

AS SILVANO FASHION GROUP

Rules on Inside Information

1. Definitions

For the purposes of these Rules on Inside Information the following words and phrases shall have the following meaning:

- 1.1. **Associated Person** shall mean any of the following persons:
 - 1.1.1. the spouse of an Insider;
 - 1.1.2. a dependent child of an Insider;
 - 1.1.3. a person with whom an Insider has had a shared household for at least a year;
 - 1.1.4. a company directly or indirectly controlled by an Insider or an Associated Person;
 - 1.1.5. a company managed by an Insider or an Associated Person.
- 1.2. **Company** shall mean AS Silvano Fashion Group.
- 1.3. **Group** shall mean the Company with all legal entities controlled by it and entities having control over the Company. The presence of control, in the context of these Rules, shall be determined in accordance with Article 10 of the Estonian Securities Market Act.
- 1.4. **Inside Information** shall mean undisclosed sufficiently precise information pertaining directly or indirectly to the Company or any of the Group companies or the Shares that, if disclosed, would be likely to have a significant effect on the price of the Shares. Inside Information shall include, but shall not be limited to the following information about the Company or a Group company:
 - 1.4.1. merger, division or reorganisation;
 - 1.4.2. acquisition or termination of holdings in other companies;
 - 1.4.3. entering into new markets or withdrawing from current markets;
 - 1.4.4. changes in the capital structure, management bodies or auditors;
 - 1.4.5. calling a general meeting of shareholders and the agenda of the same;
 - 1.4.6. reports regularly published by the Company (annual reports and interim reports);
 - 1.4.7. substantial changes in the published financial data or estimates;
 - 1.4.8. substantial transactions and negotiations related to the same (including transactions that are beyond the scope of everyday economic activities of the respective company and transactions with related parties);
 - 1.4.9. delisting of the Shares from the Tallinn Stock Exchange or the Warsaw Stock Exchange, or the listing of the Shares or acceptance for trading on any other regulated market.
- 1.5. **Insider** shall mean any person who is in possession of Inside Information. If an Insider is a legal person, the natural person who participates in making decisions for the account of that legal person or is otherwise in possession of Inside Information by virtue of his involvement with that legal person is also an Insider.
- 1.6. **List of Insiders** shall mean the Company's register of persons who have access to Inside Information.
- 1.7. **Eligible Personnel** shall mean all members of the management board and the supervisory board of the Company and significant Group companies, the senior management of the Company and significant Group companies and such employees of the Company and any Group companies that could reasonably gain access to Inside Information at any time.

- 1.8. **Responsible Person** shall mean a person appointed by the management board of the Company who is responsible for the maintenance and verification of the List of Insiders and for updating the data therein. The name and contact details of the Responsible Person and any change in the same shall be published on the website of the Company.
- 1.9. **Rules** shall mean these Rules on Inside Information, as amended or supplemented from time to time.
- 1.10. **Shares** shall mean the publicly traded shares of the Company listed on the Tallinn Stock Exchange and the Warsaw Stock Exchange or their derivative instruments, *i.e.* transferable securities expressing a right or obligation to acquire, exchange or transfer, the underlying assets of which are the shares of the Company.

2. Applicability of the Rules

- 2.1. These Rules shall be strictly binding on the Eligible Personnel. Upon commencing or continuing his engagement with the Company or a Group company, each member of the Eligible Personnel agrees to follow the requirements set forth herein and accepts full responsibility for any failure to do so. Each member of the Eligible Personnel is obliged to ensure that his Associated Persons have been informed of the requirements of these Rules and their liability for misuse of Inside Information under applicable legal acts.
- 2.2. These Rules shall be applicable to Insiders who are not members of the Eligible Personnel, provided that they have accepted these Rules in a form that can be reproduced in writing, or on the basis of a separate agreement entered into with the respective Insider.

3. List of Insiders

- 3.1. The Company shall maintain the List of Insiders in a way that allows the Company to distinguish between persons having permanent access to Inside Information, persons who may have access to Inside Information from time to time, and persons who have access to Inside Information relating to specific substantial projects (the project-specific lists).
- 3.2. Persons having permanent access to Inside Information shall include the members of the management board and the supervisory board of the Company and the Group companies, and all other persons who have regular access to Inside Information due to their position, employment duties or otherwise, determined in the reasonable judgment of the Company.
- 3.3. The Company shall open and maintain a project-specific list of all persons who have access to Inside Information relating to a specific substantial project, event, development or other circumstance concerning the Company or a Group company, unless the information relating to such project, event, development or other circumstance is published immediately.

4. Handling of Inside Information before Publication

Identification of Inside Information

- 4.1. The Eligible Personnel and any third persons to whom these Rules apply shall be obliged to assess the information relating to any circumstances and developments falling within their area of responsibility at all times in order to determine if such information could qualify as Inside Information.
- 4.2. In case a member of the Eligible Personnel or any third person to whom these Rules apply gains any information that could qualify as Inside Information, such person shall immediately notify the Responsible Person, unless it can reasonably be assumed that the Responsible Person is already in possession of such Inside Information.
- 4.3. The Responsible Person, having received a notification of potential Inside Information, shall (i) assess whether the information qualifies as Inside Information; (ii) if applicable,

register a new Inside Information case in the List of Insiders; and (iii) if applicable, register all persons who have access to the particular Inside Information under the relevant Inside Information case.

Maintenance of Inside Information

- 4.4. Any member of the Eligible Personnel or any third person to whom these Rules apply, including the Associated Persons, who have gained access to registered Inside Information or any information that might qualify as Inside Information, shall be obliged to keep the information strictly confidential and not disclose it to any third persons, except in the cases and under the conditions stipulated in these Rules and applicable legal acts.
- 4.5. In order to ensure compliance with the confidentiality obligation set forth herein, the Insiders shall adhere to the following principles:
 - 4.5.1. all documents and other media containing Inside Information shall be kept separately from other documents and media and it shall be ensured that third persons have no access to such documents and other media;
 - 4.5.2. destruction of documents and other media containing Inside Information must be performed so that reconstitution thereof is excluded;
 - 4.5.3. discussions and telephone calls relating to Inside Information shall not be held in the presence of any third persons;
 - 4.5.4. access of other members of the Eligible Personnel to Inside Information shall be limited to “need to know” basis, provided that such limitation will not prejudice the business operations of the Company or any Group company and/or the efficiency of performance of the employment or management duties by the Eligible Personnel;
 - 4.5.5. the Responsible Person shall be immediately notified of any actual or suspected omissions in handling documents and other media containing Inside Information.

Disclosure of Inside Information

- 4.6. Inside Information may be disclosed only to persons who need such information for the performance of their employment duties or contractual obligations, provided that the addressee of the Inside Information has the obligation, arising from these Rules, a professional duty or an agreement entered into between the addressee of the Inside Information and the Company or a Group company, to maintain the confidentiality of Inside Information.
- 4.7. Upon disclosure of Inside Information, the disclosing person shall be obliged to ascertain that the addressee of the Inside Information has been registered in the List of Insiders or will be registered therein simultaneously with the disclosure of Inside Information.

5. Publication of Inside Information

- 5.1. Inside Information may not be disclosed to the public in any announcements, commentaries, press conferences or by any other means prior to its publication as a stock exchange release on the Tallinn Stock Exchange and the Warsaw Stock Exchange. The stock exchange releases on the Tallinn Stock Exchange and the Warsaw Stock Exchange shall be published simultaneously.
- 5.2. Inside Information shall be published as a stock exchange release as soon as possible, except in cases where the disclosure of Inside Information could damage the legitimate interests of the Company or a Group company and on the condition that the delay in the

disclosure of Inside Information is unlikely to deceive the public, and the Company ensures the confidentiality of such Inside Information.

- 5.3. Immediately after the publication of Inside Information as a stock exchange release on the Tallinn Stock Exchange and the Warsaw Stock Exchange, such information shall be published on the webpage of the Company.
- 5.4. Whenever it becomes evident that Inside Information has been disclosed to the public prior to its publication as a stock exchange release, the Company shall publish a relevant stock exchange release on the Tallinn Stock Exchange and the Warsaw Stock Exchange immediately.

6. Prohibition of Transactions with Shares

Transactions based on Inside Information

- 6.1. Insiders are prohibited from making transactions with the Shares based on Inside Information. A transaction within the meaning of this clause 6 shall mean either direct or indirect acquisition or transfer or an attempt to acquire or transfer the Shares (or derivative instruments whose value depends entirely or partially on the value of the Shares) in the name or for the account of an Insider or in the name or for the account of a third person acting in the interests of an Insider.
- 6.2. Insiders are prohibited from making any direct or indirect recommendations to a third person or influence a third person to enter into transactions with the Shares based on Inside Information.

Short-term Transactions

- 6.3. Members of the management board and the supervisory board of the Company and their Associated Persons are prohibited from making transactions with the Shares with the view to profit from short-term price fluctuations of the Shares. For the purposes of this clause 6.3, transactions that are made with the view to profit from short-term price fluctuations of the Shares mean the acquisition of Shares within one month as of the transfer of a substantially similar quantity of Shares, and the transfer of Shares within one month as of the acquisition of a substantially similar quantity of Shares.

Restricted Periods

- 6.4. Members of the management board and the supervisory board of the Company and their Associated Persons are prohibited from making transactions with the Shares during a period starting one (1) week before the end of the reporting period and ending one (1) day after the publication of the consolidated reports of the Company for the reporting period. For the purposes of this clause 6.4, a reporting period means a period regarding which the Company regularly forwards to the Tallinn Stock Exchange (and respectively to Warsaw Stock Exchange) the consolidated financial results of the Company.

Transactions by Persons with Permanent Access to Inside Information

- 6.5. The persons with permanent access to Inside Information, except the members of the management board of the Company, are obliged to request the prior consent of the management board of the Company for making any transactions with the Shares, either by themselves or by their Associated Persons. The management board of the Company may refuse to grant its consent in case the person with permanent access to Inside Information has been registered in a project-specific list, in the cases stipulated in clauses 6.3 and 6.4 of these Rules, or in case the management board has reasonable grounds to suspect that the transaction is contemplated based on Inside Information.

- 6.6. The members of the management board of the Company are obliged to request the prior consent of the supervisory board of the Company for making any transactions with the Shares, either by themselves or by their Associated Persons. The supervisory board of the Company may refuse to grant its consent in case the member of the management board has been registered in a project-specific list, in the cases stipulated in clauses 6.3 and 6.4 of these Rules, or in case the supervisory board has reasonable grounds to suspect that the transaction is contemplated based on Inside Information.
- 6.7. The management board and the supervisory board of the Company are obliged to answer the requests referred to in clauses 6.5 and 6.6 above as soon as practically possible, but not later than within two business days as of the receipt of the request. In case the management board or the supervisory board of the Company fails to answer the request within the aforementioned term, the request for consent is deemed rejected.

Transactions by Persons Registered in Project-Specific Lists

- 6.8. The persons registered in project-specific lists (as stipulated in clause 3.3 of the Rules) are prohibited from making any transactions with the Shares until the publication of the respective Inside Information or the termination of the relevant project on any other grounds.

7. Liability for Failure to Comply with the Rules

- 7.1. Failure to comply with the obligations stipulated in these Rules may trigger criminal liability under applicable legal acts. According to Article 398 of the Penal Code of Estonia, an insider who directly or indirectly acquires or transfers, on behalf of himself or a third person, or advises or influences a third person to acquire or transfer a financial instrument or a related derivative instrument which is subject to inside information, shall be punished by a monetary punishment or up to 3 years of imprisonment.
- 7.2. Members of the Eligible Personnel and any other persons to whom these Rules apply shall be liable for any damage caused to the Company by the failure to comply with the obligations stipulated in these Rules.

8. Final Provisions

- 8.1. Every member of the Eligible Personnel and every person included in the List of Insiders shall be notified of the location where these Rules are available. With such notification, such member of the Eligible Personnel and the person included in the List of Insiders shall be deemed informed of these Rules and the applicable legal acts concerning the use of Inside Information, including the liability for violation thereof and presumed to have read, understood and undertaken to follow the provisions of these Rules. Any member of the Eligible Personnel and every person included in the List of Insiders who wishes to ask questions pertaining to these Rules or his obligations in relation to the Inside Information in general, or has any reservation in respect of these Rules, shall immediately contact the Responsible Person.
- 8.2. The Company may amend these Rules without prior notification. Any amendments to these Rules shall be published on the Company's website in the same manner as the original Rules. The Company shall notify the Eligible Personnel and the persons included in the List of Insiders of any modification in these Rules.