



KARELIA
FINE TOBACCOS SINCE 1888

(Registration Number: 15082945000)

www.karelia.gr

DRAFT RESOLUTIONS ON THE ISSUES OF THE AGENDA OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF JUNE 8th 2022

In accordance with the provisions of the company's charter and of Law 4548/2018, as currently valid, the Chair of the Board of Directors, Ms. Victoria Karelia, informs the members and the shareholders of the draft resolutions concerning the items on the agenda for the meeting of the General Assembly of Shareholders of June 8th, 2022.

ITEM 1st

Approval of the Company's Annual Financial Statements and the Annual Consolidated Financial statements for the for Financial Year 2021, 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.

Required quorum: $\frac{1}{5}$ (20%) of the company's paid-in share capital.

Required Majority: 50% +1 of the votes represented in the General Assembly.

The ordinary meeting of the General Assembly of shareholders is invited to approve the company's Annual Financial Statements and its Consolidated Annual Financial Statements for the financial year from January 1, 2021 to December 31, 2021, which were drafted by the company based on the International Financial Reporting Standards (IFRS) and every other special provision, together with the Annual Management Report of the Board of Directors, the Audit Report by the Chartered Auditor, and the Corporate Governance Statement by the Board of Directors, as these have been posted on the company's website.

It is noted that, the independent non executive members of the Board of Directors, in accordance with Article 9 par. 5 of Law 4706/2020, submitted jointly a report to the General Meeting, irrespective of the Management Report of the Board of Directors, which is posted on the company's website.

ANNUAL FINANCIAL
STATEMENTS FROM JANUARY
1, 2021 TO DECEMBER 31,
2021

→ <https://www.karelia.gr/wp-content/uploads/2022/04/31-12-2021-FS-English.pdf>

ITEM 2nd

Approval of the Company's overall management by the Board of Directors during the Fiscal Year 2021 and discharge of the Chartered Auditor Accountant from any liability.

Required quorum: $\frac{1}{5}$ (20%) of the company's paid-in share capital.

Required Majority: 50% +1 of the votes represented in the General Assembly meeting.

If, as listed under Item 1, the company's Annual Financial Statements and its Consolidated Annual Financial Statements for the financial year from January 1, 2021 to December 31, 2021, together with the Annual Management Report of the Board of Directors, the Audit Report by the Chartered Auditor, and the Corporate Governance Statement by the Board of Directors, are approved, the General Assembly, in accordance with Article 108 of Law 4548/2018, is invited to decide by an open vote on the approval of the overall management of the company by the Board of Directors during the financial year from January 1, 2021 to December 31, 2021, as well as the release of the Chartered Auditor from all liability.

It is noted that the members of the Board of Directors and the company's employees have the right to participate in the vote on the approval of the overall management only through the shares that they own or as representatives of other shareholders, albeit as long as they have received an authorization to this effect with express and specific voting instructions.

ITEM 3rd

Approval of the compensation paid to the members of the Board of Directors during the Fiscal Year 2021 and approval of the compensation advance payment to the same persons from January 01st 2022 and until the Company's next shareholders' Annual General Meeting.

Required quorum: $\frac{1}{5}$ (20%) of the company's paid-in share capital.

Required Majority: 50% +1 of the votes represented in the General Assembly meeting.

The General Assembly takes into consideration that in accordance with a decision of the previous ordinary General Assembly meeting, during the financial year from January 1, 2021, to December 31, 2021, the following were paid to the members of the Board of Directors:

1. To the executive members:

- A. Mr. Efstathios G. Karelias, Vice-chairman and General Director of the company
- B. Mr. Andreas G. Karelias, Managing Director,

as salaries for the services provided by them under dependent employment contracts, the total gross amount of 205,356 euro.

2. To the independent non-executive members:

- A. Professor Vasileios G. Antonopoulos
- B. Mr. Robin D. Joy

as compensation, the total gross amount of 290,400 euro.

In accordance with Article 109 paragraph 4 of Law 4548/2018, the General Assembly may permit advance payment of compensation until the next ordinary General Assembly meeting, the former being subject to approval by the next ordinary General Assembly. In addition, in accordance with Article 109 paragraph 3 of Law 4548/2018, the compensation of members of the Board of Directors for services provided to the company based on a special relationship is paid subject to the requirements of Articles 99 to 101 of Law 4548/2018. As the company's established practice, the salaries of the executive members originating from work contracts, namely the compensation in cases 1 (A and B) are approved by the General Assembly.

In view of the above, the General Assembly is invited to approve the above amounts paid during the financial year from January 1, 2021, to December 31, 2021.

Subsequently, in accordance with the provisions mentioned above, the General Assembly is invited to pre-approve the advance payment of compensation to the above persons from January 1, 2022, until the next ordinary meeting of the company's General Assembly. It is noted that the compensation paid to them until the ordinary General Assembly meeting of financial year 2021 has already been pre-approved by the decision of the previous ordinary General Assembly and the present General Assembly is invited to proceed to their approval once again.

Specifically, it is invited to pre-approve the advance payment of the following compensation to the members of the Board of Directors from January 1, 2022, until the next ordinary General Assembly meeting:

1. To the executive members:

- A. Mr. Efstathios G. Karelias, Vice-chairman and General Director of the company
- B. Mr. Andreas G. Karelias, Managing Director

as salaries for the services provided by them under dependent employment contracts, the total gross amount of 205,356 euro

2. To the independent non-executive members:

- A. Professor Vasileios G. Antonopoulos
- B. Mr. Robin D. Joy

as compensation, the total gross amount, on an annual basis, of 290,400 euro.

ITEM 4th

Voting on the Remuneration Report for Financial Year 2021 for the members of the Company's Board of Directors, in accordance with Article 112 of L. 4548/2018.

Required quorum: $\frac{1}{5}$ (20%) of the company's paid-in share capital.

Required Majority: 50% +1 of the votes represented in the General Assembly meeting.

As specifically envisioned in Article 112 of Law 4548/2018, the company is invited to draft a clear and understandable Remuneration Report, containing a complete overview of all compensation determined by the company's Remuneration Policy for the members of its Board of Directors and the General Director for the last financial year.

It is noted that, the company's Remuneration Policy was approved by the Ordinary General Assembly for financial year 2018, subsequently harmonized with Law 4706/2020 by the Annual General Meeting of Shareholders in 2020 and is posted as currently in force on the official website www.karelia.gr.

In accordance with Article 112 paragraph 3 of Law 4548/2018, the General Assembly is invited to discuss and vote, in an advisory capacity, on the company's Remuneration Report for the financial year from January 1, 2021, to December 31, 2021.

The Remuneration Report submitted to the vote of the General Assembly was drafted by the Board of Directors, and the Remuneration Committee of the Company, according to the provision of Art. 11 c) of Law 4706/2020, examined the information included in the final draft of the Report, and submitted to the Board her positive opinion.

Also, the Remuneration Report was audited in accordance with Article 112 paragraph 4 of Law 4548/2018 by the company's auditor, who observed that all the information has been provided in accordance with Article 112 of Law 4548/2018.

The Remuneration Report is posted on the Company's website.

<https://www.karelia.gr/wp-content/uploads/2022/05/31-12-2021-Ekthesi-Apodochon-en.pdf>

ITEM 5th

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 2022 and approval of their remuneration.

Required quorum: $\frac{1}{5}$ (20%) of the company's paid-in share capital.

Required Majority: 50% +1 of the votes represented in the General Assembly meeting.

The General Assembly, taking into consideration that the Ordinary General Assembly of June 30, 2021 elected a regular Chartered Auditor for financial year 2021, the Auditing Firm "KPMG CHARTERED AUDITORS S.A." (Chartered Auditor Philippos Kassos), from Agia Paraskevi, Province of Attic, address Stratigou Tombra 3, and approved its compensation, will elect the regular Chartered Auditor or Auditing Firm for financial year 2022 by means of a resolution, simultaneously approving the respective compensation.

Specifically, following the proposal of the company's Auditing Committee in accordance with paragraph 3 case f of Article 44 of Law 4449/2017, the Board of Directors unanimously proposes (with the positive vote of its independent members) the election of the Auditing Firm "KPMG CHARTERED AUDITORS S.A." as the company's auditor.

ITEM 6th

Approval of the appropriation of the net profit of the Financial Year 2021 and dividend distribution.

Required quorum: $\frac{1}{5}$ (20%) of the company's paid-in share capital.

Required Majority: 50% +1 of the votes represented in the General Assembly meeting.

As long as the company's Annual Financial Statements for the financial year from January 1, 2021, to December 31, 2021, are approved as Item 1, the General Assembly is invited to approve the disposal of the company's profits for financial year 2021, as well as the distribution of a dividend in the (gross) amount of 11.00 euro per share, in accordance with Article 160 of Law 4548/2018 and Article 38 of the company's charter, as currently valid.

The Chair of the General Assembly will announce to the shareholders that the dividend will be issued on June 14th, 2022, and that the process of payment of the dividend to its beneficiaries will begin on June 21st, 2022, through ALPHA BANK S.A..

ITEM 7th

Amendment of articles 22 and 29 of the Company's Articles of Association, in order to provide for the possibility, the General Meeting of Shareholders of the Company to be fully conducted by distance via electronic means, as well as the shareholders to exercise the right to vote by distance, via mail or electronic means, before the meeting.

Required quorum: $\frac{1}{5}$ (20%) of the company's paid-in share capital.

Required Majority: 50% +1 of the votes represented in the General Assembly meeting.

The BoD proposes the amendment of par. 2 of Article 22 of the Company's Articles of Association, according the provisions of par. 3 of Article 120 of Law 4548/2018, as amended by par. 4 of Article 23 of Law 4712/2020, in order to provide for the possibility, if decided by the Board of Directors, the General Meeting of Shareholders not to meet in any place, but to meet exclusively with the remote participation of the shareholders by electronic means, according the provisions of the current legislation.

Also, the BoD proposes the amendment of Article 29 of the Company's Articles of Association by adding a new par. 5, according the provisions of Article 126 of Law 4548/2018, in order for the shareholders to be able to exercise the right to vote by distance, via mail or electronic means, before the meeting,

The Articles 22 and 29 of the Company's Articles of Association, with the proposed amendments highlighted with red color, are presented below:

Article 22 CONVOCAION OF GENERAL MEETING - SHAREHOLDERS RIGHTS

1. The General Meeting of Shareholders is called by the Board of Directors or by the persons provided for by law.

2. The General Meeting of Shareholders must meet at the at the Company's seat or in the region of another municipality within the periphery of the Company's seat or another municipality neighbouring the Company's seat or in the region of the municipality of the organized market's registered seat, in which the Company's shares are listed. **If so, decided by the Board of Directors, the General Meeting may not meet in any place, according the above, but may meet exclusively with the remote participation of the shareholders by electronic means, according the provisions of the current legislation.** The General Meeting of Shareholders meets regularly once for every fiscal year and no later than the tenth (10) day of the ninth month after the end of the fiscal year, in order to decide about the approval of the the Company's Annual Financial Statements and about the election of chartered auditors (Regular General Meeting). The Regular General Meeting can decide any other issue within her scope. Without prejudice to the next two paragraphs and to par. 2 of Article 121 of Law 4548/2018, it is possible, when the Board of Directors finds it necessary, to call an extraordinary meeting of the General Meeting.

3. The Board of Directors is obliged to call an extraordinary General Meeting of Shareholders upon the request of shareholders representing one twentieth (1/20) of the corporate capital, specifying the date of its meeting within forty-five (45) days from the date of this request being served to the Chairman of the Board of Directors. The request should necessarily and always include the purpose and the issues to be discussed at the extraordinary General Meeting asked for.

4. The Board of Directors is obliged, upon the shareholders' request who represent one twentieth (1/20) of the paid capital stock, to write in the agenda of the General Meeting that has already been called, additional issues, if the relevant application comes to the Board of Directors fifteen (15) at least days before the General Meeting. Provided the Company's shares are listed, the application on the entry of additional issues in the agenda is accompanied by an explanation or a decision plan to be approved, published in the same way as the previous agenda, upon the Board of Directors' liability, according to Article 122 of Law 4548/2018 and Article 23 of this Article's of Association, thirteen (13) days before the date of the General Meeting and at the same time it is placed at the Company's web page and at the shareholders disposal, together with the justification or the decision plan already submitted to the shareholder as provided for by Article 123 par. 4 of Law 4548/2018 and by par. 4 of Article 23 of this Article's of Association. If the additional issues are not published, the shareholders who filed the request have the right to ask for the meeting to be adjourned, according to par. 5 of Article 141 of Law 4548/2018 and par. 1 of Article 26 of this Article's of Association and to publish the issues on their own, according the third passage of this paragraph, at the Company's cost.

5. The Board of Directors upon the application of shareholders representing one twentieth (1/20) of the paid capital stock, places at the shareholders' disposal according to Article 123 par. 4 of Law 4548/2018 and par. 4 of Article 23 of this Article's of Association, six (6) at least days before the date of the General Meeting, decision plans on issues included in the initial or revised agenda, if the relevant application comes to the Board of Directors seven (7) at least days before the date of the General Meeting.

6. The Board of Directors is not obliged to proceed to the recording of issues in the agenda nor in the publication or notification of these together with a justification and decision plans submitted by the shareholders according to the two previous sections, if the content of these comes in opposition to the law and principles of morality.

7. The shareholders exercising the rights of this Article, ought to prove their shareholder's capacity and the number of shares they own while carrying out the relevant right. 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..

ARTICLE 29 BALLOTT IN THE GENERAL ASSEMBLY

1. Ballot in the General Assembly is open.

2. The General Assembly with open ballot may decide that ballot on a certain issue or on all issues of the agenda may be secret. In case aforesaid as well the shareholder may state that he opposes to the decision taken for purposes of paragraph 3 article 137 of Law 4548/2018. However secret ballot is not allowed in cases of fee rendering to members of the Board of Directors, as well as where the law requires open ballot.

3. Following approval of annual financial statements, following decision of the General Assembly, taken with open ballot, overall management having taken place during the corresponding fiscal year may be approved. However, waiver of the Company from claims thereof against members of the Board of Directors or other persons or compromise of the Company with the said may take place only on conditions of paragraph 7 of article 102 Law 4548/2018. In the said as above ballot concerning approval of collective management, members of the Board of Directors and employees of the Company have the right to participate only with shares, which are the owners of or representatives of other shareholders, provided that they have taken the relevant authorization with express and certain directions of vote.

4. The result of ballot is announced by the Chairman of the General Assembly as soon as it is ascertained

5. The invitation of the general meeting may provide for the capability of participating in the voting process remotely, or by electronic means or by correspondence, conducted before the meeting. The topics and the ballot papers may be available, and their completion may be done electronically via the internet or in printed form at the Company's Headquarters. Shareholders who vote by correspondence or by electronic means are calculated for the formation of the quorum and the majority, provided that the relevant votes have been received by the Company no later than twenty - four (24) hours before the beginning of the meeting. By decision of the Board of Directors, the relevant technical and procedural details are determined, and the appropriate procedure are adopted to ensure the identity of the participating person and the origin of the vote, as well as the security of the electronic and other connection.