

SILVANO FASHION GROUP

Notice of convening the Annual General Meeting of shareholders, Agenda and Proposals

The Management Board of AS Silvano Fashion Group, registry code 10175491, registered address Tulika 15/17, 10613 Tallinn, (hereinafter **SFG**) convenes an annual general meeting of shareholders on 29 June 2017 at 12:30 (Estonian time) in Radisson Blu Hotel Olümpia conference hall "Epsilon", address Liivalaia 33, 10118 Tallinn, Estonia.

The registration of participants of the General Meeting starts at 12:00 (Estonian time) at the venue of the meeting.

I Agenda

Pursuant to the resolution adopted by the SFG Group's Supervisory Board on 29 May 2017, the general meeting will have the following agenda:

1. Approval of the 2016 Annual Report of AS Silvano Fashion Group;
2. Distribution of the 2016 profit of AS Silvano Fashion Group;
3. Election of the auditor of AS Silvano Fashion Group for 2017 fiscal year and determination of auditor's fee;
4. Extension of authority of the member of the supervisory board;
5. Reduction of the share capital of AS Silvano Fashion Group.

II Proposals of the Management Board and the Supervisory Board

The Management Board and the Supervisory Board make the following proposals to the shareholders with regard to the agenda:

1. Approval of the 2016 Annual Report of AS Silvano Fashion Group

Proposal of the Management Board and the Supervisory Board:

- 1.1. To approve the 2016 Annual Report of AS Silvano Fashion Group.

2. Distribution of the 2016 profit of AS Silvano Fashion Group

Proposal of the Management Board and the Supervisory Board:

- 2.1. To approve the profit of the 2016 financial year in amount of EUR 8,273,000;
- 2.2. To make no allocations from the 2016 profit of AS Silvano Fashion Group into the reserve capital of AS Silvano Fashion Group. Following the reduction of the share capital, the reserve capital of AS Silvano Fashion Group will correspond to the requirements provided in Article 336(2) of the Estonian Commercial Code;
- 2.3. To distribute the profit by paying dividends to the shareholders of AS Silvano Fashion Group as follows:
 - 2.3.1. The list of shareholders of AS Silvano Fashion Group entitled to profit distribution shall be fixed on 13 July 2017 at 11:59 p.m.
 - 2.3.2. EUR 0.20.- per share shall be payable to the entitled shareholders as a dividend at the latest on 19 July 2017;
- 2.4. To allocate the rest of the profit of AS Silvano Fashion Group from the 2016 financial year into the undistributed profit of previous periods.

3. Election of the auditor of AS Silvano Fashion Group for 2017 fiscal year and determination of auditor's fee

Proposal of the Management Board and the Supervisory Board:

- 3.1. To elect audit company AS PricewaterhouseCoopers (registry code 10142876, address Pärnu mnt 15, 10141 Tallinn) as the auditor of AS Silvano Fashion

group, whose authorities shall be valid until the next ordinary general meeting of AS Silvano Fashion Group;

- 3.2. To authorize the Management Board of AS Silvano Fashion Group to sign an auditing agreement with the audit company AS PricewaterhouseCoopers for the auditing of AS Silvano Fashion Group 2017 business activities at a price that does not exceed the price paid for the auditing services of AS Silvano Fashion Group in 2016 fiscal year.

4. Extension of authority of the member of the supervisory board

Proposal of the Management Board and the Supervisory Board:

- 4.1 To extend authority of the supervisory board member Mr. Toomas Tool for the next term of authority starting from 1 July 2017 till 30 June 2022.
- 4.2. To continue with the remuneration plan of the supervisory board members as approved by the annual general meeting held on 30 June 2012.

5. Reduction of the share capital of AS Silvano Fashion Group

Proposal of the Management Board and the Supervisory Board:

- 5.1. The reason for reducing the share capital of AS Silvano Fashion Group is a need to reduce the share capital of AS Silvano Fashion Group and to cancel the 1,000,000 own shares acquired within the own share buy-back programme as approved by the shareholders of AS Silvano Fashion Group on 29 June 2016;
- 5.2. The share capital of AS Silvano Fashion Group shall be reduced by EUR 300,000 from the former EUR 11,100,000 to EUR 10,800,000;
- 5.3. Upon the reduction of the share capital of AS Silvano Fashion Group, the 1,000,000 own shares acquired within the own share buy-back programme as approved by the shareholders of AS Silvano Fashion Group on 29 June 2016 shall be cancelled;
- 5.4. Upon the reduction of the share capital of AS Silvano Fashion Group, the share capital of AS Silvano Fashion Group shall be divided into 36,000,000 shares with the nominal value of EUR 0.30.

III Organizational questions

The list of the shareholders entitled to participate in the ordinary general meeting shall be fixed 7 days prior to the date of the General Meeting, i.e. on 22 June 2017 at 11:59 p.m. (Estonian time).

At the General Meeting, a shareholder is entitled to receive information from the Management Board about the activities of SFG. The Management Board may decide to withhold information if there is a reason to believe that the disclosure of information may cause significant damage to the interests of SFG. If the Management Board refuses to disclose information, the shareholder may demand from the General Meeting to adopt a resolution regarding to the lawfulness of the information request or file a petition to a court of law within two weeks of the General Meeting requesting the court for the ruling requiring the Management Board to disclose the information.

The shareholders whose shares represent at least 1/20 of the share capital may request for additional items to be included in the agenda of the General Meeting, if the respective request is submitted in writing at least 15 days prior to the General Meeting.

The shareholders whose shares represent at least 1/20 of the share capital may present their draft resolutions to each item in the agenda in writing no later than 3 days before the General Meeting.

Draft resolution regarding to the agenda items and other documents presented to the General Meeting (including annual report, report of the sworn auditor, profit distribution proposal and report of the Supervisory Board) are available for examination on every

working day as of the notification of the General Meeting until the business day preceding the day of the General Meeting at the headquarters of the Company at Tulika 15/17, Tallinn on business days from 9 a.m. until 5 p.m. (Estonian time).

On the day of the General Meeting the materials related to the agenda of the General Meeting are available for examination at the venue of the General Meeting as of the opening of registration of participants until the end of the General Meeting. In order to examine the documents: (1) the shareholders who are natural persons are required to present a document verifying their identity and their representatives are additionally required to present the power of attorney in written form; (2) the representatives of the shareholders who are legal entities shall present (a) an extract from the registry where the legal entity is registered; and (b) a document verifying the identity of representative; and (c) in case of representation on the basis of proxy, also a power of attorney.

Documents and data which are disclosed according to Article 294¹ of the Estonian Commercial Code, including the Annual Report, report of the sworn auditor, profit distribution proposal, report of the Supervisory Board, draft resolutions regarding to the agenda items, data on the Company's shares and voting rights related to the shares as of the date of the notice on the convening of the General Meeting and the templates of power of attorney are available on the homepage of the Company: <http://www.silvanofashion.com>.

The following documents must be submitted to participate in the General Meeting:

- the shareholders who are natural persons shall present a document verifying their identity and their representatives shall present the power of attorney in written form;
- the representatives of the shareholders who are legal entities shall present (a) an extract from the registry where the legal entity is registered; and (b) a document verifying the identity of representative; (c) in case of representation on the basis of proxy, also a power of attorney.

Unless otherwise provided by a foreign agreement, a document issued by a foreign authority shall be duly apostilled or legalized. Documents in foreign language should be accompanied by the translation into Estonian, verified by relevant institution.

Prior to the General Meeting the shareholder may notify the Company of the appointment of a representative or the revocation of the representative's authority by sending a digitally signed e-mail message to info@silvanofashion.com or by delivering the information in person on workdays between 9 a.m. to 5 p.m. (Estonian time) or via mail to AS Silvano Fashion Group, Tulika 15/17, 10613 Tallinn, Estonia by 5 p.m. (Estonian time) on the business day preceding the day of the General Meeting.

For any information regarding the general meeting of the shareholders or the agenda items, please contact Jarek Särgava (e-mail info@silvanofashion.com; phone +372 684 5000).

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