



SAMSONITE INTERNATIONAL S.A.
(Société anonyme)

**REPORT OF THE BOARD OF DIRECTORS
TO THE EXTRAORDINARY GENERAL MEETING
OF THE SHAREHOLDERS OF THE COMPANY
TO BE HELD ON MARCH 3, 2016**

Registered office:
13–15, Avenue de la Liberté,
L-1931 Luxembourg

R.C.S. Luxembourg: B 159469

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February 3, 2016

Dear Shareholders,

In accordance with Article 4.2 of the articles of incorporation of the Company (the “**Articles**”), the board of directors of the Company (the “**Board**”) has been authorised since May 12, 2011 to issue shares, to grant options to subscribe for shares and to issue any other securities or instruments convertible into shares, to such persons and on such terms as it shall see fit and specifically to proceed to such issue without reserving for the existing shareholders a preferential right to subscribe for the issued shares (the “**Share Capital Authorisation**”).

Under the provisions of the Luxembourg law of August 10, 1915 on commercial companies, as amended from time to time (the “**Luxembourg Companies Law**”) and the Articles, the Share Capital Authorisation that is currently in effect will expire on May 11, 2016, which is the end of the currently effective five-year period referred to in Article 4.2 of the Articles.

The Board has prepared the present report in accordance with Article 32-3 (5) of the Luxembourg Companies Law for the purpose of:

- (i) the proposed reduction of the Company’s authorised share capital from USD1,012,800,369.99, representing 101,280,036,999 Company’s shares (including the subscribed share capital), to USD35,000,000.-, representing 3,500,000,000 Company’s shares (including the subscribed share capital) (such reduction, the “**Reduced Authorised Share Capital**”);
- (ii) the proposed renewal of the authorisation granted to the Board to increase, for an additional period of five years, in one or several times, the subscribed share capital of the Company within the limits of the Share Capital Authorisation, with the authority for the Board to limit or withdraw the preferential subscription rights of the shareholders when issuing the Company’s new shares (such renewal, the “**Renewed Share Capital Authorisation**”); and
- (iii) the proposed amendment to Article 4.2 of the Articles to give effect to the proposed Reduced Authorised Share Capital and the proposed Renewed Share Capital Authorisation (such amendment, the “**Amendment to the Articles**”).

After taking into consideration (a) the existing subscribed share capital of the Company and (b) the maximum number of Company’s shares which may be issued pursuant to the Issuance Mandate (as defined below) and pursuant to the vesting or exercise of share awards granted or to be granted pursuant to the Share Award Scheme (as defined below), the Board considers that the existing authorised share capital of the Company substantially exceeds the needs of the Company and the Reduced Authorised Share Capital would be in the interests of the Company and its shareholders as a whole.

The Board considers that the proposed Reduced Authorised Share Capital would be in line with good corporate governance practice of international companies because the issued and subscribed shares would represent approximately 40% of the Reduced Authorised Share Capital (including the subscribed share capital).

The new Company's shares, to be issued under the proposed Renewed Share Capital Authorisation, will be issued at their nominal value of United States Dollar one cent (USD0.01) with any eventual share premium which shall be determined by the Board each time a new share capital increase may occur.

The Board stresses that the authorisation to limit or withdraw the legal preferential subscription rights is in the corporate interest of the Company and is required to allow flexibility regarding the issue of the new shares within the framework of the proposed Renewed Share Capital Authorisation.

The Share Capital Authorisation is not a general authorisation from the Company's shareholders to the Board to allot, issue or deal with Company's shares but is an authorisation granted in accordance with the requirements of the Luxembourg Companies Law. The Renewed Share Capital Authorisation simply extends, for an additional five-year period, the existing Share Capital Authorisation; provided that, if approved, the maximum number of Company's shares that may be issued and subscribed at any time will be limited to the Reduced Authorised Share Capital.

Moreover, any issue of shares, grant of options to subscribe for shares or issue of any other securities or instruments convertible into shares pursuant to the Share Capital Authorisation is, and pursuant to the Renewed Share Capital Authorisation will still be, subject to the restrictions set out in the Articles, the Luxembourg Companies Law and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Listing Rules and the Articles contain provisions which restrict the ability of the Company to increase its issued share capital pursuant to the Share Capital Authorisation without the approval of the Company's shareholders. To protect the Company's shareholders against a potential dilution of their shareholding interest in the Company, these provisions require the Board to obtain the approval of the Company's shareholders in general meeting prior to allotting, issuing or dealing with shares, securities convertible into shares or options, warrants or similar rights to subscribe for any shares or such convertible securities (except as set forth below and provided in the Listing Rules, in the case of a rights issue of shares which is offered to all Company's shareholders or where a general mandate to issue shares has been granted to the Board at the general meeting of the Company).

As a consequence, under both the existing Share Capital Authorisation and the proposed Renewed Share Capital Authorisation, the Board may not issue shares, grant options to subscribe for shares or issue any other securities or instruments convertible into shares without the approval of Company's shareholders, except pursuant to:

- an offer of the Company's shares open for a period fixed by the Company's directors to holders of Company's shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Company's shares or class thereof (subject to such exclusions or other arrangements as the Company's directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange) (the "**Rights Issue**"); or

Under the Listing Rules, a Rights Issue will not require the specific approval of the Company's shareholders except where the proposed Rights Issue would increase either (i) the number of issued Company's shares or (ii) the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other Rights Issues or open offers announced by the Company), within the 12-month period immediately preceding the announcement of the proposed Rights Issue or prior to such 12-month period where dealing in respect of the Company's shares issued pursuant thereto commenced within such 12-month period.

- the share award scheme of the Company adopted by the Company’s shareholders on September 14, 2012, as further amended by the Board on January 8, 2013 (the “**Share Award Scheme**”); or
- the general mandate to allot, issue or deal with additional shares granted by the Company’s shareholders to the Board at the annual general meeting of the Company (the “**Issuance Mandate**”); or
- any scrip dividend scheme or similar arrangement providing for the allotment of Company’s shares in lieu of the whole or part of a dividend on Company’s shares in accordance with the Articles; or
- a specific authority granted by the Company’s shareholders in general meeting.

The same restrictions in relation to the ability of the Board to increase the issued share capital will apply to the proposed Renewed Share Capital Authorisation.

The Company’s shareholders should note that if the proposed Renewed Share Capital Authorisation is not approved at the extraordinary general meeting of the shareholders of the Company to be held on March 3, 2016, the Board will not be permitted, under the Luxembourg Companies Law, after May 11, 2016:

- a) to issue Company’s shares pursuant to the exercise of share awards that are then outstanding pursuant to the Share Award Scheme; and
- b) to issue any Company’s shares, grant options to subscribe for Company’s shares or issue any other securities or instruments convertible into Company’s shares pursuant to the existing Issuance Mandate granted on June 4, 2015 or any future approval that may be granted by the Company’s shareholders to the Board at general shareholders’ meeting.

The Board considers that this would, in particular, undermine the purpose of the Share Award Scheme and eliminate the long-term incentive for executives and management under such share awards, and would therefore be detrimental to the Company and the Company’s shareholders. In addition, this would restrict the Company’s flexibility to issue shares for other purposes pursuant to the Issuance Mandate.

The Board believes that the proposed Renewed Share Capital Authorisation is justified and in the best corporate interest of the Company and its shareholders as a whole. Moreover, the Board undertakes to always act in good faith, in consideration of the Company’s best corporate interest and in conformity with the provisions of the Articles, the Luxembourg Companies Law and the Listing Rules.

As a result of the proposed Renewed Share Capital Authorisation, the Board shall dispose of flexibility in view of the issue of additional shares with the authority to limit or withdraw the preferential subscription rights of the shareholders when issuing the Company’s new shares.

In addition and in order to give effect to the foregoing, the Board also proposes to seek the approval of the Shareholders to amend accordingly Article 4.2 of the Articles. If approved, the Amendment to the Articles will simply reflect in the Articles the proposed Reduced Authorised Share Capital and the proposed Renewed Share Capital Authorisation.

In view of the above, subject always to compliance with the Articles, the applicable provisions of the Luxembourg Companies Law and the Listing Rules, the Board recommends the Company's shareholders to vote in favour of the proposed Reduced Authorised Share Capital, the proposed Renewed Share Capital Authorisation and the proposed Amendment to the Articles proposed at the extraordinary general meeting of the shareholders of the Company in order to (i) authorise the Board, for an additional period of five years to increase, in one or several times, the subscribed share capital of the Company within the limits and restrictions referred to above, (ii) empower the Board to determine the conditions of any such share capital increase, with or without share premium and (iii) empower the Board to limit or withdraw the preferential subscription rights of the existing shareholders of the Company.



By: Timothy Charles Parker
Capacity: Director