

**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 7 June 2012 at 09:00 A.M. local time at Claude Debussylaan 54, Amsterdam, the Netherlands (the "**Meeting**").

These explanatory notes include facts and circumstances relevant to 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 agenda to the Meeting agenda, (c) the 2011 Annual Accounts, including the explanatory notes to the 2011 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 (Koningslaan 17, 1075 AA Amsterdam, the Netherlands, telephone number +31 20 6731090 - between 9.00 A.M. and 5:00 P.M. local time on working days) and also on the Company's website: www.ovostar.ua.

RESOLUTION 1

With respect to item 3 of the Agenda: Adoption of the annual accounts for the financial year ended 31 December 2011 (the "2011 Annual Accounts")

The Company has prepared its Annual Report for the financial year ended 31 December 2011, including the 2011 Annual Accounts, in accordance with Dutch law and the relevant rules, laws 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 2011 Annual Accounts contain also the consolidated annual accounts of the Company's group.

It is proposed that the Meeting approves and adopts the 2011 Annual Accounts.

RESOLUTION 2

With respect to item 4 of the Agenda: Granting of discharge to the directors for their tasks during the financial year ended 31 December 2011

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 2011, for as far as appear from the Company's books.

RESOLUTION 3

With respect to item 5 of the Agenda: Adoption of the profit appropriation for the financial year ended 31 December 2011 and distribution of dividends

To adopt the net profit appropriation for the financial year ended 31 December 2011 as presented by the Board of Directors; to add the profit realized in the financial year ended 31 December 2011 to the general reserves and to distribute no dividends to the shareholders out of the profits.

RESOLUTION 4

With respect to item 6 of the Agenda: Appointment of the Company's external auditor for the financial year 2012

In accordance with the advice of the Audit Committee, to appoint Baker Tilly Berk N.V. as the external auditor of the Company for the financial year that will end on 31 December 2012.

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

To authorize the Board of Directors to (i) issue or to grant rights to subscribe for shares up to a maximum of the Company's authorized 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, 26 April 2012

**The Board of Directors
Ovostar Union N.V.**