

Ostrów Mazowiecka, on 8th December of 2016

### **CURRENT REPORT NO. 43/2016**

**Subject:** Confidential information – announcement concerning the start of purchase of own shares

The Management Board of FABRYKI MEBLI „FORTE” S.A. with its registered office in Ostrów Mazowiecka („Company”) publicly announces that today, by implementing resolution no. 21/2016 of the Annual General Meeting of FABRYKI MEBLI „FORTE” S.A. dated 17 May 2016 on granting authorization to the Management Board for purchase of its own shares by the Company and creating reserve capital intended for the purchase of own shares, it has adopted a resolution that precisely specifies conditions for the purchase of own shares. Detailed conditions for the purchase of own shares are included in the attached resolution of the Management Board and Invitation to subscribe for sale of the shares of FABRYKI MEBLI „FORTE” S.A.

#### *Legal reservation*

*Invitation to subscribe for sale of the own shares of FABRYKI MEBLI „FORTE” S.A. does not constitute a call within the meaning of art. 72 and subsequent act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading, and public companies (uniform text, Journal of Laws of 2013, item 1382, as amended) ("Act on Public Offering"). FABRYKI MEBLI „FORTE” S.A. did not report to Financial Supervision Authority the intention to carry out the purchase of own shares in the manner provided for by art. 77, para. 2 of the Act on Public Offering, and the method of conducting the purchase of shares and the contents of documents drawn up in connection with this purchase are not subject to the provisions of the Act on Public Offering, nor the Regulation of the Minister of Finance dated 19 October 2005 on the model calls to subscribe for the sale or exchange of shares of a public company, the detailed method of their announcement and the conditions for acquisition of shares as a result of these calls (Journal of Laws of 2005, No. 207, item 1729) ("Regulation"). This document also does not constitute an offer within the meaning of art. 66 of the Civil Code dated 23 April 1964 (Journal of Laws No. 16, item 93, as amended) („Civil Code”). This document does not constitute a purchase offer and it does not constitute a solicitation to sell any securities in any country, in which the submission of such offer or solicitation to sell securities would be unlawful or would require any permits, notifications or registrations. This document does not constitute an investment advice, legal advice or tax advice.*

Legal basis: art. 17, para. 1 MAR – confidential information

**Resolution No. 26/2016**  
**of the Management Board of FABRYKI MEBLI „FORTE” S.A.**  
**dated 8 December 2016**

**Subject:** Determination of detailed conditions for the purchase of own shares of FABRYKI MEBLI „FORTE” S.A.

On the basis of authorization granted by the resolution no. 21/2016 of the Ordinary General Meeting of FABRYKI MEBLI „FORTE” S.A. („Company”) dated 17 May 2016 on granting authorization to the Management Board for purchase of its own shares by the Company and creating reserve capital intended for the purchase of own shares („Resolution”), the Management Board decides as follows:

§1

Detailed conditions for the purchase of its own shares by the Company („**Purchase**”) will be applicable on the following principles:

1. The Company will send the invitation to subscribe for the sale of Company’s shares to all shareholders, with contents presented in the attachment to this resolution („**Invitation**”).
2. Total number of shares covered by the Invitation amounts to 1 200 000 (in words: one million two hundred thousand) shares, which constitutes 5,02% of the Company’s share capital and 5,02% of the total number of votes at the General Meeting of the Company.
3. Price of the purchased shares in the Invitation will amount to 65,00 PLN (sixty-five zlotys) per one share.
4. Start date of carrying out the Purchase is determined on 8 December 2016.
5. In the framework of Invitation, the period of accepting subscriptions for shares will be from 12 to 15 December 2016, while the purchase of shares is planned for no later than 20 December 2016.
6. Invitation will be carried out through the Brokerage House Trigon Dom Maklerski S.A. on the basis of concluded agreement.
7. Purchase will be implemented in a manner ensuring equal treatment of the shareholders.

§2

The Company allows for purchase in the future, on the basis of authorization granted by the Resolution, through subsequent invitations to subscribe for the sale of Company’s shares addressed to all shareholders of the Company. The conditions of each such invitation will be determined by a separate resolution of the Management Board.

§3

The Resolution shall enter into force on the date of its adoption.

Attachment 1 INVITATION TO SUBSCRIBE FOR THE SALE OF SHARES OF FABRYKI MEBLI „FORTE” S.A.

**INVITATION TO SUBSCRIBE FOR THE SALE OF SHARES OF FABRYKI MEBLI „FORTE” S.A.**

*This invitation to subscribe for the sale of shares in the framework of purchase of the own shares of FABRYKI MEBLI „FORTE” S.A. (“**Invitation**”) does not constitute a call within the meaning of art. 72 and subsequent act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading, and public companies (uniform text, Journal of Laws of 2013, item 1382, as amended) (“**Act on Public Offering**”). FABRYKI MEBLI „FORTE” S.A. did not report to Financial Supervision Authority the intention to carry out the purchase of own shares in the manner provided for by art. 77, para. 2 of the Act on Public Offering, and the method of conducting the purchase of shares and the contents of documents drawn up in connection with this purchase are not subject to the provisions of the Act on Public Offering, nor the Regulation of the Minister of Finance dated 19 October 2005 on the model calls to subscribe for the sale or exchange of shares of a public company, the detailed method of their announcement and the conditions for acquisition of shares as a result of these calls (Journal of Laws of 2005, No. 207, item 1729). The Invitation won't be implemented on the basis of art. 5, para. 1-3 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/125/EC of the European Parliament and of the Council and Commission Directive 2003/124/EC, 2003/125/EC and 2004/72/EC. This Invitation also does not constitute an offer within the meaning of art. 66 of the Civil Code dated 23 April 1964 (Journal of Laws No. 16, item 93, as amended) („**Civil Code**”). The invitation does not constitute a purchase offer and it does not constitute a solicitation to sell any securities in any country, in which the submission of such offer or solicitation to sell securities would be unlawful or would require any permits, notifications or registrations. This document does not constitute an investment advice, legal advice or tax advice.*

The Invitation to subscribe for the sale of not more than 1 200 000 shares of FABRYKI MEBLI „FORTE” S.A. with its registered office in Ostrów Mazowiecka ul. Biała 1, entered into the register of entrepreneurs kept by the District Court for the Capital City of Warsaw, XIV Commercial Division of the National Court Register, under KRS no. 0000021840, NIP 759-000-50-82, with share capital 23 901 084,00 PLN (paid in the amount of 23 901 084 PLN) („**Company**”), authorizing to exercise not more than 5,02% of the total number of votes in the Company, within the framework of purchase of own shares, is submitted by the Company („**Purchase**”) on the basis of resolution no. 21/2016 of the Ordinary General Meeting dated 17 May 2016 on granting authorization to the Management Board for purchase of its own shares by the Company and creating reserve capital intended for the purchase of own shares and resolution of the Management Board no. 26 dated 8 December 2016 on determination of detailed conditions for the program of purchase of own shares of FABRYKI MEBLI „FORTE” S.A.

An intermediary entity in the process of purchase of own shares by the Company will be Trigon Dom Maklerski S.A. with its registered office in Kraków („**Brokerage House**”). The content of this Invitation has been publicly announced by the Company in the form of Company's current report no. 43/2016 dated 8 December 2016 on the website of the Company: [www.forte.com.pl](http://www.forte.com.pl) and on the website of the Brokerage House: [www.trigon.pl](http://www.trigon.pl). All subsequent updates of the Invitation's content will be published in the same manner as original content of the Invitation.

## **1. Legal basis of the Invitation:**

This Invitation is implemented on the basis of:

- 1) resolution no. 21/2016 of the Ordinary General Meeting dated 17 May 2016 on granting authorization to the Management Board for purchase of its own shares by the Company and creating reserve capital intended for the purchase of own shares („**Authorization**”), and
- 2) resolution of the Management Board no. 26 dated 8 December 2016 on determination of detailed conditions for the purchase of own shares of FABRYKI MEBLI „FORTE” S.A.

## 2. Designation of the shares covered by the Invitation, their type and issuer.

Subject of the Invitation consists of not more than 1 200 000 ordinary bearer shares, with a nominal value of 1,00 PLN each, dematerialized, each of them entitles to one vote at the General Meeting of the Company, issued by the Company, constituting in total not more than 5,02% of votes at the General Meeting of the Company („Shares”).

This Invitation has been drawn up by the Management Board, which acts under the Authorization.

All shares have been admitted and introduced to trading on the regulated market and they are listed on the main market operated by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A. - „GPW”) and they are registered by the Krajowy Depozyt Papierów Wartościowych S.A. („KDPW”) and marked with the following code: PLFORTE00012.

## 3. First and last name or company (name), place of residence (registered office) and address of the Inviting Party.

Company (name): FABRYKI MEBLI „FORTE” S.A.(„Inviting Party”, „Company” or „Purchasing Entity”)  
Registered office: Ostrów Mazowiecka  
Address: ul. Biała 1  
07-300 Ostrów Mazowiecka

## 4. Company, registered office, address, telephone number, fax number and email address of the intermediary entity.

Company (name): Trigon Dom Maklerski S.A. („Brokerage House”)  
Registered office: Kraków  
Address: ul. Mogilska 65  
31-545 Kraków  
Telephone: 801 292 292, +48 12 6 292 292 (from mobile phones),  
Fax: +48 12 629 2 629,  
E-mail address: [bok@trigon.pl](mailto:bok@trigon.pl)

## 5. Price at which shares covered by the Invitation will be purchased.

The price at which the Inviting Party obliges to purchase Shares amounts to 65,00 PLN per one Share („Purchase Price”).

## 6. Dates concerning the implementation of Purchase, including the date of accepting subscriptions for shares covered by the Invitation.

Inviting Party reserves the right to cancel the Invitation or withdraw from carrying out the purchase of Shares on the basis of Invitation, both before and after its commencement, as well as to change any dates.

Announcement date of the Invitation: 8 December 2016

Start date of accepting subscriptions for shares: 12 December 2016

End date of accepting subscriptions for shares: 15 December 2016

Planned date of the implementation of transactions in the scope of Shares: 20 December 2016

Planned date of the settlement of transactions in the scope of Shares: 20 December 2016

#### **7. Indication of a dominant entity in regard to the Inviting Party.**

The Company does not have a dominant entity.

#### **8. Number of votes and corresponding number of shares, which are possessed by the Inviting Party along with dominant entity, subsidiary entities or entities that constitute parties to the agreement referred to in art. 87, para. 1, item 5 of the Act on Public Offering.**

As of the date of Invitation announcement, the Inviting Party and its subsidiary entities do not possess any shares of the Companies. Moreover, the Inviting Party and its subsidiary entities have not concluded the agreement referred to in art. 87, para. 1, item 5 of the Act on Public Offering.

#### **9. Number of votes and corresponding number of shares, which the Inviting Party intends to achieve along with dominant entity and subsidiary entities after carrying out the Purchase.**

As a result of the Purchase, the Inviting Party intends to purchase not more than 5,02% of Shares, i.e. not more than 1 200 000 Shares, which corresponds to not more than 1 200 000 votes at the General Meeting, i.e. not more than 5,02% of the total number of votes at the General Meeting.

#### **10. Identification of places where the subscriptions for shares covered by the Invitation will be accepted.**

Subscriptions for the sale of Shares will be accepted in the following customer service centres („**Customer Service Centres**”, „**POK**”) of the Brokerage House, in accordance with following list on 12 - 15 December 2016:

- 1) Częstochowa, al. N.M.P. 28,
- 2) Kraków, ul. Mogilska 65,
- 3) Warszawa, Plac Unii, Budynek B, ul. Puławska 2.

telephone: 801 292 292, +48 12 6 292 292 (from mobile phones), fax: +48 12 629 2 629,

e-mail: [bok@trigon.pl](mailto:bok@trigon.pl)

All the necessary forms will be available in the above places, which should be used to submit subscriptions. In order to standardize the documents necessary to submit subscription, a set of forms will be available at any POK listed in this section and it will be also sent to the entities managing securities accounts – members of GPW.

Subscriptions for Shares will be accepted at the Customer Service Centres during their work hours, with the reservation that subscriptions for sale of Shares on the first day will start from 10:00 Warsaw time, while on the last day of subscription period, the subscriptions will be accepted until 16:00 Warsaw time.

It's possible to submit subscription for the sale of Shares via letter with acknowledgment of receipt or via courier on the terms described in section 14.

In the case of subscriptions submitted via letter with acknowledgment of receipt or via courier, only those subscriptions for the sale of Shares will be valid that will be compliant with the subscription form presented by the Brokerage House, with signatures authenticated in accordance with the procedure described in section 14 and

received by the Brokerage House not later than until 16:00 Warsaw time on the last day of the sale subscription period.

#### **11. Indication of dates on which the Inviting Party will purchase shares from persons who responded to the Invitation.**

Until the date ending the subscription period, the Inviting Party won't purchase Shares from persons who responded to the Invitation. The Inviting Party will purchase Shares covered by the subscriptions within three working days after the end of the subscription period, i.e. at the latest on 20 December 2016. Settlement of the transactions of Shares purchase will take place on the same day as their purchase, i.e. at the latest on 20 December 2016.

#### **12. Indication of rules for the purchase of Shares**

Shares within the framework of Invitation will be purchased from all shareholders under the same conditions. The Company will carry out acceptance of properly submitted subscriptions for the sale of Shares or it will conduct their proportional reduction in accordance with the following rules. In the case where the number of Shares resulting from correctly submitted subscriptions for the sale of Shares will be equal to or lower than the maximum number of Shares, which the Company intends to purchase within the framework of this Invitation, the Company will purchase all of the Shares in a number resulting from correctly submitted subscriptions for the sale of Shares. In the case where the number of shares resulting from correctly submitted subscriptions will be higher than the maximum number of Shares, which the Company intends to purchase within the framework of this Invitation, the subscriptions for the sale of Shares submitted by the shareholders will be subject to a proportional reduction. In the event that after the use of proportional reduction mechanism, which is described above, there will remain fractions of Shares, these Shares will be purchased in a sequence starting from subscriptions for the sale of Shares covering the largest number of Shares, to subscriptions for the sale of Shares covering the smallest number of Shares, until they are completely exhausted. In the case of subscriptions for the sale of Shares that amount to the same number of Shares, the purchase will be decided by a random choice.

Purchase of Shares by the Company in the number smaller then resulting from correctly submitted subscription for the sale of Shares can't be the basis for shareholder's withdrawal from the sale of Shares to the Company or avoidance of consequences.

#### **13. Indication of the possibility to withdraw from the Purchase.**

The Inviting Party may withdraw from carrying out the Purchase.

#### **14. Other information.**

##### **a) Applicable law**

This Invitation is the only legally binding document containing information on the Purchase. This Invitation is addressed to all shareholders of the Company who hold shares of the Company.

This Invitation to subscribe for the sale of Shares in the framework of Purchase does not constitute a call within the meaning of Act on Public Offering. The Company did not report to Financial Supervision Authority the intention to carry out the Purchase in the manner provided for by art. 77, para. 2 of the Act on Public Offering, and the method of conducting the Purchase and the contents of documents drawn up in connection with this purchase are not subject to the provisions of the Act on Public Offering, nor the Regulation.

Invitation and actions taken in response to the Invitation are subject to the Polish law. This Invitation is not addressed to entities in the case of which the submission of subscription for the sale of Shares requires the preparation of offering document, performing registration or taking other actions, which are not provided for in the Polish law. This Invitation document may not be distributed in another country, if its

distribution will depend on taking actions, which are not provided for in the Polish law or if it might lead to a breach of regulations applicable in such country.

b) Collateral

The Company will ensure sufficient funds for carrying out the Purchase. The Company has granted a power of attorney to the Brokerage House in regard to the account, on which there will be gathered funds necessary for settlement of the Purchase.

c) Free from encumbrances

Shares purchased by the Inviting Party can't be encumbered with pledge or any other rights of third persons.

d) Fees and commissions

Brokerage House won't charge any fees from people submitting subscriptions for the sale of Shares or requesting the issue of an extract from the register. It should be noted that the banks or brokerage houses, which manage securities accounts or similar accounts where Shares are recorded, may charge fees for performing actions in connection with the Purchase, according to the tariff of fees and commissions of the given bank or brokerage house.

e) Disclosure of information concerning individual subscriptions

Information concerning individual subscriptions for the sale of Shares won't be disclosed, with the exception of situations provided for by the law.

f) Procedure of responding to the Invitation

Person intending to subscribe for the sale of Share in response to the Invitation in Customer Service Centre (POK) should undertake the following actions:

- i. submit in the entity managing the securities account or similar account where its Shares are recorded the instruction to block these Shares until the day of settlement of the transaction within the framework of Purchase (inclusive), and also submit irrevocable order to sell these Shares to the Inviting Party with expiration date until the day of carrying out the transaction within the framework of Purchase (inclusive); this person should also get a deposit certificate issued for the Shares, which such person intends to sell to the Inviting Party, with expiration date until the day of carrying out the transaction settlement within the framework of Purchase (inclusive); and
- ii. submit the subscription for the sale of Shares on the forms made available by the Brokerage House in the Customer Service Centre (POK) or on the website of the Brokerage House: [www.trigon.pl](http://www.trigon.pl), during work hours of POK, not later than on the last day of subscription period (inclusive) until 16:00 Warsaw time and attach the original of deposit certificate, which is referred to in subparagraph (i) above.

Person intending to submit subscription for the sale of Shares via letter with acknowledgment of receipt or via courier should undertake the following actions:

- i. submit in the entity managing the securities account or similar account where its Shares are recorded the instruction to block these Shares until the day of settlement of the transaction within the framework of Purchase (inclusive), and also submit irrevocable

order to sell these Shares to the Inviting Party with expiration date until the day of carrying out the transaction within the framework of Purchase (inclusive); this person should also get a deposit certificate issued for the Shares, which such person intends to sell to the Inviting Party, with expiration date until the day of carrying out the transaction settlement within the framework of Purchase (inclusive); and

- ii. sent the documents listed below via letter with acknowledgement of receipt or via courier, in due time so that the Brokerage House will receive them at the latest on the last day of accepting subscriptions (inclusive) until 16:00 Warsaw time:

- original of deposit certificate; and

- filled out and signed form of subscription for the sale of Shares; signature of the person submitting the subscription for the sale of Shares should be authenticated by an employee of the entity issuing the deposit certificate by placing his/her signature on the subscription form or it should be authenticated by a notary.

The above-mentioned documents must be sent to the following address:

Trigon Dom Maklerski S.A.

ul. Mogilska 65

31-545 Kraków

the envelope must be marked as follows: „Sprzedaż akcji - FABRYKI MEBLI „FORTE” S.A.”

In the case of subscriptions submitted via letter with acknowledgment of receipt or via courier, only those subscriptions will be recognized as valid that will be submitted on the form compliant with the form presented by the Brokerage House, with signatures authenticated in accordance with the above procedure and received by the Brokerage House not later than until 16:00 Warsaw time on the last day of the sale subscription period.

Subscription can be submitted only by the owner of the Shares, its legal representative or duly authorized representative. The authorization must be made in writing and authenticated by the entity that issued the deposit certificate or drawn up in the form of a notarial act or with signatures authenticated by a notary.

Persons intending to submit subscription for the sale of Shares in the framework of Purchase should determine the time required for carrying out all the above-mentioned actions. Subscriptions for the sale of Shares, which will arrive to the Brokerage House after the expiration of above-mentioned deadline won't be accepted. The Brokerage House is not responsible for not accepting the subscription that will be received after expiration of the subscription period.

Along with the signature on subscription form, the person submitting the subscription makes a declaration of intent regarding the acceptance of conditions specified in the Invitation.

Only the subscriptions compliant with the documentation forms made available by the Brokerage House will be accepted within the framework of Purchase. Before the commencement of subscription acceptance period, the above-mentioned documentation forms will be made available to the brokerage houses that have their registered office in Poland, Polish branches of foreign financial institutions, Polish branches of foreign credit institutions and banks that have their registered office in Poland, while all of these institutions will manage securities accounts and will be the members of KDPW. In the period of subscription acceptance, the documentation forms will be also available in the Customer Service Centres referred to in section 10 and on the website of the Brokerage House: [www.trigon.pl](http://www.trigon.pl)

Clients of the Brokerage House who have Shares deposited in securities accounts or similar accounts in the Brokerage House don't have to submit deposit certificates during the submission of subscriptions for the sale of Shares. Shares of such clients of the Brokerage House will be blocked on the basis of instruction to block in accordance with the procedure described above.



Acceptance of the subscription by the Brokerage House takes place after verification, whether the person submitting the subscription or on whose behalf the subscription was submitted has the Shares that are the subject of subscription and whether they were blocked in his/her account.

In the absence of confirmation of the above, i.e. blocking the Shares in the securities account or similar account or issuing the deposit certificate, the subscription won't be accepted by the Brokerage House, which means that the Shares covered by this subscription won't be the subject of transactions in the framework of Purchase.

Only those Shares will be the subject of transactions within the framework of Purchase, which are covered by subscriptions that fulfill the conditions set out in the contents of the Invitation.

#### **15. Payment of the Purchase Price**

Payment of the Purchase Price by the Company within this Invitation will take place via settlement system of KDPW, KDPW\_CCP, based on payable settlement instructions issued by the Brokerage House (as the entity managing securities account of the Company) and entities managing securities accounts of the shareholders. The amount constituting the total price for Shares sold to the Company by the given shareholder (i.e. the amount calculated as the number of Shares sold by the given shareholder to the Company multiplied by the Purchase Price) will be transferred to the cash account or bank account of the shareholder, which is associated with the securities account on which the Shares were recorded and from which the Shares were transferred to the Company.

#### **16. Legal nature of the Invitation**

This Invitation does not constitute an offer within the meaning of art. 66 of the Civil Code. This Invitation does not constitute a purchase offer and it does not constitute a solicitation to sell any securities in any country, in which the submission of such offer or solicitation to sell securities would be unlawful or would require any permits, notifications or registrations. This Invitation does not constitute an investment advice, legal advice or tax advice.

**This document does not constitute an investment advice, legal advice or tax advice. In matters associated with the Invitation, the shareholders should seek advice from investment advisors, legal advisors and tax advisors. Entity responding to the Invitation bears all legal, financial and tax consequences of its investment decisions.**

The content of this Invitation has been publicly announced by the Company in the form of Company's current report no. 43/2016 dated 8 December 2016 on the website of the Company: [www.forte.com.pl](http://www.forte.com.pl) and on the website of the Brokerage House: [www.trigon.pl](http://www.trigon.pl). Additional information concerning the procedure of accepting subscriptions in response to this Invitation can be obtained at Customer Service Centres, which are referred to in section 10 above.

#### **SIGNATURES OF PERSONS ACTING ON BEHALF OF THE INVITING PARTY**

First and last name:

First and last name:

Position:

Position:

#### **SIGNATURES OF PERSONS ACTING ON BEHALF OF THE BROKERAGE HOUSE**

First and last name:

First and last name:

Position:

Position: