



Fibra Inn Announces Meeting Agenda for Discussion at the Extraordinary Shareholders' Meeting

Monterrey, Mexico, October 27, 2016 – Deutsche Bank Mexico, S.A., Banking institution, as fiduciary of Trust F/1616 or Fibra Inn (BMV: FINN13, ADR OTC: DFBRY) (“Fibra Inn” or “the Trust”), the Mexican real estate infrastructure trust specializing in the hotel industry serving the business traveler with global brands, announced the meeting agenda for the Extraordinary Shareholders’ Meeting (the “Shareholders’ Meeting” or the “Meeting”) to take place on November 11, 2016.

In this document, Fibra Inn shares the opinion of the Trust’s Technical Committee regarding the points of the Meeting Agenda that will take place at the Shareholders’ Meeting, in order to inform its investors accurately and in anticipation of the Meeting. These talking points, as well as all of the detail regarding the information that will be addressed at the Meeting may be accessed at: <http://fibrainn.mx/inversionistas/avisos-a-tenedores>

MEETING AGENDA

I. Proposal, discussion and submission for approval to carry out the process of internalization of the administration of the Trust, via a voluntary agreement for the early termination of the advisory contract between the Trust and Asesor de Activos Prisma, S.A.P.I. de C.V.

This item discusses the proposal to approve an agreement with Asesor de Activos Prisma, S.A.P.I. de C.V. for the early termination of the advisory contract, in exchange for monetary compensation, with the objective that these advisory services will subsequently be internally performed by Fibra Inn and its administration. In effect, personnel currently employed by the Advisor would be transferred over to Administradora de Activos Fibra Inn, S.C. (“the Administrator”), a subsidiary of Fibra Inn. This transfer would be in exchange for monetary compensation of up to Ps. 143.0 million, plus corresponding VAT, that would be paid upon the completion of the third year of the Internalization (within the first 120 days of 2020), as long as projected accumulated marginal EBITDA for the 2017 to 2019 period reaches Ps. 66.9 million, and would be calculated as follows:

- General and administrative expenses at the close of 2016, updated for inflation at the conclusion of each year (2017, 2018 and 2019). Acquisition and organizational expenses will be excluded, due to their operating nature, which is not investment related.
- Plus: Projected Advisor fees, calculated for each of the three years, 2017, 2018 and 2019, over the average value of the real estate assets for Ps. 10,267 million for 2017, Ps. 10,924 million for 2018 and Ps. 11,252 million for 2019.
- Minus: General and administrative expenses for each of the years 2017, 2018 and 2019. Expenses related to the Strategic Hotel Acquisition Pipeline will be excluded – these will have an additional income related to Fibra Inn, which is not included in the marginal EBITDA calculation. Acquisition and organizational expenses will also be excluded, due to their operating nature and related to investment



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(in accordance with IFRS, as it is considered an acquisition of an already-operating hotel, it is booked in the income statement instead of as a capitalized asset, similarly to the manner in which non-hotel Fibras present this information).

- The result should be equal to or greater than an accumulated Ps. 66.9 million for the period of 2017 to 2019.

In the event that the projected Advisor fees were to decline because the real estate asset base fell below the projected Ps. 10,267.0 million for 2017, Ps. 10,924.0 million for 2018 and Ps. 11,252.0 million for 2019, the marginal EBITDA would be adjusted downward in the same proportion.

In the event that 100% of the minimum accumulated marginal annual EBITDA of Ps. 69.9 million were not reached, the Advisor would be paid proportionately over the actual marginal EBITDA obtained for the 2017 to 2019 period. The distribution amounts corresponding to the CBFIs for years 2017, 2018 and 2019 periods will be added to the amount that corresponds to the payment in CBFIs. The final proportion of 30% cash and 70% in CBFIs will be calculated over this amount.

The actual information to be used for the calculation of the marginal EBITDA will be obtained from the audited financial statements; corporate and administrative expenses, as well as acquisition and organizational expenses, which do not form part of the calculation, will be specifically identified. The actual real estate asset base for years 2017, 2018 and 2019, under the terms established by the advisory contract for the calculation of the fees that would have been paid to the Advisor, will be validated by the External Auditor.

Additionally, it is proposed that Fibra Inn assume the role of Advisor in the projects to be developed under the "Strategic Hotel Acquisition Pipeline" investment model. As such, taking into account that all personnel dedicated to these projects would be employed by Fibra Inn, via its subsidiary (Administradora de Activos Fibra Inn, S.C.) and consequently, fees would be charged in favor of Fibra Inn for each project, an additional monetary compensation for up to Ps. 50 million plus corresponding VAT is proposed for the Trust's acquisition of the benefits derived from the Strategic Hotel Acquisition Pipeline. The Advisor will receive payment for revenue participation derived from the Strategic Hotel Acquisition Pipeline projects (structuring, development and administration). Only those projects presented before the Practices Committee at the end of 2016 will be considered, by which Fibra Inn's corresponding investment must be financed with the resources derived from the maximum net debt levels of 33% over total assets as established by the Technical Committee. In the event that subsequent projects are completed at a later date, the corresponding revenues will be exclusively for Fibra Inn.

The payment to the Advisor for up to Ps. 50.0 million will take place at the conclusion of 2017 to 2019 periods, for those projects that have signed binding agreements with investors and developers that guarantee fee income for Fibra Inn during the 2017-2026 period of at least Ps. 75.0 million, corresponding to the present value of the fee income, this amount would be discounted at a 10% annual rate and must be identified by the Practices Committee as existing "*pipeline*" projects at the time of the Internalization. In the event that the aforementioned calculation is below Ps. 75.0 million, the payment at the close of 2017 will be proportionately adjusted. The same exercise will take place at the close of 2018 and 2019 and any corresponding payments will be made, corresponding to projects



taking place during these periods. Total payment may not exceed Ps. 50.0 million for the Advisor, plus the corresponding VAT.

The payments mentioned in the preceding paragraphs, will be made in the following manner: 30% will be paid in cash and 70% in CBFIs of the Trust. For the calculation of the CBFI price, the weighted average price will be used for the 10 business days prior to the date of the Meeting announcement and 10 business days after this date. Once paid, the CBFIs will have a sale restriction period, or lock-up, that will expire for all CBFIs on January 1, 2022 for all CBFIs.

The calculations corresponding to both structures will be made using information found in the audited financial statements and will be validated by Fibra Inn's Auditing Committee.

The Technical Committee of Fibra Inn recommends voting **FOR** this item.

II. In case of approval of the aforementioned point, the proposal, discussion and submission for approval to carry out the issuance of Real Estate Trust Certificates (CBFIs) aimed to fulfill the obligations derived from the voluntary agreement between the two parties.

This item discusses the approval of a sufficient amount of CBFIs by the Trust, to be used in order to meet the obligations related to the early termination agreement of the advisory services between Asesor de Activos Prisma, S.A.P.I. de C.V. and the Trust; as well as for the additional monetary payment derived from the Hotel Factory gains, both which are mentioned in the prior Meeting Agenda item.

The Technical Committee of Fibra Inn recommends voting **FOR** this item.

III. Proposal, discussion and submission for approval for the modification of the Trust Agreement, in order to change the current composition and faculties of the Technical Committee.

This item discusses the modification of the Trust in order to modify the current structure of the Technical Committee and its faculties, under the following conditions:

- a. The Founders Trust (formerly the Controlling Trust) may appoint 33.33% (+/- 3.33 basis points) of the Technical Committee members, including its President, provided the Founders Trust holds at least 37,540,000 CBFIs.
- b. The Holders' Meeting will require the Founders Trust's favorable vote in order to:
 - i. Make any changes to the Trust contract.
 - ii. Carry out a merger, early termination, spin-off, CBFI splits and carry out the termination of the FIBRA status in accordance with Articles 187 and 188 of the Mexican Tax Law and the delisting of the CBFIs from any stock exchange where it trades.
- c. For the composition of the Technical Committee, the proposed terms are to ensure a majority of independent members at all times.
- d. CBFI Holders from the market will have the right to designate independent members of the Technical Committee at the Holder Meetings.

The Technical Committee of Fibra Inn recommends voting **FOR** in each of these items.

IV. Proposal, discussion and submission for approval for the modification of the Trust Agreement, in order to change certain faculties of the Nominations Committee.

This item discusses the modification of the Trust in order to modify the faculties of the Nominations Committee, under the following conditions:

The extension of the faculties of the Nominations and Compensations Committee in the following manner:

- Recommending to the Technical Committee the removal and or the nomination of the Chief Executive Officer
- Approval of the Chief Executive Officer's recommendation for the removal and nomination of the Chief Financial Officer and the Director of Acquisitions and Development
- Approval of the compensation packages for the Chief Executive Officer, the Chief Financial Officer and the Director of Acquisitions and Development of the Administrator.
- Approval and review of the short-term and long-term incentive plans for the executives that fall under this category.

The Technical Committee of Fibra Inn recommends voting **FOR** this item.

V. Proposal, discussion and submission for approval for the modification of the Trust Agreement, in order to create an Investment Committee.

This item proposes creation of an Investment Committee as follows:

- a. To be comprised of three independent members, in addition to two non-independent members nominated by the Technical Committee.
- b. This Committee will have the faculties that the Advisor currently has to authorize acquisitions and investments valued for up to 5.0% of the net patrimonial value of the Trust.
- c. It will be proposed before the Technical Committee to delegate the Chief Executive Officer with the faculty of authorizing investments of up to US \$3.0 million per year.

The Technical Committee of Fibra Inn recommends voting **FOR** this item.

VI. Proposal, discussion and submission for approval for the modification of the Trust Agreement, in order to change current Holder rights related to CBFI transactions.

This item discusses giving CBFI transaction freedom to those investors who purchase 10% or more of the outstanding CBFIs without previous authorization from the Technical Committee, unless these wish to exercise the right to designate a Technical Committee member.

The Technical Committee of Fibra Inn recommends voting **FOR** this item.

VII. Proposal, discussion and submission for approval for the modification of the Trust Agreement, in order to change current Holder rights related to Holder rights at Holder Meetings.

- a. This item discusses the modification of the Trust to allow any Holder or group of Holders that represents at a Holder Meeting a percentage of over 25% (twenty five percent) of the Fibra's outstanding CBFIs, the vote that each Holder or group of Holders has per each CBFI that exceeds the referred to percentage, must vote according to the majority of the Holder votes.
- b. Any holder who individually or jointly represents 10% of the outstanding CBFIs will have the right to designate a Proprietary Member and Alternate for the Technical Committee at the Holder Meeting. Holders who have exercised this right may not designate another Technical Committee Member.

The Technical Committee of Fibra Inn recommends voting **FOR** this item.

VIII. Proposal, discussion and submission for approval for the modification of the Trust Agreement to adjust its content in accordance with (i) applicable legal provisions and (ii) the current business scenario.

This item discusses the modification of the Trust, amending the wording in accordance to applicable current legal dispositions to modify the announcement's publishing of meeting announcements so that it is not necessary to publish it in the Official Federal Gazette as long as it is published in a national newspaper and Emisnet. In reference to the current state of the business, this item includes the proposal to modify the wording of the agreement to consider the hotel business as the predominant activity and not only the rental of properties, in addition to other changes required in the content of the Trust in order to make it consistent with any agreements/approvals that take place related to the prior items in the Meeting Agenda.

The Technical Committee of Fibra Inn recommends voting **FOR** this item.

IX. Appointment of Special Delegates to fulfill the resolutions approved during the Meeting.

This item discusses the appointment of Special Delegates to fulfill the resolutions approved during the Meeting.

The Technical Committee of Fibra Inn recommends voting **FOR** this item.

X. Transcription, review and approval of the Meeting Minutes.

In accordance with Article 221 of the Securities and Credit Operations Law, in order to attend the Extraordinary Shareholders' Meeting, CBFI shareholders must present admission cards corresponding to their CBFIs, issued by the Common Representative. Therefore, prior to the meeting, shareholders must first present their certificates, or a receipt of deposit of certificates issued by S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V. at CIBanco, S.A., Institución de Banca Múltiple, at CIBanco, S.A., Institución de Banca Múltiple, located in Cordillera de los Andes, # 265, 2nd Floor, Colonia Lomas de Chapultepec, Delegación Miguel Hidalgo, C.P. 11000, Mexico City, to Monica Jimenez Labora Sarabia and/or Lizbeth Moreno Martinez (mjimenezlabora@cibanco.com and/or



limoreno@cibanco.com), in accordance with the regulations established by Mexican Securities Market Law, between the hours of 9:00am and 6:00pm, Monday through Friday, from the date of this announcement and until at least one business day prior to the date of the Extraordinary Shareholders' Meeting. In exchange for these documents, the Company will issue admission cards, which will include the name of the holder and the number of CBFIs represented. No one will be admitted to the meeting without these documents present.

Shareholders may be represented at the Extraordinary Shareholders' Meeting by proxy, either by one or more persons designated by a power of attorney or as otherwise authorized by law, in accordance with the requirements established by Article 49, Section III of Mexican Securities Market Law.

The information and documents related to each of items of the Meeting Agenda for the Extraordinary Shareholders' Meeting are available to the holders 10 (ten) days prior to the meeting date, in the offices of the Common Representative and may also be accessed on the Trust's website at www.fibrainn.mx.

This same announcement was published on October 3, 2016 in the Securities Information Transfer System ("STIV") of the Mexican Banking and Securities Commission, in the Electronic Information Dissemination and Delivery System ("Emisnet") of the Mexican Stock Exchange, as well as the newspaper, *El Economista*.

About the Company

Fibra Inn is a Mexican trust formed primarily to acquire, develop and rent a broad range of hotel properties in Mexico aimed at the business traveler. The Company has signed franchise, license and brand usage agreements with international hotel brands for the operation of global brands as well as the operation of national brands. Additionally, the Company has development agreements. These hotels enjoy some of the industry's top loyalty programs. Fibra Inn trades its Real Estate Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios or "CBFIs") on the Mexican Stock Exchange under the ticker symbol "FINN13"; its ADR trades on the OTC market in the United States of America under the ticker symbol "DFBRY".

For more information, please visit: www.fibrainn.mx

Note on Forward-Looking Statements

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, Company performance and financial results. Also, certain reclassifications have been made to make figures comparable for the periods. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.