

EXPLANATORY NOTE IN RELATION TO GENERAL MEETINGS OF SHAREHOLDERS

Dear Shareholder,

As indicated in the convening notices of the annual general meeting and extraordinary general meeting of shareholders, the record date for the general meetings of shareholders to be held on 7 December 2011 shall be **23 November 2011 at 12 p.m.** (the "**Record Date**").

Therefore, shareholders who own will shares directly or through an operator of a securities settlement system or with a professional depository or sub-depository on **23 November 2011 at 12 p.m.** will be considered as shareholders of the Company for the purpose of the general meeting of shareholders.

The free transferability of the shares shall remain unaffected by the convening and holding procedures of the annual general meeting and extraordinary general meeting of shareholders.

1) PARTICIPATION AND VOTING

For the purpose of participating to the general meetings of shareholders, the following steps should be completed:

Step 1: Form of participation

Shareholders who wish to participate in person or via proxy should return **the form of participation** to the Company (Kernel Holding S.A. c/o Intertrust, 65, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg or by fax +352.26.38.35.09 or by e-mail to a.usacheva@kernel.ua) and the operator or depository or sub-depository enclosing the relevant documentation evidencing their ownership of the shares of the Company **by 23 November 2011 at 12 p.m.**

Please note that the proxy duly filled in may also be returned at the same time as the form of participation *i.e.* prior to 23 November 2011.

The Board of Directors of the Company will determine in its discretion, to the extent necessary, whether the documents provided to the Company evidencing the ownership of the shares are sufficient.

Step 2: Proxy and voting instructions

The proxy will be given to the chairman of the meeting as per the form of proxy, to vote on behalf of the shareholder in accordance with the voting instructions given by such shareholder.

In case proxy voting instructions are not provided for a resolution, the proxy will be deemed to abstain from voting on this resolution.

- *Shareholders who wish to vote via proxy outside any electronic system held by an operator of a securities settlement system.*

Shareholders who wish to via proxy should fill in the **proxy form** including voting instructions and should deposit the proxy form at the registered office of the Company no later than **6 December 2011 at 12 a.m.**

For the proxy to be valid, the name of the shareholder must be identical in the form of participation and proxy and in the registered depository certificate.

- *Shareholders whose shares are held through an operator of a securities settlement system or with a professional depository or sub-depository designated by such depository and who wish to vote via the electronic system*

Shareholders whose shares are held through an operator of a securities settlement system or with a professional depository or sub-depository designated by such depository and who wish to vote via the electronic system in relation the annual general meeting of shareholders must give voting instructions to the chairman of the the annual general meeting of shareholders, via the electronic system of the operator of a securities settlement system or with a professional depository or sub-depository designated by such depository. The operator of a securities settlement system or a professional depository or sub-depository designated by such depository must, prior to the annual general meeting, provide a spreadsheet of the voting instructions in relation to the votes cast including a proxy to the chairman of the annual general meeting of shareholders for the annual general meeting of shareholders, to be returned to the Company prior to the date of the annual general meeting.

Please follow the regulations of the operator of a securities settlement system or the depository.

The operator of a securities settlement system or the depository should provide the Company with the voting instructions no later than **6 December 2011 at 12 a.m..**

2) RIGHT TO REQUEST ADDITIONAL ITEMS TO THE AGENDA OF THE GENERAL MEETINGS OF SHAREHOLDERS

The resolutions of the annual general meeting and extraordinary general meeting of shareholders proposed for adoption by the shareholders are available ont eh website of the

Company or upon demand to Kernel Holding S.A. c/o Intertrust, 65, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg or by fax +352.26.38.35.09 or by e-mail to a.usacheva@kernel.ua

One or more shareholders holding together at least 5% of the share capital of the Company may:

- Add new items on the agenda of the annual general meeting of shareholders;
- May file proposed resolutions in relation with the items of the agenda or the additional items.

Such requests must be sent to the Company in writing by mail to Kernel Holding S.A. c/o Intertrust, 65, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand-Duchy of Luxembourg or by e-mail to a.usacheva@kernel.ua. Such requests should enclose the related proposed resolutions and should indicate a mail or e-mail address to which the Company may send an acknowledgement of receipt.

Such requests should be sent to the Company by **16 November 2011**.

The Company will acknowledge the receipt of such requests within 48 hours upon reception.

In case of additional items to the agenda of the general meeting of shareholders, the Company will publish an updated agenda of the annual general meeting at the latest on **22 November 2011**.

3) LANGUAGE

The annual general meeting of shareholders will be conducted in English. Please note that the English language version of all resolutions is binding as the resolutions will be adopted in English.

All documents relating to the annual general meeting of shareholders must be delivered to the Company in English. If any document has been prepared in any other language, shareholders should translate such document into English prior to the annual general meeting of shareholders and provide the Company with the translation.

4) FURTHER QUESTIONS

Shareholders may address all queries with respect to the annual general meeting of shareholders by email to the following email address: investor_relations@kernel.ua, or to the following address:

Kernel Holding S.A.

65, boulevard Grande-Duchesse Charlotte,

L-1331 Luxembourg

On all related correspondence, kindly indicate the following notice:

“2011 Annual General Meeting of shareholders Kernel Holding S.A.”

All documentation and information required under the law of 24 May 2011 implementing the Directive 2007/36 EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders of listed companies including the proposed resolutions shall be available on the website of the Company www.kernel.ua or may be obtained by sending an e-mail to a.usacheva@kernel.ua.

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