

Maroussi, August 11th, 2017

REASONED OPINION OF THE BOARD OF DIRECTORS OF THE COMPANY TRADING AS "GRIVALIA PROPERTIES REAL ESTATE INVESTMENT COMPANY" AND WITH DISTINCTIVE TITLE "GRIVALIA PROPERTIES REIC" ON THE MANDATORY TENDER OFFER OF THE COMPANY "FAIRFAX FINANCIAL HOLDINGS LIMITED".

On August 11th, 2017, the Board of Directors of the Company trading as "GRIVALIA PROPERTIES Real Estate Investment Company" (the "**Company**"), expressed its reasoned opinion, pursuant to Article 15 of Law 3461/2006, with regard to the mandatory public tender offer of "FAIRFAX FINANCIAL HOLDINGS LIMITED" (the "**Offeror**"), accompanied by a report submitted to the Board of Directors by the financial advisor "PIRAEUS BANK S.A." (the "**Financial Advisor**").

The following issues were brought to the attention of the BoD members:

1. The content of the mandatory public tender offer (the "**Tender Offer**") submitted by the Offeror on July 20, 2017 to all Company shareholders, pursuant to the Law, regarding the acquisition of all its common, registered shares with voting rights that the Offeror and its affiliated entities did not hold on July 4, 2017 (date when it became liable to submit a Tender Offer), namely 49,239,630 Company shares, which represent a percentage equal to 48.63% of the Company's paid up share capital and voting rights, including the treasury shares held by the Company,
2. The content of the mandatory public tender offer information memorandum (the "**Information Memorandum**"), as approved by the Capital Market Commission, by virtue of its Board of Directors decision dated August 3, 2017 that the Offeror submitted on July 20, 2017 (the "**Tender Offer Date**") addressed to all Company shareholders. On the same date (July 20, 2017) the Offeror informed the Company's Board of Directors, and the Company made available to its employees in a timely

and appropriate manner, the documents and information stipulated by Law. It is noted that the Offeror's Advisor, in the framework of the Tender Offer, is Eurobank Ergasias S.A., which signed together with the Offeror the Information Memorandum and ensured the accuracy of this Information Memorandum's content. This Information Memorandum was made available to the public on August 7, 2017.

3. The report of "PIRAEUS BANK S.A." that, by virtue of the decision dated 28.7.2017 of the Company's Board of Directors, was appointed according to article 15, para. 2, L.3461/2006 as financial advisor for the purposes of the Tender Offer with the task to draw up a detailed report under art. 15, para. 2 of the Law that will accompany the reasoned opinion of the Company's Board of Directors.

In view of the above, the Board of Director expresses, in accordance with the applicable law, its Reasoned Opinion on the Tender Offer of the company "FAIRFAX FINANCIAL HOLDINGS LIMITED" as follows:

I. Number of shares of the company under acquisition, held directly or indirectly by the Company's Board of Directors members and senior management executives (Article 15 para. 2, case a' of Law 3461/2006).

The Company's Board of Directors Chairman, Mr. Nikolaos A. Bertzos, holds directly 31,887 shares, as results from the Company's shareholding registry certificate dated 8.8.2017.

The Company's Board of Directors independent non executive member, Mr. Dimitrios Papadopoulos, holds directly 2,605 shares, as results from the Company's shareholding registry certificate dated 8.8.2017.

The Company's Board of Directors non executive member, Mr. Georgios Bersis, holds directly 10,000 shares, as results from the Company's shareholding registry certificate dated 8.8.2017.

The Company's Chief Financial Officer Mr. Panagiotis Aristeidis Varfis, holds directly 17,700 shares, as results from the Company's shareholding registry certificate dated 8.8.2017.

The General Operations Manager of the Company, Mrs. Natalia Strafti, holds directly 17,414 shares, as results from the Company's shareholding registry certificate dated 8.8.2017.

The Company's HR, Compliance & Risk Management Director, Mr. Andreas Parmaxis, holds directly 12,300 shares, as results from the Company's shareholding registry certificate dated 8.8.2017.

The Company's Legal Services Director, Mr. Charalampos Anastaselos, holds directly 11,000 shares, as results from the Company's shareholding registry certificate dated 8.8.2017.

II. Actions taken or intended to be taken by the Company's Board of Directors on the Tender Offer (article 15, para. 2, case b' of Law 3461/2006).

On the Tender Offer submission date, i.e. on July 20, 2017, the Company's Board of Directors was informed in writing on the Tender Offer submission by the Offeror and received a copy of the draft Information Memorandum, according to Article 10, para.1 of the Law 3461/2006 and a draft of the Tender Offer announcement foreseen in article 10, para. 2 of the Law 3461/2006.

Subsequently, by virtue of law 10 para. 3 of the Law 3461/2006, the Board of Directors informed the Company's employees through a relevant letter and made available to employees in timely and appropriate manner, the documents and information stipulated by Law 3461/2006.

Until the present day, the Company's employees have not submitted to the Board of Directors a separate opinion regarding the effects of the Tender Offer on their employment.

The Information Memorandum was approved by the Hellenic Capital Market Commission by virtue of the decision dated 3.8.2017 of its Board of Directors and it was published on 7.8.2017, and was forwarded to the Company's employees according to Article 11, para. 9 of Law 3461/2006.

The Board of Directors at its meeting dated 28.7.2017 selected and appointed "PIRAEUS BANK S.A." as financial Advisor, in accordance with article 15 para. 2 of the Law 3461/2006.

Subsequently and pursuant to the Law 3461/2006, the Company's Board of Directors will publish and duly submit its reasoned opinion to the Capital Market Commission to the Offeror, disclosing it at the same time to the Company's employees.

Besides the above, the Board of Directors did not take, nor does it intend to take any action that does not fall under the usual course of the company's business and that may lead to the Tender Offer cancellation.

III. Agreements between the Board of Directors or members of the Board of Directors of the company under acquisition and the Offeror (article 15 para. 2, case c' of Law 3461/2006).

Mr. Wade Sebastian Burton, non-executive Vice Chairman of the Board, serves as investment director in the Offeror's group and is in charge of the Offeror's investment in the Company.

Mr. Georgios Bersis, non-executive B.o.D. member, is a partner of the law firm "Potamitis Vekris" with which the Offeror has concluded a contract for the provision of legal services.

Besides the above, there are no other agreements between the Company's B.o.D. members and the Offeror.

IV. The opinion of the Board of Directors regarding the Tender Offer (Article 15, para. 2, case d' of Law 3461/2006).

The Board of Directors took into account the following in order to form its opinion on the Tender Offer:

1. The Financial Advisor's report.

According to its report dated August 9, 2017, the Advisor set a range of values (hereinafter the "**Range of Values**") in relation to the Tender Offer, ranging between 7.59 Euro to 10.06 Euro per share. According to the Financial Advisor, the above Range of Values is evidenced by the data made available to it.

For the assessment of the Range of Values, the Financial Advisor applied, used and evaluated the following internationally recognized valuation methods to which the Advisor awarded different weight in accordance with their suitability:

- i) The Discounted Cash Flow Method, wherefrom a range of values derives in relation to the Tender Offer as follows: € 8.09 - € 10.18 per share.
- ii) The Trading Multiples of Comparable Companies Method, wherefrom a range of values derives in relation to the Tender Offer as follows: € 6.81 - € 9.96 per share and
- iii) The Precedent Transactions Method, wherefrom a range of values derives in relation to the Tender Offer as follows: € 6.52 - € 9.75 per share.

In addition, the historic evolution of the Company's share stock price, its return in relation to the ATHEX Index as well as the entry price analysis for the last twelve-month period, prior to the date when the Offeror became liable to submit a Tender Offer as well as the

premia offered in previous Tender Offers (mandatory and optional in the Hellenic Capital Markets were also examined, without being taken into account for the determination of the Range of Values, for the reasons mentioned in the Advisor's report.

2. The Offered Consideration – HELEX fees.

According to the Offeror's Information Memorandum, "the Offeror intends to pay the amount of €8.80 in cash per Share, for each Offered Share, for which the Tender Offer is legally taking place and is validly accepted.

The Offered Consideration meets the requirements of a fair and reasonable consideration, as described in article 9, paragraph 4 of the Law 3461/2006 as well as in the Tender Offer:

- a) based on ATHEX official data, the volume-weighted average market price of the Shares during the last six (6) months preceding the date when it became mandatory for the Offeror to submit a Tender Offer, i.e. before July 4th 2017, amounts to €8.49,
- b) neither the Offeror nor any entity acting on its behalf or its affiliates acquired Shares during the last twelve (12) months preceding the date when the Offeror became liable to submit a Tender Offer, except for the transactions described in section 2.9. of the Information Memorandum. Said transactions dated July 4th, 2017 were carried out at the price of €8.80 per Share, i.e. at a price equal to the Offered Consideration.

It is noted that out of the Offered Consideration payable to Accepting Shareholders, the the liquidation rights of the OTC transfer of Shares in favor of HELEX stipulated in the Liquidation Regulation will be deducted, currently amounting to 0.08% of the transfer value, being calculated as the product of the number of Transferred Shares multiplied by the highest of the following prices: the Offered Consideration and the closing price of the Share in ATHEX on the business day prior to the submission of the necessary documents to HELEX, with a minimum charge of an amount equal to the lowest amount between €20 and 20% of the transfer value for each Accepting Shareholder. Moreover, it is underlined that out of the Offered Consideration payable to the Accepting Shareholders, an amount corresponding to the Over-The-Counter Transaction (OTC) transfer tax will be deducted, standing at present at 0.20% on the OTC transaction value for the transfer of transferred shares to the Offeror. Consequently, the Accepting

Shareholders will receive the total amount of the Offered Consideration after having deducted the liquidation rights and the aforementioned tax.

3. The Offeror's business plans regarding the Company.

According to the Offeror's Information Memorandum, the latter intends to continue supporting the Company's management efforts regarding the development of its current business strategy, while maintaining its high investment standards. Similarly, the Offeror supports the Company in adapting its business strategy in order to capitalize on the market's opportunities as they arise. The Company is constantly analyzing and evaluating the economic circumstances in order to deploy its liquidity, as the current economic situation has created opportunities in commercial real estate at attractive values and with the prospect of creating future goodwill.

The Offeror intends to apply the main axes of the business strategy drawn up by the Company. Such axes are the following:

- Effective management of its existing portfolio by preserving and increasing full occupancy in its properties and by cooperating with powerful and solvent organizations
- Conduct of selective, safe and long-term profitable investments, by examining the prospect of entry and exit from each investment in combination with the economic cycle phase
- Control and limitation of any elastic cost, without jeopardizing the rendering of high quality services to tenants and
- Preservation of high dividend yield for all Shareholders.

As a long term Company shareholder, the Offeror supports the Company's current business strategy and its existing senior management. Moreover, the Offeror intends to continue its own and the Company's operation and activities. The Offeror is not planning

to relocate the Company's headquarters or place of operations and its Greek subsidiaries outside Greece.

Given the dissolution of the shareholders agreement with Eurobank Ergasias Bank S.A., dated October 17, 2013, upon completion of the Tender Offer, the Offeror intends to pursue the replacement of one member of the Company's Board of Directors who had been nominated by Eurobank Ergasias S.A. by virtue of the above agreement, with a person of its choice.

Upon completion of the Tender Offer, the Offeror will not attempt to delist the Company Shares from ATHEX."

4. Potential effects of the Tender Offer on the Company's employees.

According to the Offeror's Information Memorandum:

"The Offeror will preserve the jobs in the Company and its subsidiaries and does not intend to change the Company's human resources management strategy, or take measures that will negatively affect the labor relations and the employment terms in the Company and its subsidiaries".

It is noted that no Company employee has expressed a negative opinion about the Tender Offer.

5. The Offeror's intention not to exercise the squeeze-out of minority shareholders.

According to the with the Offeror's Information Memorandum:

"In case, after the completion of the Tender Offer, the Offeror holds directly and indirectly a total number of Shares corresponding to an amount equal to at least 90% of all Company voting rights, the Offeror will not make use of the squeeze-out right under Article 27 of the Law 3461/2006".

Conclusion.

Taking into consideration all the above, the Company's BoD reasoned opinion is unanimously stated as follows:

1. The Offered Consideration of € 8.80 per share:

- i. meets the requirements of the Law,
- ii. falls within the limits of the Range of Values as set by the Financial Advisor.

2. The successful outcome of the Tender Offer is not expected to negatively affect the Company's interests, nor is it expected to have negative consequences on the Company's employees.

It is underscored that the Offeror's plans and estimates on the expected benefits for the Company are based on certain assumptions regarding the current situation, and therefore may be affected by any change.

In addition, this reasoned opinion of the Company's Board of Directors does not constitute, nor may it be perceived as an encouragement or discouragement of Shareholders, or as a recommendation or advice to Shareholders to accept or reject the Tender Offer, or to carry out any transactions on securities issued by the Company and/or the Offeror. In any event, the Board of Directors is not in a position to predict the outcome of the Tender Offer, the course of the shares' market price and the tradability of the shares in the Athens Exchange.

This reasoned opinion of the Company's Board of Directors is drawn up according to Article 15. para. 1 and 2 of Law 3461/2006, is submitted together with the financial advisor's Report "PIRAEUS BANK S.A." dated 9.8.2017, to the Hellenic Capital Markets Commission and to the Offeror according to Article 15, para. 3 of Law 3461/2006, it is



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disclosed to the Company's employees, in accordance with Article 15, para.4 of the Law 3461/2006 and it is published, along with the Financial Advisor's Report, in accordance with Article 16, para.1 of Law 3461/2006.

This reasoned opinion of the Company's Board of Directors shall be publicly available on the Company's website www.grivalia.com and on the Athens Exchange webpage www.helex.gr.

MAROUSSI, 11.8.2017

THE BOARD OF DIRECTORS