



**Corestate Capital Holdings S.A.**

*Société anonyme*

Registered office: 4, rue Jean Monnet, 2180 Luxembourg  
Grand Duchy of Luxembourg  
R.C.S. Luxembourg: B 199780  
(the **Company**)

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**REPORT OF THE MANGEMENT BOARD OF THE COMPANY TO THE ANNUAL GENERAL  
MEETING OF THE SHAREHOLDERS OF THE COMPANY  
TO BE HELD ON 28 APRIL 2017**

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Dear Shareholders,

In accordance with article 32-3(5) of the Luxembourg law on commercial companies dated 10 August 1915 as amended (the **Law**), the management board of the Company (the **Board**) submits for your review this report on the proposal to be made at the annual general meeting of the shareholders of the Company to be held on 28 April 2017 (the **Meeting**) regarding the set-up of a new authorised share capital of the Company in an amount of EUR 2,000,000, represented by 26,666,666 shares without a nominal value, and the authorisation to be granted to the Board to cancel or limit the pre-emptive rights of the shareholders set out in the Law in connection with such authorised capital (the **Authorisation**).

**1. PURPOSE OF THE AUTHORISATION**

The purpose of the Authorisation is to allow the Board to create a larger equity base of the Company by way of issuance of rights, options, convertible instruments or by way of direct share issues (whether on a regulated or unregulated market), i.e. by share offerings, whether or not made to the existing shareholders of the Company.

The Authorisation could in particular, without limitation, be used in order to:

- engage in restructuring programmes, public offerings, acquisition (private or public) or merger transactions, or, generally, additional equity financing programmes;
- increase the share capital by incorporation of reserves or issuance premium; or
- remunerate shareholders by way of a distribution in kind.

The Board shall further be allowed to rely on the Authorisation to implement an employee stock option plan and/or the remuneration of senior management.

All these cases referred to above might call for immediate and flexible action, in order to react quickly and efficiently to fluctuations in the market and to the particular needs of the Company under certain internal or external circumstances. As such, it is necessary to create an accelerated procedure as opposed to the requirement to convene a general shareholders' meeting.

## **2. AUTHORISATION TO CANCEL OR RESTRICT THE SHAREHOLDERS' PRE-EMPTIVE RIGHTS**

As regards the authorisation to cancel or restrict the shareholders' pre-emptive rights, the Board deems such authorisation to be indispensable to achieve the goals as described above.

## **3. ISSUE PRICE**

The issue price of the new shares to be issued under the Authorisation will in each case correspond at least to the accounting par value of the existing shares (at the time of the respective issuance of any such new shares or at the time of the grant of options or issue of other securities or instruments convertible into shares, as the case may be).

The Board may decide, at its discretion but always subject to the corporate interest of the Company, to issue new shares under the Authorisation at a price which is higher than the accounting par value of the existing shares (at the time of the respective issuance of any such new shares).

March 2017

**The Board**