



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 MAY 29th 2024

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 shareholders of "KARELIA TOBACCO COMPANY INC" (Registration Number: 15082945000) of the draft resolutions concerning the items on the agenda for the meeting of the General Assembly of Shareholders of May 29th, 2024.

ITEM 1st

Presentation to the Shareholders' General Meeting of the annual Activity Report of the Audit Committee of the Company of the financial year 2023, in accordance with Article 44 par. 1 point i) of Law 4449/2017.

In accordance with Article 44 par. 1 point i) of Law 4449/2017, the Audit Committee of the Company submits Annual Report to the General Meeting of the Company.

The Chair of the Audit Committee informs the shareholders of the activities of the Audit Committee of the financial year 2023.

The Annual Report of the Activities of the Audit Committee of the financial year 2023 has been posted on the Company's website.

Announcement to General Assembly, the current item and the above-mentioned report are not subject to vote.

**Annual Report of the Activities
of the Audit Committee for
the financial year 2023**

→ <https://www.karelia.gr/wp-content/uploads/2024/05/31.12.2023-Etisia-Ekthesi-Pepragmenon-EE-en.pdf>

ITEM 2nd

Presentation to the General Assembly of the Independent Non-Executive Board Members report, in accordance with Article 9 par. 5 of Law 4706/2020.

In accordance with Article 9 par. 5 of Law 4706/2020, the independent non-executive members of the Board of Directors, submitted jointly a report to the General Meeting.

The Chair of the General Meeting announced to the shareholders the Independent Non-Executive Board Members report.

The Independent Non-Executive Board Members report has been posted on the Company's website.

Announcement to General Assembly, the current item and the above-mentioned report are not subject to vote.

Report of the independent non-executive members of the Board

→ <https://www.karelia.gr/wp-content/uploads/2024/05/31.12.2023-Ekthesi-Anexartiton-mi-ektelestikon-melon-DS-pros-GS-en.pdf>

ITEM 3rd

Approval of the Company's Annual Financial Statements and the Annual Consolidated Financial statements for the for Financial Year 2023, 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, 2023 to December 31, 2023, 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.

Annual Financial Statements from January 1, 2023 to December 31, 2023, according to IFRS

→ <https://www.karelia.gr/wp-content/uploads/2024/04/31-12-2023-Karelia-Tobacco-Company-Inc-FS-EN.pdf>

ITEM 4th

Approval of the Company's overall management by the Board of Directors during the Financial Year 2023. 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 3, the Company's Annual Financial Statements and its Consolidated Annual Financial Statements for the financial year from January 1, 2023 to December 31, 2023, 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, 2023 to December 31, 2023.

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.

Also, the General Meeting, in accordance with Article 117 of Law 4548/2018, is invited to approve the discharge of the Chartered Auditor Accountant for the Financial Year 2023 from any liability.

ITEM 5th

Approval of the compensation paid to the members of the Board of Directors during the financial year 2023 and approval of the compensation advance payment to the members of the Board of Directors from January 1st, 2024 and until May 29th, 2024.

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, 2023, to December 31, 2023, 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 (cumulatively for both executive members) for the services provided by them under dependent employment contracts, the total gross amount of Euro 205,356 on an annual basis.

2. To the independent non-executive members:

A.Ms. Paraskevi G. Christophilopoulou (09/06/2023 – 31/12/2023)

B.Mr. Ioannis P. Tsoukaridis (09/06/2023 – 31/12/2023)

as compensation the gross amount, of Euro 150,000 per member on an annual basis.

C. Professor Vasileios G. Antonopoulos (01/01/2023 – 16/05/2023)

D. Mr. Robin D. Joy (01/01/2023 – 09/06/2023)

as compensation, the gross amount of Euro 145,200 per member on an annual basis.

3. To the rest non-executive member who participates in committees:

A. Mr. Robin D. Joy (09/06/2023 – 31/12/2023)

as compensation, the gross amount of Euro 150,000 on an annual basis.

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, 2023, to December 31, 2023.

Subsequently, in accordance with the provisions mentioned above, the General Assembly is invited to pre-approve the advance payment of compensation to the above people from January 1, 2024, until the Company's next shareholders' Annual General Meeting in May 29th, 2024. It is noted that the compensation paid to them until the ordinary General Assembly meeting of financial year 2023 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 approve the advance payment of the following compensation to the members of the Board of Directors from January 1, 2024, until May 29th, 2024:

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 (cumulatively for both executive members) for the services provided by them under dependent employment contracts, the total gross amount of Euro 205,356 on an annual basis.

2. To the independent non-executive members:

A.Ms. Paraskevi G. Christophilopoulou
B.Mr. Ioannis P. Tsoukaridis

as compensation the gross amount, of Euro 150,000 per member on an annual basis.

3. To the rest non-executive member who participates in committees:

A. Mr. Robin D. Joy

as compensation, the gross amount of Euro 150,000 on an annual basis.

ITEM 6th

Discussion and approval of the Remuneration Report for Financial Year 2023 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, 2023, to December 31, 2023.

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.

**Remuneration Report for
Financial Year 2023 for the
members of the Company's
Board of Directors**

→ <https://www.karelia.gr/wp-content/uploads/2024/05/31.12.2023-Ekthesi-Apodochon-en.pdf>

ITEM 7th

Approval of the dividend distribution and appropriation of the net profit of the financial year 2023.

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, 2023, to December 31, 2023, are approved according to Item 3, the General Assembly is invited to approve the disposal of the Company's profits for financial year 2023, as well as the distribution of a dividend in the (gross) amount of Euro 12.40 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 3rd, 2024, and that the process of payment of the dividend to its beneficiaries will begin on June 10th, 2024, through ALPHA BANK S.A..

ITEM 8th

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 2024 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.

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 "GRANT THORNTON S.A." as the Company's auditor.