

[Logo of Nationale Nederlanden in the header, the following information in the footer: Nationale-Nederlanden Powszechna Towarzystwo Emerytalne S.A.; ul. Topiel 12, 00-342 Warszawa; phone +48 22 522 00 00, fax +48 22 522 1111, www.nn.pl; District Court for the capital city of Warsaw, XII Commercial Division of the National Court Register, no. KRS 0000042153, tax number (NIP): 526-22-41-523; share capital of PLN 33 000 000, fully paid-up]

Warsaw, October 24, 2019.

**The Management Board
Orbis S.A.
ul. Złota 59
00-120 Warszawa**

Regarding: submitting a draft resolution concerning item 5 of the agenda of the Extraordinary General Shareholder Meeting of Orbis S.A. convened for November 12, 2019.

Nationale-Nederlanden Otwarty Fundusz Emerytalny (open ended investment fund hereinafter referred to as the “Fund”) with its registered address in Warsaw, address: ul. Topiel 12, 00-342 Warszawa, registered in the Register of Pension Funds kept by the Regional Court in Warsaw, VII Civil Registration Division, under the number RFe 4, business number (REGON): 014849960, tax number (NIP): 5262355586, represented by Nationale-Nederlanden Powszechna Towarzystwo Emerytalne S.A. with its registered address in Warsaw, address: ul. Topiel 12, 00-342 Warszawa, registered in the Register of Entrepreneurs kept by the District Court for the capital city of Warsaw, XII Commercial Division, under the following number KRS 0000042153, as the shareholder of Orbis S.A. (hereinafter referred to as the “Company”) representing at least one twentieth of the share capital (deposit certificate attached hereto), pursuant to Article 401 § 4 of the Commercial Companies and Partnerships Code, submits a draft resolution concerning the matter placed under item 5 on the agenda of the Extraordinary General Shareholder Meeting of the Company convened for November 12, 2019, i.e. **“concerning the acquisition by the Company of treasury shares for the purpose of their redemption and the establishment of a relevant capital reserve”**.

Statement of Reasons:

In the current report no. 32/2019 dated October 16, 2019, the Management Board of the Company published draft resolutions of the Extraordinary General Shareholder Meeting of “Orbis” S.A. convened for November 12, 2019, including draft resolution no. 4 concerning the acquisition of treasury shares for the purpose of their redemption and the establishment of a capital reserve (re. item 5 of the agenda of the General Shareholder Meeting).

The draft resolution proposed by the Fund includes a modification of § 2 point 2 by stating

that the share purchase price in the tender offer may not be lower than PLN 125.00 (one hundred and twenty-five Polish zloty) per share and may not be higher than PLN 150.00 (one hundred and fifty Polish zloty). The price range of PLN 65.00 to PLN 150.00 contained in the published draft resolution is, in the opinion of the Fund, detrimental for minority shareholders. The following arguments support this view:

1. In accordance with the data provided in the current report of the Company no. 17/2019 published on June 12, 2019, the fair value of the Company's assets per share is much higher than the lower threshold of the price range proposed by the Management Board in the draft resolution. Furthermore, the valuation of the Company's real estate business segment, as presented in the current report, could have increased as a result of a drop in cap rates observed since June on the CEE markets where the Company operates.
2. The proposed buy-back of treasury shares bears a resemblance to an extraordinary dividend or, in other words, an extraordinary redistribution of money to the Company's shareholders in connection with the sale of the entire hotel operator business (i.e. the asset light business), of which the Company informed in the report dated September 17, 2019 (current report no. 26/2019). It is worthy of note that the initial intention was to distribute this money in the form of an actual dividend, of which the Company informed in the report dated September 26, 2019 (current report no. 29/2019).
3. Buy-back of shares which is equivalent to a dividend should take place only at a price which is not lower than the fair value of the Company's net assets per share. In connection with the foregoing, all shareholders of the Company, in particular its minority shareholders, should be able to sell back their shares without exposing themselves to the risk of selling the shares below their fair value.
4. Furthermore, sale of the Company's shares by minority shareholders followed by share redemption may result in the increase of the number of votes exercised by the dominant shareholder against the total number of votes at the Company's general shareholder meeting if the dominant shareholder participates in the share buyback to a limited extent only (that is, if it does not present a sale offer of all the Company's shares in an offer or in a tender offer pursuant to § 2 point 4 of the resolution). There is a risk that, in such a case, the dominant shareholder could seek to withdraw the Company from public trading. It would have been disadvantageous from the point of view of minority shareholders. Thus, the postulate to fix the lower threshold of the price range at a level not below than the fair value of the Company's assets per share gains in importance even more.

The Fund acts in the best interests of its unit holders who entrusted public money to the Fund. The Fund operates in accordance with adopted corporate governance principles, with due regard for the interests of all minority shareholders. The Fund is of an opinion that the proposed

modification to the draft resolution will ensure equal distribution of money to all the Company's shareholders.

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PRESIDENT OF THE BOARD

Grzegorz Chłopek

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VICE-PRESIDENT OF THE BOARD

Szymon Ożóg

Appendices:

- Deposit certificate
- Draft resolution

Draft resolution
concerning item 5 of the agenda

Draft Resolution No. 4
*concerning the acquisition by the Company of treasury shares for the purpose of their
redemption and the establishment of a relevant capital reserve*

§1.

Acting pursuant to Article 362 § 1(5) and Article 396 § 4 and 5 of the act dated 15 September 2000 – the Commercial Companies Code (the “**CCC**”), the Extraordinary General Meeting of Orbis S.A. with its registered office in Warsaw (the “**Company**”) hereby consents to, and authorises the Management Board of the Company to, the repurchase of the ordinary bearer shares in the Company, paid up in full (the “**Shares**”) for the purpose of their redemption, subject to the terms and conditions specified herein (the “**Programme**”).

§2.

The Shares under the Programme shall be repurchased on the following terms and conditions:

1. The Company may repurchase no more than 13 076 923 (in words: thirteen million seventy six thousand nine hundred twenty three) Shares representing jointly no more than 28.38% of the Company’s share capital.
2. The repurchase price of the Shares cannot be lower than PLN 125.00 (in words: one hundred twenty five) per Share and no higher than PLN 150.00 (in words: one hundred fifty) per Share. In case, during the period referred to in § 2.3 below, a tender offer for the shares in the Company’s share capital is announced by any entity, the Management Board, without the prior consent of the Supervisory Board of the Company referred to in § 2.5 below, is authorised to increase the repurchase price (one or several times) above the maximum price indicated in the preceding sentence in order to match it with the price offered in the tender offer.
3. The authorisation granted to the Management Board for the repurchase of the Shares shall cover the period until 12 November 2021.
4. The Shares shall be repurchased by way of:
 - a. the presentation by the Company to all of the shareholders of an offer to submit sale orders (one or more) to repurchase the Shares, whereas in the event that the number of tendered Shares in response to the offer submitted by the Company exceeds the aforementioned limit, the Company shall be required to apply a proportionate reduction of the shares tendered for sale by the shareholders of the Company; or
 - b. conducting a tender offer pursuant to the terms provided in the Polish Act on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies dated 29 July 2005 and the regulation of the Minister of Finance of 14 September 2017 on the forms of tender offers to subscribe for the sale or exchange of shares in a public company, the detailed procedures of the announcement thereof, and the conditions for acquiring shares pursuant to such tender offers, relating to the Company’s shares.

5. The detailed terms and conditions of the repurchase of the Shares (including the repurchase price of the Shares, the number of the repurchased shares in a given tranche and the method in which the repurchase of the Shares will be conducted pursuant to § 2.4 above) will be determined by the Management Board. The determination of the repurchase price of the Shares, the number of the repurchased shares in a given tranche and the method in which the repurchase of the Shares shall require consent of the Supervisory Board.
6. The Shares acquired in accordance with this resolution will be redeemed by reducing the share capital of the Company pursuant to Article 359 and Article 360 §2 of the CCC and § 29.1.6) of the Company's Articles of Association. If the Company acquires at least one Share, the Management Board shall be required to include in the agenda of the next General Meeting of the Company, an item concerning the adoption of a resolution (resolutions) regarding the redemption of the Shares and the reduction of the share capital of the Company resulting from the cancellation of the Shares acquired pursuant to the authorisation provided in this resolution.

§3.

In order to fund the repurchase of the Shares, pursuant to Article 396 § 4 and 5 in conjunction with Article 348 § 1 of the CCC, the Extraordinary General Meeting resolves to establish a capital reserve to be used for the payment of the price for the Shares repurchased by the Company and to pay the repurchase-related costs. For the purpose of establishing the capital reserve referred to in the preceding sentence, the amount of PLN 850,000,000 (in words: eight hundred fifty million zlotys) shall be transferred from the supplementary capital of the Company (from the funds originating from the distributable profits, which can be distributed as dividend) to the capital reserve established for the purpose of the implementation of the Programme. Simultaneously, the supplementary capital shall be reduced by the amount of the established capital reserve.

§4.

With the consent of the Supervisory Board, the Management Board may terminate the Programme before the expiry of the period referred to in § 2.3, or before all of the funds set aside for the repurchase of the Shares under the Programme run out, or forego the repurchase of the Shares, in full or in part.

§5.

The Management Board shall be authorised to take any legal and other actions aimed at repurchasing the Shares pursuant to the provisions of this resolution, including, specifically, determining the detailed rules for the repurchase of the Shares to the extent not defined herein.

§6.

This resolution comes into force upon its adoption.