

## Comments of the Board

### Comments of the Board on the items on the Agenda of the Extraordinary General Meeting to be held on 1st July 2016

The Board of Directors recommends on the items on the Agenda of the Extraordinary General Meeting of the Company's shareholders as follows:

**Regarding the 1st Item:** Decrease of the Company's Share Capital for the purpose of forming a special reserve for the absorption of losses, in accordance with Article 4 para. 4a of Codified Law 2190/1920, by reducing the nominal value of the Company share. Amendment to Article 5 of the Company's Articles of Association accordingly - Granting of authorisation. Quorum required 2/3 of the paid-up share capital. Majority 2/3 of votes being represented

1st Repeat General Meeting: Quorum 1/2 of the paid-up share capital. Majority 2/3 of votes being represented

2nd Repeat General Meeting: Quorum 1/5 of the paid-up share capital. Majority 2/3 of votes being represented

In view of the proposed Increase in the Company's Share Capital (2nd Item on the Agenda) and given that, on 08.06.2016, the market price of the Company's share was below its nominal value, the Board proposes that the Company's Share Capital be decreased by 34,579,591.20 for the purpose of creating a special reserve, in accordance with Article 4 para. 4a of Codified Law 2190/1920, by reducing the nominal share value from EUR 1.13 to EUR 0.50, the number of existing shares of the company, namely 54,888,240, remaining unchanged.

If the above decrease of the Company's Share Capital is approved by the General Meeting and the competent supervisory authorities, the Board of Directors recommends the amendment to Article 5 of the Company's share capital as follows:

"... 1.9 Pursuant to resolution of the Extraordinary General Meeting of the Company's shareholders dated 1st July 2016, it has been resolved to decrease the Company's share capital by the amount of EUR 34,579,591.20 by decreasing the nominal share value from EUR 1.13 to EUR 0.50, for the purpose of creating an equivalent special reserve to absorb losses, in accordance with Article 4 para. 4a of Codified Law 2190/1920. Thus, the Company's share capital now amounts to EUR 27,444,120, divided into 54,888,240 ordinary registered shares with a nominal value of EUR 0.50 each."

Lastly, the Board recommends that it be authorised to carry out any required or necessary legal transaction, act or operation for the implementation and completion of the proposed decrease of the Company's Share Capital.

**On the 2nd Item:** Increase in the Company's Share Capital by payment in cash, through the issuance of new ordinary registered shares and pre-emption right to existing shareholders to raise capital up to an amount of EUR 24,082,215.30. Amendment to Article 5 of the Company's Articles of Association accordingly relating to Share Capital - Granting of authorisation.

Quorum required 2/3 of the paid-up share capital. Majority 2/3 of votes being represented

1st Repeat General Meeting: Quorum 1/2 of the paid-up share capital. Majority 2/3 of votes being represented

2nd Repeat General Meeting: Quorum 1/5 of the paid-up share capital. Majority 2/3 of votes being represented

The Board of Directors proposes the increase in the Company's Share Capital by payment in cash for the purpose of raising funds up to the amount of EUR 24,082,215.30 (which includes the premium amount), through the issuance of up to 30,874,635 new ordinary registered shares with a nominal value of EUR 0.50 each with a pre-emption right to existing shareholders (the "Increase"), as well as the granting of authorisation to the Board of Directors to specify and finalise the terms of the Increase, as well as implement and complete the Increase.

The Increase, combined with the issuance of an ordinary Bond Loan, which is also proposed (up to the amount of EUR 20 million, as referred to in the 3rd Item on the Agenda), aims at the Company's capital injection required for the implementation of its investment plan by way of purchase of selected properties, as more specifically referred to in its single report, which has been prepared and published in accordance with Article 9 of Law 3016/2002 and paras. 4.1.4.1.1 and 4.1.4.1.2 of the Athens Exchange Rulebook (the "Rulebook" and "ASE", respectively), which has been published at the same time with this document and includes the proposed key terms of the Increase. If the Increase is approved by the General Meeting and the competent supervisory authorities, the Board of Directors recommends the amendment to Article 5 of the Company's Share Capital as follows:

"... 1.10 Pursuant to resolution of the Extraordinary General Meeting of the Company's shareholders dated 1st July 2016, it has been resolved to decrease the Company's share capital by payment in cash in the amount of EUR ..... through the issuance of ..... new ordinary registered shares with a nominal value of EUR 0.50 and at an issue price EUR 0.78 each. Thus, the Company's share capital is now EUR ....., divided into ..... ordinary registered shares with a nominal value of EUR 0.50 each."

Finally, it is proposed that the Board be authorised to further specify and finalise other terms of the Increase and the Subscription Right, as well as determine the subscription period of the Increase within the time limits laid down in Article 11 of Codified Law 2190/1920, for the approval of the conclusion of the required or necessary legal transactions, the listing of the New Shares for trading on the ASE and, in general, everything to implement the decisions of the Extraordinary General Meeting on this item and the completion of the Increase.

**Regarding the 3rd Item:** Issuance of an ordinary bond loan secured by collateral of up to EUR 20 million in accordance with the provisions of Law 3156/2003. Required quorum 1/5 of paid-up share capital

Majority 50+ 1% of the votes being represented

The Board of Directors recommends to the General Meeting the issuance of an ordinary bond loan secured by collateral of up to the amount of EUR 20 million (the "Bond Loan"), which will be subscribed for in its entirety by Piraeus Bank and Piraeus Leasing S.A. The issuance of the Bond Loan, combined with the proposed Increase in the Share Capital thereof (2nd Item on the Agenda), aims at the Company's capital injection required for the implementation of its investment plan by way of purchase of selected properties.

The term of the Bond Loan will be 7 years with floating interest rate (3-month Euribor), plus an annual 4.50% margin for the first two years, 5% for the third and up to the fifth year and 5.50% for the sixth and seventh year, and will be secured by means of a mortgage on immovable property owned by the Company, the assignment/pledging of annuities, insurance reimbursements and bank accounts of the Company, as usual in similar dealings.

Finally, it is proposed that the Board be authorised to specify and finalise the terms of the Bond Loan, except for its amount and type, negotiate and sign the Bond Loan programme, the relevant contracts and agreements and, in general, carry out everything for the implementation of the resolutions of the Extraordinary General Meeting on this item and the completion of the issuance of the Bond Loan.

**Regarding the 4th Item:** Appointment of new Audit Committee Members in accordance with Article 37 of Law 3693/2008.

Required quorum 1/5 of the paid-up share capital

Majority 50% +1 of the votes being represented

The Board, after the resignation of Mr Georgios Konstantakopoulos, member of the Board and of the Audit Committee, with effect as of the 9th June 2016, recommends to the General Meeting the appointment of the non-executive member of the Board that will be elected in replacement of the above resigned member and of Messrs Dimitrios Gkoumas and Ioannis Matsis, independent non-executive members of the Board, as Audit Committee members.

**Regarding the 5th Item:** Granting special authorisation for the conclusion of contracts/transactions between the Company and the persons referred to in Article 23A para. 5 of Codified Law 2190/1920. Required quorum 1/5 of the paid-up share capital Majority 50%+1 of the votes being represented

The Board of Directors recommends the granting of special authorisation pursuant to Article 23A paras. 2 & 4 of Codified Law 2190/1920 with respect to the contract dated 19th April 2016 between the Company and Piraeus Bank, the subject of which is the provision of Financial Advisor services regarding the Increase in the Company's Share Capital, for a fee amounting to EUR 90,000.00 (plus VAT).

In addition, the Board of Directors recommends the granting of a special authorisation pursuant to Article 23A paras. 2 & 4 of Codified Law 2190/1920 with respect to contract dated 1st April 2016 between the Company and the société anonyme under the corporate name "PIRAEUS ACCOUNTING CONSULTING & TAX SERVICES S.A.", whereby the term of the 01.09.2014 payroll service agreement has been extended for one year.

Lastly, the Board of Directors recommends the granting of a special authorisation pursuant to article 23A para. 2 of Codified Law 2190/1920 for the subscription of the entire Bond Loan by Piraeus Bank and Piraeus Leasing S.A. and the conclusion of the relevant contracts and agreements, including, without limitation to, the Bond Loan subscription agreement and the agreements securing it.