

**INVITATION TO THE ANNUAL 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 the Annual General Assembly, which will take place on Saturday, 7<sup>th</sup> of June 2014 at 11:00 am, in the company's hotel "Nana Beach" in the area of Drapanos of the Municipality of Hersonissos, in order to discuss and decide on the following items of the Daily Agenda:

1. Discussion and approval of the restated financial statements of the fiscal year 1/1 to 31/12/2012, due to the adjustment of the amended IAS 19 "Employee Benefits".
2. Submission and approval of the annual financial statements for the period from 1/1 to 31/12/2013, together with the relevant Reports and Declarations by the Board of Directors and the Auditors.
3. Discharge of the members of the Board of Directors and the Auditors from any liability for the fiscal year 2013.
4. Approval of the compensation of the members of the Board of Directors.
5. Appointment of the Auditors for the fiscal year 2014 and approval of their remuneration.
6. Approval for the change of use of the amount of EUR 480,000.00, capitalized according to the resolution of the Extraordinary General Assembly of 20.11.2013, for the company's contribution in investments in photovoltaic stations.
7. Formation of specific taxed reserves from retained earnings, for the coverage of the company's contribution in investment projects.
8. Tax payment in tax-free reserves according to Article 72 of Law 4172/2013 and their transfer to reserves for disposal.
9. Approval of the distribution of profits for the fiscal year 2013.
10. Validation of the resolution of the Extraordinary General Meeting of 20.11.2013, for the transfer of 3,430,044.57 euro from the account "retained earnings" into an account of specific taxed reserves for the company's contribution in its investment projects.
11. Several other issues

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, 17<sup>th</sup> of June 2014 at 11:00 a.m.

Unless the required by the law quorum is achieved at that Assembly, a 2nd Repetitive General Assembly will be held in the same place, on Monday, 30<sup>th</sup> of June 2014 at 11:00 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, on the 2<sup>nd</sup> of June 2014, 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 Annual 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 on the 13<sup>th</sup> of June 2014 (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 on the 26<sup>th</sup> of June 2014 (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 May 23<sup>rd</sup> 2014, 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 May 25<sup>th</sup> 2014, 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 June 1<sup>st</sup>, 2014 , 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 30<sup>th</sup> of May 2014 , i.e. seven (7) days before commencing the date of the General Assembly.

(c) Upon request of any shareholder to the Company up until June 2<sup>nd</sup>, 2014, 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 June 2<sup>nd</sup>, 2014, 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, May 14<sup>th</sup>, 2014

The Board of Directors

The Chairman

Miltiadis Karatzis