

**EXPLANATORY NOTES TO THE AGENDA OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
**of OVOSTAR UNION N.V.**

The Board of Directors of Ovostar Union N.V., with its corporate seat in Amsterdam, the Netherlands (the “**Company**”), acting pursuant to the Articles of Association of the Company (“**Articles of Association**”), has convened the Company’s Annual General Meeting of Shareholders to be held on 19 June 2014 at 1.00 P.M. local time at 17 Museumplein, Amsterdam, the Netherlands (the “**Meeting**”).

These explanatory notes include facts and circumstances relevant to the shareholders of the Company with respect to items on the Meeting agenda that require to be voted upon.

All documents prepared for the purpose of the Meeting, including: (a) the Meeting agenda, (b) the explanatory notes to the Meeting agenda, (c) the 2013 Annual Accounts, including the explanatory notes to the 2013 Annual Accounts and (d) all (draft) documents submitted to the Meeting for approval, ratification and/or adoption and draft resolution to be taken, are available free of charge at the Company’s offices in the Netherlands (Jan van Goyenkade 8, 1075HP Amsterdam, the Netherlands, tel. +31206731090 – between 9 A.M. and 5 P.M. local time on working days) and also on the Company’s website [http://ovostar.ua/en/ipo/general\\_information/general\\_meetings/](http://ovostar.ua/en/ipo/general_information/general_meetings/)

**Resolution 1**

With respect to item 3 of the Agenda: Adoption of the annual accounts for the financial year ended 31 December 2013 (the “**2013 Annual Accounts**”)

The Company has prepared its Annual Report for the financial year ended 31 December 2013, including the 2013 Annual Accounts, in accordance with Dutch law and the relevant rules, law and regulations relating to the trading of the Company’s shares on the Warsaw Stock Exchange, which will be presented to the Meeting by the Board of Directors. The 2013 Annual Accounts contain also the consolidated annual accounts of the Company’s group.

It is proposed that the Meeting approves and adopts the 2013 Annual Accounts.

**Resolution 2**

With respect to item 4 of the Agenda: Granting discharge to the directors for all acts of management during the financial year ended 31 December 2013

It is proposed that the Meeting grants full discharge to each of the members of the Company’s Board of Directors for all acts of management performed for and on behalf of the Company during the financial year 2013, for as far as appear from the Company’s books.

**Resolution 3**

With respect to item 5 of the Agenda: Adoption of profit appropriation for the financial year ended 31 December 2013

It is proposed to adopt the net profit appropriation for the financial year ended 31 December 2013 as presented by the Board of Directors; to add the profit realized in the financial year ended 31 December 2013 to the general reserves and not to distribute any dividends to the shareholders out of these profits.

#### **Resolution 4**

With respect to item 6 of the Agenda: Appointment of the Company's external auditor for year 2014.

In accordance with the advice of the Audit Committee, it is proposed to entrust the Board of Directors to enter into negotiations with the Company's current external auditor Baker Tilly Berk and several other reputable audit firms, such as EY, KPMG, Deloitte, PwC and BDO. Depending on the results of such negotiations, the Board of Directors will be authorized to appoint one of these firms as the Company's external auditor, on the proposal of the Audit Committee and with the affirmative votes of all Non-Executive Directors, and to enter into an engagement with the appointed audit firm to render audit services for the financial year that will end on 31 December 2014.

#### **Resolution 5**

With respect to item 7 of the Agenda: Delegation to the Board of Directors of the authority to issue shares and cancel pre-emptive rights

It is proposed to authorize the Board of Directors to (i) issue or to grant rights to subscribe for shares up to a maximum of 10% of the Company's issued share capital at the date of the Meeting and ii) to authorize the Board of Directors to grant rights to subscribe for shares and iii) to authorize the Board of Directors to limit or exclude any of the pre-emptive rights (*voorkeursrechten*) of shareholders, all for a fixed period of 5 years.

#### **Resolution 6**

With respect to item 8 of the Agenda: Authorization of the Board of Directors to purchase shares in the Company's own capital and to alienate purchased shares in the Company's own capital

It is proposed that the Board of Directors will be authorized, for a fixed period of eighteen months as of the date of the Meeting, to purchase fully paid-up shares in the Company's own capital on the stock exchange or otherwise for valuable consideration and to alienate shares in the Company's own capital, for purposes of stock option plans and other general corporate purposes. The aforesaid authorization pertains to the maximum number that the Company may acquire pursuant to the law and the articles of association of the Company as of the date of acquisition, in which respect the price must be between the amount equal to the nominal value of these shares and the amount equal to hundred and ten percent (110%) of the average quotation of the listed shares on the stock exchange maintained by the Warsaw Stock Exchange of the past five days before the purchase.

Amsterdam, 8 May 2014

The Board of Directors

Ovostar Union N.V.