

MANAGEMENT REPORT
REGARDING MIGRATION PLAN TO TRANSFER THE CORPORATE SEAT OF OVOSTAR
UNION N.V. TO CYPRUS

The undersigned:

All members of the board of managing directors (the “**Board**”) of **Ovostar Union N.V.**, a public company organized and existing under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, with office address at Jan van Goyenkade 8, 1075 HP Amsterdam, the Netherlands, registered with the Dutch Trade Register of the Chamber of Commerce under number 52331008 (the “**Company**”),

WHEREAS:

- a. the Board of the Company has drawn up a proposal to transfer the corporate seat of the Company from Amsterdam, the Netherlands, to Nicosia, Cyprus which transfer will be realized by means of converting the Company from a public company governed by Dutch law (*naamloze vennootschap*) to a public limited company under Cyprus law (the “**Conversion**”);
- b. at the time of the Conversion the Company will transfer its head office as well as its administration to Cyprus, as a result of which it will become subject to Cyprus law;
- c. the Board wishes by this present document to explain the reasons for the intended transfer of the corporate seat and Conversion and its implications for its shareholders, creditors and other related parties;

DECLARE:

A. Comments from a legal point of view

The legal form of the Company at present is that of a public company (*naamloze vennootschap*) governed by Dutch law.

The main purpose of the transfer of the corporate seat and Conversion of the Company into a Cyprus public company is to simplify the structure of the group of companies of which the Company is a part of.

The proposal therefore is to convert the Company from a Dutch public company into a Cyprus Public Company. The Conversion will take place without the Company being dissolved or ceasing to exist. The Conversion will not lead to the reincorporation of the Company. Consequently, the shares in the capital of the Company will not be replaced by new shares.

The Conversion will not affect any legal relationship between the Company and third parties. The Conversion will not entitle third parties to terminate any existing agreement and legal relationship with the

Company. Nor will they be entitled to damages against the Company on the grounds of the Conversion.

As a result of the Conversion, the Company will no longer be subject to Dutch corporate law and will become subject to Cyprus corporate law. The Company will no longer be subject to the supervision of the Dutch Autoriteit Financiële Markten following the Conversion as it will become subject to the supervision of Komisja Nadzoru Finansowego (KNF, *eng.:-Polish Financial Supervision Authority*) within the scope prescribed by Polish applicable law.

B. Comments from a social point of view

The Conversion will not have any social implications, since the Company does not have any employees and the Conversion will not result in any changes in the conduct of business by the Company.

C. Comments from an economic point of view

The business of the Company will be continued and will not change as a result of the Conversion.

D. Implications for shareholders

The shares in the capital of the Company will not be replaced by new shares. The voting rights and rights to profit and other distributions will not be affected by the Conversion. Any shareholder who has not consented with the Conversion resolution may request the Company for indemnification against loss of their shares. Such request must be made in writing to the Company within one month after the Company has informed the shareholder that he may request such indemnification.

E. Implications for creditors

The Conversion will cause the corporate seat of the Company to be replaced from Amsterdam, the Netherlands, to Nicosia, Cyprus. Consequently the Company will lose its corporate domicile in the Netherlands. As a result thereof creditors will no longer be able to commence legal proceedings against the Company in the Netherlands based on its corporate domicile.

These explanatory notes may be executed in counterparts, each of which constitutes an original and all of which together constitute one and the same instrument.