

Pursuant to Article 32 Item 5 and Article 38 Par. 2 of the Articles of Association of the company ARENATURIST dioničko društvo za turizam i ugostiteljstvo, Pula, Smareglina ulica 3 (hereinafter: the Company), the Executive Directors hereby announce to the shareholders of the Company a notice for the

**GENERAL ASSEMBLY**  
**of the company ARENATURIST d. d.**

*I. The General Assembly shall be held on 22 March 2017 at 16:00 hrs at Bianca Istriana meeting room of the Park Plaza Histria hotel in Pula.*

*II. The General Assembly will proceed according to proposed:*

**Agenda:**

- 1. Opening of the session of the General Assembly and roll call**
- 2. Adoption of the decision on change of company name**
- 3. Adoption of the decision on amendments to the Company's Articles**
- 4. Report of the Executive Directors on grounds for full exclusion of the pre-emptive right of the existing shareholders of the Company when subscribing new shares of the Company**
- 5. Adoption of decision on full exclusion of the pre-emptive right of the existing shareholders of the Company when subscribing new shares of the Company**
- 6. Adoption of the decision on increase of share capital and issuance of ordinary shares by way of public offering, with payment of contributions in cash and with the full exclusion of the existing shareholders' pre-emptive right to subscribe and pay for the new shares and on amendments to the Company's Articles**
- 7. Adoption of the decision on listing of the shares on the Official Market of the Zagreb Stock Exchange**

**PROPOSALS OF DECISIONS**

Ad 2)

**DECISION**  
on change of the company name

**I.**

The company name of the company ARENATURIST dioničko društvo za turizam i ugostiteljstvo (hereinafter: the Company) is hereby changed in a way that the new company name of the Company shall be: Arena Hospitality Group d.d. za turizam i ugostiteljstvo.

**II.**

The abbreviated company name of the Company is hereby changed so that the new abbreviated company name of the Company shall be: Arena Hospitality Group d.d.

### III.

This decision shall enter into force on the day of its registration in the court register of the Commercial court in Pazin.

Ad 3)

## DECISION

on amendments to the Company's Articles

### I.

In Article 1 of the Articles of the company ARENATURIST dioničko društvo za turizam i ugostiteljstvo (hereinafter: the Company) (consolidated wording dated 23 December 2016) (hereinafter: the Company's Articles), the wording "of the joint stock company for tourism and catering industry Arenaturist from Pula, Smareglina Str. 3" is replaced with the following wording "*of the company Arena Hospitality Group d.d. za turizam i ugostiteljstvo, Pula, Smareglina ulica 3*".

### II.

Article 2 Par. 2 of the Company's Articles is hereby changed to read as follows: "*The Company's company name is: Arena Hospitality Group d.d. za turizam i ugostiteljstvo.*"

Article 2 Par. 3 of the Company's Articles is hereby changed to read as follows: "*The Company's abbreviated company name is: Arena Hospitality Group d.d.*"

### III.

Par. 3, 4 and 5 of Article 7 of the Company's Articles of Association are hereby deleted and the following new Par. 3 is hereby added:

*"Within the term of one year as from the date of registration of the amendments to the Company's Articles of Association, the Management Board of the Company is authorised, only if needed and for the purpose of stabilising, preserving or otherwise influencing the price of the Company's shares on the regulated market, to increase the share capital of the Company by issuing new shares up to the amount representing up to 10% of the nominal value of the share capital of the Company at the time of adoption of the Decision of the Management Board. New shares may only be issued against contributions in cash. The Management Board is authorised to exclude, fully or partially, the pre-emptive right of the existing shareholders to subscribe new shares, by its decision on increase of the share capital against contributions in cash and on issuance of new shares."*

### IV.

In Article 10 of the Company's Articles, the following wording is added at the end of the sentence: "*and ARNT-R-B respectively*".

### V.

Article 13 of the Company's Articles is hereby changed to read as follows:

*"When the Companies Law (hereinafter: the Law) and/or the Company's Articles prescribe for the Company's obligation to publish information and announcements, these will be published on the web site of the court register and on the web site of the Company."*

*If the Company's shares or other securities are listed on a regulated market, the Company shall publish the prescribed information, data and announcements in accordance with the rules of that regulated market."*

**VI.**

In Article 39 of the Company's Articles, the wording "*in the "Official Gazette" of the Republic of Croatia and in the daily newspapers selected by the Executive Officers of the company*" is replaced with the following wording "*as provided in these Articles*".

**VII.**

The Chairman of the Management Board is authorised to sign and to submit for confirmation to the notary public the consolidated wording of the Company's Articles.

**VIII.**

This decision shall enter into force on the day of its registration in the court register of the Commercial court in Pazin.

Ad 4)

**REPORT**

**of the Executive Directors on grounds for full exclusion of the pre-emptive right of the existing shareholders of the Company when subscribing new shares of the Company**

**I.**

Following the successful completion of the takeover offer in April 2016, the consolidation of the Croatian operations and move to the Official Market of the Zagreb Stock Exchange in November 2016, in February 2017, the Company successfully completed the registration of the contribution by PPHE Hotel Group to the Company's share capital of 88% of the outstanding shares of Sugarhill Investments B.V., which largely comprises the PPHE Hotel Group's the German and the Hungarian operations (consisting of companies and hotel properties) of PPHE Hotel Group as well as of the hotel management agreements for the respective hotels and the exclusive license to use the brand Park Plaza® in the territories of 18 Central and Eastern European countries (the "**Territory**"). This contribution is part of the strategic plans of PPHE Hotel Group, being the ultimate majority owner of the Company, towards developing the Company and its subsidiaries (the "**Group**") into a leading hospitality company in the Territory, primarily under the Park Plaza brand. After completion of the registration process, the Company started managing a portfolio of 7 owned, part-owned or leased upscale hotels and one managed upscale hotel with a total of 1,295 bedrooms in key tourist and business centres such as Berlin, Budapest, Cologne and Nuremberg.

The Company's strategy for the Group is to further strengthen and develop its business and market position in the upscale and upper upscale segments of the hospitality market, primarily within Croatia and Germany. The Company intends to offer a high quality product by upgrading and/or rebranding that part of its current portfolio which hasn't been refurbished and by further expansion. In addition, the Group is constantly identifying investment, development, joint venture and management contract opportunities primarily

within Croatia and Germany and also within the Territory which are expected to create and realise shareholder value and the Company will seek to apply funds for such purpose including, inter alia, for the exercise of its option to acquire the remaining 12% of the shares in Sugarhill Investments B.V.

Considering that the successful implementation of the above strategy requires significant funding, which is beyond the Company's available cash reserves, the Company intends to conduct a significant share capital increase to be used for such purpose. In line with aforementioned strategy to further develop and strengthen its position both in Croatia and the Territory, the Company intends to further diversify and strengthen its shareholders' structure, attract long-term investors, as well as seize favourable capital market conditions. Therefore, the Executive Directors and the Management Board of the Company consider that the preferable way to structure the share capital increase would be to extend a public offer to domestic and international, and selected new and existing, investors, including the shareholders, to participate therein. This requires that the process for the share capital increase by way of issuance of new shares is conducted in accordance with international capital markets rules and practice.

Furthermore, considering that the current legal framework in the Republic of Croatia makes it impractical to conduct a public offering of new shares under the said capital market rules and practices whilst preserving shareholders' pre-emptive rights, the Executive Directors and the Management Board propose that the pre-emptive right of the existing shareholders to subscribe for the new shares is excluded, so that the new capital can be raised in a timely and efficient manner. By excluding pre-emptive rights of the existing shareholders, the subscribers of new shares in the public offering process will have the possibility to make offers within shorter time frame than that required by the Croatian Companies Act. Structuring the public offer in afore mentioned way does not exclude the Company's shareholders to participate in the process of subscribing the new shares.

Furthermore, proposed structure of the public offer also enables the possibility to implement the share price stabilisation programme upon completed share capital increase, if required, in order to preserve the Company share price.

The Executive Directors shall, with the prior approval of the Management Board, adopt a decision on the manner of subscription, the prices and allocation rules for the new shares, as provided in the Decision on the increase of the share capital. When adopting the allocation rules, the Executive Directors and the Management Board shall take into account, among other things, the principle of seeking to enable selected long-term investors, including the shareholders, to participate in the public offering.

The Executive Directors shall, with the prior approval of the Management Board, whilst respecting the lowest price below which the new shares shall not be issued, set the price at which the new shares shall be issued by establishing (i) a price at, or a price range between, which the new shares shall be issued or (ii) basis for determining the price at which the new shares shall be issued. The price, price range or basis for determining the price, at which the new shares shall be issued, shall be announced in the public invitation for subscription and payment for the new shares. If the public invitation of the subscription and payment for the new shares provides for the price range at which the new shares shall be issued or basis for determining the price, the Executive Directors shall, with the prior approval of the Management Board, determine the final price for the shares taking into account (i) the

success of the offering (i.e., the level of applications to subscribe for new shares), (ii) the situation on the financial market at the time, whereby in case the public invitation provides for the price range at which the new shares shall be subscribed and paid for, the final price for the new shares shall always be within the said price range.

Therefore the Executive Directors and the Management Board propose to the General Assembly that it adopt a decision on exclusion of the pre-emptive right of all the existing shareholders to subscribe the new shares, considering that otherwise the process of raising of the new capital would be challenging and impractical in terms of timing and certainty.

**II.**

The report of the Executive Directors on grounds for full exclusion of the pre-emptive right of the existing shareholders of the Company when subscribing new shares of the Company is acknowledged.

Ad 5)

**DECISION**

on full exclusion of the pre-emptive right of the existing shareholders of the Company when subscribing new shares of the Company

**I.**

Pursuant to the Article 304 Par. 4 and 5 of the Companies Act, for the purpose of implementation of the decision on increase of share capital and issuance of ordinary shares by way of public offering, with payment of contributions in cash and with the full exclusion existing shareholders' pre-emptive right to subscribe and pay for the new shares and on amendments to the Company's Articles, the pre-emptive right for all shareholders of the Company is fully excluded when subscribing the new shares which will be issued in the process of the corporate action of an increase of the share capital of the Company.

**II.**

This Decision shall enter into force on the date of its adoption.

Ad 6)

**DECISION**

decision on increase of share capital and issuance of ordinary shares by way of public offering, with payment of contributions in cash and with the full exclusion of the existing shareholders' pre-emptive right to subscribe and pay for the new shares and on amendments to the Company's Articles

**I.**

On the date hereof, the share capital of the company ARENATURIST dioničko društvo za turizam i ugostiteljstvo, Pula, Smareglina ulica 3 (hereinafter: the Company) amounts to HRK 65,475,000.00 (in letters: sixty-five million four hundred seventy-five thousand kuna). Pursuant to the decision of the General Assembly of the Company dated 22 March 2017, the company name of the Company has been changed to: Arena Hospitality Group d.d. za turizam i ugostiteljstvo. The Company's share capital is divided into 3,273,750 (in letters:

three million two hundred seventy-three thousand seven hundred and fifty) ordinary registered shares, in the nominal amount of HRK 20.00 (in letters: twenty kuna) each, in dematerialised form, whereof 2,182,500 (in letters: two million one hundred eighty-two thousand and five hundred) of ordinary registered shares, in the nominal amount of HRK 20.00 (in letters: twenty kuna) each, have the designation ARNT-R-A, and 1,091,250 (in letters: one million ninety-one thousand two hundred and fifty) ordinary registered shares, in the nominal amount of HRK 20.00 (in letters: twenty kuna) each, have the designation ARNT-R-B. The share capital has been paid in full.

## **II.**

The share capital of the Company is hereby increased from the amount of HRK 65,475,000.00 (in letters: sixty-five million four hundred seventy-five thousand kuna) for the amount of min. HRK 20,000,000.00 (in letters: twenty million kuna) and max. HRK 40,000,000.00 (in letters: forty million kuna) up to min. HRK 85,475,000.00 (in letters: eighty-five million four hundred and seventy-five thousand kuna) and max. HRK 105,475,000.00 (in letters: one hundred and five million four hundred and seventy-five thousand kuna).

## **III.**

The increase of the Company's share capital from item II. above shall be implemented by payment of contributions in cash and by issuance of min. 1,000,000 (in letters: one million) and max. 2,000,000 (in letters: two million) new ordinary registered shares in the nominal amount of HRK 20.00 (in letters: twenty kuna) each (hereinafter: the New Shares).

## **IV.**

The New Shares shall be issued in dematerialised form, in the form of electronic records in the computer system of the Central Depository & Clearing Company Inc. (hereinafter: CDCC), under designation ARNT-R-A, ARNT-R-B or other designation set by the CDCC.

Each New Share shall confer the right to one vote in the General Assembly of the Company. The New Shares shall be ordinary registered shares and shall confer their holders the same rights as all existing shares of the Company under designation ARNT-R-A and ARNT-R-B that is all rights under the law and the Company's Articles as from registration of the share capital increase in the court register.

## **V.**

The New Shares are issued for the amount higher than the amount of the share capital pertaining to the New Shares. The amount under which the New Shares shall not be issued is set out in the amount of HRK20.00 (in letters: twenty kuna) per New Share.

The Executive Directors of the Company are hereby authorised, with the prior approval of the Management Board and subject to the minimum price below which the New Shares shall not be issued, to set the price at which the New Shares shall be issued (New Shares price), by setting (i) the price at, or the price range between, which the New Shares shall be issued or (ii) a basis for determining the New Share price.

The price, the price range or the basis for determining the price for which the New Shares shall be issued shall be announced in the public invitation for subscription and payment for the New Shares.

If the public invitation for subscription and payment for the New Shares shall provide for the price range or the basis for determining the price at which the New Shares shall be issued, the Executive Directors of the Company shall, with the prior approval of the Management Board, set the final price of the New Shares, taking into account (1) the success of the offering (i.e., the level of applications to subscribe for New Shares) and (2) the conditions in the Croatian and international capital and financial markets at the time; provided, however, if the public invitation provides for the price range at which the New Shares shall be subscribed and paid for, the final price for the New Shares shall always be within the said price range.

The Executive Directors are authorised, with the prior approval of the Management Board and whilst respecting the lowest price below which the New Shares shall not be issued and respecting the above basis for determination of the New Shares price, to determine, if needed, more detailed basis for determining the New Shares price.

#### **VI.**

Pursuant to the provisions of Art. 308 Par. 4 of the Companies Act, the pre-emptive right of the existing shareholders of the Company to subscribe for the New Shares is fully excluded.

#### **VII.**

The increase of the share capital of the Company pursuant to this decision shall be implemented by way of public offering of the New Shares in the Republic of Croatia and to international institutional investors under Regulation S under the U.S. Securities Act, by subscription and payment for the New Shares in the way to be determined by the decision of the Executive Officers, with the approval of the Management Board, and to be published in the Prospectus (which term shall include any supplement to the Prospectus) for issue and listing of the New Shares and in the public invitation for subscription and payment for the New Shares.

#### **VIII.**

The New Shares shall be subscribed for by way of a written statement (Subscription Statement). The subscription and payment for the New Shares shall be carried out in accordance with the terms set out in the public invitation for subscription and payment for the New Shares. The Executive Directors of the Company shall publish the public invitation for subscription and payment for the New Shares within three weeks as from the date of receipt by the Company of the decision of the Croatian Financial Services Supervisory Agency (CFSSA) on approval of the Prospectus (which term shall include any supplement to the Prospectus) for issue and listing of the New Shares. The Executive Officers of the Company shall publish the public invitation for subscription and payment for the New Shares on the web site of the court register, on the web site of the Company and in at least in one daily newspaper circulated throughout or widely circulated in the Republic of Croatia.

#### **IX.**

The Executive Directors are authorised, with the prior approval of the Management Board, to adopt the decision whereby they shall determine, and in the public invitation for the subscription and payment for the New Shares announce in accordance with this decision, inter alia: (1) whether the subscription and payment for the New Shares shall be conducted in one or more rounds; (2) whether the subscribers of the New Shares shall be divided into

more groups (tranches) for the allocation purposes; (3) the term for subscription and payment for the New Shares (provided that such term cannot be shorter than 7 (seven) days as from the publication of the public invitation for the subscription and payment for the New Shares); and (4) the rules for allocation of the New Shares (Allocation Rules). When adopting the Allocation Rules, the Executive Directors and the Management Board may take into account, amongst others, the following principles:

- 1) The principle of enabling the existing shareholders of the Company to participate in the subscription and payment for the New Shares, which means that, when allocating the New Shares, preference may be given to the existing shareholders of the Company in accordance with their participation in the share capital of the Company prior to its increase, whilst respecting the below principles;
- 2) The principle of price and time priority, which means that, when allocating the New Shares, preference may be given to investors who offered a higher price per New Share and who submitted their offer earlier;
- 3) The principle of long-term investment, which means that, when allocating the New Shares, preference may be given to investors who will contribute to the creation of appropriate long-term shareholding structure of the Company; and
- 4) The principle of investor activity, which means that, when allocating the New Shares, preference may be given to investors who actively participated in the public offering (investor participation in pre-marketing campaigns and participation at road show as well as provision of feedback information, demonstration of knowledge of the Company's business sector, and similar activities).

#### **X.**

Based on the completely executed payment for every New Share and upon registration in the court register of the increase of the share capital of the Company pursuant to this decision, a corresponding number of New Shares shall be issued, which New Shares shall be registered shares issued in dematerialised form, under designation ARNT-R-A, ARNT-R-B or other designation set by the CDCC, in the nominal amount of HRK 20.00 (in letters: twenty kuna) each.

Investors shall become holders of the New Shares by registration in CDCC's register, which registration shall be completed in accordance with CDCC rules as soon as the increase of the share capital is registered in the court register.

The New Shares shall be listed on the Official Market of the Zagreb Stock Exchange, together with all already issued shares listed on the Official Market, in accordance with applicable laws and regulations.

The New Shares, issued pursuant to this decision, may be traded on regulated market after their listing on the Official Market.

#### **XI.**

Success of subscription and payment for the New Shares and the exact amount of the increase of the share capital of the Company pursuant to this decision shall be established based on the status of subscription and payment upon expiry of the term for subscription and payment for the New Shares, within the subsequent term of 3 (three) business days, unless the public invitation of the subscription and payment for the New Shares provides otherwise.



The issue of the New Shares shall be considered as successful if within the terms provided in the Prospectus for issue and listing of the New Shares and in the public invitation for subscription and payment for the New Shares at least 1,000,000 (in letters: one million) of the New Shares are subscribed and paid for. The Executive Directors shall, with the prior approval of the Management Board, otherwise determine the success of the New Shares issue, the exact amount of the share capital increase and the exact number of New Shares.

If the subscription of New Shares is not successful, the Company shall within 10 (ten) days upon expiry of the term for subscription and payment for the New Shares, and as provided in the public invitation for subscription and payment for the New Shares, return the paid funds to investors to the accounts designated by investors in the Subscription Statements. In such case, the Company shall not bear the costs of transaction payments or any other costs or pay interests to investors. Within the same term and under the same conditions, the Company shall return the overpaid funds to the relevant investors.

#### **XII.**

If the share capital increase has not been registered in the court register within 9 (nine) months as from the date of adoption of this decision, the Subscription Statement shall no longer be binding for the investor and any payments made shall be returned to investors without any delay, as provided in the preceding item XI. of this decision.

#### **XIII.**

This decision shall enter into force on the day of its adoption. The Executive Directors and the Management Board of the Company are hereby instructed to undertake any and all legal actions needed for the purpose of implementation of this decision, including preparation and submission to the competent authority of the Prospectus for issue and listing of the New Shares, publication of the Prospectus after its approval by the competent authority, and undertaking any actions for the purpose of registration of this decision and thereto-related share capital increase in the court register of the Commercial Court in Pazin and in the register of the CDCC.

#### **XIV.**

For the purpose of implementation of the increase of the share capital of the Company, pursuant to this decision, Article 7 Par. 1 and 2 of the Company's Articles, as amended at the General Assembly of the Company held on 22 March 2017, are hereby amended in a way that, after issuance of the New Shares in accordance with this decision and pursuant to the results of subscription and payment for the New Shares, the amount of the share capital in Article 7 Par. 1, the number of ordinary shares in Article 7 Par. 2 and (if applicable) the designation of ordinary shares in Article 10 are changed, whereby the Management Board of the Company is hereby authorised, once the Executive Directors of the Company establish, with the approval of the Management Board, the successfulness of New Share issues, the exact amount of share capital increase and the exact number of New Shares, to harmonise the provisions of Article 7 Par. 1 and Par. 2 and the provisions of Art. 10 with so established amount of share capital increase and number and (if applicable) the designation of New Shares, and to establish the consolidated wording of the Company's Articles. The President of the Management Board is hereby authorised to sign and submit to the notary public for confirmation the consolidated wording of the Company's Articles. Such amendments to the

Company's Articles shall enter into force and effect as from the day of registration thereof in the court register of the Commercial Court in Pazin.

Ad 7)

## **DECISION**

on listing of the shares on the Official Market of the Zagreb Stock Exchange

### **I.**

On the day of adoption of this decision, the company ARENATURIST dioničko društvo za turizam i ugostiteljstvo, Pula, Smareglina ulica 3, is registered in the court register of the Commercial Court in Pazin. Pursuant to the decision of the General Assembly dated 22 March 2017, its company name was changed to: Arena Hospitality Group d.d. za turizam i ugostiteljstvo (hereinafter: the Company).

It is hereby decided that (i) 1,091,250 of the Company's shares, under designation ARNT-R-B, issued pursuant to the decision of the Management Board of the Company dated 23 December 2016 adopted based on the authorisation from Article 7 of the Company's Articles (authorised share capital) and (ii) up to 2,000,000 new shares of the Company, under designation ARNT-R-A, ARNT-R-B or other designation set by the CDCC, which shall be issued pursuant to the decision of the General Assembly of the Company dated 22 March 2017 on increase of share capital and issuance of ordinary shares by way of public offering, with payment of contributions in cash and with the and with the full exclusion of the existing shareholders' pre-emptive right to subscribe and pay for the new shares and on amendments to the Company's Articles (hereinafter jointly: Listing Shares), shall be listed on the Official Market of the Zagreb Stock Exchange.

### **II.**

The Executive Directors of the Company and the Management Board of the Company are hereby authorised and instructed to undertake all necessary measures, in accordance with the applicable laws and regulations, for the purpose of listing of all Listing Shares on the Official Market of the Zagreb Stock Exchange, including but not limited to the preparation and submission to the competent authority of the Prospectus for listing of the Listing Shares.

### **III.**

This decision shall enter into force on the day of its adoption.

*III. A shareholder registered as holder of shares in the share register of the Central Depository & Clearing Company Inc. on the beginning of the 21<sup>st</sup> day before the day of the General Assembly (and excluding the day of holding the General Assembly) is entitled to participate and to vote at the General Assembly.*

*IV. A shareholder may vote at the General Assembly via proxy based on a written power of attorney, which the shareholder is required to provide to the Company on the day of holding the General Assembly, at the latest, if the power of attorney has not already been deposited with the Company.*

*V. Shareholders jointly holding shares representing 5% of the Company's share capital may request that a certain item is included in the agenda of the General Assembly. Such request shall be published provided that it also contains a proposal of the decision and explanation*

*and provided that it is received by the Company 30 days before holding of the General Assembly, at the latest.*

*VI. The shareholders who wish to submit a counterproposal to a decision proposed in this notice are authorised to do so 14 days before holding the General Assembly, at the latest, by delivering a written counterproposal with explanation to the address of the Company: ARENATURIST d. d., Smareglina ulica 3, 52100 Pula. A counterproposal may also be submitted at the General Assembly.*

*VII. If the quorum prescribed in Article 40 of the Company's Articles is not present at the General Assembly, a new meeting of the General Assembly shall be held with the same agenda on 31 March 2017 at 16:00 hrs at the same place.*

*VIII. At the General Assembly, the Executive Directors are required to provide explanations to any shareholder, at his request, regarding the Company's operations, if this is needed for consideration of agenda items.*

*IX. Information from Article 280.a of the Companies Act are available to the shareholders via the Company's web site: [www.arenaturist.hr](http://www.arenaturist.hr).*

ARENATURIST d.d.  
Pula