



ANNUAL GENERAL ASSEMBLY OF THE SHAREHOLDERS OF THE COMPANY WITH THE NAME:
"KARATZIS INDUSTRIAL & HOTELIER ENTERPRISES S.A."

Saturday, 4th of June 2016

Hotel "Nana Beach"

Drapanos, Municipality of Hersonissos

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**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, **4th of June 2016** 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. Submission and approval of the annual financial statements for the period from 1/1 to 31/12/2015, together with the relevant Reports and Declarations by the Board of Directors and the Auditors.
2. Approval of the distribution of profits for the fiscal year 2015.
3. Discharge of the members of the Board of Directors and the Auditors from any liability for the fiscal year 2015.
4. Approval of the compensation of the members of the Board of Directors.
5. Appointment of the Auditors for the fiscal year 2016 and approval of their remuneration.
6. 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 1st Repetitive General Assembly will be held, in the same place, on Wednesday, **15th of June 2016** 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 Sunday, **26th of June 2016** 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 **30th of May 2016**, i.e. at the beginning of the fifth (5th) 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 1st Repetitive General Assembly, the shareholder status must exist on the **11th of June 2016** (Record Date), i.e. at the beginning of the fourth (4th) day before the date of the 1st Repetitive General Assembly. For the 2nd Repetitive General Assembly, the shareholder status must exist on the **22nd of June 2016** (Record Date), i.e. at the beginning of the fourth (4th) day before the date of the 2nd 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 20th, 2016, 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 22nd, 2016, 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 May 29th, 2016 , 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 May 28th, 2016 , i.e. seven (7) days before commencing the date of the General Assembly.

(c) At the request of a shareholder or shareholders representing one out of twenty (1/20) of the paid-up share capital, the Chairman of the Assembly is obliged to postpone the decision making by the General Assembly, regular or extraordinary, only once, for all or certain items, by setting as continuation date of the session that specified in the shareholders' request, which could not be more than thirty (30) days from the date of postponement. The General Assembly, following the postponement, is a continuation of the previous one and a repetition of the publication formalities of the invitation to shareholders is not required. New shareholders can also participate in it, in compliance with the provisions of the articles 27 paragraph 2, 28 and 28a of CL 2190/1920.

(d) Upon request of any shareholder to the Company up until May 29th, 2016, 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.

(e) 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 May 29th, 2016, 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. 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 10th, 2016

The Board of Directors

PROPOSAL OF THE BOARD OF DIRECTORS ON THE ITEMS OF THE DAILY AGENDA

Item 1:

Submission and approval of the annual financial statements for the period from 1/1 to 31/12/2015, together with the relevant Reports and Declarations by the Board of Directors and the Auditors.

Required Quorum: 1/5 of the paid up share capital
Required Majority: 50% +1 of the represented votes

The Board of Directors will recommend to the Annual General Assembly of the shareholders, the approval of the Annual Financial Statements for the year 1/1-31/12/2015, with the relevant Reports and Declarations by the Board of Directors and the Auditors, which are included in the Annual Financial Report for the year 1/1-31/12/2015.

The Annual Financial Report for the year 2015 is available on the company's website (www.karatzis.gr).

Item 2:

Approval of the distribution of profits for the fiscal year 2015.

Required Quorum: 70% of the paid up share capital
Required Majority: 70% of the represented votes

The proposal of the Board of Directors for the distribution of profits for the fiscal year 2015, is presented in the following table:

Total Comprehensive Income after Tax	5.114.259,73
Statutory reserves	255.712,99
Formation of reserves:	
-Untaxed reserves (grant) Law 3299/2004	112.057,54
Balance of Retained Earnings	4.746.489,20

The proposal not to distribute a dividend, subject to approval by the Annual General Meeting of shareholders, with the increased quorum and majority laid down in Article 3 of the Law 148/67.

Item 3:

Discharge of the members of the Board of Directors and the Auditors from any liability for the fiscal year 2015.

Required Quorum: 1/5 of the paid up share capital
Required Majority: 50% +1 of the represented votes

The Board of Directors will propose to the Annual General Assembly of the shareholders, according to the Article 35 of the Law 2190/1920, to decide the discharge of the Board of Directors and the Auditors from any compensation liability on the Annual Financial Statements and management for the period 1-1 31/12/2015.

Item 4:

Approval of the compensation of the members of the Board of Directors.

Required Quorum: 1/5 of the paid up share capital
Required Majority: 50% +1 of the represented votes

The Board of Directors will propose to the Annual General Assembly of Shareholders:

a) The approval of the fees paid to the Board members for the fiscal year 2015, which are as follows:

NAME	AFFILIATION	FEE IN €
Karatzis Miltiadis, son of Antonios	Chairman of BoD (till 1/8/2015)	52,500.00
Karatzis Antonios, son of Miltiadis	Chairman of BoD & Chief Executive Officer	90,000.00
Karatzis Athina, daughter of Charilaos	Vice Chairman of BoD	90,000.00

Karatzis Maria, daughter of Miltiadis	Chief Executive Officer	90,000.00
Total		322,500.00

b) The pre-approval of amount EUR 300,000.00 as Directors' fees for the period 1/1/2016 to 31/12/2016 which are distributed as follows:

- EUR 100,000.00 to Chairman of BoD & Chief Executive Officer Mr. Karatzis Antonios,
- EUR 100,000.00 to the Vice Chairman of BoD Mrs. Karatzis Athina ,
- EUR 100,000.00 to the Chief Executive Officer Mrs Karatzis Maria.

Item 5:

Appointment of the Auditors for the fiscal year 2016 and approval of their remuneration.

Required Quorum: 1/5 of the paid up share capital
Required Majority: 50% +1 of the represented votes

The Board of Directors will propose the auditing firm Grant Thornton SA for the statutory audit of the financial year 1/1-31/12/2016.

According to the offer of the audit firm, the annual fee for the audit of the annual financial statements and the review of the interim financial reporting will amount to EUR 24,000.00 plus VAT. The annual fee for the tax audit of the fiscal year 2016, if it required by the existing legal framework, will amount to EUR 10,000.00 plus VAT.

Item 6:

Several other issues.

Required Quorum: 1/5 of the paid up share capital
Required Majority: 50% +1 of the represented votes

It will be asked to the General Assembly to approve the following decisions of the Board of Directors:

a) the reconstruction of the company's Board, which took place on the 6th of August 2015 in accordance with the provisions of CL 2190/1920 and the company's statutes. (Required Quorum: 1/5 of share capital, Required majority: 50% + 1 of the represented votes),

b) the loan to subsidiary KARATZIS ITALIA srl.

Furthermore, there will be the information and discussion about corporate developments and prospects of the company and group.

DOCUMENTS SUBMITTED TO THE GENERAL ASSEMBLY

A. Annual Financial Report for the year 2015

The Annual Financial Report for the year 2015, in which there are included the Annual Financial Statements for the period 1.1 - 31.12.2015 along with the relevant reports and declarations of the Directors and the Auditors.

Available on the Company's website (www.karatzis.gr)

TOTAL NUMBER OF SHARES AND VOTING RIGHTS

The total number of shares with voting rights, existing at the date of invitation to the shareholders at the Extraordinary General Assembly, is **fourteen million six hundred seventy nine thousand seven hundred ninety two (14,679,792)** common registered shares. Each share is entitled to one vote. Each share is entitled to one vote.

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 20th, 2016, 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 22nd, 2016, 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 May 29th, 2016 , 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 May 28th, 2016 , i.e. seven (7) days before commencing the date of the General Assembly.

(c) At the request of a shareholder or shareholders representing one out of twenty (1/20) of the paid-up share capital, the Chairman of the Assembly is obliged to postpone the decision making by the General Assembly, regular or extraordinary, only once, for all or certain items, by setting as continuation date of the session that specified in the shareholders' request, which could not be more than thirty (30) days from the date of postponement. The General Assembly, following the postponement, is a continuation of the previous one and a repetition of the publication formalities of the invitation to shareholders is not required. New shareholders can also participate in it, in compliance with the provisions of the articles 27 paragraph 2, 28 and 28a of CL 2190/1920.

(d) Upon request of any shareholder to the Company up until May 29th, 2016, 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.

(e) 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 May 29th, 2016, 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.

DRAFT DECISIONS OF THE GENERAL ASSEMBLY

Item 1:

Submission and approval of the annual financial statements for the period from 1/1 to 31/12/2015, together with the relevant Reports and Declarations by the Board of Directors and the Auditors.

On the 1st item of the Daily Agenda, from an amount of 14,679,792 shares, were represented shares, quorum of%. The number of the attendances was

The Chairman of the General Assembly submitted for approval the annual financial statements with the reports of the Directors and Auditors, which are included in the "Annual Financial Report for the year from 1/1/2015 to 31/12/2015". Then read and developed in detail the Annual Report of the Board of Directors.

The General Assembly with a percentage of% approved the annual financial statements, the Annual Report of the Board of Directors and the Audit Report.

Item 2:

Approval of the distribution of profits for the fiscal year 2015.

On the 2nd item of the Daily Agenda, from an amount of 14,679,792 shares, were represented shares, quorum of%. The number of the attendances was

Having found the required by Article 3 of Law 148/67 increased quorum, the Chairman of the General Assembly recommended not to distribute a dividend for 2015 and proposed the following distribution

Total Comprehensive Income after Tax	5.114.259,73
Statutory reserves	255.712,99
Formation of reserves:	
-Untaxed reserves (grant) Law 3299/2004	112.057,54
Balance of Retained Earnings	4.746.489,20

Subsequently, the General Assembly with a percentage of%, which satisfies the majority required by Article 3 of Law 148/67, decided not to distribute dividends for 2015 and approved the proposal of the Board of Directors for the allocation of profits for the year 2015.

Item 3:

Discharge of the members of the Board of Directors and the Auditors from any liability for the fiscal year 2015.

On the 3rd item of the Daily Agenda, from an amount of 14,679,792 shares, were represented shares, quorum of%. The number of the attendances was

After the approval of the annual financial statements, the General Assembly, with a percentage of%, decided to , discharge the Board of Directors and the Auditors from any compensation liability on the Annual Financial Statements and management for the period 1-1 31/12/2015.

Item 4

Approval of the compensation of the members of the Board of Directors.

On the 4th item of the Daily Agenda, from an amount of 14,679,792 shares, were represented shares, quorum of%. The number of the attendances was

The Chairman announced the fees paid to Board members from 1/1/2015 to 31/12/2015, which are as follows:

NAME	AFFILIATION	FEE IN €
Karatzis Miltiadis, son of Antonios	Chairman of BoD (till 1/8/2015)	52,500.00
Karatzis Antonios, son of Miltiadis	Chairman of BoD & Chief Executive Officer	90,000.00

Karatzí Athina, daughter of Charilaos	Vice Chairman of BoD	90,000.00
Karatzí Maria, daughter of Miltiadis	Chief Executive Officer	90,000.00
Total		322,500.00

The General Assembly with a percentage of% approved the fees paid for the period from 1/1/2015 to 31/12/2015.

Then, after interactive discussion, the General Assembly with a percentage of% pre-approved the amount EUR 300,000.00 as Directors' fees for the period 1/1/2016 to 31/12/2016 which are distributed as follows:

- EUR 100,000.00 to Chairman of BoD & Chief Executive Officer Mr. Karatzis Antonios,
- EUR 100,000.00 to the Vice Chairman of BoD Mrs. Karatzí Athina ,
- EUR 100,000.00 to the Chief Executive Officer Mrs Karatzí Maria.

Item 5:

Appointment of the Auditors for the fiscal year 2016 and approval of their remuneration.

On the 5th item of the Daily Agenda, from an amount of 14,679,792 shares, were represented shares, quorum of%. The number of the attendances was

The Chairman brought to the General Assembly offer from the audit firm Grant Thornton AE, which determines annual fee of EUR 24,000.00 plus VAT for the regular audit of the year 2016 and the review of interim financial reporting. It also determines annual fee of EUR 10,000.00 for the tax audit of the fiscal year 2016, if it is required by the existing legal framework.

The General Assembly, with a percentage of%, elected the audit firm Grand Thornton AE for the regular and tax audit for the fiscal year 1/1-31/12/2016 and determined its remuneration to the EUR plus VAT.

Item 6:

Several other issues (Approval of the decisions of the BoD)

6a) Approval of the reconstruction of the company's Board, which took place on the 6th of August 2015

From an amount of 14,679,792 shares, were represented shares, quorum of%. The number of the attendances was

The Chairman asked from the General Assembly to approve the reconstruction of the company's Board, which took place on 6th of August 2015 in accordance with the provisions of CL 2190/1920 and the company's statutes.

The General Assembly, with a percentage of%, approved the reconstruction of the company's Board of Directors.

6b) Approval of the loan to subsidiary KARATZIS ITALIA srl.

From an amount of 14,679,792 shares, were represented shares, quorum of%. The number of the attendances was

The Chairman informed the General Assembly for the signing of a loan agreement on the 1st of April 2016, between KARATZI SA and its subsidiary KARATZIS ITALIA srl, with which the parent company has loaned its subsidiary an interest-bearing loan of 1.5 million euro. After analyzing the terms of the loan agreement, the asked from the General Assembly to approve it.

The General Assembly, with a percentage of%, approved the loan agreement.

TO:

KARATZIS INDUSTRIAL & HOTELIER ENTERPRISES SA

Investor Relation Office (Mr. Archontopoulos Dimitrios tel. +30 2810 382900, fax +30 2810 381400)

PO Box 1490, GR 711 10, Heraklion Crete

POWER OF ATTORNEY¹

For the participation at the Annual General Assembly on the 4th of June 2016

or at any other Repetitive General Assembly, in case of interruption or postponement.

The undersigned shareholder / legal representative of the shareholder of "KARATZIS INDUSTRIAL & HOTELIER ENTERPRISES SA"

Name

Legal Representative

(only for legal entities)

Address / Headquarters

ID / Passport Number / Number in

General Commercial Registry

Number of shares

DSS Account

Securities Account

Authorize

The Following²

1.
2.
3.

acting jointly or individually:

- a) to represent me at the Annual General Assembly of the shareholders of the company "KARATZIS INDUSTRIAL & HOTELIER ENTERPRISES SA", which will take place on Saturday, 4th of June 2016 at 11:00 am, in Heraklion in the company's hotel "Nana Beach" (Drapanos of the Municipality of Hersonissos, Heraklion) or at any other potential Repetitive General Assembly, in case of interruption or postponement,
- b) to vote in my name and on my behalf according to the total voting rights that I have (either because of the possession of shares or because of a statutory or a contractual right), on the following agenda items as follows³:

¹ Fill in the blanks and delete as applicable.

² Up to three (3) proxies.

³ Tick ✓ your choice. In case of no instructions in an issue, it will be considered that you have authorized the proxy to vote in favor.

Item	in favor	against	abstention
1 Submission and approval of the annual financial statements for the period from 1/1 to 31/12/2015, together with the relevant Reports and Declarations by the Board of Directors and the Auditors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of the distribution of profits for the fiscal year 2015.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Discharge of the members of the Board of Directors and the Auditors from any liability for the fiscal year 2015.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of the compensation of the members of the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Appointment of the Auditors for the fiscal year 2016 and approval of their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Several other issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments

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Place and Date:

The shareholder

(Signature)