

**INVITATION TO EXTRAORDINARY GENERAL ASSEMBLY OF THE SHAREHOLDERS OF THE COMPANY WITH THE NAME: "KARATZIS INDUSTRIAL & HOTELIER ENTERPRISES S.A."**

**(Number in General Commercial Registry 77088427000)**

Upon a decision of the Board of Directors and according to the law and the Articles of Association of the Company, the shareholders are invited to an Extraordinary General Assembly, which will take place on Wednesday, 20<sup>th</sup> of November 2013 at 10:00 am, in Iraklion at the headquarters of the Company (Industrial Area of Heraklion, Street A), in order to discuss and decide on the following items of the Daily Agenda:

- 1) Increase of the share capital through the capitalization of tax-free reserves of the Investment Law 1828/89 and the capitalization of part of the share premium, by increasing the nominal value of the share and the amendment of article 5 of the Articles of Association of the Company.
- 2) Formation to specific tax-free reserves from retained earnings, in order to cover the same holdings in investment plans of the company.
- 3) The amendment of article 3 of the Articles of Association of the Company.

In case of not achieving the required by the articles of Association and the Law quorum for the decision for all or any of the items of the original daily agenda, the 1<sup>st</sup> Repetitive General Assembly will be held, in the same place, on Tuesday, 3<sup>rd</sup> of December 2013 at 10:00 a.m.

Unless the required by the law quorum is achieved at that Assembly, a 2<sup>nd</sup> Repetitive General Assembly will be held in the same place, on Monday, 16<sup>th</sup> of December 2013 at 10:00 a.m. The items of the daily agenda of potential Repetitive General Assemblies will be the above mentioned, with the exception of the items on which a decision will have been taken in a previous Assembly.

**PARTICIPATION RIGHT AT THE GENERAL ASSEMBLY**

Every person who appears as a shareholder of the Company, in the Dematerialized Securities System (DSS), managed by the "Greek, Exchanges SA" (HELEX), where the transferable securities (shares) of the Company are maintained, at the 15<sup>th</sup> of November 2013, i.e. at the beginning of the fifth (5<sup>th</sup>) day before the date of the General Assembly (Record Date), has the right to participate at the Extraordinary General Assembly.

The ownership is verified electronically by HELEX via online connection between the Company and the DSS. Therefore, the shareholder is not required to submit any written confirmation from HELEX in order to participate and vote at the General Assembly.

For the 1<sup>st</sup> Repetitive General Assembly, the shareholder status must exist at the 29<sup>th</sup> of November 2013 (Record Date), i.e. at the beginning of the fourth (4<sup>th</sup>) day before the date of the 1<sup>st</sup> Repetitive General Assembly. For the 2<sup>nd</sup> Repetitive General Assembly, the shareholder status must exist at the 12<sup>th</sup> of December 2013 (Record Date), i.e. at the beginning of the fourth (4<sup>th</sup>) day before the date of the 2<sup>nd</sup> Repetitive General Assembly.

Regarding the Company, only those who have the status of shareholder on the corresponding

record date are entitled to attend and vote at the General Assembly. Exercising these rights does not entail the blocking of the shares of the beneficiary or any other similar process, which restricts the ability to sell or transfer these shares, during the time between the record date and the date of the General Assembly.

### **PROCEDURE FOR VOTING BY PROXY**

Each shareholder may participate in the General Assembly and vote in person or by proxy by signing relevant authorization. Each shareholder may appoint up to three (3) proxies. Legal entities may participate in the General Meeting by appointing up to three (3) persons as proxies. However, if a shareholder holds shares of the Company, appearing in more than one Investor Securities Account, this limitation does not prevent the shareholder from appointing separate proxies for the shares appearing in each Account.

A proxy acting on several shareholders may cast votes differently for each shareholder. The proxy holder must disclose to the Company, before, the commencement of the General Assembly, any specific fact which may be useful to the shareholders in assessing the risk of the proxy serving other interests than the interests of the shareholder.

For the purposes of this paragraph may be a conflict of interests, especially when the proxy:

a) is a shareholder who controls the Company or any other legal entity or an entity controlled by such shareholder;

b) is a member of the Board of Directors or of the administration of the company or of a shareholder who controls the Company or other legal person or entity controlled by a shareholder who controls the Company

c) is an employee or a certified auditor of the company or of a shareholder controls the Company or other legal person or entity controlled by a shareholder who controls the Company

d) is a spouse or first-degree relative with one of the individuals in above mentioned cases ( a) to ( c).

The appointment and revocation of a proxy becomes in writing and notifies to the Company in the same process, at least three (3) days before commencing the date of the General Assembly.

The Company has made available on its website the form used for appointing a proxy. The completed and signed form is submitted by the shareholder to the Investor Relations Office of the Company by fax three (3) days before commencing the date of the General Assembly. The shareholders are requested to ensure the confirmation of successful transmission to the Company of the proxy appointment form.

The Articles of Association of the Company does not provide for the remote participation and exercise voting rights in the General Assembly.

### **MINORITY RIGHTS**

(a) At the request of shareholders representing one out of twenty (1/20) of the paid up share capital, the Board of Directors of the Company is obliged to include additional items on the daily agenda of

the General Assembly, with the request being received by the Board up until November 5<sup>th</sup> 2013, i.e. fifteen (15) days before the General Assembly. The request for additional items on the daily agenda must be accompanied by a justification or a draft resolution to be adopted at the General Assembly. The revised daily agenda is published in the same way as the previous one, on November 7<sup>st</sup> 2013, i.e. thirteen (13) days before commencing the date of the General Assembly and simultaneously are made available to shareholders at the website of the Company, along with the justification or draft resolution submitted by the shareholders in accordance with Article 27 paragraph 3 of CL 2190/1920.

(b) At the request of shareholders representing one out of twenty (1/20) of the paid up share capital, the Board of Directors make available to shareholders, as stipulated in Article 27 paragraph 3 of CL 2190/1920, no later than November 14<sup>th</sup>, 2013, i.e. six (6) days before commencing the date of the General Assembly draft resolutions for items included in the initial or revised agenda, with the request being received by the Board up until the 13<sup>th</sup> of November 2013, i.e. seven (7) days before commencing the date of the General Assembly.

(c) Upon request of any shareholder to the Company up until November 15<sup>th</sup>, 2013, i.e. five (5) full days before commencing the General Assembly, the Board of Directors is obliged to provide to the General Assembly the required information related to the affairs of the Company, to the extent that they are useful for the estimation of the agenda items. The Board may decline to provide such information citing sufficient material grounds, which should be recorded in the minutes.

(d) At the request of shareholders representing one out of five (1/5) of the paid up share capital, which is submitted to the Company up until November 15<sup>th</sup>, 2013, i.e. five (5) full days before commencing the General Assembly, the Board is obliged to provide the General Assembly with information on the progress of the business affairs and financial condition of the Company. The Board may decline to provide such information citing sufficient material grounds, which should be recorded in the minutes.

Similar terms for exercise of minority rights also apply in the case of Iterative Assemblies.

#### **AVAILABLE DOCUMENTS AND INFORMATION**

The information according to the Article 27 paragraph 3 of CL 2190/1920 and particularly, this invitation, the proxy appointment form and the draft decisions on agenda items which are proposed by the Board of Directors, are available on the Company's website [www.karatzis.gr](http://www.karatzis.gr). These documents are available to Messrs Shareholders in hard copy from the Investor Relation Office (Industrial Area of Heraklion, Street A, tel +30 2810 382900, fax +30 2810 381400).

Heraklion, October 29<sup>th</sup>, 2013

The Board of Directors

The Chairman

Miltiadis Karatzis