

FOURLIS HOLDINGS S.A.

EXPLANATORY NOTE ON THE AGENDA OF THE ANNUAL ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF 16/06/2017

The Shareholders of the Company are kindly informed that the total number of shares of the company "FOURLIS HOLDINGS S.A." as of May 22, 2017 (date of the Invitation to the Annual General Meeting that will take place on June 16, 2017) is **51.330.410** ordinary shares and the Company does not hold any treasury stock. Each share has one voting right.

A brief explanatory note on the items on the agenda of the Annual Ordinary General Meeting of June 16, 2017 follows.

SUBJECT 1: Submission for approval of the financial statements and the consolidated financial statements (Annual Financial Report) together with the Annual Report thereon prepared by the Board of Directors and the Chartered Accountants-Auditors for the period 1/1/2016 - 31/12/2016.

Required quorum: 1/5 (20%) of the paid-up share capital of the Company.

Required majority: 50% + 1 of the represented in the AGM votes.

The following are submitted for approval by the General Assembly Meeting: the Annual Financial Statements for the period 01/01-31/12/2016 as approved by the Board of Directors at its meeting on Monday 13/03/2017, the Board of Directors Report for the Financial Year 2016, the Explanatory Board of Directors Report in accordance with article 4 of L.3556/2007 and the related Independent Auditors Report.

The Annual Financial Statements for the Financial Year 2016, the Board of Directors Report and the Explanatory Board of Directors Report as well as the Independent Auditors Report, are included in the Annual Financial Report of the Company for the year 2016 in accordance with article 4 of L.3556/2007 and it is available to the shareholders and investors on the Company's website: www.fourlis.gr.

SUBJECT 2: Discharge of the members of the Board of Directors and the Chartered Accountants-Auditors from any liability for compensation with regard to the Financial Statements and the administration of the Company or with regard to the consolidated Financial Statements of the Company for the period 1/1/2016 - 31/12/2016.

Required quorum: 1/5 (20%) of the paid-up share capital of the Company.

Required majority: 50% + 1 of the represented in the AGM votes.

The General Assembly is to decide in accordance with article 35 of the L.2190/20 concerning the discharge of members of the Board and the Independent Auditors that carried out the Financial Statements audit, of any liability for compensation for the financial year 2016.

It is clarified that Board members and the employees of the Company are entitled to participate in the vote only with the voting rights of the shares they own or as proxies of other shareholders with clearly stated guidelines.

SUBJECT 3: Election of ordinary and substitute Chartered Accountants-Auditors to audit the consolidated and the Company's financial statements for the period 1/1/2017 - 31/12/2017 and determination of their remuneration.

Required quorum: 1/5 (20%) of the paid-up share capital of the Company.

Required majority: 50% + 1 of the represented in the AGM votes.

The Board proposes the election of the Chartered Accountant - Auditing Company 'Ernst & Young' (ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS ACCOUNTANTS SA) for the review of the financial statements of the Company for the financial year 2017 from Chartered Independent Auditors that the Company is going to announce.

The Board also proposes an amount up to € 32.900,00 plus VAT as Audit Fees for 2017 Financial Statements review (Company and Consolidated).

SUBJECT 4: Approval of members of the Board of Directors' remuneration for the period 1/1/2016 - 31/12/2016 and preliminary approval of members of the Board of Directors' remuneration for the period 1/1/2017 - 31/12/2017.

Required quorum: 1/5 (20%) of the paid-up share capital of the Company.

Required majority: 50% + 1 of the represented in the AGM votes.

The Board proposes the approval of the remuneration paid € 524.568,41 to its members for the financial year 2016.

The Board proposes the pre-approval of the remuneration of its members up to a maximum amount of € 550.000,00 for the financial year 2017.

SUBJECT 5: Election of New Board of Directors.

Required quorum: 1/5 (20%) of the paid-up share capital of the Company.

Required majority: 50% + 1 of the represented in the AGM votes.

The General Assembly Meeting is to elect new Board of Directors, due to maturity of duration.

The duration of the Board of Directors will be for five years until 16.06.2022.

It is proposed that the persons who constitute the existing Board of Directors to be re-elected, namely:

1. Vassilios S. Furlis, Chairman, **Executive Member**.
2. Dafni A. Furlis, Vice Chairman, **Executive Member**.
3. Eftychios T. Vasilakis, Independent Vice Chairman, **Independent Non-Executive Member**.
4. Apostolos D. Petalas, CEO, **Executive Member**.
5. Lyda S. Furlis, Member, **Executive member**.
6. Ioannis E. Brembos, Member, **Non-Executive Member**.
7. Pavlos K. Tryposkiadis, Member, **Independent**

Non-Executive Member. 8. Ioannis A. Costopoulos, Member, **Independent Non-Executive Member.**
9. David Watson, Member, **Independent Non-Executive Member.**

It is noted that the General Meeting is responsible to elect the independent members of the Board of Directors according to article 3 sect. 1 of L. 3016/2002 about corporate governance. In this respect, it is proposed to the General Meeting the re-election of Mr. Eftichios Vassilakis, Pavlos Tryposkiadis, Ioannis Costopoulos and David Watson as independent members of the Board of Directors.

SUBJECT 6: Appointment of Members of the Audit Committee.

Required quorum: 1/5 (20%) of the paid-up share capital of the Company.

Required majority: 50% + 1 of the represented in the AGM votes.

As a result of the election of a new Board of Directors, the Audit Committee according to article 37 of L. 3693/2008 must be re-composed.

It is proposed the re-election of Mr Ioannis Brembos, Eftichios Vassilakis and David Watson as members of the Audit Committee. They have proved knowledge and experience on the subjects of auditing and accounting, as the law imposes. The duration of the new Audit Committee will be equal with the respective of the new Board of Directors, i.e. 16.06.2022.

Subject 7: Capital Return to the Shareholders of 0,10 euros per share through reduction of the share capital of the Company with corresponding reduction of the nominal value of each share and consequent amendment of article 3 of the Articles of Association.

Required quorum: 2/3 (66.67%) of the paid-up share capital of the Company.

Required quorum of First Repeat Meeting: 1/2 (50.00%) of the paid-up share capital of the Company.

Required quorum of Second Repeat Meeting: 1/5 (20.00%) of the paid-up share capital of the Company.

Required majority: 2/3 (66,67%) of the represented in the AGM votes.

The Board proposes the approval of the decision to reduce the share capital of the Company by the amount of five million one hundred thirty three thousand forty one euros (€ 5.133.041,00), with an equivalent capital return to the shareholders. The reduction of the share capital will be implemented by reducing the nominal value of the Company's share by the amount of ten cents (€0,10), so that the new nominal value of the share will be ninety-seven cents (€0,97). As a result of this decrease, the Company's shareholders will be reimbursed the ten cents (€0,10) for each share they hold. Following the above decrease, the Company's share capital will amount to forty nine million seven hundred ninety thousand four hundred ninety seven

euros and seventy cents (49.790.497,70 €), divided into fifty one million three hundred and thirty thousand four hundred and ten (51.330.410) common shares of a nominal value of ninety seven cents (€0,97) each.

Furthermore it is announced that Friday, July 21, 2017 is set as cut-off (ex-capital return) date, Monday, July 24, 2017 is set as Record Date and Thursday, July 27, 2017 is set as Payment Date of the Capital Return.

It should be noted that the above mentioned share capital, as a result of the abovementioned reduction, is sufficient for the implementation of the Company's investment plans, the satisfaction of its creditors and the smooth operations continuity.

Consequently, it is proposed to amend article 3 of the Company's Articles of Association by adding the paragraph number 19, where reference will be made to the decision of the General Meeting of the Shareholders concerning the reduction of the share capital.

Subject 8: Establishment of a program for the acquisition of company shares in the form of stock options to executives of the company and its affiliated companies in accordance with article 13 par. 13 of Codified Law 2190/1920. Authorizing the Board of Directors to regulate procedural matters and details.

Required quorum: 2/3 (66.67%) of the paid-up share capital of the Company.

Required quorum of First Repeat Meeting: 1/2 (50.00%) of the paid-up share capital of the Company.

Required quorum of Second Repeat Meeting: 1/5 (20.00%) of the paid-up share capital of the Company.

Required majority: 2/3 (66,67%) of the represented in the AGM votes.

The Board proposes the approval of a decision on the establishment and implementation of a Stock Option Program in the form of a share options in accordance with the provisions of article 13 par. 2190/1920 to senior executives of the Company and its affiliated companies within the meaning of article 32 of Law 4308/2014 as applicable.

Through this proposal, the Board of Directors aims to attract, retain and encourage senior executives of the Company and its affiliated companies that will be selected at the reasonable discretion of the Board of Directors, by taking into account in particular their participation in the so far development of the Company and its affiliated companies and FOURLIS Group in general. The high level managerial skills and the personal influence of the senior executives, is the necessary added value for pursuing and succeed on the high return targets of the Company and the Group for the future. Furthermore, it is aimed to secure the terms and conditions for the smooth succession of top executives of the Company and its affiliated companies, especially the Managing Directors of these companies with twelve-year (12 years) prior experience in FOURLIS Group, that will be selected at the reasonable discretion of the Board of Directors, in view of their

impending departure and to reward them as recognition of their long-term contribution to the development of FOURLIS Group. Through this program, participants gain immediate equity interest in the Company and will link their performance to the future performance of the Company and FOURLIS Group in general, as it is reflected in the increase of the share price of the Company.

Under the proposed terms of the Program, the maximum total number of options to be distributed during the four-year **period 2017 - 2020** may not exceed **two million five hundred and sixty six thousand five hundred twenty (2.566.520) shares, one share each, i.e. 5% of the share capital at the date of the Invitation. The proposed exercise price is the closing price of the share at the day of the approval from the Annual General Meeting.** The Board of Directors of the Company, following the approval of the General Meeting, will define the participants in the program and will arrange all the procedural issues and details in relation to the Stock Option Plan implementation. Participants can only be members of the management team, which they belong in the payroll of the Group and selected executive members of the Board of Directors of the Company. Any new shares derived from the exercise of stocks options, in accordance with the program, will be issued through a share capital increase.