# Draft resolution

concerning item 1 of the agenda

# Draft Resolution No. 1

concerning election of the Chairman

Acting pursuant to Article 409 § 1 of the Code of Commercial Companies and Partnerships and § 5 of the By-Laws of the General Meeting of Shareholders, the Extraordinary General Meeting hereby elects .....................….…………........................….…………............................. as the Chairman of the General Meeting of Shareholders.

# Draft resolution

concerning item 3 of the agenda

# Draft Resolution No. 2

concerning election of the Ballot Counting Committee

Acting pursuant to the order of the Chairman of the General Meeting of Shareholders issued on the basis of § 9 of the By-Laws of the General Meeting of Shareholders upon request of the following shareholders:

1. ……………………………………………………………….

2. ……………………………………………………………….

………………………………………………………………….,

the Extraordinary General Meeting appoints the Ballot Counting Committee comprising the following members:

1) ……………………………………………………………….

2) ……………………………………………………………….

3) ………………………………………………………………. .

# Draft resolution

concerning item 4 of the agenda

# Draft Resolution No. 3

concerning adoption of the agenda

The Extraordinary General Meeting of Shareholders hereby adopts the following agenda:

1. Opening of the General Meeting of Shareholders and election of its Chairperson.
2. Confirming that the General Meeting of Shareholders has been properly convened and is capable of adopting valid resolutions.
3. Election of the ballot counting committee upon request of shareholders.
4. Adopting the agenda for the meeting.
5. Adopting a resolution concerning granting consent for the sale of an organised part of the enterprise i.e. the “ibis Katowice Zabrze” Hotel in Zabrze.
6. Adopting a resolution concerning granting consent for the sale of an organised parts of the enterprise i.e. the “Mercure Toruń Centrum” Hotel and the “ibis budget Toruń” Hotel together with a real property and an uncompleted hotel building.

Draft resolution

concerning item 5 of the agenda

# Draft Resolution No. 4

concerning granting consent
for the sale of an organised part of the enterprise

i.e. the “ibis Katowice Zabrze” Hotel in Zabrze

§ 1

Acting by virtue of § 29 section 3 of the “Orbis” S.A. Statutes and Article 393 point 3 of the Code of Commercial Companies and Partnerships, the Extraordinary General Meeting of “Orbis” S.A. Shareholders hereby grants its consent for the sale, for the net price no less than PLN 7 600 000 (seven million and six hundred thousand Polish zloty), of an organised part of the enterprise, i.e. the “ibis Katowice Zabrze” Hotel located at the following address: ul. Jagiellońska 4 in Zabrze (the “Hotel ”). The sale transaction shall cover all the assets (the real property and the movables) belonging to the Hotel and the business conducted by this Hotel, including specifically the ownership title of the real property comprising a plot of land no. 1681/102, map zone: 12 Zabrze, with an area of 3 540 square meters, registered in the land and mortgage register no. KW GL1Z/00027394/6 kept by the District Court in Zabrze, VI Land and Mortgage Registry Division, together with the ownership title of buildings, constructions and structures located thereon.

§ 2

The Resolution shall become effective upon its adoption.

*STATEMENT OF REASONS*

*Sale of an organised part of the enterprise requires a resolution of the General Shareholders Meeting (Article 393 point 3 of the Code of Commercial Companies and Partnerships).*

*The policy pursued by “Orbis” S.A. of concentrating its hotel subsidiaries on markets in the eight major urban centres implies a non-strategic location of the “ibis Katowice Zabrze” Hotel located in Zabrze.*

*The “ibis Katowice Zabrze” Hotel was built in 2001 and has 114 rooms, a restaurant and a conference room. The Hotel requires capital expenditure on modernisation of its technical infrastructure and product adjustment to up-to-date brand requirements.*

*At the same time, due to the location of the Hotel, the investment strategy accepted by the Company and the financial results of the Hotel which do not meet the expected level, “Orbis” S.A. does not plan further capital expenditure in this property.*

*In connection with the circumstances described above, the Management Board of “Orbis” S.A. made a decision to sell the “ibis Katowice Zabrze” Hotel in Zabrze. In the course of negotiations conducted with prospective investors, the Management Board of “Orbis” S.A. selected the best offer submitted by an individual investor, with the net purchase price equal to PLN 7 600 000 (seven million and six hundred thousand Polish zloty) and a stipulation of a franchise agreement for the Hotel for a term of 10 years. Accordingly, a preliminary sale and purchase agreement of the “ibis Katowice Zabrze” Hotel in Zabrze was executed on August 9, 2017, and the preliminary agreement stipulates that completion of the transaction is strictly conditional upon the consent for the sale of the Hotel by the General Meeting of “Orbis” S.A. Shareholders. According to the preliminary sale and purchase agreement, the final sale agreement shall be executed by September 30, 2017. At the same time, “Orbis” S.A. executed a franchise agreement with the buyer, on the basis of which, following its sale, the Hotel will continue its operation under the “ibis” brand.*

*The Management Board informs that the sale price agreed upon in the preliminary sale and purchase agreement exceeds the net value of the hotel as reported in “Orbis” S.A. books, which equalled PLN 7.58 million as at June 30, 2017. The agreed price is also higher than the value estimated by an independent real property appraiser who specializes in hotel property value appraisal. The real property value appraisal report compiled in 2016 by Pro Value Sp. z o.o. with its registered address in Warsaw established the value of the Hotel at the total sum of PLN 5.4 million. The value of the Hotel was established based on the income approach, profit method.*

*At the same time, the Management Board informs that the buyer of the “ibis Katowice Zabrze” Hotel does not have any personal or capital connections with any entity belonging to the “Orbis” Group or the Accor Group (the majority shareholder of “Orbis” S.A.).*

*Furthermore, the Management Board informs that the sale of the “ibis Katowice Zabrze” Hotel for the above mentioned price was approved by the Supervisory Board of “Orbis” S.A.*

*Considering the foregoing, the Management Board of “Orbis” S.A. considers the sale of an organised part of the enterprise, i.e. the “ibis Katowice Zabrze” Hotel in Zabrze for the price of PLN 7 600 000 (seven million and six hundred thousand Polish zloty) fully reasonable, and therefore the Management Board requests the General Meeting of “Orbis” S.A. Shareholders to adopt the resolution in the wording proposed hereinabove.*

Draft resolution

concerning item 6 of the agenda

# Draft Resolution No. 5

concerning granting consent for the sale of an organised parts of the enterprise

i.e. the “Mercure Toruń Centrum” Hotel and the “ibis budget Toruń” Hotel
together with a real property and an uncompleted hotel building

§ 1

Acting by virtue of § 29 section 3 of the “Orbis” S.A. Statutes and Article 393 point 3 of the Code of Commercial Companies and Partnerships, the Extraordinary General Meeting of “Orbis” S.A. Shareholders hereby:

1. grants its consent for the sale of an organised part of the enterprise, i.e. the “Mercure Toruń Centrum” Hotel located at the following address: ul. Józefa Ignacego Kraszewskiego 1-3 in Toruń, for a net price no less than PLN 18 000 000 (eighteen million Polish zloty). The sale transaction shall cover all the assets (the real property and the movables) belonging to the “Mercure Toruń Centrum” Hotel and the business conducted by the “Mercure Toruń Centrum” Hotel, including specifically the title of perpetual usufruct of the real property with an area of 7,619 square meters, comprising a plot of land no. 154/2, map zone: 0013, registered in the land and mortgage register no. TO1T/00016175/2 kept by the District Court in Toruń, VI Land and Mortgage Registry Division, together with the ownership title of buildings, constructions and structures located thereon;
2. grants its consent for the sale of an organised part of the enterprise, i.e. the “ibis Budget Toruń” Hotel located at the following address: ul.  ks. Jerzego Popiełuszki 2a in Toruń, for a net price no less than PLN 6 450 000 (six million and four hundred and fifty thousand Polish zloty); the said organised part of the enterprise shall be sold together with the usufruct title of the adjoining real property, i.e. plot of land no. 329/5, located in Toruń, at ul. Popiełuszki 2, with an area of 3,489 square meters (created as a result of a decision that approved the division of the real property located in Toruń, at ul. Popiełuszki 2, 2a comprising plot of land no. 329/2, registered, as at the date of real property division, in the land and mortgage register no. KW TO1T/00029943/1 kept by the District Court in Toruń, VI Land and Mortgage Registry Division) together with the ownership title to the building and facilities which are a property separate from the land, for a net price not lower than PLN 4 550 000 (four million and five hundred and fifty thousand Polish zloty); accordingly, the total net price for the sale of the above-mentioned organised part of the enterprise and the real property shall be no lower then total PLN 11 000 000 (eleven million Polish zloty).

The sale transaction of an organised part of the enterprise of the “ibis Budget Toruń” Hotel shall cover all the assets (the real property and the movables) belonging to the “ibis Budget Toruń” Hotel and the business conducted by the “ibis Budget Toruń” Hotel, including in particular the title to perpetual usufruct of real property with an area of 2,134 square meters comprising plot of land no. 329/4, map zone: 0012 (created as a result of issue of a decision that approved the division of the real property located in Toruń, at ul. Popiełuszki 2, 2a comprising plot of land no. 329/2, which was registered, as at the date of real property division, in the land and mortgage register no. KW TO1T/00029943/1 kept by the District Court in Toruń, VI Land and Mortgage Registry Division), together with the ownership title of buildings, constructions and structures located thereon.

§ 2

The Resolution shall become effective upon its adoption.

*STATEMENT OF REASONS*

*Sale of an organised part of the enterprise requires a resolution of the General Shareholders Meeting (Article 393 point 3 of the Code of Commercial Companies and Partnerships).*

*Above all, the Management Board of “Orbis” S.A. emphasizes that the Company’s policy of concentrating its hotel subsidiaries in Poland on markets in the eight major urban centres implies a non-strategic location of the “Mercure Toruń Centrum” Hotel and the “ibis budget Toruń” Hotel. The condition of the said Hotels is also an issue:*

1. *The “Mercure Toruń Centrum” Hotel was built in 1972 and has 110 rooms. The Hotel underwent the last general renovation in 2003 and at present requires substantial capital expenditure on modernisation of its technical infrastructure, adjustment of the product to the current Mercure brand standards as well as to market requirements. In connection with the adopted investment strategy, “Orbis” S.A. does not plan to incur the said capital expenditure which is necessary to improve the Hotel’s operating efficiency and financial performance;*
2. *The “ibis budget Toruń” Hotel was built in 2009 and has 83 rooms. Also this Hotel requires capital expenditure to adjust the product to market requirements. In connection with the location of the “ibis budget Toruń” Hotel being non-strategic in terms of developing Orbis’ hotel subsidiaries, the Company does not plan to incur the said capital expenditure which is necessary to modernise the “ibis budget Toruń” Hotel.*

*At the same time, the Management Board explains that the “ibis budget Toruń” real property adjoins a real property with an uncompleted building, which originally was an “ibis” hotel construction site. The construction of the “ibis” hotel was stopped in 2008 due to the then unfavourable market conditions and its completion would require major capital expenditure. Due to the vicinity and identical purpose of the real properties, the “ibis budget Toruń” Hotel and the real property described above are sold together.*

*In connection with the circumstances described above, the Management Board of “Orbis” S.A. made a decision to sell the “Mercure Toruń Centrum” Hotel and the “ibis budget Toruń” Hotel operating as organised parts of the enterprise and to sell the real property with the uncompleted building of the “ibis” hotel (i.e. sell the title to perpetual usufruct of the plot of land together with the ownership title to the uncompleted hotel building and facilities which are a property separate from the land).*

*In the course of negotiations conducted with prospective investors, the Management Board of “Orbis” S.A. selected the best hotels purchase offer with the total net amount of PLN 29 000 000 (twenty nine million Polish zloty) submitted by Cube spółkę z ograniczoną odpowiedzialnością with its registered address in Bydgoszcz. The total price offer comprises the net sum of PLN 18 000 000 (eighteen million Polish zloty) offered for the “Mercure Toruń Centrum” Hotel and the net sum of PLN 11 000 000 (eleven million Polish zloty) offered jointly for the “ibis budget Toruń” Hotel and for the real property with the uncompleted building of the hotel. The offer also envisaged the execution of long-term franchise agreements for both the operating hotels and for the new hotel to be opened after the completion of the investment project by the buyer. The bidder, Cube sp. z o.o., is presently a party to a franchise agreement which was executed with “Orbis” S.A. on September 19, 2013, based on which it operates, as the franchisee, the “Mercure Bydgoszcz Sepia” Hotel.*

*As a result of the foregoing, on August 30, 2017, “Orbis” S.A. and Cube sp. z o.o. executed preliminary sale and purchase agreements of the “Mercure Toruń Centrum” Hotel and the “ibis budget Toruń” Hotel and the real property with the uncompleted hotel building. The said preliminary agreements stipulate that completion of the transaction is strictly conditional upon the consent for the sale of the hotels (organised parts of the enterprise) by the General Meeting of “Orbis” S.A. According to the preliminary sale and purchase agreements, the final sale agreement of the “Mercure Toruń Centrum” Hotel shall be executed on September 30, 2017, while the final sale agreements for the “ibis budget Toruń” Hotel and the adjoining real property, by September 30, 2018. Payment of the price by the buyer shall take place upon execution of the final sale agreements, except the sum of PLN 1 800 000 (one million eight hundred thousand Polish zloty) which was paid as earnest money for the purchase of the “Mercure Toruń Centrum” Hotel. At the same time, “Orbis” S.A. executed three (3) long-term franchise agreements with the buyer, based on which, following their sale, the “Mercure Toruń Centrum” Hotel and the “ibis budget Toruń” Hotel will continue their operations under their brands and the new hotel to be opened after the completion of the construction on the real property by the buyer will operate under the “ibis Styles” brand.*

*(The Management Board of “Orbis” S.A. announced the execution of the above-mentioned preliminary sale and purchase agreements and franchise agreements in the current report no. 30/2017 dated August 31, 2017)*

*The Management Board informs that the agreed total net sale price of PLN 29 000 000 (twenty nine million Polish zloty) exceeds the total net value of the said properties as reported in “Orbis” S.A. books, which equalled PLN 18.8 million as at June 30, 2017 (the “Mercure Toruń Centrum” Hotel: PLN 11.2 million, the “ibis budget Toruń” Hotel and the real property with the uncompleted hotel building, jointly: PLN 7.6 million).*

*The agreed price is also higher than the market value estimated by an independent real property appraiser who specializes in hotel property value appraisal. The real property value appraisal reports compiled in 2016 by Pro Value Sp. z o.o. with its registered address in Warsaw established the total market value of the properties at PLN 26.9 million (the “Mercure Toruń Centrum” Hotel: PLN 16.6 million, the “ibis budget Toruń” Hotel and the real property with the uncompleted hotel building, jointly: PLN 10.3 million).*

*Furthermore, the Management Board informs that the sale of the “Mercure Toruń Centrum” Hotel, the “ibis budget Toruń” Hotel and the real property with the uncompleted hotel building for a net sum no less than PLN 27 500 000 (twenty seven million five hundred thousand Polish zloty) was approved by the Supervisory Board of “Orbis” S.A.*

*In addition, the Management Board informs that the buyer, Cube spółka z ograniczoną odpowiedzialnością, does not have any personal or capital connections with any entity belonging to the “Orbis” Group or the Accor Group (the majority shareholder of “Orbis” S.A.).*

*Considering the foregoing, the Management Board of “Orbis” S.A. considers the sale of organised parts of the enterprise, i.e. the “Mercure Toruń Centrum” Hotel and the “ibis budget Toruń” Hotel and the adjoining real property with the uncompleted hotel building on terms and conditions described above fully reasonable, and therefore the Management Board requests the General Meeting of “Orbis” S.A. Shareholders to adopt the resolution in the wording proposed hereinabove.*