

STATEMENT OF REASONS PREPARED BY THE MANAGEMENT BOARD

of CPD S. A. with its registered office in Warsaw with respect to the planned resolutions of the Extraordinary General Meeting of the Company

Management Board of CPD Spółka Akcyjna with its registered office in Warsaw, address: ul. Cybernetyki 7b, 02-677 Warsaw, entered to the register of business entities of the National Court Register, maintained by the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register under KRS number 0000277147 (hereinafter: the "Company"), in connection with convening for 8 May, 2018 of the Extraordinary General Meeting of the Company, the agenda of which shall include the following resolutions:

- 1) on the election of the Chairman of the Extraordinary General Meeting (Resolution no 1);
- 2) on the adoption of the agenda (Resolution no 2);
- 3) on the merger between CPD S.A. and Buffy Holdings No. 1 Limited (Resolution no 3)
- 4) on the determination of remuneration for the members of the Supervisory Board of CPD S.A. (Resolution no 4)

hereby presents its opinion on the aforementioned planned resolutions.

Resolutions no 1 and 2

Resolutions no 1 and 2 constitute resolutions adopted in relation to the formal aspects of the meeting, the adoption of which is obligatory in order to comply with the provisions regulating the proceedings of the General Meeting: (i) adoption of the resolution no 1 is required under the art. 409 § 1 of the Commercial Companies' Code; (ii) adoption of the resolution no 2 is required under the art. 402² § 1 of the Commercial Companies' Code.

Resolution no 3

Resolution no 3 is adopted in connection with the merger procedure, currently under way, between CPD S.A. and BUFFY HOLDINGS NO. 1 LIMITED with its registered office in Nicosia in Cyprus, address: Limassol Avenue, 267, Vision Tower, 2nd floor, 2121 Aglantzia, Nicosia, Cyprus, entered to the register of companies maintained by the Ministry of Energy, Commerce, Industry and Tourism of the Republic of Cyprus under the registry number HE 166076, with the said merger being effected under the terms specified in the Cross Border Plan of Merger agreed on 22 December 2017 and published on the CPD S.A. website. Resolution shall include the consent of the Extraordinary General Meeting for the Plan of Merger and the authorization granted to the Management Board of CPD S.A. to undertake any and all actions aimed at the implementation of this resolution. Adoption of the resolution is an essential stage of the merger procedure as part of the so-called ownership stage of the merger, required under art. 516 § 6 in connection with § 1 second sentence in connection with art. 516¹ of the Commercial Companies' Code.

In view of the fact that the merger shall be effected in a simplified procedure referred to in 516¹⁵ § 1 of the Commercial Companies Code and Section 201V (1) The Companies Law, Cap. 113, the share capital of CPD S.A. shall not be increased and its Articles of Association shall not be amended.

The merger is a part of the strategy adopted in CPD group aimed at establishment of transparent and clear structure of the group, in which particular types of business activity conducted within the group are clearly separated, as well as aimed at simplification of the entire structure by replacing the four-level structure by two- or maximum three-level structure.

Resolution no 4

The Management Board proposes that the General Meeting fixes remuneration of the Supervisory Board members under § 6.2.5) of the Company Statute, in connection with the appointment of the Audit Committee. Payment of remuneration to members of Supervisory Boards of public companies for their membership in those Boards is presently a standard solution.

In consideration of the numerous duties the members of the Supervisory Board in the Audit Committee and the attendant responsibility they carry, it seems justified to award to those members of the Supervisory Board supplementary remuneration on account of their performance of specific functions in the aforementioned committees, and particularly on account of chairing the work of those committees.

Given the above, we propose the remuneration of the members of the Audit Committee be set in the amounts and pursuant to the rules set out in this draft resolution.

**The Supervisory Board of CPD S.A.
justification of draft resolutions of the
Extraordinary General Meeting of CPD S.A.**

The Supervisory Board of CPD S.A. gives positive opinion on draft resolutions of the Extraordinary General Meeting of the Company, adopted resolutions approving the draft resolutions of the General Meeting on 8 March and 30 March, 2018.