



KARELIA
FINE TOBACCOS SINCE 1888

INVITATION

TO THE ANNUAL GENERAL SHAREHOLDERS' MEETING

(Registration Number 15082945000)

www.karelia.gr

In accordance with the provisions of the Company's Articles of Association and the provisions of L. 4548/2018, as in force, the Board of Directors invites the Shareholders of "KARELIA TOBACCO COMPANY INC." to the Annual General Meeting on Wednesday June 30th, 2021, at 15:00 p.m., which will be convened remotely in real-time via teleconference.

After the Chairman of the Audit Committee reports to the shareholders on the activities of the Audit Committee for Financial Year 2020, in accordance with Article 44 par. 1i) of L. 4449/2017, the shareholders will be invited to discuss and decide on the following items in the agenda:

A. AGENDA

1. Approval of the Company's Annual Financial Statements and the Annual Consolidated Financial statements for the for Financial Year 2020, prepared by the Company in accordance with the International Financial Reporting Standards (IFRS) and by any other special legal provision, along with the Annual Report of the Board of Directors, the Audit Report of the Chartered Auditor Accountant and the Corporate Governance Statement of the Board of Directors.
2. Approval of the Company's overall management by the Board of Directors during the Fiscal Year 2020 and discharge of the Chartered Auditor Accountant from any liability.
3. Approval of the compensation paid to the members of the Board of Directors during the Fiscal Year 2020 and approval of the compensation advance payment to the same persons from January 01st 2021 and until the Company's next shareholders' Annual General Meeting.
4. Approval on the Remuneration Report for Financial Year 2020 for the members of the Company's Board of Directors, in accordance with Article 112 of L. 4548/2018.

5. Election of a Chartered Auditor Accountant or Auditing Company for the audits of the Annual Financial statements and the Annual Consolidated Financial statements of the Financial Year 2021 and approval of their remuneration.
6. Approval of the appropriation of the net profit of the Financial Year 2020 and dividend distribution.
7. Approval of the Eligibility Policy for the members of the Company's Board of Directors, in accordance with Article 3 of L. 4706/2020.
8. Approval of the revised (i.e. compliant with the provisions of L. 4706/2020) Remuneration Policy for the members of the Company's Board of Directors, in accordance with Article 110 of L. 4548/2018.
9. Determination of the type of the Audit Committee, its term of office, the number and the capacity of its members, in accordance with Article 44 par. 1 of L. 4449/2017, as amended by Article 74 par. 4 of L. 4706/2020.

B. QUORUM / ITERATIVE GENERAL MEETING

In case the quorum required by law and the articles of association is not attained on any grounds during the session of the Company's Shareholders' General Meeting dated June 30th, 2021, the Board of Directors invites shareholders on July 14th, 2021, day being Wednesday at 15:00 p.m., to an Iterative General Meeting, **without publication of any new invitation**, which shall constitute a quorum no matter which part of the paid-up share capital is present or represented thereat.

The Iterative General Meeting will convene again remotely in real-time by teleconference, with items on the Agenda those of the initial one.

In accordance to the applicable provisions of L. 4548/2018 and particularly pursuant to paragraphs 3 and 4 of article 121, the Company shall inform shareholders on the following:

C. RIGHTS TO PARTICIPATE IN THE GENERAL MEETING

1. Each ordinary share shall give the right of one vote.
2. Only the person holding the shareholder status at the beginning of the fifth (5th) day prior to the day of the General Meeting's initial session dated June 30th, 2021, i.e. on June 25th, 2021 (Record Date), shall be entitled to participate and vote in the Company's Ordinary shareholders' General Meeting (initial and iterative meeting).
3. The above record date shall be also effective in the case of an adjourned or iterative meeting, provided the adjourned or iterative meeting shall take place no later than thirty (30) days from the record date. If this is not the case, only the person holding the shareholder status at the beginning of the third (3rd) day prior to the day of the adjourned or iterative General Meeting shall be entitled to participate and vote in the General Meeting.

4. For the Company, shareholders who are entitled to participate in the general meeting and to exercise the right to vote are those that are registered on the record date in the Dematerialized Securities System (D.S.S.) of the company "HELLENIC CENTRAL SECURITIES DEPOSITORY (H.C.S.D.)" or the ones identified as such, on the record date, through registered intermediaries, in accordance with the provisions of Law 4548/2018, Law 4569/2018, Law 4706/2020, of the Regulation (EU) 2018/1212), as well as of the Rulebook of Operation of ATHEXCSD. Proof of shareholding status may be evidenced by any legal means and in any case based on information received by the Company either from the H.C.S.D. or through the participating and registered intermediaries to the H.C.S.D..
5. Taking into consideration the measures for dealing with the consequences of the risk of spreading the Covid-19 coronavirus, and in accordance with the provisions of articles 120 par. 3 and 125 par. 1 of Law 4548/2018, the General Meeting (initial and iterative meeting), will take place remotely, in real-time by teleconference and the use of electronic means, under the conditions of article 125 of Law 4548/2018 and the specific provisions in the present invitation.

D. PROCEDURE FOR PARTICIPATING IN THE GENERAL MEETING BY TELECONFERENCE

1. In order for shareholders to participate and vote at the Annual General Meeting (initial and iterative meeting), which will take place remotely, in real-time by teleconference, without their physical presence, they or their proxies must create and use an electronic shareholder account at the electronic platform that has been developed by the Athens Exchange Group to provide remote General Meeting services, in real-time, by teleconference to listed companies on the website <https://axia.athexgroup.gr/en/home>.
2. The internet platform is provided by ATHEXCSD, while for the teleconference the webex group of tools/services is provided by Cisco Hellas S.A. In order to access the electronic platform a computer, a smartphone or a tablet is required, a browser installed, and internet access. In order for a shareholder or his/her proxy to create an account in the electronic platform above, a valid electronic mail (e-mail) account and a mobile telephone number are required by the shareholder or his/her proxy.
3. If, on accessing the electronic platform the above information entered by the shareholder does not match the information registered in the Dematerialized Securities System or the identification information that has been provided to the Company by the H.C.S.D. or through intermediaries, as part of its services to facilitate shareholder identification for remote general meetings which are provided to listed companies in accordance with Part 3 of Decision No 8 of the H.C.S.D. "Technical terms and procedures for the provision of the Registry, Corporate and Other Related Actions Service", shareholders must provide or update the information above, in order to create the account.
4. For this purpose, and in order to avoid dysfunctions, shareholders are requested to contact without delay the Participant of the Securities Account in the D.S.S. or other intermediary acting as custodian through which their shares are kept, in order to notify them or to update their valid email address and mobile telephone number for identification.

5. Further instructions to participate at the General Meeting by teleconference will be posted on the website of the Company (www.karelia.gr). For any questions and for instructions, shareholders may contact the Company's Shareholders' Service (Athinon str., Asprochoma, Kalamata) (e-mail: info@karelia.gr, tel: +30-27210-69213, fax: +30-27210-69080). Furthermore, starting with the publication of the present and until the end of the General Meeting, a help desk will operate that will provide information and support shareholders and their representatives at +30-210-3366120 or by e-mail at AXIAeShareholdersMeeting@athexgroup.gr.
6. Shareholders that participate at the General Meeting by teleconference in real-time are taken into consideration for the formation of the quorum and majority and will be able to exercise their rights effectively during the General Meeting.
7. Shareholders that have successfully connected to the internet platform will be able to participate in the General Meeting by teleconference in real-time via a link that will be sent to them by e-mail. By activating the teleconference application (Cisco Webex) through the link at the start of the General Meeting, shareholders will be able to:
 - a) follow the proceedings of the General Meeting with electronic or audiovisual means,
 - b) take the floor and address the General Meeting orally during the General Meeting,while at the same time through the internet platform, they will be able to:
 - c) vote in real-time during the GM on the matters of the agenda, and
 - d) receive information on the recording of their vote.

E. PROCEDURE FOR THE EXERCISE OF VOTING RIGHTS THROUGH PROXIES

1. Shareholders may participate in the General Meeting and vote either in person or by proxy. Minors and shareholders under privative judicial support shall participate and vote in the General Meeting by their legal proxies or by a proxy designated by their legal proxies. Persons under auxiliary judicial support relatively to the share options deriving from the Company's shares, ought to prove consent of their judicial supporter on the exercise of a specific share option, particularly of the voting right.
2. Each shareholder may appoint up to three (3) proxies. However, any shareholder owning shares held in more than one securities account, may appoint different proxies for each security account. The provision of procuration shall be freely revocable.
3. Shareholders being legal entities or entities that are empowered to act shall participate in the General Meeting by their legal representative.
4. Any proxy acting for more shareholders may vote differently for each shareholder.
5. Shareholders may appoint a proxy for one or more General Meetings and for a fixed period.

6. The proxy shall vote according to the shareholder's instructions, if any, and shall keep a record of the voting instructions for at least one (1) year from the date of the General Meeting or, in case of postponement of it, from the last iterative meeting where he used the procuration. Any eventual noncompliance of the proxy with the instructions received, shall not affect validity of the decisions made by the General Meeting, even if the proxy's vote was decisive to achieve majority.
7. Before the commencement of the General Meeting, the proxy holder must disclose to the Company, any fact which may be useful to the shareholders in assessing the risk of the proxy serving interests other than the interests of the shareholder. For the purposes of this paragraph, a conflict of interests may exist, especially when the proxy:
 - i) is shareholder who exercises control on the Company, or any other legal person or entity controlled by such shareholder,
 - ii) is a member of the Board of Directors, or of the management team of a company or shareholder controlling the Company, or other legal person or entity controlled by a shareholder who controls the Company,
 - iii) is an employee, or an auditor of the company, or shareholder who controls the company, or other legal person, or entity controlled by a shareholder who controls the Company,
 - iv) is spouse, or first degree relative, with one of the natural persons referred to in cases (i) to (iii).
8. **Specifically for shareholder participation by proxy at the General Meeting on 30 June 2021** or any Iterative Meeting, remotely in real-time by teleconference, shareholders can appoint **up to one (1) proxy**. The appointment and the revocation or substitution of the shareholder's proxy or representative shall be performed in writing, via a special form used by the Company for this purpose (which shareholders may obtain as indicated below), which shall be submitted duly completed and signed by the Shareholders' Service (at the Company's registered office, Athinon str. Kalamata), via fax (+30- 27210-69080) or via the Company's e-mail address info@karelia.gr, at least forty eight (48) hours before the fixed date of the General Meeting, i.e. until 15.00 p.m. of June 28nd 2021. Upon receipt of the information above by the Company, and based on the e-mail address and mobile telephone of the representative, as declared in the proxy document, the Company creates an account for the proxy on the electronic platform. The proxy is informed by e-mail in order to activate the account in order to exercise the rights of the shareholder in accordance with what is referred to in D. above.

F. MINORITY RIGHTS

Relatively to the above Ordinary General Meeting, the Company's Shareholders shall have the following rights:

1. Upon request of Shareholders, representing one twentieth (1/20) of the paid up share capital the Company's Board of Directors shall be obliged to include in the agenda of the convened General Meeting, additional items, if the relevant request reaches the Board of Directors at least fifteen (15) days before the General Meeting. The request concerning inclusion of additional items on the agenda shall be accompanied by a justification or by a draft decision to be adopted by the General Meeting. The revised agenda shall be published or notified on the Board of Directors' responsibility, under Article 122 L. 4548/2018, thirteen (13) days before the date of the General Meeting and at the same time it shall be made available to shareholders on the Company's website(www.karelia.gr), along with the justification or the draft decision submitted by shareholders pursuant to paragraph 4 of Article 123 L. 4548/2018. If these items are not published, the requesting shareholders are entitled to ask for the general meeting's postponement pursuant to paragraph 5 of Article 141 L. 4548/2018 and proceed themselves in the publication, as defined above, at the Company's expense.
2. Upon request of Shareholders, representing one twentieth (1/20) of the paid up share capital, draft decisions on items included in the initial or the eventually revised agenda of the General Meeting may be submitted to the Board of Directors, which the Board of Directors shall make available to shareholders pursuant to paragraph 3 of Article 123 L. 4548/2018 at least six (6) days before the date of the General Meeting, if the relevant request reaches the Board of Directors at least seven (7) days before the date of the General Meeting.
3. Upon request of any shareholder submitted to the Company at least five (5) full days before the General Meeting, the Board of Directors shall be obliged to provide the General Meeting with the requested specific information on the Company's affairs to the degree this information is relevant to the items on the agenda. There is no obligation to provide information when the relevant information is already available on the Company's website, especially in the form of questions and answers. Moreover, upon request of shareholders representing the one twentieth (1/20) of the paid up share capital the Board of Directors shall be obliged to announce to the Ordinary General Meeting, the amounts paid by the Company in the last two years to each member of the Board of Directors, or to the company's directors, as well as any benefit given to these persons as a result of any cause or agreement made with the company. The Board of Directors may give a single reply to shareholders' requests having the same content. The Board of Directors may decline to provide such information citing sufficient material grounds, which shall be recorded in the minutes. Such a ground may be, where appropriate, the representation of requesting shareholders to the Board of Directors, pursuant to articles 79 or 80 L. 4548/2018.
4. Upon request of shareholders representing one tenth (1/10) of the paid-up share capital, submitted to the Company within at least five (5) full days before the General Meeting, the Board of Directors shall be obliged to provide the General Meeting with information on the course of corporate affairs and on the Company's property. However, the Board of Directors may decline to provide such information citing sufficient material grounds, which should be recorded in the minutes. Such a ground may be, where appropriate, the representation of requesting shareholders to the Board of Directors, pursuant to articles 79 or 80 L. 4548/2018, provided that the corresponding members of the Board of Directors have received the relevant information in a sufficient manner.

In all the above-mentioned cases the requesting Shareholders must prove their shareholder status and, apart from the first case of paragraph 3, the number of shares they own on exercising the corresponding right. Such a proof may be performed by all legal means and in any case based on information received by the Company either from the H.C.S.D. or through the participating and registered intermediaries to the H.C.S.D..

G. DOCUMENTS AND INFORMATION AVAILABLE

This invitation, the full text of documents and draft decisions provided by paragraphs 3 and 4 of Article 123 L. 4548/2018, the special form of appointment and revocation or substitution of any proxy or representative, as well as terms and conditions for the remote General Meeting of Shareholders, shall be posted on the Company's website (www.karelia.gr). Moreover, the Company shall make available to Shareholders, while Shareholders may obtain the above documents, in paper form, from the Company's Shareholders' Service (Athinon str., Asprochoma, Kalamata, tel: +30-27210-69213, fax: +30-27210-69080).

Kalamata, June 7th 2021

THE BOARD OF DIRECTORS