

## **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 28 June 2018 at 10:00 (Estonian time) in Radisson Blu Hotel Olümpia conference hall "Gamma", address Liivalaia 33, 10118 Tallinn, Estonia.

The registration of participants of the General Meeting starts at 09:30 (Estonian time) at the venue of the meeting.

#### **I Agenda**

Pursuant to the resolution adopted by the SFG Group's Supervisory Board on 22 May 2018, the general meeting will have the following agenda:

1. Approval of the 2017 Annual Report of AS Silvano Fashion Group;
2. Distribution of the 2017 profit of AS Silvano Fashion Group;
3. Election of the auditor of AS Silvano Fashion Group for 2018 and 2019 fiscal years and determination of auditor's fee;
4. Extension of authority of the member of the supervisory board;
5. Amendments to the Articles of Association;
6. 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 2017 Annual Report of AS Silvano Fashion Group**

Proposal of the Management Board and the Supervisory Board:

- 1.1. To approve the 2017 Annual Report of AS Silvano Fashion Group.

##### **2. Distribution of the 2017 profit of AS Silvano Fashion Group**

Proposal of the Management Board and the Supervisory Board:

- 2.1. To approve the profit of the 2017 financial year in amount of EUR 10 914 000;
- 2.2. To make no allocations from the 2017 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. Shareholders entitled to dividends include persons entered in the Company's share register on 17 July 2018 as at the end of the working day of the settlement system. The ex-date is 16 July 2018; as of this date a person who acquired shares is not entitled to dividends for the 2017 financial year.
  - 2.3.2. EUR 0.20.- per share shall be payable to the entitled shareholders as a dividend at the latest on 24 July 2018;
  - 2.4. To allocate the rest of the profit of AS Silvano Fashion Group from the 2017 financial year into the undistributed profit of previous periods.

### **3. Election of the auditor of AS Silvano Fashion Group for 2018 and 2019 fiscal years and determination of auditor's fee**

Proposal of the Management Board and the Supervisory Board:

- 3.1. To elect audit company Ernst&Young Baltic AS (registry code 10877299, address Rävåla puistee 4, 10143 Tallinn) as the auditor 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 Ernst&Young Baltic for the auditing of AS Silvano Fashion Group 2018 and 2019 business activities.

### **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. Mart Mutso for the next term of authority starting from 1 July 2018 till 30 June 2023.

### **5. Amendments to the Articles of Association**

To amend the articles of Association due to the reason that the share capital of the Company will be changed:

- 5.1. To amend the first sentence of Section 2.1 of the Articles of Association of the Company and approve the sentence of Section 2.1 in the following wording:
  - 5.1.1. The minimum amount of the share capital of the Company shall be EUR three million six hundred thousand(3,600,000) and the maximum amount of the share capital shall be EUR fourteen million four hundred thousand (14,400,000).
- 5.2. To amend the second sentence of Section 2.2 of the Articles of Association of the Company and approve the second sentence of Section 2.2 in the following wording:
  - 5.2.1. The nominal value of each share is 0.10 euros.
- 5.3. To approve the new version of the Articles of Association as attached.

### **6. Reduction of the share capital of AS Silvano Fashion Group**

Proposal of the Management Board and the Supervisory Board:

- 6.1. The share capital will be decreased by reducing the book value of the shares by 0.20 euros per share.
- 6.2. Upon decrease of the share capital to make payments to the shareholders in the amount of 0.20 euros per share. No payments shall be made to the Company for own shares. The payments to the shareholders shall be made no sooner than three months after the registration of the reduction of the share capital with the commercial register, but, at the latest, three months and 14 calendar days after the registration of the reduction of the share capital with the commercial register, provided that the claims of creditors who submitted their claims during the term are secured or satisfied.
- 6.3. The share capital is decreased to improve the structure of capital in order to bring the amount of the share capital into alignment with the volume of business and strategic goals. The reduced amount of the share capital is in compliance with the requirements set out by the legislation and the articles of association.
- 6.4. The list of shareholders who shall be entitled to payments as a result of the decreasing of the share capital will be fixed as of 17 July 2018 as at the end of the working day of the settlement system. The ex-date is 16 July 2018: as of this date a

person who acquired shares is not entitled to payments as a result of the decrease of share capital.

### **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 21 June 2018 as at the end of the working day of the settlement system. (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 10 a.m. until 3 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 294<sup>1</sup> 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](mailto:info@silvanofashion.com) or by delivering the information in person on workdays between 10 a.m. to 3 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](mailto:info@silvanofashion.com); phone +372 6845 000).

Jarek Särgava

Member of the Board

Silvano Fashion Group

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