SAMSONITE INTERNATIONAL S.A.
新秀麗國際有限公司
13–15 Avenue de la Liberté, L-1931 Luxembourg
R.C.S. LUXEMBOURG: B 159.469
(Incorporated in Luxembourg with limited liability)
(Stock code: 1910)

(1) ACKNOWLEDGEMENT OF RESIGNATION OF DIRECTOR
(2) PROPOSED GRANT OF SCHEME MANDATE TO ISSUE NEW SHARES UNDERLYING RSUS TO BE GRANTED UNDER THE SHARE AWARD SCHEME
(3) PROPOSED AMENDMENTS TO THE SHARE AWARD SCHEME
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AND
(5) PROPOSED EXTENSION OF THE SHARE CAPITAL AUTHORIZATION OF THE COMPANY TO PERMIT THE ISSUE OF BONUS SHARES UPON THE VESTING OF RSU GRANTS

ACKNOWLEDGMENT OF RESIGNATION OF DIRECTOR

On May 31, 2018, the Board announced that Mr. Ramesh Dungarmal Tainwala, citing personal reasons, had submitted his resignation as the Company's Chief Executive Officer and as a Director of the Company. Accordingly, Mr. Tainwala ceased to be the Chief Executive Officer and a Director of the Company effective on May 31, 2018. As a procedural matter required under Luxembourg law and consistent with past practice, Mr. Tainwala's resignation as a Director of the Company is required to be acknowledged by the Shareholders at the General Meeting to be convened on Wednesday, September 26, 2018.

PROPOSALS RELATING TO THE SHARE AWARD SCHEME AND THE GRANTS OF RSUS

On August 31, 2018, the Board proposed that (1) the Share Award Mandate be granted to the Board to issue new Shares underlying RSUs to be granted under the Share Award Scheme, (2) the Share Award Scheme be amended and (3) RSUs be granted to the Connected Participants. It is proposed that the Shareholders consider and, if thought fit, approve the foregoing matters at the General Meeting to be convened on Wednesday, September 26, 2018.

On the same date, the Board also proposed that the Share Capital Authorization be extended to permit the issue of bonus shares upon the vesting of RSU grants. It is proposed that the Shareholders consider and, if thought fit, approve the foregoing matter at the Extraordinary General Meeting to be convened on Wednesday, September 26, 2018.

A. ACKNOWLEDGMENT OF RESIGNATION OF DIRECTOR

On May 31, 2018, the Board announced that Mr. Ramesh Dungarmal Tainwala, citing personal reasons, had submitted his resignation as the Company's Chief Executive Officer and as a Director of the Company. Accordingly, Mr. Tainwala ceased to be the Chief Executive Officer and a Director of the Company effective on May 31, 2018. As a procedural matter required under Luxembourg law and consistent with past practice, Mr. Tainwala's resignation as a Director of the Company is required to be acknowledged by the Shareholders at the General Meeting to be convened on Wednesday, September 26, 2018.

B. PROPOSALS RELATING TO THE SHARE AWARD SCHEME AND THE GRANTS OF RSUS

1. INTRODUCTION

Long-term incentive awards are a critical component of the Group's compensation program for Senior Managers and other employees. Equity compensation aligns the interests of the Group's management with the interests of the Shareholders, fosters a long-term commitment to the Group and aids in the retention of Senior Managers and other managers in an industry in which the market for talent is highly competitive by providing financial reward for long-term growth in Share value.

Since 2013, long-term incentive awards have been granted to Senior Managers and other managers under the Share Award Scheme, which was adopted on September 14, 2012 (as amended), in the form of Options subject to time-based vesting conditions. While the Board believes that the Company's past long-term incentive plan was appropriate during the years following the Company's IPO in 2011 and was consistent with the normal practice of Hong Kong listed companies, after a careful review of the Company's overall compensation practices and Peer Group analysis with the advice of the Company's independent advisors, the Board, based upon the recommendations of the Remuneration Committee, has determined that it is desirable to enhance the Company's pay-for-performance philosophy and to reduce the level of Equity Dilution required to deliver comparable LTIP Value by introducing certain modifications to the current LTIP. The Remuneration Committee's policy is for the Company's LTIP to support the Company's need to recruit, retain and motivate management in a manner that is consistent with generally accepted market practices for international branded consumer goods companies. In evaluating the Company's LTIP relative to market practice, the Remuneration Committee notes that a majority of its Senior Managers and a significant proportion of the other Participants in the LTIP are based in the United States. The comparable international businesses that are included in the Company's Peer Group for the purpose of executive compensation benchmarking and LTIP design are also primarily companies that are based in and listed in the United States. Accordingly, the Remuneration Committee considers that in order to achieve the objectives of the LTIP — particularly with regard to recruitment and retention — it is appropriate to consider the Company's LTIP in light of the practices of relevant international companies such as those in the Peer Group, which are primarily based in and listed in the United States and with which the Company competes for talent both in the United States and internationally.

The Board presented certain proposals related to the Company's LTIP at the AGM for Shareholder approval, as ordinary resolutions numbered 9 to 13 as set out in the notice of the AGM dated April 23, 2018 (the "**AGM LTIP Proposals**"). However, as less than 50% of the votes were cast in favor of each of these resolutions, these resolutions were not duly passed.

Since the AGM, the Remuneration Committee and the Board have had further discussions to understand the basis of the voting decisions taken by the Shareholders. In particular, the Company has engaged in extensive Shareholder outreach efforts to understand the responses from Shareholders to the AGM LTIP Proposals. The Remuneration Committee and the Board have also taken note of the issues that were identified by the Voting Advisors, Institutional Shareholder Services Inc. and Glass, Lewis & Co., with respect to the AGM LTIP Proposals.

The concerns that were raised by the Voting Advisors in respect of the AGM LTIP Proposals, which were also raised by a number of the Shareholders, were as follows:

- **Participation — specifically:**

  (a) the Share Award Scheme as currently in effect permits awards to be granted to non-executive directors, and directors eligible to receive awards under the Share Award Scheme may also be involved in the administration of the Share Award Scheme; and

  (b) the Share Award Scheme as currently in effect permits awards to be granted to persons other than executive directors, managers and employees of the Company and its subsidiaries; and

- **Change of control:**

  (c) the Share Award Scheme as currently in effect provides for accelerated vesting of unvested awards upon a change of control, and the proposed "double-trigger" feature of the Share Award Scheme (as set out in the AGM LTIP Proposals) would have still provided the Board with absolute discretion to determine that upon a change of control of the Company, the vesting of unvested awards will accelerate in lieu of a "double-trigger" treatment.

The LTIP Proposals described below, and in particular the proposed amendments to the Share Award Scheme, address these views by providing that (i) Awards cannot be granted to non-executive Directors, (ii) the Share Award Scheme will be administered only by non-executive Directors who are not eligible to receive Awards (under the Board's procedures, the Share Award Scheme will be administered by the Remuneration Committee, the members of which are all independent non-executive Directors), (iii) Awards may be granted only to executive Directors, managers and employees of the Company and its subsidiaries, and (iv) under the proposed "double-trigger" feature of the Share Award Scheme, upon a change of control of the Company, Awards will rollover into equivalent awards and will be subject to double-trigger vesting, unless rollover of Awards is not permitted under applicable laws or not agreed by the acquirer.

These proposed amendments to the Share Award Scheme confirm the historical policy and practice of the Company with respect to participation in the Share Award Scheme: no grants of Awards have been made under the Share Award Scheme to non-executive

Directors or to individuals who are not executive Directors, managers or employees of the Company and its subsidiaries; and no executive Directors have been involved in the administration of the Share Award Scheme. In addition, in proposing the "double-trigger" feature of the Share Award Scheme as part of the AGM LTIP Proposals, the Board's intention was that upon a change in control of the Company, Awards would rollover into equivalent awards, other than in the limited circumstance where rollover of Awards is not permitted under applicable laws or not agreed by the acquirer. The proposed amendments to the Share Award Scheme as part of the LTIP Proposals described below are intended to bring the provisions of the Share Award Scheme in-line with the Company's policy on these matters.

In addition to the issues identified by the Voting Advisors and certain Shareholders as described above, some Shareholders raised additional observations or questions about the AGM LTIP Proposals and a summary of these observations together with the Remuneration Committee's views will be set out in the Circular, which will be sent to the Shareholders on September 3, 2018.

The Shares underlying the Awards of Options and RSUs described in this announcement are in the aggregate expected to represent not more than 1.02% to 1.14% of the issued share capital of the Company as at the Latest Practicable Date. The proposed Awards take into account assumptions with respect to potential Awards for newly hired or promoted employees of the Group who have not yet been identified, including Awards for the Company's new Chief Financial Officer when that individual is identified and hired. The Remuneration Committee does not anticipate that any further Awards, other than those described in this announcement (except as may be appropriate for new hires or promotions) will be granted until it next considers the awards of annual grants under the Share Award Scheme to Participants in 2019. Any further awards of RSUs beyond those proposed in the LTIP Proposals set out below will be subject to further Shareholder approval at a future general meeting.

2. PROPOSED GRANT OF A MANDATE TO THE BOARD TO GRANT AWARDS OF RSUS PURSUANT TO THE SHARE AWARD SCHEME

(a) Background to the adoption of the Share Award Scheme in 2012

On September 14, 2012, the Shareholders adopted the Share Award Scheme, which will remain in effect until September 13, 2022. Under the Share Award Scheme, the Board may grant Awards of Options or RSUs to participants.

Under the Share Award Scheme, the Board was authorized to grant Awards in respect of up to 140,713,700 Shares, representing approximately 10% of the Company's issued share capital at the date of adoption of the Share Award Scheme and within the limit of the authorized capital of the Company. As at the Latest Practicable Date, the Board has granted Awards of Options in respect of an aggregate of 104,216,177 Shares, representing approximately 7.29% of the issued share capital of the Company at that date. As at the Latest Practicable Date, the maximum aggregate number of

Shares in respect of which Awards may be granted (in the form of Options and/or RSUs) pursuant to the Share Award Scheme is 43,832,822 Shares (after taking into account Awards of Options granted but which have lapsed in accordance with the terms of the Share Award Scheme), representing approximately 3.06% of the issued share capital of the Company at that date. The Company has not granted any Awards of RSUs since the Share Award Scheme was adopted. All Awards have consisted solely of Options. The Board believes this was consistent with the normal practice of Hong Kong listed companies.

(b) Elements of management compensation

The Company's approach to the annual compensation packages for its Senior Managers and other managers who participate in the Company's LTIP is to provide a balanced mix that includes the following key elements: (i) base salary, (ii) short-term cash incentive in the form of annual bonus based on financial and strategic targets and (iii) long-term equity-based incentive awards, including performance-based RSUs. The allocation of compensation between these elements for each of the Senior Managers is determined by the Remuneration Committee on an annual basis, taking into account advice from Mercer, the Company's independent compensation consultant. Such advice includes benchmarking against the Company's peer group. Target annual bonus and target LTIP Value are based on a percentage of each individual's base salary. The relevant allocations are currently as follows:

- *Chief Executive Officer ("**CEO**"):* target annual bonus of 150% of base salary, and target LTIP Value of 350% of base salary;

- *Chief Financial Officer ("**CFO**"):* these are yet-to-be determined as the Company is in the process of recruiting a new CFO and has not yet decided on the compensation package, however the target LTIP Value is expected to be not more than 175% of base salary; and

- *Other Senior Managers:* target annual bonus of 50% to 60% of base salary, and target LTIP Value of 100% to 150% of base salary.

Accordingly, the target LTIP Value for the Senior Managers represents between approximately 40% and 60% of each such Senior Manager's target annual compensation opportunity.

For LTIP Participants who are not Senior Managers, target annual cash bonuses range from 10% to 50% of base salary, and target LTIP Values range from 15% to 100% of base salary, depending on the role of the Participant within the Group.

The number of Shares underlying an Award consisting of RSUs (including both PRSUs and TRSUs) is determined by dividing the target LTIP Value of such RSUs by the higher of (i) the closing price of a Share on the grant date and (ii) the average closing price of a Share for the five trading days immediately preceding the grant date. The number of Shares underlying an Award consisting of Options is determined on the grant date based on the Black-Scholes valuation model, which calculates the number of Shares required to achieve the target LTIP Value of such Options.

(c) Overview of the LTIP

The LTIP pursuant to the Share Award Scheme is a significant element of the Company's executive compensation practices which focus on pay for long-term performance and aligning interests of Senior Managers with those of the Shareholders. The LTIP is a broad-based program that has approximately 185 total participants. Participants include the Company's 12 Senior Managers, as well as 173 other members of the management teams within the Company's four operating regions and the corporate group.

Since the adoption of the Share Award Scheme, the Company's annual long-term incentive compensation awards for the Group's Senior Managers and other managers have consisted solely of the grant of Awards of Options under the Share Award Scheme. Such Options have an exercise price which is determined by reference to the Share price at the time of the grant of the Award, vest *pro rata* over a four-year period on each anniversary of the grant date and are generally exercisable over a period of ten years from the grant date.

In addition to the annual grants of Options that have been made each year from 2013 through 2017 as part of Participants' annual compensation package, between January 2015 and May 2017, special one-time grants of Options were made to a total of nine members of the Company's senior management team. These awards were incremental to the recipients' annual compensation (including annual LTIP grants) and were intended to promote retention of such Senior Managers and further incentivize them to continue contributing to the growth of the Company by providing them with more significant equity incentives. It was considered that because no share options or other equity incentives had been granted at the time of the Company's IPO in 2011, and the annual grants of Options did not begin until January 2013, approximately 1.5 years after the IPO, the senior management team did not have equity incentives sufficient to adequately promote their retention and to incentivize continued contribution to the growth of the Company. The vesting schedule of these Options, with 60% vesting on the third anniversary of grant and 40% vesting on the fifth anniversary of grant (as opposed to pro-rata annual vesting over four years for annual option grants), was intended to incentivize longer term retention of and contributions by the Senior Managers who received grants of such Options. The then-CEO did not receive such a grant. The Company's current Chief Executive Officer, who was then the Chief Financial Officer, did receive such a grant.

While the Remuneration Committee and the Board believe that the Company's historical practice of making annual Option grants was consistent with the normal practice of newly public companies listed in Hong Kong, the Remuneration Committee also recognizes the need for the Company to evolve its compensation practice to reflect market practice for international companies, including those in the Company's Peer Group. The LTIP Proposals, therefore, further enhance the Company's pay-for-performance policy in-line with its peers, while also significantly reducing the level of dilution required to deliver comparable LTIP Value. Reducing the Equity Dilution resulting from the Company's LTIP is one of the principal objectives of the LTIP Proposals.

Over recent years, as the number of participants in the LTIP has grown (primarily as a result of acquisitions), the Equity Dilution from the Company's annual Option grants has increased. The LTIP Proposals, which entail a shift from 100% of the LTIP Value being delivered via Options to 75% being delivered via RSUs and 25% being delivered via Options, will significantly reduce the Equity Dilution.

In addition, the LTIP Proposals reflect the Company's decision to adopt other best compensation governance practices, including malus and clawback, "double-trigger" acceleration in case of change of control and share ownership guidelines. The table below highlights how the Company's compensation philosophy will be reflected in the LTIP pursuant to the Share Award Scheme following Shareholders' approval of the LTIP Proposals:

What the Company does	**What the Company does not do**
✔ *Independent administration:* The Share Award Scheme is administered by the Remuneration Committee (the members of which are all independent non-executive Directors) or any other committee of the Board comprised solely of non-executive Directors. No Directors involved in the administration of the Share Award Scheme are eligible to receive Awards	✘ *NED participation:* Non-executive Directors are not eligible to participate in the Share Award Scheme, meaning that no member of the administrating committee is eligible to participate in the Share Award Scheme
✔ *Employee incentivization:* Employees of the Company, including Senior Managers, are eligible to participate in the Share Award Scheme	✘ *Dividends or dividend equivalents:* Dividends or other cash distributions to Shareholders do not accrue until Shares underlying vested awards have been issued or transferred to Participants. The Share Award Scheme does not provide for dividend equivalents

✔ *Performance-based:* A significant portion of a Senior Manager's awards is subject to performance conditions

✘ *Share recycling:* Shares withheld to account for tax liabilities or exercise price are not added back to the plan limit

✔ *Long-term vesting:* Performance-based awards are subject to a three-year cliff vesting period. Time-based awards are subject to a three or four-year *pro rata* vesting period

✘ *Reward for poor performance:* Vesting of performance-based awards is reduced, or such awards may not vest at all, if performance targets established by the Remuneration Committee are not met

✔ *Double-trigger:* Awards rollover into equivalent awards in case of a change of control of the Company, unless rollover of awards is not permitted under applicable laws or not agreed by the acquirer. In case of a double-trigger vesting, the vesting level is time pro-rated

✘ *Single-trigger:* Vesting of awards does not accelerate in case of a change of control of the Company, unless rollover of awards is not permitted under applicable laws or not agreed by the acquirer

✔ *Malus & clawback:* Malus and clawback provisions apply to performance-based awards to enable recoupment of shares

✘ *Acceleration upon termination:* Unvested awards will normally lapse upon termination of employment, other than in case of death or disability

✔ *Share ownership guidelines:* The Group' CEO, CFO and certain other Senior Managers are encouraged to achieve certain share ownership levels

(d) Features of the LTIP

The Remuneration Committee and the Board note that international companies are increasingly moving towards making performance-based long-term restricted share awards to their Senior Managers in order to increase alignment with shareholders' interests. The Remuneration Committee and the Board further recognize that while the Shares are listed on the Stock Exchange, the Company is a global business with operations around the world, and that in order to attract and retain talented executives in the various jurisdictions in which the Company operates, it is important to consider compensation practices of peer group companies engaged in similar global consumer goods businesses, most of which are listed in the U.S.. Therefore, in order to better reflect the compensation practices of the Company's peers, the Remuneration Committee retained Mercer to serve as an independent compensation consultant to provide services including the preparation of data on executive compensation levels, identification of peer group companies, review of the Group's current compensation program for its Senior Managers, and recommendation of a performance-based compensation program more closely aligned with peer group practice. The Remuneration Committee and the Board have reviewed the advice and analysis provided by Mercer and are of the view that such advice and analysis are fair and reasonable. The Remuneration Committee and the Board also received advice from leading governance advisory firms to consider shareholders' expectations with respect to Senior Manager compensation and the LTIP Proposals.

Since June 2018, the Company has engaged with a number of Shareholders and has taken Shareholders' views into account in revising its proposals to amend the Share Award Scheme and the Company's LTIP arrangement.

Accordingly, with a view to aligning the LTIP for the Group's Senior Managers with similar programs adopted by international companies in the Company's Peer Group, and to increase alignment of the LTIP with long-term Shareholders' interests, the Remuneration Committee has proposed that the LTIP for the Group's Senior Managers be comprised of the elements set out below. The elements reflect not only a positive move toward performance-based awards in lieu of share options, but also introduce both share ownership and clawback policies for participants that reinforce the Company's philosophy of "pay-for-good-performance".

The Remuneration Committee and the Board believe that the proposed LTIP arrangement, as described below, is in the best interests of the Company and its Shareholders.

Features of the LTIP	Description
1. Performance RSUs (PRSUs)	• PRSUs will cliff vest three years after the grant date only upon achievement of pre-established cumulative performance goals determined by reference to earnings per Share (EPS) and relative total Shareholders' return (TSR), with no above-target payout made with respect to relative TSR if the Company's absolute TSR is negative. • Relative TSR will measure the Company's TSR relative to the TSR of a benchmark group consisting of the Company's Peer Group. • Upon vesting, Shares will be issued to the Senior Managers in accordance with the terms of the Share Award Scheme and unless required by the Company to pay the nominal value of US$0.01 for each Share, no consideration is payable by the Senior Managers to receive such Shares. • PRSUs ensure that there is a greater linkage between the Company's stated long-term strategic and financial goals and executive compensation.
2. Time-based RSUs (TRSUs)	• TRSUs will vest *pro rata* over a three-year period on each anniversary of the grant date. • Upon vesting, Shares will be issued to the Senior Managers in accordance with the terms of the Share Award Scheme and unless required by the Company to pay the nominal value of US$0.01 for each Share, no consideration is payable by the Senior Managers to receive such Shares. • TRSUs aid in the retention of Senior Managers since the Shares will vest over a period of time, thereby rewarding long-term performance.

3. Options

- Options will vest *pro rata* over a four-year period on each anniversary of the grant date. Vested Options can be exercised until the tenth anniversary of the grant date.
- The exercise price of the Options will be determined by reference to the market price of the Shares at the time of the grant of the Options as required under the Listing Rules.
- Options aid in the retention of Senior Managers and reward long-term performance.
- Options will be issued at market price.

4. Weighting of Awards

- Whereas previous years' Awards consisted entirely of Options, the proposed revisions to the LTIP will replace a portion of Option grants with PRSUs and TRSUs. The target LTIP Value of Awards to be granted to the Group's Senior Managers will, therefore, be comprised of 50% of PRSUs, 25% of TRSUs and 25% of Options (based on the grant date value).
- This is in line with the Company's Peer Group companies and global best practice of shifting the long-term incentives mix towards performance-based share awards.
- This would also result in a more efficient utilisation of share-based incentives and reduce the level of Equity Dilution for the Company.
- The Remuneration Committee will continue to closely monitor and manage the dilutive effect of Awards.
- It is expected that the proposed RSU grants under the Share Award Scheme in 2018 will result in an Equity Dilution level of not more than approximately 0.41% to 0.45% (assuming target level vesting of PRSUs) and approximately 0.51% to 0.56% (assuming maximum level vesting of PRSUs). It is expected that the Option grants under the Share Award Scheme in 2018 will result in an Equity

Dilution level of not more than approximately 0.51% to 0.58%.

- On an aggregated basis, the above proposed RSU and Option grants under the Share Award Scheme in 2018 will result in an Equity Dilution level of not more than approximately 0.92% to 1.03% (assuming target level vesting of PRSUs) and approximately 1.02% to 1.14% (assuming maximum level vesting of PRSUs).

- The expected Equity Dilution levels set out above have been calculated based on a per Share price of HK$29.45 and HK$26.70, being the closing market price of a Share on the Latest Practicable Date and the lowest closing market price of a Share during the 52-week period preceding the Latest Practicable Date, respectively.

- Shareholders should note that the actual Equity Dilution levels will be lower if the Share price on the grant date is higher than the closing market price of a Share on the Latest Practicable Date. In addition, the expected Equity Dilution levels for Option grants in 2018 are based on the Black-Scholes valuation model using certain assumptions for the underlying inputs. Shareholders should note that the actual Equity Dilution levels for Option grants will depend upon the Black-Scholes valuation model as applied at the grant date using then-applicable underlying inputs.

5. Selection of peer group companies

- Based on advice received from Mercer and a governance advisory firm, the Remuneration Committee has identified a peer group of companies (the "**Peer Group**") on the basis of similar industry sectors, business operations with revenue, and market capitalization, while also considering the Company's significant global presence.

- The Peer Group for the purpose of the LTIP currently consists of Hanesbrands Inc., Michael Kors Holdings Limited, Tapestry, Inc. (formerly Coach, Inc.), Under Armour, Inc., Fossil Group, Inc., Skechers U.S.A., Inc., Carter's, Inc., Wolverine World Wide, Inc., G-III Apparel Group, Ltd., Columbia Sportswear Company, Lululemon Athletica Inc., Steven Madden, Ltd., Deckers Outdoor Corporation, Prada S.p.A, Global Brands Group Holding Limited, Burberry Group plc, Hugo Boss AG, Belle International Holdings Limited, and L'Occitane International S.A.

6. Introduction of share ownership guidelines

- The Board will adopt share ownership guidelines for its CEO, CFO and certain other Senior Managers to further align their interests with the interests of Shareholders.

- Under the guidelines, each Senior Manager to whom the guidelines apply would beneficially hold Shares with a value at least equal to six times base salary for the CEO, three times base salary for the CFO and one and one half times base salary for the other Senior Managers.

- The Share ownership levels are to be achieved by the Senior Managers within five years from the grant date of the Awards in 2018, or, if later, from the date of their assuming their position.

- It is anticipated that Share ownership levels will be attainable by the Senior Managers taking into account Shares issued following the vesting of PRSUs, issuable upon the vesting of TRSUs, or issued following the vesting of TRSUs. Shares underlying unexercised Options (whether vested or unvested) or unvested PRSUs will not be counted for purposes of assessing Share ownership. Shares otherwise beneficially owned by the Senior Manager will be counted for purposes of assessing Share ownership.

7. Malus and clawback policy	• The Board will adopt a malus and clawback policy which will apply to performance-based compensation (including PRSUs) paid or granted to certain Senior Managers (including the Company's CEO, CFO and certain other Senior Managers) on or after September 26, 2018. • Under the policy, if the Company determines that it must prepare an accounting restatement due to material non-compliance with any applicable financial reporting requirements resulting from the individual's fraud or misconduct, the Company has the power to seek to recover in respect of vested Awards and reduce in respect of unvested Awards the amount of erroneously awarded performance-based compensation received by the individual. • The applicable period for which performance-based compensation may be clawed back will be the entire period impacted by the accounting restatement.
8. Termination of employment/corporate events	• Under the Share Award Scheme as currently in effect, in case of termination of employment, the Board has discretion to determine (i) whether and to what extent any unvested Awards should vest and (ii) how long any vested Options should remain exercisable. Unvested Awards will normally be forfeited upon termination of employment, save that Awards will vest early if termination is due to death or disability (in which case the Board may take into account the extent to which performance conditions have been satisfied at the time). Vested but unexercised Options will normally remain exercisable for a shortened exercise period following termination, save that in case of termination for cause, any unexercised Options will be forfeited.

- The Share Award Scheme as currently in effect provides that upon a change in control of the Company (including, without limitation, by way of a voluntary offer, takeover or scheme of arrangement), the Board in its absolute discretion shall determine the number of underlying Shares (if any) of the unvested Awards which shall vest, the date on which any such vesting will occur (by reference to factors which may include the extent to which performance conditions have been satisfied and the proportion of the vesting period that has expired at the time of the change in control), and the period during which an Option may be exercised.

- The Board has proposed that the Share Award Scheme be amended to provide for continuation of unvested Awards following a change in control (unless rollover of Awards is not permitted under applicable law or not agreed by the acquirer), save that awards will vest early (where the level of PRSU vesting will be determined assuming target level performance and applying time pro-rating) upon involuntary termination of employment without cause or voluntary resignation for good reason (as defined in paragraph 5.12(b) of the Share Award Scheme as proposed to be amended) within two years following the change in control (commonly known as "**double-trigger**"). Please refer to the section headed "Proposed Amendments to the Share Award Scheme" below for further details of the proposed amendments to the Share Award Scheme relating to the vesting of Awards in the event of a change in control of the Company for any Awards granted on or after September 26, 2018.

In addition, the Remuneration Committee has proposed that the target LTIP Value for the Group's managers (other than Senior Managers) will be comprised of the grant of TRSUs and Options, with the mix being approximately 75% and 25%, respectively, based on the grant date value. The percentage mix of TRSUs and Options was recommended by the Remuneration Committee after taking into consideration the percentage mix of similar awards of the Company's Peer Group companies.

(e) Performance Conditions for Vesting of PRSUs

The final number of Shares vested under the RSUs will vary depending on the level of achievement of performance conditions applicable to the PRSUs, thereby ensuring that the actual payout is linked to the Company's performance. The performance measures and targets have been recommended by the Remuneration Committee as both objective and appropriately challenging. When setting the performance targets, the objective is for the targets to be sufficiently challenging to create appropriate pay-for-performance alignment as expected by the Shareholders, within parameters that are likely to be perceived by the management to be achievable in order to create appropriate incentives. The targets will be communicated to the recipients of the PRSUs at the time of the grant. Details of the performance conditions, including the maximum number of Shares that may vest under the PRUs, will be set out in the Circular.

(f) Proposed grant of a mandate to the Board to grant awards of RSUs pursuant to the Share Award Scheme

In order to implement the LTIP described above and to facilitate the granting of RSUs, an ordinary resolution will be proposed at the General Meeting to approve the granting of a mandate to the Directors to grant awards of RSUs pursuant to the Share Award Scheme in respect of a maximum of 8,022,571 new Shares (the "**Share Award Mandate**"), representing 0.56% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in paragraph 2 of the notice of the General Meeting (assuming the issued share capital of the Company remains unchanged on the date of the General Meeting), and allot, issue and deal with Shares underlying the RSUs granted pursuant to the Share Award Scheme during the Relevant Period (as defined below) as and when such RSUs vest. The maximum number of new Shares under the Share Award Mandate has been calculated based on a per Share price of HK$26.70, the lowest closing market price of a Share during the 52-week period preceding the Latest Practicable Date. The exact number of Shares underlying the RSU grants will be determined by dividing the target LTIP Value of RSUs by the higher of (i) the closing price of a Share on the grant date and (ii) the average closing price of a Share for the five trading days immediately preceding the grant date.

The Share Award Mandate will be valid during the period from the passing of the resolution until whichever is the earliest of (a) the conclusion of the next annual general meeting of the Company, (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Incorporation of the Company or any applicable laws to be held and (c) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting (the "**Relevant Period**").

As at the Latest Practicable Date, 12 Senior Managers (including Mr. Kyle Francis Gendreau, who is a Director) and other 173 employees have been proposed or identified by the Board to be granted RSUs under the Share Award Scheme. Of such proposed grantees of RSUs, 11 proposed grantees are Connected Participants. Please refer to the section headed "Proposed Connected Transactions Relating to the Proposed Grants of RSUs to the Connected Participants (including Mr. Kyle Francis Gendreau)" below for further details.

(g) Listing Approval

The Listing Committee of the Stock Exchange has previously granted its approval for the listing of, and permission to deal in, new Shares which may be issued pursuant to the exercise or vesting of Awards which may be granted under the Share Award Scheme.

(h) Recommendation

The Directors (other than Mr. Gendreau but including the independent non-executive Directors) are of the view that the proposed Share Award Mandate is in the interests of the Company and the Shareholders as a whole.

Due to the interests of Mr. Gendreau in the proposed RSU grants referred to below, Mr. Gendreau abstained from voting on the relevant resolutions of the Board in respect of the proposed Share Award Mandate. Save as disclosed above, none of the other Directors had any interest in the proposed Share Award Mandate and therefore no other Director abstained from voting on the relevant resolutions of the Board in respect of the proposed Share Award Mandate.

3. PROPOSED AMENDMENTS TO THE SHARE AWARD SCHEME

(a) Share Award Scheme

The Share Award Scheme as approved by the Shareholders on September 14, 2012 provides that upon a change in control of the Company (including, without limitation, by way of a voluntary offer, takeover or scheme of arrangement), the Board in its absolute discretion shall determine the number of underlying Shares (if any) of the unvested Awards which shall vest, the date on which any such vesting will occur (by reference to factors which may include the extent to which performance conditions have been satisfied and the proportion of the vesting period that has expired at the time of the change in control), and the period during which an Option may be exercised.

With a view to aligning the LTIP with the change of control provisions adopted in similar programs adopted by international companies in the Peer Group, the Board has proposed certain amendments to the Share Award Scheme relating to the vesting of

Awards in the event of a change in control of the Company for any Awards granted on or after September 26, 2018. The effect of these proposed amendments will be to provide that on a change of control existing awards rollover into awards over the shares in the acquirer and will be subject to "double-trigger" vesting (with the vesting level pro-rated for time), unless rollover is not permitted under applicable laws or not agreed by the acquirer.

Further amendments are also being proposed to reflect best compensation governance practices and specific feedback received from Shareholders and the Voting Advisors.

(b) Proposed Amendments to the Share Award Scheme

The following amendments are proposed to be made to the Share Award Scheme (the "**Proposed Share Award Scheme Amendments**"):

(1) the definition of "Board" under paragraph 1.1 of the Share Award Scheme shall be amended from:

"***Board*** means the board of Directors from time to time or a duly authorised committee of the Board or such other committee as the Board may authorise;"

to

"***Board*** means the board of Directors from time to time;"

(2) paragraph 1.1 of the Share Award Scheme shall be amended by inserting the following new definition:

"***Committee*** means the remuneration committee of the Board, whose composition shall be determined in accordance with the Listing Rules and shall be comprised of non-executive Directors only, or any other duly authorised committee of the Board comprised of non-executive Directors only;"

(3) references to the "Board" in the definitions of "Disability", "Exercise Period" and "Vesting Date" and paragraphs 2.2, 3.1, 3.2, 3.5, 4.2, 5 and 6 shall be amended to the "Committee";

(4) the definition of "Participants" under paragraph 1.1 of the Share Award Scheme shall be amended from:

"***Participants*** means the Directors (including executive Directors, non-executive Directors and independent non-executive Directors), the directors of the

Company's subsidiaries, the employees of the Group or any other persons as determined by the Board who the Board considers, in its absolute discretion, have contributed or will contribute to the Group;"

to

"***Participants*** means (i) the Directors and/or the directors of the Company's subsidiaries (provided that on or after September 26, 2018, no further Awards may be granted to non-executive Directors/directors), and/or (ii) the managers employed or engaged by the Group and/or employees of the Group;"

(5) paragraph 5.11 of the Share Award Scheme shall be amended from:

"5.11 Upon the occurrence of any of the events referred to in **paragraphs 5.7** to **5.10**, the number of underlying Shares (if any) which shall vest and the date on which any such vesting will occur shall be determined by the Board in its absolute discretion by reference to factors which may include (a) the extent to which any performance or other conditions to vesting have been satisfied and (b) the proportion of the Vesting Period that has expired, in each case as at the relevant event, and the Company shall notify the Grantee of the date on which and the extent to which his Award will vest, in the case of an Option, the period during which it may be exercised (which period shall not expire after the expiry of the periods for exercising the Options referred to in **paragraphs 5.7** to **5.10** above). If the Board determines that any Award shall vest in part only, the balance of the Award shall lapse."

to

"5.11 Upon the occurrence of any of the events referred to in **paragraphs 5.7** to **5.10**, the number of underlying Shares (if any) which shall vest and the date on which any such vesting will occur shall be determined by the Committee by reference to factors which shall include (a) the extent to which any performance or other conditions to vesting have been satisfied and (b) the proportion of the Vesting Period that has expired, in each case as at the relevant event, and the Company shall notify the Grantee of the date on which and the extent to which his Award will vest, in the case of an Option, the period during which it may be exercised (which period shall not expire after the expiry of the periods for exercising the Options referred to in **paragraphs 5.7** to **5.10** above). If the Committee determines that any Award shall vest in part only, the balance of the Award shall lapse."

(6) a new paragraph 5.12 shall be inserted after paragraph 5.11 of the Share Award Scheme:

"5.12 For any Award granted on or after September 26, 2018, in the case of any of the events referred to in **paragraphs 5.7** to **5.9** above (the ***Relevant Event***), such an Award shall not vest pursuant to **paragraph 5.7**, **5.8** or **5.9** above (as the case may be) but shall be cancelled in consideration for the grant of a new award on terms agreed with the offeror or acquiring company in the Relevant Event, and which the Committee determines is equivalent to the Award which it replaces, provided that if the offeror or acquiring company does not agree to such replacement or if such replacement is not permitted under applicable laws, then Awards will vest or be exercisable (as the case may be) pursuant to **paragraph 5.7**, **5.8** or **5.9** above (as the case may be). Such new award may be over amounts of cash or securities, or over shares in the offeror or acquiring company or some other company, and may or may not be subject to additional or varied vesting conditions as the Committee shall consider reasonable, provided that any such additional or varied vesting conditions shall not be materially more or less challenging to satisfy. The provisions of this Scheme will continue to apply to any new award granted under this **paragraph 5.12** but subject to such amendments as may be necessary, including that references to Shares shall be read as references to the shares, securities or cash amounts over which the new award is granted and references to the Company shall be read as references to a company whose shares or securities are subject to the new award. Notwithstanding any other terms applicable to the new award, the shares, securities or cash amounts underlying the new award shall vest or be exercisable (as the case may be) immediately (provided that the award shall vest or be exercisable (as the case may be) in respect of such number of shares, securities or cash amounts determined by multiplying the total number of shares, securities or cash amounts underlying the award (based on at-target level achievement of any applicable performance conditions) by the Relevant Proportion (as defined below)) upon the occurrence of any of the following events during the 24-month period following the Relevant Event:

(a) involuntary termination of the Grantee's employment or service by his/her employer without Cause; or

(b) voluntary termination of the Grantee's employment or service for Good Reason. For the purpose of this **subparagraph (b)**, ***Good Reason*** shall have the same meaning as the defined term, if any, contained in any written employment agreement between the Grantee and the Company, and if there is no such agreement or defined term, then ***Good Reason*** shall mean the occurrence of any of the following without the Grantee's express written consent: (i) a material reduction of the Grantee's authority, duties or responsibilities, provided that a material reduction in title, duties or responsibilities solely by virtue of the Company being acquired and made part of a larger entity shall not constitute Good Reason; (ii) a material reduction by the Company or relevant member of the Group in the Grantee's base salary (other than a general reduction in base salary that affects all similarly situated executives in substantially the same proportions) and annual target bonus opportunity; or (iii) the required relocation of Grantee's primary geographic work location by more than 35 miles (unless such relocation does not have a material impact on the Grantee's commute), provided that no event described herein shall constitute Good Reason unless (A) the Grantee has given the Company or relevant member of the Group written notice of termination setting forth the conduct that is alleged to constitute Good Reason within 90 days of the first date on which the Grantee has knowledge of such event or conduct, and (B) the Grantee has provided the Company or relevant member of the Group at least 30 days following the date on which such notice is provided to cure such conduct and the Company or relevant member of the Group has failed to do so.

For the purpose of this **paragraph 5.12**, the ***Relevant Proportion*** is determined by dividing (x) the number of days elapsed from the date of commencement of the Vesting Period to the date of the termination of the Grantee's employment under **subparagraph (a)** or **(b)** (both dates inclusive) by (y) the number of days in the Vesting Period."

(7) paragraph 6.1 of the Share Award Scheme shall be amended as follows:

(i) paragraph 6.1(d) shall be amended from:

"subject to **paragraph 5.7**, the date on which the offer (or, as the case may be, revised offer) closes;"

to

"subject to **paragraphs 5.7** and **5.12**, the date on which the offer (or, as the case may be, revised offer) closes;"

(ii) paragraph 6.1(e) shall be amended from:

"subject to **paragraph 5.8**, the record date for determining entitlements under a scheme of arrangement;"

to

"subject to **paragraphs 5.8** and **5.12**, the record date for determining entitlements under a scheme of arrangement;"; and

(iii) paragraph 6.1(f) shall be amended from:

"the date on which the compromise or arrangement referred to in **paragraph 5.9** becomes effective;"

to

"subject to **paragraph 5.12**, the date on which the compromise or arrangement referred to in **paragraph 5.9** becomes effective;"

(8) the following sentence shall be inserted at the end of paragraph 7.1 of the Share Award Scheme:

"For the avoidance of doubt, any Shares withheld to account for the Exercise Price in accordance with **paragraph 5.5** or tax and social security contributions in accordance with **paragraph 15.5** will be counted for the purpose of determining the maximum aggregate number of Shares which may be issued and/or transferred upon the vesting or exercise of Awards granted pursuant to this Scheme."

The Proposed Share Award Scheme Amendments are conditional upon the Shareholders approving such amendments at the General Meeting.

(c) Recommendation

The Directors (other than Mr. Gendreau but including the independent non-executive Directors) are of the view that the Proposed Share Award Scheme Amendments are in the interests of the Company and the Shareholders as a whole.

As Awards under the Share Award Scheme are proposed to be granted to Mr. Gendreau, Mr. Gendreau abstained from voting on the relevant resolutions of the Board in respect of the Proposed Share Award Scheme Amendments. Save as disclosed above, none of the other Directors had any interest in the Proposed Share Award Scheme Amendments and therefore no other Director abstained from voting on the relevant resolutions of the Board in respect of the Proposed Share Award Scheme Amendments.

4. PROPOSED CONNECTED TRANSACTIONS RELATING TO THE PROPOSED GRANTS OF RSUS TO THE CONNECTED PARTICIPANTS (INCLUDING MR. KYLE FRANCIS GENDREAU)

(a) Proposed RSU Grants to Mr. Kyle Francis Gendreau

The Remuneration Committee has proposed to grant LTIP Awards consisting of RSUs and Options to Mr. Kyle Francis Gendreau, the Company's Chief Executive Officer, interim Chief Financial Officer and Executive Director. If approved by the Shareholders, the grants are expected to be made within 14 days following the General Meeting.

The aggregate target LTIP Value of the Awards to be granted to Mr. Gendreau will be US$4,200,000, which is based on 350% of his base salary of US$1,200,000 for the year 2018 (of which 50% of the target LTIP Value will be in the form of PRSUs, 25% in the form of TRSUs and 25% in the form of Options).

Further details of the proposed RSU grants and intended Option grants are as follows.

Details of the Proposed RSU Grants

The Remuneration Committee has proposed to grant to Mr. Gendreau RSUs pursuant to the Share Award Scheme representing an aggregate of up to 1,543,402 Shares (of which up to 1,234,720 Shares will be in the form of PRSUs and up to 308,682 Shares will be in the form of TRSUs) to Mr. Gendreau. The target LTIP Value of the RSUs proposed to be granted to Mr. Gendreau is US$3,150,000 (representing 75% of his total LTIP Value).

The maximum numbers of Shares set out above have been calculated based on a per Share price of HK$26.70, the lowest closing market price of a Share during the 52-week period preceding the Latest Practicable Date. The exact number of Shares underlying the RSUs proposed to be granted to Mr. Gendreau will be determined by dividing the target LTIP Value of RSUs by the higher of (i) the closing price of a Share on the grant date and (ii) the average closing price of a Share for the five trading days immediately preceding the grant date. The final number of Shares vested under the RSUs will vary depending on the level of achievement of performance conditions applicable to the PRSUs that are proposed to be granted to Mr. Gendreau.

The proposed RSU grants to Mr. Gendreau is conditional upon:

(a) the Shareholders approving the Share Award Mandate at the General Meeting; and

(b) the Independent Shareholders approving the above proposed RSU grant pursuant to the Share Award Scheme to Mr. Gendreau at the General Meeting.

Upon such conditions being satisfied, the Remuneration Committee will grant the above RSUs pursuant to the Share Award Scheme to Mr. Gendreau within 14 days following the General Meeting.

An announcement will be made by the Company when such RSU grants have been made to Mr. Gendreau.

Intended Option Grants

In addition, the Remuneration Committee intends to grant Options representing an aggregate grant date value of US$1,050,000 (representing 25% of his total target LTIP Value) to Mr. Gendreau at the same time as the RSU grants.

The exact number of Shares underlying the Options will be determined on the grant date based on the Black-Scholes valuation model. The intended Option grants are not conditional on the approval of Shareholders at the General Meeting.

The table below sets out the grant date value of the Awards under the Share Award Scheme granted (or to be granted, as applicable) in 2018 assuming the proposed RSU grants are made to Mr. Gendreau. For the avoidance of doubt, the actual realized value of the Awards will depend on the Share price at the time Options are exercised and RSUs are vested.

Name	Grant Year	Grant date value of Options (US$)	Grant date value of TRSUs (US$)	Grant date value of PRSUs (US$)			Total target LTIP Value at grant date (US$)
				Threshold	Target	Maximum	
Kyle Francis Gendreau	2018	1,050,000	1,050,000	525,000	2,100,000	4,200,000	4,200,000

Reasons and Benefits of the Proposed RSU Grants to Mr. Gendreau

The proposed RSU grants are intended to increase alignment between interests of Mr. Gendreau and long-term interests of Shareholders. TRSUs aid in the retention of Senior Managers and reward long-term performance. Similarly, PRSUs ensure that there is a greater linkage between the Company's stated long-term strategic and financial goals and executive compensation. The introduction of TRSUs and PRSUs, replacing some of the Options, is also in line with the Company's Peer Group by shifting the overall compensation package towards a heavier weighting on performance-based compensation.

(b) Proposed RSU Grants to Other Connected Participants

Details of the Proposed RSU Grants

The Remuneration Committee has proposed to grant RSUs representing an aggregate target grant date value of US$3,808,772 (which will be in the form of PRSUs and/or TRSUs) to the Other Connected Participants, who are Senior Managers and employees of the Group and who also hold positions as a director and/or chief executive of one or more of the Significant Subsidiaries of the Company or (in the case of Mrs. Anushree Tainwala) an associate of a former Director within the last 12 months. If approved by the Shareholders, the grants are expected to be made within 14 days following the General Meeting.

The exact number of Shares underlying the RSUs will be determined by dividing the grant date value by the higher of (i) the closing price of a Share on the grant date and (ii) the average closing price of a Share for the five trading days immediately preceding the grant date.

The following tables set out details of the proposed RSU grants to the Other Connected Participants, including the estimated maximum number of Shares underlying the proposed RSU grants to the Other Connected Participants in 2018 assuming (i) a per Share price of HK$26.70, being the lowest closing market price of a Share during the 52-week period preceding the Latest Practicable Date and (ii) a per Share price of HK$29.45, being the closing market price of a Share on the Latest Practicable Date. The grant date values of TRSUs and PRSUs, and the total target LTIP Values as set forth below for Messrs. Baele, Borrey, Dutta, Guzman, Lamb and Ma, and for Mrs. Tainwala, are presented in US$ based upon the applicable exchange rates as of July 31, 2018 and are subject to change based upon the applicable exchange rates as of the grant date. The exact numbers of Shares will be calculated on the grant date (as described above), and will differ from the estimated number of Shares set out below:

Name/ Position	Grant date value of TRSUs (US$)	Grant date value of PRSUs (US$)			Total target LTIP Value of RSUs at grant date (US$)	Estimated maximum number of Shares underlying proposed RSU grant	
		Threshold	Target	Maximum		Assume a per Share price of HK$26.70	Assume a per Share price of HK$29.45
Mr. Patrick Baele	284,608	—	—	—	284,608	83,670	75,858
Vice President of Finance/Chief Financial Officer (Europe)							

Name/ Position	Grant date value of TRSUs (US$)	Grant date value of PRSUs (US$)			Total target LTIP Value of RSUs at grant date (US$)	Estimated maximum number of Shares underlying proposed RSU grant	
		Threshold	Target	Maximum		Assume a per Share price of HK$26.70	Assume a per Share price of HK$29.45
Ms. Lynne Berard *President of North America*	179,025	89,513	358,050	716,100	537,075	263,152	238,580
Mr. Arne Borrey *President of Europe*	190,718	95,359	381,435	762,870	572,153	280,339	254,159
Mr. Robert W. Cooper *General Manager of North America for Tumi*	179,025	89,513	358,050	716,100	537,075	263,152	238,580
Mr. Subrata Dutta *President of Asia Pacific and Middle East*	157,125	78,562	314,250	628,499	471,375	230,961	209,394
Mr. J. Roberto Guzman *President of Latin America*	159,420	79,710	318,841	637,682	478,261	234,335	212,453
Mr. Richard Andrew Lamb *Vice President of Intellectual Property*	101,486	—	—	—	101,486	29,835	27,051
Mr. John Bayard Livingston *Executive Vice President, General Counsel and Joint Company Secretary*	178,736	89,368	357,473	714,945	536,209	262,728	238,194
Mr. Rui Guo Ma (Frank) *President of Greater China*	268,003	—	—	—	268,003	78,789	71,433
Mrs. Anushree Tainwala *Executive Director of Marketing (India)*	22,527	—	—	—	22,527	6,624	6,006
Total	**1,720,673**				**3,808,772**	**1,733,585**	**1,571,708**

Upon vesting, Shares will be issued to the Other Connected Participants in accordance with the terms of the Share Award Scheme.

The proposed RSU grants to the Other Connected Participants will be conditional upon:

(a) the Shareholders approving the Share Award Mandate at the General Meeting; and

(b) the Independent Shareholders approving the above RSU grants pursuant to the Share Award Scheme to the Other Connected Participants at the General Meeting.

Upon such conditions being satisfied, the Remuneration Committee will grant the above RSUs pursuant to the Share Award Scheme to the Other Connected Participants within 14 days following the General Meeting. An announcement will be made by the Company when such RSU grants have been made to the Other Connected Participants.

Intended Option Grants

In addition, the Remuneration Committee intends to grant Options representing an aggregate grant date value of approximately US$1,269,590 at the same time as the RSU grants to the Other Connected Participants. The aggregate grant date value of such Options is based upon the applicable exchange rates as of July 31, 2018 and is subject to change based upon the applicable exchange rates as of the grant date. The exact number of Shares underlying the Options will be determined on the grant date based on the Black-Scholes valuation model. The intended Option grants are not conditional on the approval of Shareholders at the General Meeting.

Reasons and Benefits of the Proposed RSU Grants to the Other Connected Participants

The proposed RSU grants are intended to increase alignment between interests of the Other Connected Participants and long-term interests of Shareholders. TRSUs aid in the retention of employees and reward long-term performance.

(c) Listing Rules Implications

As (i) Mr. Gendreau is a Director of the Company and (ii) the Other Connected Participants are directors and/or chief executives of the Significant Subsidiaries of the Company or (in the case of Mrs. Anushree Tainwala) an associate of a former Director within the last 12 months, they are connected persons of the Company under the Listing Rules.

Accordingly, the proposed RSU grants (including the allotment and issue of Shares upon the vesting of the RSUs) to the Connected Participants constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements.

(d) Recommendation

The Directors (other than (i) Mr. Gendreau (in relation to the proposed RSU grants to himself) and (ii) the independent non-executive Directors whose views will be set out in the Circular) consider that the terms of the proposed RSU grants to the Connected Participants are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Due to the interests of Mr. Gendreau in the proposed RSU grants, Mr. Gendreau abstained from voting on the relevant resolutions of the Board in respect of the proposed RSU grant to himself. Save as disclosed above, none of the other Directors had any interest in the Connected Grants and therefore no other Director abstained from voting on the relevant resolutions of the Board in respect of the Connected Grants.

(e) Independent Board Committee and Independent Financial Adviser

The Independent Board Committee, comprising Mr. Paul Kenneth Etchells, Mr. Keith Hamill, Mr. Bruce Hardy McLain (Hardy) and Ms. Ying Yeh, being all the independent non-executive Directors of the Company, has been established to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Connected Grants. Somerley Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

5. PROPOSED EXTENSION OF THE SHARE CAPITAL AUTHORIZATION OF THE COMPANY

(a) Proposed Extension of the Share Capital Authorization of the Company

Article 4.2 of the Articles of Incorporation provides that subject always to compliance with applicable provisions of the Luxembourg Companies Law, during the period of five years from May 11, 2016, the Board is authorized 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. Moreover, to comply with applicable provisions of the Listing Rules, any issue of Shares, any grant of options to subscribe for Shares and any issue of any other securities or instruments convertible into Shares by the Board through the authorized share capital authorization shall be or shall have been specifically approved in advance by a resolution passed by Shareholders at a general meeting of the Company, except as expressly permitted in the Listing Rules (the "**Share Capital Authorization**").

As the Share Capital Authorization that is currently in effect does not specifically provide for the authorization to the Board to allocate existing Shares without consideration and/or to issue Shares paid-up out of available reserves (together, the "**Bonus Shares**") to employees and/or corporate officers (including directors, members of the management board and the supervisory board) of the Company or Group's companies, the Board proposes to seek the approval of the Shareholders to extend the Share Capital Authorization in order for the Board to be authorized to allot and/or to issue Bonus Shares upon the vesting of Awards of RSUs granted pursuant to the Share Award Scheme without any consideration to be paid from the participants or upon the exercise/vesting of any securities or instruments convertible into Shares issued or to be issued by the Board (such extension, the "**Extended Share Capital Authorization**").

The Extended Share Capital Authorization simply authorizes, the Board to allot and/or to issue Bonus Shares subject to the conditions and restrictions currently set out in Article 4.2 of the Articles of Incorporation upon the vesting of Awards of RSUs granted pursuant to the Share Award Scheme without any consideration to be paid from the participants or upon the exercise/vesting of any securities or instruments convertible into Shares issued or to be issued by the Board, with the authority for the Board to cancel or limit the preferential subscription rights of the existing Shareholders when issuing the Bonus Shares.

Shareholders should note that the Share Capital Authorization is not a general authorization from the Shareholders to the Board to allot, issue or deal with Shares but is simply an authorization required in accordance with the requirements of the Luxembourg Companies Law. Any issue of Shares, grant of Options to subscribe for Shares, grant of RSUs to subscribe Shares and/or to receive Bonus Shares or any issue of any other securities or instruments convertible into Shares pursuant to the Share Capital Authorization is, and pursuant to the Extended Share Capital Authorization (as such term is defined below) will still be, subject to the restrictions set out in the Articles of Incorporation, the Luxembourg Companies Law and the Listing Rules.

(b) Proposed Amendment to the Articles of Incorporation of the Company

In order to give effect to the proposed Extended Share Capital Authorization, the Board also proposes to seek the approval of the Shareholders to amend accordingly Article 4.2 of the Articles of Incorporation which shall be read as set forth in the notice of the Extraordinary General Meeting (such amendment, the "**Amendment to the Articles**"). If approved, the Amendment to the Articles will simply reflect in the Articles of Incorporation the proposed Extended Share Capital Authorization.

(c) Recommendation

The Directors (excluding Mr. Gendreau but including the independent non-executive Directors) are of the view that the proposed Extended Share Capital Authorization and the proposed Amendment to the Articles are in the interests of the Company and the Shareholders as a whole.

As Mr. Gendreau may be issued Bonus Shares under the proposed RSU grants to be made to him if the proposed Extended Share Capital Authorization and the proposed Amendment to the Articles are approved by the Shareholders at the Extraordinary General Meeting, Mr. Gendreau abstained from voting on the relevant resolutions of the Board in respect of the proposed Extended Share Capital Authorization and the proposed Amendment to the Articles. Save as disclosed above, none of the other Directors had any interest in the Connected Grants and therefore no other Director abstained from voting on the relevant resolutions of the Board in respect of the proposed Extended Share Capital Authorization and the proposed Amendment to the Articles.

6. GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING

It is proposed that the Shareholders (a) acknowledge the resignation of Mr. Ramesh Dungarmal Tainwala as a Director of the Company at the General Meeting, and (b) consider and, if thought fit, approve the matters numbered (2) to (4) above at the General Meeting and the matter numbered (5) above at the Extraordinary General Meeting. The General Meeting and the Extraordinary General Meeting will be convened on Wednesday, September 26, 2018.

The Circular containing, among other things, details of the foregoing matters together with the notices of the General Meeting and the Extraordinary General Meeting, the letter from the Independent Board Committee to the Independent Shareholders and the letter of advice from Somerley Capital Limited to the Independent Board Committee and the Independent Shareholders together with a report drawn up by the Board in accordance with the Luxembourg Companies Law and forms of proxy for use at the General Meeting and the Extraordinary General Meeting will be sent to the Shareholders on September 3, 2018.

7. CLOSURE OF THE REGISTER OF MEMBERS OF THE COMPANY AND RECORD DATE

For determining the entitlement to attend and vote at the General Meeting and the Extraordinary General Meeting, the register of members of the Company will be closed from Wednesday, September 19, 2018 to Wednesday, September 26, 2018, both dates inclusive, during which period no transfer of Shares will be registered. The record date for determining the entitlement of Shareholders to attend and vote at the General Meeting and the Extraordinary General Meeting will be Wednesday, September 26, 2018.

In order to be eligible to attend and vote at the General Meeting and the Extraordinary General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's registered office at 13–15 Avenue de la Liberté, L-1931 Luxembourg or with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1717 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, September 18, 2018 (Hong Kong time).

8. INFORMATION ON THE GROUP

The Company, together with its consolidated subsidiaries, is the world's largest travel luggage company, with a heritage dating back more than 100 years. The Group is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags, travel accessories and slim protective cases for personal electronic devices throughout the world, primarily under the Samsonite®, Tumi®, American Tourister®, Hartmann®, High Sierra®, Gregory®, Speck®, Lipault®, Kamiliant® and eBags® brand names as well as other owned and licensed brand names.

9. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"AGM"	the annual general meeting of the Shareholders of the Company held on June 7, 2018;
"AGM LTIP Proposals"	certain proposals related to the Company's LTIP which were presented to Shareholders at the annual general meeting of the Company held on June 7, 2018;
"Amendment to the Articles"	as defined in paragraph B.5(b) of this announcement;
"Articles of Incorporation"	the articles of incorporation of the Company currently in force;
"Awards"	an award granted under the Share Award Scheme in the form of an Option or an RSU;
"Board"	the board of Directors of the Company;
"Bonus Shares"	as defined in paragraph B.5(a) of this announcement;

"Circular"	the circular to be issued by the Company in relation to the resolutions to be proposed at the General Meeting and the Extraordinary General Meeting which will be sent to the Shareholders on September 3, 2018;
"Connected Grants"	the proposed grants of RSUs to the Connected Participants under the Share Award Scheme;
"Connected Participants"	the Participants who are connected persons of the Company, being certain Directors, certain directors and chief executives of the Significant Subsidiaries and an associate of a former Director within the last 12 months, details of which are set out in paragraph B.4 of this announcement;
"connected person"	has the meaning ascribed to it in the Listing Rules;
"Company"	Samsonite International S.A. 新秀麗國際有限公司, a *société anonyme* incorporated and existing under the laws of the Grand-Duchy of Luxembourg on March 8, 2011 having its registered office at 13–15 Avenue de la Liberté, L-1931 Luxembourg, registered with the Luxembourg trade and companies register with number B159.469 with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
"Directors"	the directors of the Company;
"EPS"	earnings per Share;
"EPS CAGR"	EPS compound annual growth rate;
"Equity Dilution"	the dilutive effect of grants made under the Share Award Scheme on the number of Shares issued and outstanding in the capital of the Company as at the Latest Practicable Date. Equity Dilution as used in this announcement does not give effect to the exercise price paid by a Participant upon the exercise of an Option;
"Extended Share Capital Authorization"	as defined in paragraph B.5(a) of this announcement;

"Extraordinary General Meeting"	the extraordinary general meeting of the Company to be held at 13–15 Avenue de la Liberté, L-1931 Luxembourg on Wednesday, September 26, 2018 at 11:30 a.m. (CET)/5:30 p.m. (Hong Kong time) (or as soon thereafter as the General Meeting shall have adjourned), or any adjournment thereof;
"General Meeting"	the general meeting of the Company to be held at 13–15 Avenue de la Liberté, L-1931 Luxembourg on Wednesday, September 26, 2018 at 11:00 a.m. (CET)/5:00 p.m. (Hong Kong time), or any adjournment thereof;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Independent Board Committee"	the independent committee of the Board, comprising Mr. Paul Kenneth Etchells, Mr. Keith Hamill, Mr. Bruce Hardy McLain (Hardy) and Ms. Ying Yeh (being all the independent non-executive Directors of the Company), which has been established to advise the Independent Shareholders in respect of the Connected Grants;
"Independent Shareholders"	the Shareholders who are not required under the Listing Rules to abstain from voting on the respective resolutions relating to the approval of the Connected Grants at the General Meeting;
"IPO"	initial public offering;
"Latest Practicable Date"	August 27, 2018, being the latest practicable date prior to the date of this announcement for ascertaining certain information in this announcement;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"LTIP"	the Company's long-term incentive plan pursuant to the Share Award Scheme;

"LTIP Proposals"	the proposals relating to the LTIP and the Share Award Scheme as set out in paragraphs B.2 to B.4 of this announcement;
"LTIP Value"	for each Participant, the value of the Awards made to such Participant under the Share Award Scheme on the grant date, which is based upon a percentage of such Participant's annual base salary;
"Luxembourg Companies Law"	the Luxembourg law of August 10, 1915 on commercial companies as amended from time to time;
"Mercer"	Mercer, Inc., an independent compensation consultant;
"Option"	an option to subscribe for or acquire Shares which is granted under the Share Award Scheme;
"Other Connected Participants"	the Connected Participants (other than Mr. Kyle Francis Gendreau, the Company's Chief Executive Officer, interim Chief Financial Officer and Executive Director);
"Participants"	individuals who participate in the Share Award Scheme, as defined in the rules of the Share Award Scheme;
"Peer Group"	as defined in paragraph B.2(d) of this announcement;
"Proposed Share Award Scheme Amendments"	as defined in paragraph B.3(b) of this announcement;
"PRSU"	performance RSU;
"Relevant Period"	as defined in paragraph B.2(f) of this announcement;
"Remuneration Committee" or "Committee"	the Remuneration Committee of the Board, comprising Mr. Paul Kenneth Etchells, Mr. Keith Hamill, Mr. Bruce Hardy McLain (Hardy) and Ms. Ying Yeh (being all the independent non-executive Directors of the Company);
"RSU"	a restricted share unit, being a contingent right to receive Shares which is awarded under the Share Award Scheme;

"Senior Manager"	the individuals who comprise the Group's senior management team, which includes the Group's Chief Executive Officer; Chief Financial Officer; President, Asia Pacific and Middle East; President, North America; President, Europe; General Manager, North America, Tumi; President Latin America; Executive Vice President, General Counsel and Joint Company Secretary; Chief Information Officer; Chief Supply Officer; Global e-Commerce Officer; and Senior Vice President, Global Human Relations;
"Share(s)"	ordinary shares of US$0.01 each in the capital of the Company;
"Share Award Mandate"	as defined in paragraph B.2(f) of this announcement;
"Share Award Scheme"	the share award scheme of the Company adopted by the Shareholders on September 14, 2012 as further amended by the Board on January 8, 2013 and on May 26, 2017;
"Share Capital Authorization"	as defined in paragraph B.5(a) of this announcement;
"Shareholders"	holders of Shares;
"Significant Subsidiary"	a subsidiary of the Company that is not an "insignificant subsidiary" (as defined in Listing Rule 14A.09) of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"TRSU"	time-based RSU;
"TSR"	total Shareholders' return;
"US$"	United States dollars, the lawful currency of the United States;
"Voting Advisors"	the voting advisory firms, Institutional Shareholder Services Inc. and Glass, Lewis & Co.; and

"%"	per cent.

For the purposes of translating certain amounts denominated in US$ to HK$, an exchange rate of US$1.00 = HK$0.1274 has been applied. This exchange rate is for illustrative purposes only and such conversion shall not be construed as a representation that amounts in US$ could be converted into HK$ dollars at such rate.

By Order of the Board
SAMSONITE INTERNATIONAL S.A.
Timothy Charles Parker
Chairman

Hong Kong, August 31, 2018

As of the date of this announcement, the Executive Director is Kyle Francis Gendreau, the Non-Executive Directors are Timothy Charles Parker, Tom Korbas and Jerome Squire Griffith, and the Independent Non-Executive Directors are Paul Kenneth Etchells, Keith Hamill, Bruce Hardy McLain (Hardy) and Ying Yeh.