	2016A	2017F	2018F	2019F	2019F cum.
EBIT (Actual / Stock Options)	286	287	325	274	302	332	365	365
Consensus	363	284	334	306	307	345	355	355
Recent 4 reports - Avg					280	324	355	355
<i>VTB Capital</i>					279	336	370	
<i>JP Morgan</i>					261	316	363	
<i>Berenberg</i>					299	342	361	
<i>Vestor</i>					279	301	325	
Diff to Consensus	-21,3%	1,1%	-2,6%	-10,4%	-1,7%	-3,8%	2,8%	2,7%
Diff to 4 Brokers					7,9%	2,5%	2,9%	2,8%
Growth - Stock Options					10,0%	10,0%	10,0%	33,0%
Growth - Consensus					11,9%	12,4%	3,0%	29,5%
Growth - 4 Brokers					1,9%	15,8%	9,6%	29,3%

Share price target – implied valuation

The analysis of the assumed in the Program Eurocash share price dynamic at WSE shows that the price settled at level of PLN 45.00 per one share is on higher level than estimated share price implied by the EBIT performance assumed in Incentive Schemes.



The conditional price in Incentive Schemes XIb – XVIb) is settled at level of PLN 45.00 per one share, which assumes over 40% increase in Eurocash share price vs. the current level of app. PLN 32 per share.

The target for EBIT growth in Incentive Scheme was settled at level of 33%, which with assumption of stable Multiple of Market Cap to EBIT amounted to 16.2x, implies 3 year share price at level of PLN 42.6. The level of PLN 45.00 per one share is above the theoretical share price.

Analysing the perspective of Eurocash share price growth, it should be noted, that share price growth was historically impacted by realized by Eurocash Group M&A transactions. Such a transactions are important part of Eurocash Group strategy and potentially might have impact on share price in the future.

Depending of the timing of potential transactions, their effects may not impact the reported sales and EBIT numbers, however such effects might be discounted in the share price. In the opinion of the Management Board, Programs XIb)-XVIb), conditional to Eurocash share price growth at WSE, are strongly linked to Eurocash Group strategy and should be considered as significant part of the Incentive Schemes for the management and key employees of the Company and the Eurocash Group.

Proposed tranches and performance targets:

- **Program XI:**

- Condition for implementation: achievement of target of 2017 consolidated sales increase (organic sales growth and growth as a result of acquisition) by 8% in comparison to 2016
- Grant date: 25th April 2017 – the date of Annual General Meeting

- Exercise period: 1 April 2020 – 30 April 2022
- Strike price: arithmetic mean of the high and low prices on the trading day before the day of the grant (24th April 2017)
- Number of new shares issued: 700 000 (0.5% of outstanding shares)
- **Program XII:**
 - Condition for implementation: achievement of target of 2017 consolidated EBIT increase by 10% in comparison to 2016
 - Grant date: 25th April 2017 - the date of Annual General Meeting
 - Exercise period: 1 April 2020 – 30 April 2022
 - Strike price: arithmetic mean of the high and low prices on the trading day before the day of the grant (24th April 2017)
 - Number of new shares issued: 700 000 (0.5% of outstanding shares)
- **Program XIII:**
 - Condition for implementation: achievement of target of 2018 consolidated sales increase (organic sales growth and growth as a result of acquisition) by 8% in comparison to 2017
 - Grant date: 25th April 2017 – the date of Annual General Meeting
 - Exercise period: 1 April 2021 – 30 April 2023
 - Strike price: arithmetic mean of the high and low prices on the trading day before the day of the grant (24th April 2017)
 - Number of new shares issued: 700 000 (0.5% of outstanding shares)
- **Program XIV:**
 - Condition for implementation: achievement of target of 2018 consolidated EBIT increase by 10% in comparison to 2017
 - Grant date: 25th April 2017 – the date of Annual General Meeting
 - Exercise period: 1 April 2021 – 30 April 2023
 - Strike price: arithmetic mean of the high and low prices on the trading day before the day of the grant (24th April 2017)
 - Number of options / new shares issued: 700 000 (0.5% of outstanding shares)
- **Program XV:**
 - Condition for implementation: achievement of target of 2019 consolidated sales increase (organic sales growth and growth as a result of acquisition) by 8% in comparison to 2018

- Grant date: 25th April 2017 – the date of Annual General Meeting
 - Exercise period: 1 April 2022 – 30 April 2024
 - Strike price: arithmetic mean of the high and low prices on the trading day before the day of the grant (24th April 2017)
 - Number of new shares issued: 700 000 (0.5% of outstanding shares)
- **Program XVI:**
 - Condition for implementation: achievement of target of 2019 consolidated EBIT increase by 10% in comparison to 2018
 - Grant date: 25th April 2017 - the date of Annual General Meeting
 - Exercise period: 1 April 2022 – 30 April 2024
 - Strike price: arithmetic mean of the high and low prices on the trading day before the day of the grant (24th April 2017)
 - Number of options / new shares issued: 700 000 (0.5% of outstanding shares)
 - **Additional Programs (marked with a letter (a) – XIa-XVIa):**

In case that the conditions for XI-XVI Programs will not be achieved, beneficiaries of these programs will be able to subscribe for the not issued shares.

Programs XIa), XIIIa), XVa)

In case that the conditions for Programs XI, XIII and XV will not be achieved, beneficiaries of these programs will be able to subscribe for the shares not issued in Programs XI, XIII and XV in additional Programs marked as **XIa), XIIIa) and XVa)** under the condition that Eurocash consolidated sales (organic sales growth and growth as a result of acquisition) will increase in 2019 by at least 30% in comparison to 2016.

- Condition for implementation: achievement of target of 2019 consolidated sales increase (organic sales growth and growth as a result of acquisition) by 30% in comparison to 2016
- Grant date: 25th April 2017 - the date of Annual General Meeting
- Exercise period: 1 April 2022 – 30 April 2024
- Strike price: arithmetic mean of the high and low prices on the trading day before the day of the grant (24th April 2017)
- Number of new shares issued will be equal to number of shares in Program XI, XIII and XV for which issue conditions were not achieved – means annual sales increase target was not reached.
 - Program XIa): 700 000 shares – if issue conditions in Program XI were not achieved
 - Program XIIIa): 700 000 shares – if issue conditions in Program XIII were not achieved

- Program XVa): 700 000 shares – if issue conditions in Program XV were not achieved

Programs XIa), XIIIa), XVa)

In case that the conditions for Programs XI, XIII and XV will not be achieved, beneficiaries of these programs will be able to subscribe for the shares not issued in Programs XI, XIII and XV in additional Programs marked as **XIa), XIIIa) and XVa)** under the condition that Eurocash consolidated EBIT will increase in 2019 by at least 33% in comparison to 2016.

- Condition for implementation: achievement of target of 2019 consolidated EBIT increase by 10% in comparison to 2016
- Grant date: 25th April 2017 - the date of Annual General Meeting
- Exercise period: 1 April 2022 – 30 April 2024
- Strike price: arithmetic mean of the high and low prices on the trading day before the day of the grant (24th April 2017)
- Number of new shares issued will be equal to number of shares in Program XI, XIII and XV for which issue conditions were not achieved – means annual EBIT increase target was not reached.
 - Program XIa): 700 000 shares – if issue conditions in Program XI were not achieved
 - Program XIIIa): 700 000 shares – if issue conditions in Program XIII were not achieved
 - Program XVa): 700 000 shares – if issue conditions in Program XV were not achieved

- **Additional Programs (marked with a letter (b) – XIb-XVIb):**

In case that the conditions for Programs XIa) - XVIa) will not be achieved, beneficiaries of these programs will be able to subscribe for the shares not issued in Programs XIa)-XVIa) in additional Programs marked as **XIb), XIIb), XIIIb), XIVb), XVb) and XVIb)** under the condition that Eurocash share price on Warsaw Stock Exchange (arithmetic mean of the high and low prices) in third anniversary of adopting the resolution regarding Incentive Schemes will amount to least to PLN 45.00

- Condition for implementation: arithmetic mean of the high and low prices of the Eurocash S.A. share price on the Warsaw Stock Exchange, on the third anniversary of adopting the resolution regarding Incentive Schemes (i.e. 25 April 2020) shall amount at least to PLN 45.00 per share
- Grant date: 25th April 2017 - the date of Annual General Meeting
- Exercise period: 1 April 2022 – 30 April 2024

- Strike price: arithmetic mean of the high and low prices on the trading day before the day of the grant (24th April 2017)
- Number of new shares issued will be equal to number of shares in Program XIa) - XVIa) for which issue conditions were not achieved – means cumulated sales increase or EBIT increase target was not reached.
 - Program XIb): 700 000 shares – if conditions for realisation of the Programs XI and XIa) were not achieved
 - Program XIIb): 700 000 shares – if conditions for realisation of the Programs XII and XIIa) were not achieved
 - Program XIIIb): 700 000 shares – if conditions for realisation of the Programs XIII and XIIIa) were not achieved
 - Program XIVb): 700 000 shares – if conditions for realisation of the Programs XIV and XIVa) were not achieved
 - Program XVb): 700 000 shares – if conditions for realisation of the Programs XV and XVa) were not achieved
 - Program XVIb): 700 000 shares – if conditions for realisation of the Programs XVI and XVIa) were not achieved