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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Samsonite International S.A., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

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**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) INFORMATION ON THE PROPOSED RESOLUTIONS AT  
THE ANNUAL GENERAL MEETING  
AND  
THE EXTRAORDINARY GENERAL MEETING**
- (2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS**
- (3) PROPOSED GRANT OF GENERAL MANDATES TO REPURCHASE  
SHARES AND TO ISSUE NEW SHARES**
- (4) PROPOSED GRANT OF SCHEME MANDATE TO ISSUE NEW SHARES  
UNDERLYING RSUS TO BE GRANTED UNDER THE SHARE AWARD SCHEME**
- (5) PROPOSED AMENDMENTS TO THE SHARE AWARD SCHEME**
- (6) PROPOSED CONNECTED TRANSACTIONS RELATING TO THE PROPOSED  
GRANTS OF RSUS TO THE CONNECTED PARTICIPANTS**
- (7) PROPOSED EXTENSION OF THE SHARE CAPITAL AUTHORIZATION  
OF THE COMPANY TO PERMIT THE ISSUE OF BONUS SHARES  
UPON THE VESTING OF RSU GRANTS**
- (8) NOTICE OF ANNUAL GENERAL MEETING**
- (9) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**



**SOMERLEY CAPITAL LIMITED**

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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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Notices convening the:

- Annual General Meeting of Samsonite International S.A. to be held at 13–15 Avenue de la Liberté, L-1931 Luxembourg and by video conference at 5/F, Hutchison House, 10 Harcourt Road, Central, Hong Kong on Thursday, June 7, 2018 at 10:00 a.m. (CET)/4:00 p.m. (Hong Kong time); and
- Extraordinary General Meeting of Samsonite International S.A. to be held at 13–15 Avenue de la Liberté, L-1931 Luxembourg on Thursday, June 7, 2018 at 11:00 a.m. (CET)/5:00 p.m. (Hong Kong time) (or as soon thereafter as the Annual General Meeting shall have adjourned),

respectively, are set out on pages 66 to 76 of this circular. The forms of proxy for use at the Annual General Meeting and the Extraordinary General Meeting are also enclosed. Such forms of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.samsonite.com](http://www.samsonite.com)).

Whether or not you are able to attend the Annual General Meeting and the Extraordinary General Meeting, please complete and sign the enclosed forms of proxy in accordance with the instructions printed thereon and return them to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or to the Company's registered office at 13–15 Avenue de la Liberté, L-1931 Luxembourg as soon as possible but in any event not less than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for the holding of the Annual General Meeting and the Extraordinary General Meeting (or any adjournment thereof). Completion and return of the forms of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting and the Extraordinary General Meeting if they so wish.

April 23, 2018

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## DEFINITIONS

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

“Amendment to the Articles”	as defined in paragraph 1(f) of the information on the proposed resolution at the Extraordinary General Meeting in the Letter from the Board;
“Annual General Meeting”	the annual general meeting of the Company to be held at 13–15 Avenue de la Liberté, L-1931 Luxembourg and by video conference at 5/F, Hutchison House, 10 Harcourt Road, Central, Hong Kong on Thursday, June 7, 2018 at 10:00 a.m. (CET)/4:00 p.m. (Hong Kong time), to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 66 to 72 of this circular, or any adjournment thereof;
“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;
“Bagzone”	Bagzone Lifestyles Private Limited, a company controlled by certain members of the Tainwala Group;
“Benchmarked Price”	the higher of: <ul style="list-style-type: none"><li>(i) the closing price of the Shares on the date of the relevant agreement involving the proposed issue of securities; and</li><li>(ii) the average closing price of the Shares in the five trading days immediately prior to the earlier of:<ul style="list-style-type: none"><li>(A) the date of announcement of the proposed transaction or arrangement involving the proposed issue of securities;</li><li>(B) the date of the agreement involving the proposed issue of securities; and</li><li>(C) the date on which the subscription price for the securities is fixed;</li></ul></li></ul>
“Board”	the board of Directors of the Company;
“Bonus Shares”	as defined in paragraph 1(b) of the information on the proposed resolution at the Extraordinary General Meeting in the Letter from the Board;
“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 Director, details of which are set out in paragraphs 11, 12 and 13 of the information on the proposed resolutions at the Annual General Meeting in the Letter from the Board;
“connected person”	has the meaning ascribed to it in the Listing Rules;

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## DEFINITIONS

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“Company”	Samsonite International S.A. 新秀丽國際有限公司, a <i>société anonyme</i> 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;
“Distribution”	as defined in paragraph 3 of the information on the proposed resolutions at the Annual General Meeting in the Letter from the Board;
“EPS”	earnings per Share;
“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;
“EU IFRS”	as defined in paragraph 1 of the information on the proposed resolutions at the Annual General Meeting in the Letter from the Board;
“Extended Share Capital Authorization”	as defined in paragraph 1(c) of the information on the proposed resolution at the Extraordinary General Meeting in the Letter from the Board;
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at 13–15 Avenue de la Liberté, L-1931 Luxembourg on Thursday, June 7, 2018 at 11:00 a.m. (CET)/5:00 p.m. (Hong Kong time) (or as soon thereafter as the Annual General Meeting shall have adjourned), to consider and, if appropriate, to approve the resolution contained in the notice of the meeting which is set out on pages 73 to 76 of this circular, 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;
“IASB IFRS”	as defined in paragraph 1 of the information on the proposed resolutions at the Annual General Meeting in the Letter from the Board;
“Independent Board Committee”	the independent committee of the Board, comprising Mr. Paul Kenneth Eтчells, 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 Financial Adviser” or “Somерley”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Connected Grants;

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## DEFINITIONS

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“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 Annual General Meeting;
“ISS Guidelines”	the <i>2018 Hong Kong Proxy Voting Guidelines</i> published by Institutional Shareholder Services Inc.;
“Issuance Mandate”	as defined in paragraphs 7 and 8 of the information on the proposed resolutions at the Annual General Meeting in the Letter from the Board;
“KPI”	key performance indicator;
“Latest Practicable Date”	April 16, 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“LTIP”	the Company’s long-term incentive plan;
“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. Ramesh Dungarmal Tainwala, the Chief Executive Officer and Executive Director, and Mr. Kyle Francis Gendreau, the Chief Financial Officer and Executive Director);
“Participants”	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;
“Peer Group”	as defined in paragraph 9(c) of the information on the proposed resolutions at the Annual General Meeting in the Letter from the Board;
“Proposed Share Award Scheme Amendments”	as defined in paragraph 10(b) of the information on the proposed resolutions at the Annual General Meeting in the Letter from the Board;
“PRSU”	performance RSU;
“Relevant Period”	as defined in paragraph 9(d) of the information on the proposed resolutions at the Annual General Meeting in the Letter from the Board;

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## DEFINITIONS

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“Remuneration Committee”	the Remuneration Committee of the Board, comprising Mr. Paul Kenneth Eтчells, 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;
“Samsonite India”	Samsonite South Asia Private Limited, a non-wholly owned member of the Group held as to 40% by Mr. Ramesh Dungarmal Tainwala and certain of his associates;
“Samsonite Middle East”	Samsonite Middle East FZCO, a non-wholly owned member of the Group held as to 40% by Mr. Ramesh Dungarmal Tainwala and certain of his associates;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time;
“Share(s)”	ordinary shares of US\$0.01 each in the capital of the Company;
“Share Award Mandate”	as defined in paragraph 9(d) of the information on the proposed resolutions at the Annual General Meeting in the Letter from the Board;
“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 1(b) of the information on the proposed resolutions at the Extraordinary General Meeting in the Letter from the Board;
“Share Buy-back Mandate”	as defined in paragraphs 7 and 8 of the information on the proposed resolutions at the Annual General Meeting in the Letter from the Board;
“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;
“Tainwala Group”	Mr. Ramesh Dungarmal Tainwala, certain members of his family and his associates;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission, as amended from time to time;
“Target LTI Value”	a target amount of Awards determined as a percentage of each Participant’s base salary;

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## DEFINITIONS

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“TRSU”	time-based RSU;
“TSR”	total Shareholders’ return;
“US\$”	United States dollars, the lawful currency of the United States;
“%”	per cent;
“€”	Euros, the single currency of the participating member states of the European Union.

For the purposes of translating certain amounts denominated in HK\$ to US\$, an exchange rate of HK\$1.00 = US\$0.127410 has been applied. This exchange rate is for illustrative purposes only and such conversion shall not be construed as a representation that amounts in HK\$ could be converted into US\$ dollars at such rate.



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**新秀丽國際有限公司**

*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)**

*Executive Directors:*

Ramesh Dungarmal Tainwala (*Chief Executive Officer*)

Kyle Francis Gendreau (*Chief Financial Officer*)

*Registered Office:*

13-15 Avenue de la Liberté

L-1931

Luxembourg

*Non-executive Directors:*

Timothy Charles Parker (*Chairman*)

Tom Korbas

Jerome Squire Griffith

*Principal Place of Business in Hong Kong:*

25/F, Tower 2, The Gateway

Harbour City, Tsimshatsui, Kowloon

Hong Kong

*Independent Non-executive Directors:*

Paul Kenneth Etchells

Keith Hamill

Bruce Hardy McLain (*Hardy*)

Ying Yeh

April 23, 2018

*To the Shareholders*

Dear Sir/Madam,

- (1) INFORMATION ON THE PROPOSED RESOLUTIONS AT  
THE ANNUAL GENERAL MEETING  
AND  
THE EXTRAORDINARY GENERAL MEETING**
- (2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS**
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## LETTER FROM THE BOARD

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### (1) INTRODUCTION

The purpose of this circular is to give notices of the Annual General Meeting and the Extraordinary General Meeting and to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting and the Extraordinary General Meeting, including information required to be provided under the Listing Rules in relation to (i) the re-election of the retiring Directors, (ii) the granting to the Directors of the Share Buy-back Mandate and the Issuance Mandate to repurchase Shares and to issue new Shares, (iii) the granting to the Directors of the scheme mandate to issue new Shares underlying RSUs to be granted under the Share Award Scheme, (iv) the proposed amendments to the Share Award Scheme, (v) the proposed connected transactions relating to the proposed grants of RSUs to the Connected Participants and (vi) the proposed extension of the share capital authorization of the Company to permit the issue of Bonus Shares upon the vesting of RSU grants, respectively.

### (2) ANNUAL GENERAL MEETING, EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT

The notices of the Annual General Meeting and the Extraordinary General Meeting are set out on pages 66 to 72 and pages 73 to 76 of this circular, respectively.

The forms of proxy for use at the Annual General Meeting and the Extraordinary General Meeting are enclosed with this circular and such forms of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.samsonite.com](http://www.samsonite.com)). To be valid, the forms of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or to the Company's registered office at 13–15 Avenue de la Liberté, L-1931 Luxembourg as soon as possible but in any event not less than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for the holding of the Annual General Meeting and the Extraordinary General Meeting (or any adjournment thereof). Completion and return of the forms of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting and the Extraordinary General Meeting if they so wish.

### (3) INFORMATION ON THE PROPOSED RESOLUTIONS AT THE ANNUAL GENERAL MEETING

#### ORDINARY RESOLUTIONS:

#### 1. Adoption of audited statutory accounts and consolidated financial statements of the Company and reports from the Directors and auditors for the year ended December 31, 2017

Under Luxembourg law, the Company is required to issue audited statutory accounts as a stand-alone entity which are separate from the consolidated financial statements, together with reports from the Directors and the approved statutory auditor (*réviseur d'entreprises agréé*).

Under Luxembourg law, the Company is also required to issue consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board ("IASB IFRS") with a footnote reconciling to International Financial Reporting Standards as adopted by the European Union ("EU IFRS"). There are no significant differences between these consolidated financial statements and the consolidated financial statements contained in the Company's annual report as required under the Listing Rules, although there are certain differences in the disclosures that are required as part of the Directors' report.

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## LETTER FROM THE BOARD

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Together with this circular, Shareholders will receive copies of:

- (a) the audited statutory accounts, including the Directors' report and approved statutory auditor's (*réviseur d'entreprises agréé*) report;
- (b) the audited consolidated financial statements prepared in accordance with IASB IFRS with a footnote reconciling to EU IFRS, including the Directors' report and the related approved statutory auditor's (*réviseur d'entreprises agréé*) report;
- (c) the audited consolidated financial statements prepared in accordance with IASB IFRS, including the related Directors' report and external auditor's report (which are included as part of the Company's annual report); and
- (d) the report drawn up by the Board in accordance with Article 10.9 of the Articles of Incorporation relating to, among other things, (i) the conflict of interest of each of Mr. Ramesh Dungarmal Tainwala and Mr. Kyle Francis Gendreau concerning the granting on May 26, 2017 by the Company of options in their favor, and as regards to Mr. Ramesh Dungarmal Tainwala, also to his daughter Mrs. Anushree Tainwala, in accordance with the rules of the Share Award Scheme; and (ii) the conflict of interest of Mr. Ramesh Dungarmal Tainwala concerning the approval of (a) the increase in the annual caps for amounts payable to Samsonite Middle East by the Group under the renewed framework agreement entered into between the Company and Samsonite Middle East in December 21, 2015, (b) a leave and licence agreement and amenities agreement relating to the use of warehouse space in India and the renewal of a memorandum of understanding relating to transactions between Samsonite India and Bagzone and (c) the Company's continuing connected transactions as described in the consolidated financial statements.

It is proposed that these statutory accounts and consolidated financial statements be adopted by the Shareholders.

### **2. Approval of the allocation of results of the Company for the year ended December 31, 2017**

It is proposed that the results of the Company for the year ended December 31, 2017 will be allocated as described in the Directors' report on the audited statutory accounts of the Company.

### **3. Declaration of cash distribution to Shareholders**

On March 14, 2018, the Board recommended that a cash distribution to Shareholders be made from the Company's ad hoc distributable reserve in the amount of US\$110,000,000 (the "**Distribution**"). The proposed Distribution from the Company's ad hoc distributable reserve is subject to approval by the Shareholders at the Annual General Meeting.

The payment of the Distribution shall be made in US dollars, except that payment to Shareholders whose names appear on the register of members in Hong Kong shall be paid in Hong Kong dollars. The relevant exchange rate shall be the opening buying rate of HK\$ to US\$ as announced by the Hong Kong Association of Banks ([www.hkab.org.hk](http://www.hkab.org.hk)) on the day of the approval of the Distribution. The payment of the Distribution will not be subject to withholding tax under Luxembourg law.

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## LETTER FROM THE BOARD

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#### **4. Re-election of retiring Directors**

In accordance with the code provision A.4.2 as set out in Appendix 14 of the Listing Rules, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. In addition, in accordance with Article 8.1 of the Articles of Incorporation, the Directors shall be elected by Shareholders at a general meeting, which shall determine their number and term of office. The term of office of a Director shall be up to three years, upon the expiry of which each shall be eligible for re-election.

Accordingly, Mr. Ramesh Dungarmal Tainwala, Mr. Jerome Squire Griffith and Mr. Keith Hamill shall retire by rotation, and being eligible, offer themselves for re-election at the Annual General Meeting for a proposed term of three years expiring upon the holding of the annual general meeting of the Company to be held in 2021. The re-election of each of these Directors will be voted on by Shareholders individually.

Details of the retiring Directors are set out in Appendix I to this circular.

#### **5. Renewal of the mandate granted to KPMG Luxembourg to act as approved statutory auditor (*réviseur d'entreprises agréé*) of the Company for the year ending December 31, 2018**

It is proposed that the Shareholders renew the mandate of KPMG Luxembourg to act as approved statutory auditor (*réviseur d'entreprises agréé*) of the Company under Luxembourg law for the year ending December 31, 2018.

#### **6. Re-appointment of KPMG LLP as external auditor of the Company**

In accordance with Rule 13.88 of the Listing Rules, it is proposed that the Shareholders re-appoint KPMG LLP as the external auditor of the Company to hold office from the conclusion of the Annual General Meeting until the next annual general meeting.

#### **7. and 8. Proposed grant of general mandates to repurchase and issue new Shares**

At the annual general meeting of the Shareholders of the Company held on June 1, 2017, general mandates were granted to the Directors to issue and repurchase Shares respectively. Such mandates will lapse on the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable law or the Articles of Incorporation; or (iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

In order to give the Company the flexibility to issue and repurchase Shares if and when appropriate, the following ordinary resolutions will be proposed at the Annual General Meeting to approve:

- (a) the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in paragraph 7 of the notice of the Annual General Meeting as set out on pages 66 to 72 of this circular (i.e. a total of 142,558,957 Shares as at the Latest Practicable Date on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting), such Shares to be issued for cash consideration at a discount of not more than 10% to the Benchmarked Price of the Shares; and

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## LETTER FROM THE BOARD

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- (b) the granting of the Share Buy-back Mandate to the Directors to purchase Shares on the Stock Exchange not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of proposed ordinary resolution contained in paragraph 8 of the notice of the Annual General Meeting as set out on pages 66 to 72 of this circular (i.e. a total of 142,558,957 Shares as at the Latest Practicable Date on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting) within the limits referred to below.

The Board is recommending the granting of the Issuance Mandate for a maximum of 10% of the total number of issued Shares of the Company as at the date of passing of proposed ordinary resolution, and Shares issued for cash consideration under the Issuance Mandate will be subject to a maximum discount of 10% to the Benchmarked Price of the Shares, as opposed to the maximum limit of 20% of the total number of issued Shares of the Company and the maximum discount of 20% to the Benchmarked Price of the Shares permitted under the Listing Rules. The Issuance Mandate recommended by the Board is consistent with the applicable ISS Guidelines.

In order to comply with the provisions of Luxembourg Companies Law which requires, among others, any purchase of Shares by the Company to be, without prejudice to the principle of equal treatment of all shareholders who are in the same position, within a specified price range approved by the Shareholders, it is proposed that the Board would only exercise the Share Buy-back Mandate to purchase any Shares within a price range of HK\$24.00 and HK\$44.00 per Share. In addition, in order to comply with the requirements of the Listing Rules, the maximum price at which the Company may purchase any Shares will not be higher by 5% or more than the average closing market price of the Shares on the Stock Exchange for the five trading days preceding the date of purchase of any such Shares. **The price range referred to above should not be taken as any indication by the Board as to their views on the price at which the Shares may be traded on the Stock Exchange in the future (which is subject to, among others, the performance of the Company and market and other conditions which are not within the control of the Company) but is provided simply to facilitate a possible purchase by the Company of the Shares on the Stock Exchange in compliance with the applicable laws and regulations.**

The Board notes that under the Listing Rules, the Company is required to cancel any Shares purchased by the Company as soon as reasonably practicable following such purchase. The Board further notes that under Luxembourg Companies Law, any share cancellation and consecutive share capital decrease will require the holding of an extraordinary general meeting of the Shareholders to approve such cancellation and share capital decrease. If the Company purchases any Shares pursuant to the Share Buy-back Mandate, an extraordinary general meeting of the Shareholders will be convened to approve the cancellation and share capital decrease in compliance with the applicable laws and regulations.

With reference to the Share Buy-back Mandate and Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any new Shares pursuant thereto.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Buy-back Mandate is set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### **RECOMMENDATION IN RELATION TO THE PROPOSED ORDINARY RESOLUTIONS CONTAINED IN PARAGRAPHS 1 TO 8 OF THE NOTICE OF THE ANNUAL GENERAL MEETING**

The Directors are of the view that the proposed ordinary resolutions contained in paragraphs 1 to 8 of the notice of the Annual General Meeting, including the proposed re-election of retiring Directors and granting of the Share Buy-back Mandate and Issuance Mandate, are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favor of all of the above proposed ordinary resolutions to be proposed at the Annual General Meeting.

#### **9. Proposed grant of a mandate to the Board to grant awards of RSUs pursuant to the Share Award Scheme**

##### *(a) Background*

On September 14, 2012, the Shareholders adopted the Share Award Scheme, which will remain in effect until September 13, 2022. The purpose of the Share Award Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. The provisions of the Share Award Scheme relating to the grant of Options comply with Chapter 17 of the Listing Rules.

Under the Share Award Scheme, the Board may grant Awards of Options or RSUs to participants. The difference between RSUs and Options is that holders of Options have the right to elect, at their discretion, whether to exercise their Option to subscribe for the new Share; and they are required to pay an exercise price upon such exercise. By contrast, holders of RSUs hold contingent rights to receive Shares when the RSUs vest. Upon the vesting of an Award of RSUs, they do not need to elect to receive the Shares underlying the RSUs and unless required by the Company to pay the nominal value of US\$0.01 for each Share, they do not pay any consideration in order to receive those Shares underlying the RSUs. The Shares will be issued to the RSU holders in accordance with the terms of the Share Award Scheme. As participants may not be required to pay for Shares upon vesting of an Award of RSUs, they can receive the same economic advantage using fewer Shares than upon exercise of an Award of Options, which means that the dilutive effect of Awards of RSUs is less than that of Awards of Options.

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. 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 7.31% 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 43,562,851 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 Board has not granted any Awards of RSUs since the Share Award Scheme was adopted.

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## LETTER FROM THE BOARD

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*(b) Long-Term Incentive Plan for Senior Executives of the Group*

The Board believes that long-term incentive awards are an important component of the Group's senior executive compensation program. Equity compensation aligns the interests of the Group's senior executives with the interests of the Shareholders, rewards the senior executives to the extent of Share price increase, fosters a long-term commitment to the Group and aids in the retention of senior executives in an industry in which the market for talent is highly competitive.

Since the adoption of the Share Award Scheme, the Company's long-term incentive plan (LTIP) for the Group's senior executives and employees has consisted 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 and are generally exercisable over a period of ten years from the grant date.

*(c) Compensation Governance*

The Board notes that international companies are increasingly moving towards performance-based long-term restricted share awards to senior executives in order to increase alignment with shareholders' interests. The Board further recognizes 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 where 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 Board retained Mercer to serve as an independent outside 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 senior executive compensation program, and recommendation of a performance-based compensation program more closely aligned with peer group practice. The Board has reviewed the advice and analysis provided by Mercer and is of the view that such advice and analysis are fair and reasonable. The Board also received advice from a leading governance advisory firm to consider shareholders' expectations with respect to senior executive compensation. The Board also notes that the Remuneration Committee of the Company is comprised only of independent non-executive Directors and none of the members of the Remuneration Committee participate in the LTIP.

Accordingly, with a view to aligning the LTIP for the Group's senior executives 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 Board has proposed that the LTIP for the Group's senior executives 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 introduction of share ownership and clawback policies that reinforce the Company's philosophy of "pay-for-good-performance".

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## LETTER FROM THE BOARD

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Features of the LTIP	Description
<b>1. Performance RSUs (PRsUs)</b>	<ul style="list-style-type: none"><li>• PRsUs will 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 key performance indicators (KPIs). Final vesting is modified based on total Shareholders' return (TSR) relative to peer group companies, with no positive TSR modifier applied if absolute TSR is negative.</li><li>• Upon vesting, Shares will be issued to the senior executive 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 executive to receive such Shares.</li><li>• PRsUs ensure that there is a greater linkage between the Company's stated long-term strategic and financial goals and executive compensation.</li></ul>
<b>2. Time-based RSUs (TRsUs)</b>	<ul style="list-style-type: none"><li>• TRsUs will vest <i>pro rata</i> over a three year period on each anniversary of the grant date.</li><li>• Upon vesting, Shares will be issued to the senior executive 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 executive to receive such Shares.</li><li>• TRsUs aid in the retention of senior executives since the Shares will vest over a period of time, thereby rewarding long-term performance.</li></ul>
<b>3. Options</b>	<ul style="list-style-type: none"><li>• Options will vest <i>pro rata</i> 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.</li><li>• 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.</li><li>• Options aid in the retention of senior executives and reward long-term performance.</li><li>• Options will be issued at market price.</li></ul>
<b>4. Weighting of Awards</b>	<ul style="list-style-type: none"><li>• Whereas previous years' Awards consisted entirely of Options, the proposed LTIP replaces a portion of Option grants with PRsUs and TRsUs. The Target LTI Value of Awards to be granted to the Group's senior executives will, therefore, be comprised of 50% of PRsUs, 25% of TRsUs and 25% of Options (based on the grant date value).</li><li>• 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.</li><li>• This would also result in a more efficient utilisation of share-based incentives and reduce the level of share dilution for the Company.</li></ul>

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## LETTER FROM THE BOARD

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Features of the LTIP	Description
<b>4. Weighting of Awards</b> (continued)	<ul style="list-style-type: none"><li data-bbox="651 266 1410 478">• The Board will continue to closely monitor and manage the dilutive effect of Awards. The total number of Shares represented by awards under the Company's share award schemes may not exceed 10% of the issued share capital on the adoption date of the Share Award Scheme (or as at a later Shareholder renewal date).</li><li data-bbox="651 485 1410 755">• 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 0.37% to 0.46% (assuming target level vesting of PRSUs) and approximately 0.50% to 0.62% (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 0.42% to 0.56%.</li><li data-bbox="651 761 1410 974">• 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 0.79% to 1.02% (assuming target level vesting of PRSUs) and approximately 0.92% to 1.18% (assuming maximum level vesting of PRSUs).</li><li data-bbox="651 981 1410 1193">• The expected Equity Dilution levels set out above have been calculated based on a per Share price of HK\$36.00 and HK\$28.50, 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.</li><li data-bbox="651 1200 1410 1547">• 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.</li></ul>

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## LETTER FROM THE BOARD

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<b>Features of the LTIP</b>	<b>Description</b>
<b>5. Selection of peer group companies</b>	<ul style="list-style-type: none"><li>• Based on advice received from Mercer and a governance advisory firm, the Board 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.</li><li>• Final vesting level of PRSUs is modified based on the Group’s TSR relative to Peer Group TSR to ensure that senior executives are rewarded for performance that exceeds Peer Group performance and that rewards are reduced if relative performance is below Peer Group performance.</li><li>• 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..</li></ul>
<b>6. Introduction of share ownership guidelines</b>	<ul style="list-style-type: none"><li>• The Board will adopt share ownership guidelines for its senior executives to further align their interests with the interests of Shareholders.</li><li>• Under the guidelines, each senior executive would beneficially hold Shares with a value at least equal to between one and one-half to six times his/her base salary, with six times base salary for the Chief Executive Officer and three times base salary for the Chief Financial Officer.</li><li>• Senior executives are encouraged to achieve the Share ownership levels within five years from the grant date of the Awards in 2018, or, if later, from the date of their assuming their position.</li></ul>
<b>7. Malus and clawback policy</b>	<ul style="list-style-type: none"><li>• The Board will adopt a malus and clawback policy which will apply to performance-based compensation (including PRSUs) paid or granted to senior executives on or after June 7, 2018.</li><li>• 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 may seek to recover in respect of vested Awards and reduce in respect of unvested Awards, at the discretion of the Board after it has reviewed the facts and circumstances that led to the requirement for the restatement and the costs and benefits of seeking recovery, the amount of erroneously awarded performance-based compensation received by the individual.</li></ul>

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## LETTER FROM THE BOARD

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<b>Features of the LTIP</b>	<b>Description</b>
<b>8. Termination of employment / corporate events</b>	<ul style="list-style-type: none"><li>• Under the Share Award Scheme, 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.</li><li>• The Share Award Scheme 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.</li><li>• The Board has proposed that the Share Award Scheme be amended to provide for continuation of unvested Awards following a change in control, 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 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 June 7, 2018.</li></ul>

In addition, the Board has proposed that the Target LTI Value for the Group’s employees (other than senior executives) 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 has been determined by the Board after taking into consideration the percentage mix of similar awards of the Company’s peer group companies.

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## LETTER FROM THE BOARD

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*(d) 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 Annual 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 8,876,044 new Shares (the “**Share Award Mandate**”), representing 0.62% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in paragraph 9 of the notice of the Annual General Meeting (assuming the issued share capital of the Company remains unchanged on the date of the Annual 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\$28.50, 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 LTI 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, 11 senior executives (including Mr. Ramesh Dungarmal Tainwala and Mr. Kyle Francis Gendreau, both of whom are Directors) and 171 employees have been proposed or identified by the Board to be granted RSUs under the Share Award Scheme. Of such proposed grantees of RSUs, 12 proposed grantees are Connected Participants. Accordingly, all Connected Participants and their respective associates will be required to abstain from voting on the resolution to approve the Share Award Mandate at the Annual General Meeting. Please refer to the section headed “Proposed Connected Transactions Relating to the Proposed Grants of RSUs to the Connected Participants (including Mr. Ramesh Dungarmal Tainwala and Mr. Kyle Francis Gendreau)” below for further details.

*(e) Cost of Granting RSUs*

The cost attributable to the grant of any RSUs under the Share Award Scheme will be accounted for by reference to the market value of the Shares at the time of grant, adjusted to take into account the terms and conditions upon which Shares were granted. The Board considers that it is not appropriate or helpful to the Shareholders to state the value of all Awards that can be granted under the Share Award Scheme or the Share Award Mandate being sought as if they had been granted on the Latest Practicable Date. The Board believes that any statement regarding the value of all Awards as at the Latest Practicable Date will not be meaningful to the Shareholders since the Awards to be granted shall not be assignable, and no holder of the Awards shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any third party over or in relation to any Award. In addition, the calculation of the value of the Awards is based on a number of variables such as exercise price, exercise period, interest rate, expected volatility and other relevant variables.

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## LETTER FROM THE BOARD

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The Board believes that any calculation of the value of the Awards as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders. Details of the Share Award Scheme, including particulars and movements of the Awards granted, vested, lapsed and available for grant in the future, and the employee costs arising from the grant of the Awards during each financial year of the Company will be disclosed in the Company's annual report and interim report. The Company will give due consideration to any financial impact arising from the grant of the RSUs under the Share Award Scheme before exercising the Share Award Mandate.

In terms of financial impact on net asset value (“NAV”) of the Group, it is anticipated that there will be a dilution in the NAV per Share upon the issue of new Shares as a result of the vesting of the RSUs. It is expected that the Connected Grants in 2018 will result in the dilution in the NAV per Share of not more than approximately 0.19% (assuming target level vesting of PRSUs) and approximately 0.34% (assuming maximum level vesting of the PRSUs). On the other hand, it is expected there will be a NAV per Share accretion upon the vesting and exercise of Options given the exercise price, which will be determined with reference to the prevailing market price of the Shares, is significantly above the current NAV per Share.

*(f) 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.

*(g) Recommendation*

The Directors (other than Mr. Tainwala and Mr. Gendreau but including the independent non-executive Directors) are of the view that the proposed ordinary resolution contained in paragraph 9 of the notice of the Annual General Meeting is in the interests of the Company and the Shareholders as a whole and accordingly, recommend the Shareholders to vote in favor of this proposed ordinary resolution at the Annual General Meeting.

Due to the interests of each of Mr. Tainwala and Mr. Gendreau in the proposed RSU grants referred to below, each of Mr. Tainwala and 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.

### **10. Proposed Amendments to the Share Award Scheme**

*(a) Share Award Scheme*

The Share Award Scheme 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.

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## LETTER FROM THE BOARD

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With a view to aligning the LTIP for the Group's senior executives with 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 June 7, 2018.

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

"5.12 For Awards granted on or after June 7, 2018, in the case of any of the events referred to in **paragraphs 5.7 to 5.9** above (the *Relevant Event*), the Board may, at its absolute discretion, decide that 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 Board determines is equivalent to the Award which it replaces (for the avoidance of doubt, an Award not replaced with a new award under this **paragraph 5.12** 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 Board shall consider reasonable. 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 with respect to an award that is subject to performance conditions, the performance conditions applicable to that award shall be assumed to have been achieved at target, and 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 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

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## LETTER FROM THE BOARD

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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."

(2) paragraph 6.1 of the Share Award Scheme relating to circumstances in which an Award shall lapse 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;"

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## LETTER FROM THE BOARD

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

**(c) Recommendation**

The Directors (other than Mr. Tainwala and Mr. Gendreau but including the independent non-executive Directors) are of the view that the proposed ordinary resolution contained in paragraph 10 of the notice of the Annual General Meeting is in the interests of the Company and the Shareholders as a whole and accordingly, recommend the Shareholders to vote in favor of this proposed ordinary resolution at the Annual General Meeting.

As Awards under the Share Award Scheme are proposed to be granted to each of Mr. Tainwala, Mr. Gendreau and Mrs. Anushree Tainwala, each of Mr. Tainwala (for himself and with respect to the proposed grant of Awards to Mrs. Anushree Tainwala) and 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.

As the Connected Participants are proposed to be granted Awards under the proposed Connected Grants pursuant to the Share Award Scheme, all Connected Participants and their respective associates will be required to abstain from voting on the resolution to approve the Proposed Share Award Scheme Amendments at the Annual General Meeting.

**11., 12. and 13. Proposed Connected Transactions Relating to the Proposed Grants of RSUs to the Connected Participants (including Mr. Ramesh Dungarmal Tainwala and Mr. Kyle Francis Gendreau)**

**(a) Proposed RSU Grants to Mr. Ramesh Dungarmal and Mr. Kyle Francis Gendreau**

The Remuneration Committee and the Board have proposed to grant LTIP Awards consisting of RSUs and Options to each of Mr. Ramesh Dungarmal Tainwala, the Chief Executive Officer and Executive Director, and Mr. Kyle Francis Gendreau, the Chief Financial Officer and Executive Director. If approved by the Shareholders, the grants are expected to be made within 14 days following the Annual General Meeting.

The aggregate Target LTI Value of the Awards to be granted to Mr. Tainwala will be equivalent to 475% of his base salary of US\$1,400,000 for the year 2018 (of which 50% of the Target LTI Value will be in the form of PRSUs, 25% in the form of TRSUs and 25% in the form of Options).

The aggregate Target LTI Value of the Awards to be granted to Mr. Gendreau will be equivalent to 225% of his base salary of US\$655,600 for the year 2018 (of which 50% of the Target LTI 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.

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## LETTER FROM THE BOARD

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### *Details of the Proposed RSU Grants*

The Remuneration Committee and the Board have proposed to grant the following RSUs pursuant to the Share Award Scheme to Mr. Tainwala and Mr. Gendreau:

- RSUs representing an aggregate of up to 2,545,590 Shares (of which up to 2,087,748 Shares will be in the form of PRSUs and up to 457,842 Shares will be in the form of TRSUs) to Mr. Tainwala; and
- RSUs representing an aggregate of up to 564,662 Shares (of which up to 463,103 Shares will be in the form of PRSUs and up to 101,559 Shares will be in the form of TRSUs) to Mr. Gendreau.

The maximum numbers of Shares set out above have been calculated based on a per Share price of HK\$28.50, 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 each of Mr. Tainwala and Mr. Gendreau will be determined by dividing the Target LTI 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 PRSUs, thereby ensuring that the actual payout is linked to the Company's performance. Details of the performance conditions, including maximum number of Shares that may vest under PRSUs, are set out below. The performance measures and targets have been selected by the Board as both objective and appropriately challenging:

### *Adjusted EPS (80% weighting)*

	<b>3-year cumulative adjusted EPS (% of target)</b>	<b>Vesting level (% of shares granted)</b>
Maximum	120% or higher	200%
Target	100%	100%
Threshold	90%	50%
	Below 90%	0%

Vesting levels will be interpolated for actual performance between goals. Adjusted EPS targets are deemed to be commercially sensitive and will not be disclosed prospectively. However, retrospective disclosure of the targets and performance against them will be provided in the Company's annual report following the end of the performance period.

### *Strategic KPI (20% weighting)*

	<b>Strategic KPI (% of target)</b>	<b>Vesting level (% of shares granted)</b>
Maximum	110% or higher	150%
Target	100%	100%
Threshold	90%	50%
	Below 90%	0%

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## LETTER FROM THE BOARD

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Vesting levels will be interpolated for actual performance between goals. Strategic KPI targets are deemed to be commercially sensitive and will not be disclosed prospectively. However, retrospective disclosure of the targets and performance against them will be provided in the Company's annual report following the end of the performance period.

### *TSR Modifier*

	<u>3-year TSR percentile ranking</u>	<u>Modifier (% adjustment to vesting level as determined by adjusted EPS and strategic KPIs)</u>
Maximum	90 <sup>th</sup> or higher	20%
Target	50 <sup>th</sup>	0%
Threshold	25 <sup>th</sup> or lower	-20%

No positive TSR modifier will be applied if absolute TSR is negative. Vesting levels will be interpolated for actual performance between goals.

The proposed RSU grant to Mr. Tainwala is conditional upon:

- (a) the Shareholders approving the Share Award Mandate at the Annual General Meeting; and
- (b) the Independent Shareholders approving the above proposed RSU grant pursuant to the Share Award Scheme to Mr. Tainwala at the Annual General Meeting.

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

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

- (a) the Shareholders approving the Share Award Mandate at the Annual General Meeting; and
- (b) the Independent Shareholders approving the above proposed RSU grant pursuant to the Share Award Scheme to Mr. Gendreau at the Annual General Meeting.

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

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

### *Intended Option Grants*

In addition, the Remuneration Committee and the Board intend to grant the following Options to Mr. Tainwala and Mr. Gendreau at the same time as the RSU grants:

- Options representing an aggregate grant date value of US\$1,662,500 to Mr. Tainwala; and
- Options representing an aggregate grant date value of US\$368,775 to Mr. Gendreau.

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## LETTER FROM THE BOARD

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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 Annual 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. Tainwala and 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 LTI Value at grant date (US\$)
				Threshold	Target	Maximum	
<b>Ramesh Dungarmal Tainwala</b>	2018	1,662,500	1,662,500	1,330,000	3,325,000	7,581,000	6,650,000
<b>Kyle Francis Gendreau</b>	2018	368,775	368,775	295,020	737,550	1,681,614	1,475,100

*Notes:*

- (1) Options granted in 2018 vest equally over a four year period.
- (2) TRSUs vest equally over a three year period.
- (3) PRSUs vest three years following grant based on achievement of performance conditions. Further details on performance conditions are described on pages 22 and 23.
- (4) For illustrative purposes only, the following tables set out the estimated number of Shares for the Awards proposed to be granted in 2018 assuming (i) a per Share price of HK\$28.50, 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\$36.00, being the closing market price of a Share on the Latest Practicable 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. In addition, the number of Shares underlying Options as set forth below is based on the Black-Scholes valuation model using certain assumptions for the underlying inputs. The actual number of Shares underlying Options granted on the grant date will depend upon the Black-Scholes valuation model as applied at the grant date using then-applicable underlying inputs.

## LETTER FROM THE BOARD

*Assuming a per Share price of HK\$28.50, being the lowest closing market price of a Share during the 52-week period preceding the Latest Practicable Date:*

Name	Number of Shares underlying Options	Number of Shares underlying TRSUs	Number of Shares underlying PRSUs			Total number of Shares underlying target LTI Awards
			Threshold	Target	Maximum	
Ramesh Dungarmal Tainwala	1,694,884	457,842	366,272	915,679	2,087,748	3,068,405
			Threshold	Target	Maximum	
Kyle Francis Gendreau	375,960	101,559	81,246	203,116	463,103	680,635

*Assuming a per Share price of HK\$36.00, being the closing market price of a Share on the Latest Practicable Date:*

Name	Number of Shares underlying Options	Number of Shares underlying TRSUs	Number of Shares underlying PRSUs			Total number of Shares underlying target LTI Awards
			Threshold	Target	Maximum	
Ramesh Dungarmal Tainwala	1,266,492	362,457	289,965	724,913	1,652,801	2,353,862
			Threshold	Target	Maximum	
Kyle Francis Gendreau	280,936	80,400	64,320	160,800	366,623	727,959

### *Interests in the Securities of the Company*

As at the Latest Practicable Date, Mr. Tainwala:

- (a) had an interest (as founder of a discretionary trust) in an aggregate of 6,102,034 Shares, representing approximately 0.42% of the issued share capital of the Company as at the Latest Practicable Date; and
- (b) had outstanding Options in respect of an aggregate of 9,987,036 Shares, representing approximately 0.70% of the issued share capital of the Company as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, Mr. Gendreau:

- (a) had an interest (as founder of a discretionary trust) in an aggregate of 1,409,648 Shares, representing approximately 0.09% of the issued share capital of the Company as at the Latest Practicable Date; and
- (b) had outstanding Options in respect of an aggregate of 4,906,423 Shares, representing approximately 0.34% of the issued share capital of the Company as at the Latest Practicable Date.

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

The proposed RSU grants are intended to increase alignment between interests of Mr. Ramesh Dungarmal Tainwala and Mr. Kyle Francis Gendreau and long-term interests of Shareholders. TRSUs aid in the retention of senior executives 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.

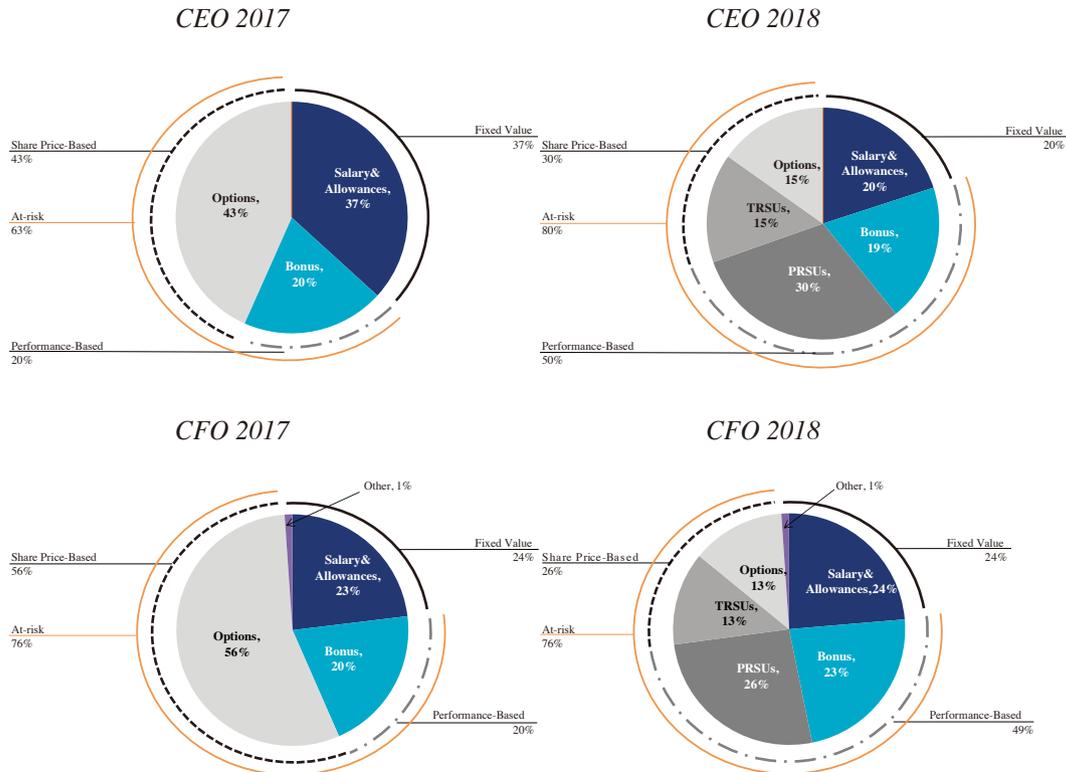
The introduction of TRSUs and PRSUs, replacing some of the Options, is also in line with the Company's Peer Group by shifting the overall compensation package towards a heavier weighting on performance-based compensation. The following table sets out a breakdown in the various compensation elements in 2018 assuming the proposed RSU grants are made, with charts illustrating the shift in relative weightings.

<b>Name</b>	<b>Salary (US\$)</b>	<b>Approximate Allowances and other benefits in kind (US\$)</b>	<b>Target Bonus (US\$)</b>	<b>Total Target LTI Value granted during year (US\$)</b>	<b>Approximate Contributions to post- employment plans (US\$)</b>	<b>Total (US\$)</b>
<b>Ramesh Dungarmal Tainwala</b>	1,400,000	786,165	2,100,000	6,650,000	—	10,936,165
<b>Kyle Francis Gendreau</b>	655,600	14,000	655,600	1,475,100	30,250	2,830,550

*Notes:*

- (1) 2018 figures are prospective amounts consisting of: base salary, estimated allowances and other benefits in kind, target bonus opportunity (150% of salary for Mr. Tainwala, and 100% of salary for Mr. Gendreau), total Target LTI Value based on the grant date fair market value of shares assuming target-level achievement of performance conditions applicable to PRSUs, without accounting for TSR modifier, and expected contributions to post-employment plans.
- (2) The maximum bonus opportunity for Mr. Tainwala is 200% of his salary and for Mr. Gendreau is 165% of his salary.

## LETTER FROM THE BOARD



Note: "Salary & Allowances" includes salary, allowances, and other benefits in kind.

### (b) Proposed RSU Grants to Other Connected Participants

#### *Details of the Proposed RSU Grants*

The Remuneration Committee and the Board have proposed to grant RSUs representing an aggregate target grant date value of US\$3,851,919 (which will be in the form of PRSUs and/or TRSUs) to the Other Connected Participants, who are senior executives 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 Director, being Mr. Ramesh Tainwala. If approved by the Shareholders, the grants are expected to be made within 14 days following the Annual 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\$28.50, 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\$36.00, 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 LTI 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 the Latest Practicable Date and are subject to change based upon the applicable exchange rates as of the grant date. The exact numbers

## LETTER FROM THE BOARD

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 LTI 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\$28.50	Assume a per Share price of HK\$36.00
Mr. Patrick Baele <i>Vice President of Finance / Chief Financial Officer (Europe)</i>	291,340	—	—	—	291,340	80,235	63,519
Ms. Lynne Berard <i>President of North America</i>	179,025	143,220	358,050	816,354	537,075	274,123	217,014
Mr. Arne Borrey <i>President of Europe</i>	201,011	160,809	402,022	916,609	603,033	307,786	243,665
Mr. Robert W. Cooper <i>General Manager of North America for Tumi</i>	179,025	143,220	358,050	816,354	537,075	274,123	217,014
Mr. Subrata Dutta <i>President of Asia Pacific and Middle East</i>	157,137	125,710	314,274	716,545	471,411	240,606	190,480
Mr. J. Roberto Guzman <i>President of Latin America</i>	168,559	134,847	337,118	768,630	505,677	258,097	204,326
Mr. Richard Andrew Lamb <i>Vice President of Intellectual Property</i>	106,963	—	—	—	106,963	29,457	23,322
Mr. John Bayard Livingston <i>Executive Vice President, General Counsel and Joint Company Secretary</i>	162,488	129,990	324,975	740,943	487,463	248,798	196,967

## LETTER FROM THE BOARD

Name / Position	Grant date value of TRSUs (US\$)	Grant date value of PRSUs (US\$)			Total Target LTI 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\$28.50	Assume a per Share price of HK\$36.00
Mr. Rui Guo Ma (Frank) <i>President of Greater China</i>	290,954	—	—	—	290,954	80,127	63,435
Mrs. Anushree Tainwala <i>Executive Director of Marketing (India)</i>	20,927	—	—	—	20,927	5,766	4,563
<b>Total</b>	<b>1,757,429</b>				<b>3,851,919</b>	<b>1,799,117</b>	<b>1,424,304</b>

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 Annual 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 Annual General Meeting.

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

In addition, the Remuneration Committee and the Board intend to grant Options representing an aggregate grant date value of approximately US\$1,283,973 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 March 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 Annual General Meeting.

### *Interests in the Shares*

As at the Latest Practicable Date, the Other Connected Participants held an aggregate of 541,854 Shares, representing approximately 0.03% of the issued share capital of the Company as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### *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) Shareholding Impact of the Proposed RSU Grants*

The table below sets out the shareholding in the Company assuming (i) all the conditions to the grant of the RSUs are satisfied, (ii) RSUs in respect of the maximum number of Shares referred to above (i.e. 8,876,044 Shares) are granted to the Connected Participants and other Participants, (iii) no Options (whether outstanding or proposed to be granted) are exercised and (iv) no other Shares are issued or repurchased by the Company and (v) there are no other changes to the issued share capital of the Company as at the Latest Practicable Date:

	As at the Latest Practicable Date		Upon vesting of the RSUs granted in full	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
The Capital Group Companies, Inc.	171,304,989	12.01	171,304,989	11.94
FIL Limited	84,463,400	5.92	84,463,400	5.88
Mr. Tainwala	6,102,034	0.42	8,647,624	0.60
Mr. Gendreau	1,409,648	0.09	1,974,310	0.13
Other Connected Participants	541,854	0.03	2,340,971	0.16
Other Shareholders	1,161,767,649	81.49	1,165,734,324	81.26
<b>Total</b>	<b>1,425,589,574</b>	<b>100.0</b>	<b>1,434,465,618</b>	<b>100.0</b>

#### *(d) Listing Rules Implications*

As (i) Mr. Tainwala and Mr. Gendreau are Directors 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 Director, 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.

Pursuant to Chapter 14A of the Listing Rules, (a) Mr. Tainwala and his associates are required to abstain from voting on the proposed ordinary resolution contained in paragraph 11 of the notice of the Annual General Meeting to approve the proposed RSU grant to Mr. Tainwala, (b) Mr. Gendreau and his associates are required to abstain from voting on the proposed ordinary resolution contained

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## LETTER FROM THE BOARD

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in paragraph 12 of the notice of the Annual General Meeting to approve the proposed RSU grant to Mr. Gendreau and (c) the Other Connected Participants and their respective associates are required to abstain from voting on the proposed ordinary resolution contained in paragraph 13 of the notice of the Annual General Meeting to approve the proposed RSU grants to them.

Due to the interests of each of Mr. Tainwala and Mr. Gendreau in the proposed RSU grants, each of Mr. Tainwala and Mr. Gendreau abstained from voting on the relevant resolutions of the Board in respect of the proposed RSU grant to himself and Mr. Tainwala abstained from voting on the relevant resolutions of the Board in respect of the proposed RSU grant to Mrs. Tainwala. 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.

The Independent Board Committee, having considered the advice of the Independent Financial Adviser, is of the view that the Connected Grants are in the ordinary and usual course of business of the Company and the Group as a whole and in the interests of the Company and the Shareholders as a whole and the terms of the Connected Grants are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favor of the proposed ordinary resolutions contained in paragraphs 11, 12 and 13 of the notice of the Annual General Meeting.

The letter from the Independent Board Committee to the Independent Shareholders is set out on page 50 of this circular. The letter from Somerley to the Independent Board Committee and the Independent Shareholders is set out on pages 51 to 65 of this circular.

***(f) Recommendation***

The Directors (other than Mr. Tainwala but including the independent non-executive Directors) are of the view that the proposed ordinary resolution contained in paragraph 11 of the notice of the Annual General Meeting relating to the proposed RSUs grants to Mr. Tainwala is fair and reasonable and in the interests of the Company and the Shareholders as a whole and accordingly, recommend the Independent Shareholders to vote in favor of this proposed ordinary resolution at the Annual General Meeting.

The Directors (other than Mr. Gendreau but including the independent non-executive Directors) are of the view that the proposed ordinary resolution contained in paragraph 12 of the notice of the Annual General Meeting relating to the proposed RSUs grants to Mr. Gendreau is fair and reasonable and in the interests of the Company and the Shareholders as a whole and accordingly, recommend the Independent Shareholders to vote in favor of this proposed ordinary resolution at the Annual General Meeting.

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## LETTER FROM THE BOARD

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The Directors (other than Mr. Tainwala with respect to the proposed RSUs grant to Mrs. Tainwala, but including the independent non-executive Directors) are of the view that the proposed ordinary resolution contained in paragraph 13 of the notice of the Annual General Meeting relating to the proposed RSUs grants to the Other Connected Participants is fair and reasonable and in the interests of the Company and the Shareholders as a whole and accordingly, recommend the Independent Shareholders to vote in favor of this proposed ordinary resolution at the Annual General Meeting.

### SPECIAL RESOLUTIONS

**14. Approval of the discharge granted to the Directors and KPMG Luxembourg for the exercise of their respective mandates during the year ended December 31, 2017**

As required under Article 13.2 of the Articles of Incorporation and Article 74 of the Luxembourg Companies Law, it is proposed that the Shareholders approve by special resolution the discharge to be granted to the Directors and the approved statutory auditor (*réviseur d'entreprises agréé*) of the Company for the exercise of their respective mandates during the year ended December 31, 2017.

**15. Approval of the remuneration to be granted to certain Directors**

Under Article 13.2 of the Articles of Incorporation, the Shareholders shall approve by special resolution the remuneration to be granted to Directors.

It is proposed that the Shareholders approve the remuneration to be granted to Mr. Timothy Charles Parker in respect of his service as Non-executive Director and Chairman of the Board for the financial year ending December 31, 2018 in an amount of US\$500,000.

It is further proposed that the Shareholders approve the remuneration to be granted to Ms. Ying Yeh, Mr. Hardy McLain, Mr. Tom Korbas and Mr. Jerome Griffith for the financial year ending December 31, 2018 in an amount of US\$145,000 for each such Director.

It is further proposed that the Shareholders approve the remuneration to be granted to Mr. Keith Hamill for the financial year ending December 31, 2018 in an amount of (i) US\$145,000 in respect of his service as a Director plus (ii) US\$20,000 in respect of his service as the chairman of the Remuneration Committee of the Board.

It is further proposed that the Shareholders approve the remuneration to be granted to Mr. Paul Etechells for the financial year ending December 31, 2018 in an amount of (i) US\$145,000 in respect of his service as a Director plus (ii) US\$40,000 in respect of his service as the chairman of the Audit Committee of the Board.

**16. Approval of the remuneration to be granted to KPMG Luxembourg**

Under Article 13.2 of the Articles of Incorporation, the Shareholders shall approve by special resolution the remuneration to be granted to the approved statutory auditor (*réviseur d'entreprises agréé*).

It is proposed that the Shareholders approve the remuneration to be granted to KPMG Luxembourg as the approved statutory auditor (*réviseur d'entreprises agréé*) of the Company, in an amount up to €52,000 for the financial year ending December 31, 2018.

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## LETTER FROM THE BOARD

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### RECOMMENDATION IN RELATION TO THE PROPOSED SPECIAL RESOLUTIONS CONTAINED IN PARAGRAPHS 14 TO 16 OF THE NOTICE OF THE ANNUAL GENERAL MEETING

The Directors are of the view that the proposed special resolutions contained in paragraphs 14 to 16 of the notice of the Annual General Meeting are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favor of all of the above proposed special resolutions to be proposed at the Annual General Meeting.

#### (4) INFORMATION ON THE PROPOSED RESOLUTION AT THE EXTRAORDINARY GENERAL MEETING

##### SPECIAL RESOLUTION:

##### 1. Proposed Extension of the Share Capital Authorization of the Company

###### (a) *Requirements under the Luxembourg Companies Law*

Under the Luxembourg Companies Law, any increase in the share capital of the company must be approved by the shareholders of the company.

Shareholders of a public limited liability company (*société anonyme*) may grant authorization to the board of directors of the company to increase the share capital of the company, subject to any conditions set out in the articles of incorporation of the company, and such authorization is valid only for a period of up to five years and may be renewed for a further period of up to five years by the approval of the shareholders of the company.

###### (b) *Share Capital Authorization*

At the Extraordinary General Meeting held on March 3, 2016, the Shareholders approved, among others, the renewal of the share capital authorization for a period of five years.

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**”).

The Share Capital Authorization that is currently in effect does not specifically provides 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.

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## LETTER FROM THE BOARD

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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 (as further described below).

*(c) Proposed Extension of the Share Capital Authorization of the Company*

As the existing Share Capital Authorization does not provide for the allocation and/or the issue of 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 disapply the preferential subscription rights of the existing Shareholders when issuing the Bonus Shares.

*(d) Shareholders' Protections in relation to the Share Capital Authorization*

The Listing Rules and the Articles of Incorporation contain provisions which restrict the ability of the Company to increase its issued share capital pursuant to the Share Capital Authorization without the approval of the Shareholders. The purpose of these provisions is to protect the Shareholders against a potential dilution of their shareholding interest in the Company. These Shareholders' protections are summarized below.

Under the Articles of Incorporation, the Share Capital Authorization is expressly subject to compliance with the Listing Rules and the Luxembourg Companies Law.

Under the Luxembourg Companies Law and the Articles of Incorporation, the Share Capital Authorization is valid for a maximum period of five years and the approval of the Shareholders is required for its renewal at the end of the five-year period.

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## LETTER FROM THE BOARD

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Under the Listing Rules and the Articles of Incorporation, the Board may not issue Shares, grant options to subscribe for Shares, grant RSUs to receive Shares or issue any other securities or instruments convertible into Shares under the Share Capital Authorization without the approval of Shareholders, except pursuant to:

- (i) a Rights Issue;
- (ii) the Share Award Scheme;
- (iii) the general mandate to allot, issue or deal with additional Shares granted by the Shareholders to the Board at the annual general meeting of the Company (the “**Issuance Mandate**”);
- (iv) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with the Articles of Incorporation; or
- (v) a specific authority granted by the Shareholders in general meeting.

Under the Listing Rules, a Rights Issue will not require the specific approval of Shareholders except where the proposed Rights Issue would increase either (1) the number of issued Shares or (2) the market capitalization 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 Shares issued pursuant thereto commenced within such 12-month period.

As indicated above, the Board has not granted any Awards of RSUs since the Share Award Scheme was adopted but the Board envisages, in order to implement the LTIP, to grant TRSUs and PRSUs, in addition to Awards of Options.

The existing Issuance Mandate granted the Board the authority to issue, subject to the terms thereof, 141,560,094 Shares, representing approximately 10% of the total issued share capital of the Company as at the date of the annual general meeting held on June 1, 2017, and at an issue price which does not represent a discount of more than 10% to the Benchmarked Price of the Shares. As at the Latest Practicable Date, no Shares have been issued under the existing Issuance Mandate. The existing Issuance Mandate expires at the next Annual General Meeting of the Company, which will be held on June 7, 2018. Shareholders should note that the terms of the existing Issuance Mandate are more restrictive than the requirements of the Listing Rules, which permit a general mandate granted to the directors to issue shares to not exceed 20% of the total issued share capital of the company and an issue price which does not represent a discount of more than 20% to the Benchmarked Price of the shares of the company.

The proposed Extended Share Capital Authorization, if approved by the Shareholders, will be subject always to the same conditions and restrictions currently in effect in relation to the ability of the Company to increase its issued share capital.

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## LETTER FROM THE BOARD

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*(e) Consequences of the Share Capital Authorization not being extended*

If the proposed Extended Share Capital Authorization is not approved at the Extraordinary General Meeting, the Board will not be permitted under the Luxembourg Companies Law to issue and/or allot 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 further to the exercise of Awards of RSUs granted pursuant to the Share Award Scheme without any consideration to be paid by the participants or upon the exercise / vesting of any securities or instruments convertible into Company's shares issued or to be issued by the Board.

The Board considers that this would, in particular, undermine the purpose of the LTIP and eliminate the long-term incentive for the senior executives (including Mr. Ramesh Dungarmal Tainwala and Mr. Kyle Francis Gendreau, both of whom are Directors) that have been proposed or identified by the Board to be granted Awards of RSUs under the Share Award Scheme, and would therefore be detrimental to the Company and the Shareholders.

*(f) 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.

Together with this circular, the Shareholders will receive a copy of the report drawn up by the Board in accordance with Article 420-26(5) and (6) of the Luxembourg Companies Law justifying the reasons for the proposed Extended Share Capital Authorization with the authority for the Board to disapply the preferential subscription rights of the Shareholders when issuing 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 and the proposed Amendment to the Articles.

*(g) Recommendation*

The Directors (excluding Mr. Tainwala and 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 and accordingly, recommend the Shareholders to vote in favor of the special resolution to be proposed at the Extraordinary General Meeting.

As each of Mr. Tainwala and Mr. Gendreau may be issued Bonus Shares under the proposed RSU grants to be made to them if the proposed Extended Share Capital Authorization and the proposed Amendment to the Articles are approved by the Shareholders at the Extraordinary General Meeting, each of Mr. Tainwala and 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.

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## LETTER FROM THE BOARD

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As the Connected Participants may be issued Bonus Shares pursuant to the proposed Connected Grants if the proposed Extended Share Capital Authorization and the proposed Amendment to the Articles are approved by the Shareholders at the Extraordinary General Meeting, all Connected Participants and their respective associates will be required to abstain from voting on the resolution to approve the proposed Extended Share Capital Authorization and the proposed Amendment to the Articles at the Extraordinary General Meeting.

### (5) ADDITIONAL INFORMATION

Pursuant to the Listing Rules and Article 13.5 of the Articles of Incorporation, any vote of Shareholders at a general meeting must be taken by poll. An announcement on the poll vote results will be published by the Company after the Annual General Meeting and the Extraordinary General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Your attention is drawn to the additional information set out in (i) the letter from the Independent Board Committee to the Independent Shareholders set out on page 50 of this circular, (ii) the letter from Somerley to the Independent Board Committee and the Independent Shareholders set out on pages 51 to 65 of this circular and (iii) Appendices I to III to this circular.

Yours faithfully,  
For and on behalf of the Board  
**Timothy Charles Parker**  
*Chairman*

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

**(1) RAMESH DUNGARMAL TAINWALA**

Mr. Ramesh Dungarmal Tainwala, aged 58, has served as an Executive Director of the Company since May 2011 and as an executive director of the consolidated group since February 2011. He has served as the Company's Chief Executive Officer since October 1, 2014. In his role as Chief Executive Officer, Mr. Tainwala is responsible for the Company's overall strategic planning and for managing the Group's operations. Prior to his appointment as Chief Executive Officer, Mr. Tainwala served as the Company's Chief Operating Officer from March 2014 through September 2014. Before his appointment as Chief Operating Officer, he served as the Company's President, Asia-Pacific and Middle East. Mr. Tainwala has been the General Manager of the Group's Middle Eastern operation since January 2007 and has been the Chief Operating Officer of the Group's Indian operation since June 2000. Prior to joining the Group in November 1995, Mr. Tainwala was an entrepreneur in the plastic processing and consumer goods industries, including with Tainwala Chemicals & Plastics (India) Limited with which he was associated from 1985 to 2008. He was also an independent non-executive director of Donear Industries Limited (1990 to 2013) and Basant Agro Tech (India) Limited (2005 to 2013), both of which were listed on the Bombay Stock Exchange and the National Stock Exchange of India Limited. Mr. Tainwala holds a Master's degree in Management Studies from the Birla Institute of Technology and Science, Pilani, India (1982).

Mr. Tainwala is subject to re-election at the Annual General Meeting of the Company in accordance with the Articles of Incorporation for a period of three years expiring upon the holding of the annual general meeting of the Company to be held in 2021.

Save as disclosed, Mr. Tainwala does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Tainwala had a personal interest in 16,089,070 Shares or underlying Shares in the Company within the meaning of Part XV of the SFO, including share options exercisable for 9,987,036 Shares that were granted to Mr. Tainwala under the Company's Share Award Scheme. Mr. Tainwala also had interests in 14,196,493 and 8 shares in the capital of Samsonite India and Samsonite Middle East, respectively, both of which are associated corporations of the Company, within the meaning of Part XV of the SFO.

Mr. Tainwala did not receive any Director's fee as an Executive Director of the Company for the year ended December 31, 2017. Mr. Tainwala's remuneration as Chief Executive Officer of the Group is determined with reference to his duties, responsibilities with the Company and the Company's remuneration policy and is subject to review by the Remuneration Committee from time to time. He received a fixed base salary of US\$1,300,000 per annum, allowances and other benefits in kind in the amount of US\$795,000, an annual performance based bonus in the amount of US\$1,132,000 as well as share-based compensation expense in the amount of US\$2,469,000 for the year ended December 31, 2017.

Save for the information disclosed above, there is no information which is discloseable nor is/was Mr. Tainwala involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Tainwala that need to be brought to the attention of the Shareholders.

**(2) JEROME SQUIRE GRIFFITH**

Mr. Jerome Squire Griffith, aged 60, has served as a Non-Executive Director of the Company since September 2016. Since March 6, 2017, Mr. Griffith has served as the Chief Executive Officer of Lands' End, Inc., a multi-channel retailer of clothing, accessories, footwear and home products that is listed on NASDAQ. Mr. Griffith has served as a director of Lands' End, Inc. since January 2017. He has also served as a director of Vince Holding Corp., a company listed on the New York Stock Exchange, since November 2013. Mr. Griffith previously served as the Chief Executive Officer, President and director of Tumi Holdings, Inc., a company which was listed on the New York Stock Exchange, from April 2009 to August 2016 and served as the chairman of the supervisory board of Tom Tailor Holding AG, a company listed on the Frankfurt Stock Exchange, since June 2015 to May 2017. Mr. Griffith also has served on the board of Parsons School of Design since September 2013. From 2002 to February 2009, he was employed at Esprit Holdings Limited, a global fashion brand, where he was promoted to Chief Operating Officer and appointed to the board in 2004. He was then promoted to President of Esprit North and South America in 2006. From 1999 to 2002, he worked as an executive vice president at Tommy Hilfiger, an apparel and retail company. From 1998 to 1999, Mr. Griffith worked as the president of retail at the J. Peterman Company, a catalog-based apparel and retail company. From 1989 through 1998, he worked in various positions at Gap, Inc., a retailer of clothing, accessories, and personal care products. Mr. Griffith holds a Bachelor of Science degree in marketing from the Pennsylvania State University, State College, Pennsylvania, USA (1979).

Mr. Griffith is subject to re-election at the Annual General Meeting of the Company in accordance with the Articles of Incorporation for a period of three years expiring upon the holding of the annual general meeting of the Company to be held in 2021.

Save as disclosed, Mr. Griffith does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Griffith does not have any interest in the Shares or underlying Shares in the Company nor any associated corporation of the Company within the meaning of Part XV of the SFO.

Mr. Griffith received Director's fee amounting to US\$145,000 for the year ended December 31, 2017 as a Non-Executive Director of the Company. The emoluments of Mr. Griffith are determined by reference to his duties and responsibilities with the Company and the Company's remuneration policy and are subject to review by the Remuneration Committee from time to time. His emoluments are covered by the letter of appointment issued by the Company dated September 22, 2016.

Save for the information disclosed above, there is no information which is discloseable nor is/was Mr. Griffith involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Griffith that need to be brought to the attention of the Shareholders.

**(3) KEITH HAMILL**

Mr. Keith Hamill, aged 65, has served as an Independent Non-Executive Director of the Company since June 2014, before which he served as a Non-Executive Director from May 2011 until June 2014. He has served as a non-executive director of the consolidated Group from October 2009 until May 2011. Mr. Hamill has served as a non-executive director and as a non-executive Chairman of Premier Foods plc, a British food manufacturer that is listed on the London Stock Exchange, since October 1, 2017 and November 9, 2017 respectively. Mr. Hamill is currently the chairman of Horsforth Holdings Ltd., a privately held investment holding company for a number of leisure businesses. Mr. Hamill's prior experience includes being chairman of inter-dealer broker Tullett Prebon plc (2006 to 2013), stockbroker Collins Stewart plc (2000 to 2006) and software developer Alterian plc (2000 to 2011), and an independent non-executive director of the distribution group Electrocompments plc (1999 to 2008), Max Property Group plc (2010 to 2014) and the airline Easyjet plc (2009 to 2017), all of which are or were listed on the London Stock Exchange. He was also an independent non-executive director of NASDAQ-listed publisher and printer Cadmus Communications Inc. (2002 to 2007). Mr. Hamill has also chaired the board of a number of UK privately owned companies which included Endell Group Holdings Limited (parent company of Travelodge Hotels Limited) (2003 to 2012), insurance broker HGL Holdings Limited (2005 to 2011) and construction business Avant Homes Limited (2013 to 2014). He was chief financial officer of hotel group Forte plc (1993 to 1996), retailer WH Smith plc (1996 to 2000) and United Distillers International Limited (1990 to 1993), and director of financial control at Guinness plc (1988 to 1991). Mr. Hamill was a partner at PricewaterhouseCoopers LLP (1986 to 1988). He was also chairman of the board of the University of Nottingham, United Kingdom. Mr. Hamill holds an Honorary Doctorate in Law from the University of Nottingham and is a Fellow of the Institute of Chartered Accountants, England and Wales.

Mr. Hamill is subject to re-election at the Annual General Meeting of the Company in accordance with the Articles of Incorporation for a period of three years expiring upon the holding of the annual general meeting of the Company to be held in 2021.

Mr. Hamill does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Hamill had a personal interest in 193,745 Shares or underlying Shares in the Company within the meaning of Part XV of the SFO.

Mr. Hamill received Director's fee amounting US\$165,000 for the year ended December 31, 2017 as an Independent Non-Executive Director and the chairman of the Remuneration Committee of the Company. The emoluments of Mr. Hamill are determined by reference to his duties and responsibilities with the Company and the Company's remuneration policy and are subject to review by the Remuneration Committee from time to time. His emoluments are covered by the letter of appointment issued by the Company dated May 27, 2011.

Save for the information disclosed above, there is no information which is discloseable nor is/was Mr. Hamill involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Hamill that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Buy-back Mandate.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,425,589,574 Shares.

Subject to the passing of the ordinary resolution set out in item 8 of the notice of the Annual General Meeting in respect of the granting of the Share Buy-back Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting to be held on June 7, 2018, the Directors would be authorized under the Share Buy-back Mandate to repurchase, during the period in which the Share Buy-back Mandate remains in force, a total of 142,558,957 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting (excluding the Shares that are held in treasury pending cancellation if waiver from the Stock Exchange is received) within the limits referred to in paragraphs 7 and 8 of the information on the proposed resolutions at the Annual General Meeting in the Letter from the Board.

## **2. REASONS FOR SHARE BUY-BACK**

The Directors believe that the granting of the Share Buy-back Mandate is in the best interests of the Company and the Shareholders.

Share buy-back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or EPS and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders.

## **3. FUNDING OF SHARE BUY-BACK**

Shares buy-back must be funded out of funds legally available for the purpose in accordance with the Articles of Incorporation and the Listing Rules and the applicable laws of Luxembourg. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, any buy-back by the Company may be made out of the Company's funds which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of Shares made for the purpose of the buy-back. Any amount of premium payable on the purchase over the par value of the Shares to be repurchased must be paid out of the funds which would otherwise be available for dividend or distribution or from sums standing to the credit of the Company's share premium account.

## **4. IMPACT OF SHARE BUY-BACK**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended December 31, 2017) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## 5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
April, 2017	30.65	27.50
May, 2017	32.30	28.25
June, 2017	33.20	30.65
July, 2017	34.65	31.40
August, 2017	32.90	29.00
September, 2017	33.55	31.00
October, 2017	35.95	32.10
November, 2017	34.40	31.10
December, 2017	38.50	32.60
January, 2018	37.20	33.25
February, 2018	35.20	30.85
March, 2018	38.40	33.10
April, 2018 ( <i>up to the Latest Practicable Date</i> )	38.60	35.05

## 6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Luxembourg.

## 7. TAKEOVERS CODE

If as a result of a buy-back of Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, The Capital Group Companies, Inc. and FIL Limited, the substantial shareholders of the Company (as defined in the Listing Rules), were interested in 171,304,989 and 84,463,400 Shares respectively representing approximately 12.01% and 5.92% of the total issued share capital of the Company respectively. In the event that the Directors exercise the proposed Share Buy-back Mandate in full, the shareholding of The Capital Group Companies, Inc. and FIL Limited would be increased to approximately 13.35% and 6.58% of the issued share capital of the Company respectively, based upon their shareholdings as at the Latest Practicable Date.

The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

## **8. SHARE BUY-BACK MADE BY THE COMPANY**

During the six months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company.

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

As at Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares or underlying shares or debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any, which they were taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register kept by the Company under Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) of the Listing Rules were as follows:

### (a) Long Position in Shares

<u>Name of Director</u>	<u>Nature of interest</u>	<u>Number of Shares held</u>	<u>Approximate shareholding %</u>
Timothy Charles Parker	Beneficial owner	60,475,844 (Note 1)	4.2%
Ramesh Dungarmal Tainwala	Beneficial owner and founder of a discretionary trust	16,089,070 (Note 2)	1.1%
Kyle Francis Gendreau	Beneficial owner and founder of a discretionary trust	6,316,071 (Note 3)	0.4%
Tom Korbas	Beneficial owner	1,442,704 (Note 4)	0.1%
Bruce Hardy McLain (Hardy)	Beneficial owner	883,400 (Note 5)	0.0%
Keith Hamill	Beneficial owner	193,745	0.0%
Ying Yeh	Beneficial owner	3,000	0.0%

#### Notes:

- (1) Comprised of 28,142,740 shares held by Mr. Parker and 28,142,740 shares held by his spouse, Ms. Therese Charlotte Christiaan Marie Parker, each as beneficial and registered owner. Mr. Parker is deemed by virtue of the SFO to be interested in the shares held by Ms. Parker. Also includes share options held by Mr. Parker that are exercisable for 4,190,364 Shares once vested.
- (2) Comprised of 6,102,034 Shares held by a discretionary trust of which Mr. Tainwala is the founder and share options exercisable for 9,987,036 Shares once vested.

- (3) Comprised of 1,409,648 Shares held by a discretionary trust of which Mr. Gendreau is the founder and registered owner and share options exercisable for 4,906,423 Shares once vested.
- (4) Comprised of 696,171 Shares held by Mr. Korbas as beneficial and registered owner and share options exercisable for 746,533 Shares once vested.
- (5) Comprised of 500,000 Shares held by Mr. McLain and 383,400 Shares held by his spouse, Ms. Helle Elisabeth Skov McLain, each as beneficial and registered owner. Mr. McLain is deemed by virtue of the SFO to be interested in the Shares held by Ms. McLain.

**(b) Interests in the Shares of Associated Corporations**

<u>Name of Director</u>	<u>Name of associated corporation</u>	<u>Nature of interest</u>	<u>Number of shares held</u>	<u>Approximate shareholding %</u>
Ramesh Dungarmal Tainwala	Samsonite India	Beneficial owner and interest in a controlled corporation	14,196,493 (Note 1)	40.00%
	Samsonite Middle East	Interest in a controlled corporation	8 (Note 2)	40.00%

*Notes:*

- (1) This amount includes (i) 1,807,020 shares jointly held by Mr. Tainwala's wife, Mrs. Shobha Tainwala, and his daughter, (ii) 9,644,473 shares in which Mr. Tainwala has full discretion to exercise voting rights under powers of attorney on behalf of other shareholders in Samsonite India, (iii) 556,000 shares held by Tainwala Holdings Private Limited and (iv) 2,189,000 shares held by Periwinkle Fashions Private Limited. Mrs. Tainwala is deemed to be interested in 66.28% of the issued share capital of Tainwala Holdings Private Limited while Mr. Tainwala is deemed to be interested in 69.86% of the issued share capital of Periwinkle Fashions Private Limited. Accordingly, Mr. Tainwala is deemed to be interested in the entire equity interest in Samsonite India held by Tainwala Holdings Private Limited (since Mrs. Tainwala's controlling interest in that company is attributed to him) and Periwinkle Fashions Private Limited (since he has a controlling interest in that company). The remaining 60% of the equity interest in Samsonite India is held by an indirect wholly owned subsidiary of the Company.
- (2) Mr. Tainwala holds 100% of the equity interest in Periwinkle Holdings Limited and therefore Mr. Tainwala is deemed to be interested in the entire 40% equity interest in Samsonite Middle East held by Periwinkle Holdings Limited. The remaining 60% of the equity interest in Samsonite Middle East is held by an indirect wholly owned subsidiary of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(c) **Interests in assets, contracts or arrangements of the Group**

As at the Latest Practicable Date, save as disclosed below, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since December 31, 2017, being the date to which the latest published audited financial statements of the Group were made up.

Samsonite India, a non-wholly owned subsidiary of the Company, has entered into transactions with the Tainwala Group which relate to the operation of Samsonite India in the ordinary and usual course of its business, namely:

- (1) on January 3, 2009, Samsonite India entered into a memorandum of understanding (the “**Abhishri Memorandum of Understanding**”) with Abhishri Packaging Private Limited (“**Abhishri**”), a company controlled by certain members of the Tainwala Group, pursuant to which Abhishri purchases certain raw materials and components from Samsonite India and manufactures hard-side luggage products on behalf of Samsonite India;
- (2) the Company entered into a framework agreement with Abhishri with effect from April 6, 2015 for an initial term until December 31, 2017 (which was further renewed for a one year term with effect from January 1, 2018) covering all transactions between Abhishri and members of the Group (in addition to those with Samsonite India under the Abhishri Memorandum of Understanding) for the sale of components and finished products and the provision of manufacturing services by Abhishri to members of the Group;
- (3) on November 16, 2009, Samsonite India entered into a memorandum of understanding with Bagzone, a company controlled by certain members of the Tainwala Group, pursuant to which Bagzone was appointed as a preferred dealer of *Samsonite*, *American Tourister* and other products in India. The memorandum of understanding was renewed with effect from January 1, 2015 for a period expiring on December 31, 2017 (which was further renewed for a one year term with effect from January 1, 2018); and
- (4) Samsonite India has entered into six lease or license agreements for company accommodation and office premises with members of the Tainwala Group.

Mr. Ramesh Tainwala and the Tainwala Group are also substantial shareholders in Samsonite India.

Samsonite Middle East, a non-wholly owned subsidiary of the Company, is held 40.0% by Mr. Ramesh Tainwala and members of the Tainwala Group. With effect from June 16, 2011, Samsonite Middle East entered into a framework agreement with the Company (the “**Middle East Framework Agreement**”) covering all transactions with other subsidiaries of the Company in the ordinary and usual course of the Group’s business including the purchase by Samsonite Middle East of finished products from other subsidiaries of the Company, the receipt and payment by Samsonite Middle East of cross-charges and fees in relation to the sharing of global marketing, promotion, product development and personnel costs between subsidiaries of the Company and the payment by Samsonite Middle East of royalties in respect of intellectual property rights licensed to Samsonite Middle East. Samsonite Middle East and the Company have further renewed the Middle East Framework Agreement for a period of three years with effect from January 1, 2016.

On July 14, 2017, Tumi Asia, Limited (“**Tumi Asia**”), a wholly-owned subsidiary of the Company, entered into a management services agreement (the “**Management Services Agreement**”) with Samsonite Middle East pursuant to the Renewed Middle East Framework Agreement.

Under the Management Services Agreement, Samsonite Middle East has agreed to provide certain management services to assist Tumi Asia to manage and expand sales of Tumi-branded products in the Middle East (the “**Tumi Middle East Business**”) and to increase the Tumi brand awareness in the Middle East, and Tumi Asia has agreed to pay Samsonite Middle East a management service fee in respect of such services. The Management Services Agreement was entered into with effect from July 1, 2017 and will expire on December 31, 2018 and may be renewed for successive periods of three years, subject to compliance with the relevant requirements of the Listing Rules.

Samsonite India, a non-wholly owned subsidiary of the Company, is held 40.0% by Mr. Ramesh Tainwala and members of the Tainwala Group. With effect from June 16, 2011, Samsonite India entered into a framework agreement with the Company (the “**India Framework Agreement**”) covering all transactions with other subsidiaries of the Group in the ordinary and usual course of the Group’s business including the purchase by Samsonite India of raw materials, components, spare parts, finished products and capital assets from other subsidiaries of the Company, the sale of finished products by Samsonite India to other subsidiaries of the Group, the receipt and payment by Samsonite India of cross-charges and fees in relation to the sharing of global marketing, promotion and product development costs between subsidiaries of the Group, and the payment by Samsonite India of royalties in respect of intellectual property rights licensed to Samsonite India. Samsonite India and the Company have further renewed the India Framework Agreement for a period of three years with effect from January 1, 2016.

As part of the Group’s overall relationship with Bagzone and the Tainwala Group, since December 2010 Samsonite (China) Co., Ltd. (“**Samsonite China**”), a wholly-owned indirect subsidiary of the Company, has provided sourcing support and quality inspection services to Bagzone in respect of the Lavie women’s handbag brand which is owned by Bagzone. On December 28, 2016, Samsonite China entered into a framework agreement with Bagzone (the “**Samsonite China Framework Agreement**”) pursuant to which Samsonite China has agreed to provide sourcing support and quality inspection services to Bagzone in respect of the Lavie women’s handbag brand.

As at the Latest Practicable Date, save as disclosed above, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular and which is significant in relation to the business of the Group taken as a whole.

**(d) Competing interests**

Mr. Jerome Squire Griffith, a Non-Executive Director of the Company, serves as chief executive officer and as a director of Lands' End, Inc. Lands' End, Inc., a company listed on the NASDAQ, is a leading multi-channel retailer of clothing, accessories, footwear and home products. The products of Lands' End, Inc. include bags. Lands' End, Inc.'s bag business is incidental to its core business and the Company does not consider Lands' End, Inc. to be a significant competitor.

Planet Retail Holdings Private Limited ("**Planet Retail**"), a company owned by the Tainwala Group, holds exclusive distribution rights in India for the Cath Kidston and Accessorize women's fashion and accessory brands and distributes such brands in India through wholesale and direct-to-consumer channels. Both brands' product offerings include women's handbags and other bags. Mr. Tainwala is a director of Planet Retail. The Tainwala Group has also entered into joint ventures in India with the Wacoal women's lingerie brand and the Havaianas footwear brand (the product offering of which also includes some women's accessories). The Tainwala Group holds a 49% interest in each of these joint ventures and Mr. Tainwala is a director of such joint ventures. Bagzone, a company owned by the Tainwala Group, sells women's handbags and other casual bags under its Lavie brand through wholesale and direct-to-consumer channels in India. The Company does not consider that the businesses conducted in India by Planet Retail, the joint ventures with respect to Wacoal and Havaianas, or Bagzone with respect to the Lavie brand as described above, are significant competitors of the Company.

As at the Latest Practicable Date, save as disclosed above, none of the Directors or their close associates had an interest in any business which competes or is likely to compete, either directly or indirectly, with the Group's business.

**(e) Common directors**

As at the Latest Practicable Date, none of the Directors was a director or employee of any company which has an interest or short position in the Shares or underlying shares of the Company which were required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had, or is proposed to have, a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without compensation (other than statutory compensation)).

**4. NO MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since December 31, 2017, the date to which the latest published audited consolidated financial statements of the Group were made up.

## 5. EXPERTS

### (a) Qualification of experts

The following are the names and qualification of the experts who have given advice which are contained in this circular:

Name	Qualification
Somerley Capital Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Mercer, Inc.	Independent global human resources consulting firm

### (b) Interests of experts

As at the Latest Practicable Date, neither Somerley nor Mercer had any interest in any securities of any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, and neither Somerley nor Mercer had any direct or indirect interest in any assets which had been, since December 31, 2017 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

### (c) Consents of expert

Each of Somerley and Mercer has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or references to its name in the form and context in which they respectively appear.

## 6. LANGUAGE

The English text of this circular shall prevail over the Chinese text in the event of any inconsistency.

## 7. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Share Award Scheme currently in force will be available for inspection at the Company's registered office at 13–15 Avenue de la Liberté, L-1931 Luxembourg and at the office of Freshfields Bruckhaus Deringer at 55th Floor, One Island East, Taikoo Place, Quarry Bay, Hong Kong on any weekday, except Saturdays, Sundays and public holidays, from the date of this circular until the date of the Annual General Meeting.



**SAMSONITE INTERNATIONAL S.A.**

**新秀丽國際有限公司**

*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)**

April 23, 2018

*To the Independent Shareholders*

Dear Sir/Madam,

**PROPOSED CONNECTED TRANSACTIONS RELATING TO THE  
PROPOSED GRANTS OF RSUS TO THE CONNECTED PARTICIPANTS**

We refer to the circular dated April 23, 2018 (the “**Circular**”) issued by the Company to the Shareholders, of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

We, being all the independent non-executive Directors, have been appointed by the Board as the members of the Independent Board Committee to advise the Independent Shareholders as to whether the Connected Grants are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole and whether the terms of the Connected Grants are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Connected Grants.

Your attention is drawn to the letter from the Board set out on pages 6 to 37 of the Circular which contains, among other things, details of the terms of the Connected Grants and the letter from Somerley set out on pages 51 to 65 of the Circular which contains its advice to the Independent Board Committee and the Independent Shareholders, together with the principal factors and reasons taken into consideration in arriving at such advice.

Having considered the advice from Somerley, we are of the view that the Connected Grants are in the ordinary and usual course of business of the Company and the Group as a whole and in the interests of the Company and the Shareholders as a whole and the terms of the Connected Grants are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders to vote in favor of the proposed ordinary resolutions relating to the Connected Grants contained in paragraphs 11, 12 and 13 of the notice of the Annual General Meeting.

Yours faithfully

**Independent Board Committee**

**Paul Kenneth Etchells**

**Keith Hamill**

**Bruce Hardy McLain (Hardy)**

**Ying Yeh**

*Independent Non-executive Directors*

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## LETTER FROM SOMERLEY

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*Set out below is the text of the letter of advice from Somerley Capital Limited to the Independent Board Committee and the Independent Shareholders in relation to the Connected Grants for inclusion in this circular.*



### SOMERLEY CAPITAL LIMITED

20th Floor  
China Building  
29 Queen's Road Central  
Hong Kong

April 23, 2018

*To: the Independent Board Committee and the Independent Shareholders of  
Samsonite International S.A.*

Dear Sirs,

## PROPOSED CONNECTED TRANSACTIONS RELATING TO THE PROPOSED GRANTS OF RSUS TO CONNECTED PARTICIPANTS

### INTRODUCTION

We refer to our appointment by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with the Connected Grants. Details of the Connected Grants are set out in the letter from the Board contained in the circular of the Company to the Shareholders dated April 23, 2018 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

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. Since the adoption of the Share Award Scheme, the Company's long-term incentive plan for the Group's senior executives and employees has consisted of the grant of Awards in the form of Options but not any RSU under the Share Award Scheme.

With a view to aligning the LTIP for the Group's senior executives 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 Board has proposed that the LTIP for the Group's senior executives be comprised of the PRSU, the TRSU and the Options.

In order to implement the Company's LTIP and to facilitate the granting of RSUs, the Board proposes 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 8,876,044 new Shares (the “**Share Award Mandate**”), representing 0.62% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution to approve the Share Award Mandate at the Annual General Meeting (assuming the issued share capital of the Company remains unchanged on the date of the Annual General Meeting), and allot, issue and deal with Shares underlying the RSUs granted pursuant to the Share Award Scheme as and when such RSUs vest.

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## LETTER FROM SOMERLEY

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At the same time, the Remuneration Committee and the Board have proposed to grant to: (i) Mr. Ramesh Dungarmal Tainwala, the Chief Executive Officer and Executive Director, an aggregate Target LTI Value equivalent to 475% of his base salary of US\$1,400,000 for the year 2018 (of which 50% of the Target LTI Value will be in the form of PRSUs, 25% in the form of TRSUs and 25% in the form of Options); (ii) Mr. Kyle Francis Gendreau, the Chief Financial Officer and Executive Director, an aggregate Target LTI Value equivalent to 225% of his base salary of US\$655,600 for the year 2018 (of which 50% of the Target LTI Value will be in the form of PRSUs, 25% in the form of TRSUs and 25% in the form of Options); and (iii) the Other Connected Participants RSUs representing an aggregate target grant date value of US\$3,851,919 (which will be in the form of PRSUs and/or TRSUs). The Other Connected Participants comprise senior executives 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 Director, being Mr. Ramesh Tainwala.

As (i) Mr. Tainwala and Mr. Gendreau are Directors; and (ii) the Other Connected Participants are directors and/or chief executives one or more of the Significant Subsidiaries of the Company or an associate of a Director, they are connected persons of the Company under the Listing Rules. Accordingly, the Connected Grants constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to reporting, announcement and Independent Shareholders' approval requirement under the Listing Rules.

The Independent Board Committee, comprising all four of the Company's independent non-executive Directors, namely Mr. Paul Kenneth Etchells, Mr. Keith Hamill, Mr. Bruce Hardy McLain (Hardy) and Ms. Ying Yeh, has been formed to make recommendation to the Independent Shareholders on the terms of the Connected Grants. We, Somerley Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

We are not associated with the Company, the Connected Participants or their respective close associates, associates or core connected persons (all as defined under the Listing Rules) and accordingly we are considered eligible to give independent advice on the Connected Grants. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Connected Participants or their respective close associates, associates or core connected persons.

In formulating our opinion, we have reviewed, amongst other documents, the Share Award Scheme, the independent compensation consultant report (the "**Compensation Expert Report**") prepared by Mercer, a global human resources consulting firm, the annual report of the Company for the year ended December 31, 2016 (the "**2016 Annual Report**"), the interim report of the Company of the six months ended June 30, 2017, the annual results announcement of the Company for the year ended December 31, 2017 (the "**2017 Annual Results Announcement**") and the information contained in the Circular.

We have relied on the information and facts supplied, and the opinions expressed to us, by the management and the Directors of the Group which we have assumed to be true, accurate, complete and not misleading in all material aspects at the relevant time they were supplied or expressed. We have also sought and received confirmation from the Company that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to believe that any material information has been withheld from us, or to doubt the truth, accuracy or completeness of the information provided. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

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## LETTER FROM SOMERLEY

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and our recommendation with regard to the Connected Grants, we have taken into account the principal factors and reasons set out below:

#### 1. Information on the Group

The Group is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, women's bags, outdoor and casual bags, travel accessories and slim protective cases for personal electronic devices throughout the world, primarily under the *Samsonite*<sup>®</sup>, *Tumi*<sup>®</sup>, *American Tourister*<sup>®</sup>, *Speck*<sup>®</sup>, *High Sierra*<sup>®</sup>, *Gregory*<sup>®</sup>, *Lipault*<sup>®</sup>, *Kamiliani*<sup>®</sup>, *Hartmann*<sup>®</sup> and *eBags*<sup>®</sup> brand names as well as other owned and licensed brand names.

#### 2. Background of and reasons for the Connected Grants

On September 14, 2012, the Shareholders adopted the Share Award Scheme, which will remain in effect until September 13, 2022. The purpose of the Share Award Scheme is to attract skilled and experienced personnel, to incentivise them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

Under the Share Award Scheme, the Board may grant Awards of Options or RSUs to participants. The difference between RSUs and Options is that holders of Options have the right to elect, at their discretion, whether to exercise their Option to subscribe for the new Share; and they are required to pay an exercise price upon such exercise. By contrast, holders of RSUs hold contingent rights to receive Shares when the RSUs vest. Upon the vesting of an Award of RSUs, they do not need to elect to receive the Shares underlying the RSUs and do not need to pay any consideration (or only pay the nominal value of the Shares if required by the Company) in order to receive those Shares underlying the RSUs. As participants may not be required to pay for Shares upon vesting of an Award of RSUs, they can receive the same economic advantage using fewer Shares than upon exercise of an Award of Options, which means that the dilutive effect of Awards of RSUs is less than that of Awards of Options.

Since the adoption of the Share Award Scheme, the Company's LTIP for the Group's senior executives and employees has consisted of the grant of Awards in the form of Options under the Share Award Scheme.

As set out in the letter from the Board contained in the Circular, the Board notes that international companies are increasingly moving towards performance-based long-term restricted share awards to senior executives in order to increase alignment with shareholders' interests. The Board further recognises 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 where 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 United States of America (the "USA"). Therefore, in order to better reflect the compensation practices of the Company's peers, the Board retained Mercer to provide compensation consulting services including, among other things, recommendation of a performance-based compensation program more closely aligned with peer group practice.

With a view to aligning the LTIP for the Group's senior executives 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 Board has proposed to revise the LTIP for the Group's senior executives after considering advices from Mercer and a leading governance advisory firm, which reflects a positive move toward performance-based awards in lieu of share options and reinforces the Company's philosophy of "pay-for-good-performance".

3. Information on the Connected Participants and the Connected Grants

The table below sets out the roles and responsibilities of the Connected Participants, grant date value of the RSUs under the Share Award Scheme and the estimated number of the Shares to be granted upon vesting of the RSUs:

Name	Position/Title	Roles and responsibilities	Grant date value of TRSUs (US\$)	Grant date value of PRSUs (US\$)	Total grant date value of RSUs (US\$)	Estimated number of the Shares to be granted upon vesting of the RSUs (Note)	Approximate % of total issued share capital as at the Latest Practicable Date
<b>Directors</b>							
Mr. Ramesh Dungarmal Tainwala	Chief Executive Officer and Executive Director	Mr. Tainwala is responsible for the Company's overall strategic planning and for managing the Group's operations.	1,662,500	Threshold Target Maximum	2,992,500 4,987,500 9,243,500	652,422 1,087,370 2,015,258	0.05% 0.08% 0.14%
Mr. Kyle Francis Gendreau	Chief Financial Officer and Executive Director	Mr. Gendreau is responsible for managing all aspects of the Group's finance and treasury matters.	368,775	Threshold Target Maximum	663,795 1,106,325 2,050,389	144,720 241,200 447,023	0.01% 0.02% 0.03%
<b>Other Connected Participants</b>							
Mr. Patrick Baele	Vice President of Finance/Chief Financial Officer (Europe)	Mr. Baele is responsible for managing all aspects of the Group's finance and treasury matters in the Europe region.	291,340	Not applicable	291,340	63,519	Less than 0.01%
Ms. Lynne Berard	President of North America	Ms. Berard is responsible for the overall management and development of the Company's business (excluding the Tumi brand) in the United States and Canada.	179,025	Threshold Target Maximum	322,245 537,075 995,379	70,255 117,092 217,014	Less than 0.01% 0.01% 0.02%
Mr. Arne Borrey	President of Europe	Mr. Borrey is responsible for the overall management and development of the Group's business in Europe.	201,011	Threshold Target Maximum	361,820 603,033 1,117,620	78,883 131,472 243,665	0.01% 0.01% 0.02%
Mr. Robert W. Cooper	General Manager of North America for Tumi	Mr. Cooper is responsible for the overall management and development of the Tumi brand's business in North America.	179,025	Threshold Target Maximum	322,245 537,075 995,379	70,255 117,092 217,014	Less than 0.01% 0.01% 0.02%

## LETTER FROM SOMERLEY

Name	Position/Title	Roles and responsibilities	Grant date value of TRSUs (US\$)	Grant date value of PRSUs (US\$)	Total grant date value of RSUs (US\$)	Shares to be granted upon vesting of the RSUs (Note)	Estimated number of the	Approximate % of total capital as at the Latest Practicable Date
Mr. Subrata Dutta	President of Asia Pacific and Middle East	Mr. Dutta is responsible for the overall management and development of the Company's business in Asia.	157,137	Threshold Target Maximum	282,847 471,411 873,682	61,665 102,776 190,480		Less than 0.01% 0.01% 0.01%
Mr. J. Roberto Guzmán	President of Latin America	Mr. Guzman is responsible for the overall management and development of the Company's business in Latin America.	168,559	Threshold Target Maximum	303,406 505,678 937,188	66,148 110,247 204,326		Less than 0.01% 0.01% 0.01%
Mr. Richard Andrew Lamb	Vice President of Intellectual Property	Mr. Lamb is responsible for managing the Company's intellectual property portfolio.	106,963	Not applicable	106,963	23,322		Less than 0.01%
Mr. John Bayard Livingston	Executive Vice President, General Counsel and Joint Company Secretary	Mr. Livingston is responsible for all of the Company's legal matters worldwide and provides counsel to senior management and the Directors on matters of corporate governance.	162,488	Threshold Target Maximum	292,478 487,463 903,431	63,765 106,276 196,967		Less than 0.01% 0.01% 0.01%
Mr. Rui Guo Ma (Frank)	President of Greater China	Mr. Ma is responsible for the overall management and development of the Group's business in mainland China and Taiwan.	290,954	Not applicable	290,954	63,435		Less than 0.01%
Mrs. Anushree Tainwala	Executive Director of Marketing (India)	Mrs. Tainwala is responsible for the Group's marketing in India.	20,927	Not applicable	20,927	4,563		Less than 0.01%
<b>Total</b>			<b>3,788,704</b>	<b>Threshold Target Maximum</b>	<b>6,251,520 9,945,744 17,826,752</b>	<b>1,362,952 2,168,364 3,886,586</b>		<b>0.10% 0.15% 0.27%</b>

*Note: The estimated numbers of the Shares to be granted upon vesting of the RSUs as set out in the table above are for illustrative purpose only. They are calculated based on the sum of the grant date values of the TRSUs and the PRSUs and dividing the sum by a per Share price of HK\$36.0 (equivalent to approximately US\$4.59 per Share), the closing price of the Shares as of the Latest Practicable Date. The exact numbers of Shares will be determined by dividing the Target LTI 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, and may differ from the above estimates.*

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## LETTER FROM SOMERLEY

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Two Connected Participants are executive Directors, namely Mr. Ramesh Dungarmal Tainwala and Mr. Kyle Francis Gendreau, and the rest of the Connected Participants are directors or chief executives of different Significant Subsidiaries of the Company or (in the case of Mrs. Anushree Tainwala) an associate of a Director.

Mr. Ramesh Dungarmal Tainwala has served as the Company's Chief Executive Officer since October 1, 2014. Prior to his appointment as Chief Executive Officer, Mr. Tainwala served as the Company's Chief Operating Officer from March 2014 until September 2014. Before his appointment as Chief Operating Officer, he served as the Company's President, Asia-Pacific and Middle East. Prior to joining the Company in November 1995, Mr. Tainwala was an entrepreneur in the plastic processing and consumer goods industries, including with Tainwala Chemicals & Plastics (India) Limited with which he was associated from 1985 to 2008.

Mr. Kyle Francis Gendreau has served as the Company's Chief Financial Officer since January 2009 and he joined the Company in June 2007 as Vice President of Corporate Finance and as Assistant Treasurer. Prior to joining the Company, he held various positions including vice president of finance and chief financial officer at Zoots Corporation, a venture capital-backed start-up company from 2000 to 2007, assistant vice president of finance and director of SEC reporting at Specialty Catalog Corporation, a listed catalog retailer from 1997 to 2000 and a manager at Coopers & Lybrand in Boston from 1991 to 1996.

Further information on the biographies of Mr. Tainwala and Mr. Gendreau can be found in the annual reports of the Company in recent financial years.

In addition to the above, we have also reviewed the biographies and roles and responsibilities in the Group of the Other Connected Participants. Based on our review, we are of the view that the aforementioned participants are capable of having a significant influence on the performance of the Group.

#### 4. Summary of the LTIP and key terms of the Connected Grants

Set out below is a summary of key features of the LTIP, details of which are set out in the letter from the Board contained in the Circular.

##### (i) Selection of peer companies

Based on the Compensation Expert Report prepared by Mercer and the advice from a leading governance advisory firm, the Board has identified 11 companies (the "**Peer Companies**") which are of similar industry sectors, business operations with revenue, market capitalisation, global presence comparable with the Company. The Peer Companies consist of Hanesbrands Inc., Michael Kors Holdings Limited, Tapestry, Inc. (formerly known as 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. and Deckers Outdoor Corporation. Also, Mercer has identified six international peer companies, comprising Burberry Group plc, Hugo Boss AG, Prada S.p.A. ("**Prada**"), Global Brands Group Holdings Limited, L'Occitane International S.A. and Belle International Holdings Limited ("**Belle**") (together with the Peer Companies, the "**Global Peer Companies**"), which are considered comparable for the purpose of the Compensation Expert Report. For the avoidance of doubt, since Belle was delisted in 2017 and therefore it is excluded from the Global Peer Companies in the section headed "(iv). PRSUs" in this letter.

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## LETTER FROM SOMERLEY

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We have reviewed and discussed with Mercer the selection criteria and assessed the appropriateness of the Global Peer Companies. According to Mercer, the Global Peer Companies are, in their opinion, appropriate and a representative sample for comparison with the Company on the basis of similar industry sectors, business operations with revenue and market capitalisation, while also considering the Company's significant global presence. We have reviewed the financial performance of the Global Peer Companies and noted that (i) the Company and the Global Peer Companies are principally engaged in similar business activities (i.e. consumer brands and fashions); (ii) all of the Company and the Global Peer Companies have global presence of the products and brands; (iii) the Company and the Global Peer Companies have comparable market capitalisation; and (iv) all of the Company and the Global Peer Companies have generated revenue worldwide. Having considered the above, we are satisfied with the selection of the Global Peer Companies.

### **(ii) Total compensation packages for Mr. Tainwala, Mr. Gendreau and the Other Connected Participants**

The Company has engaged Mercer to review the compensation packages for Mr. Tainwala, an executive Director and chief executive officer of the Company, Mr. Gendreau, an executive Director and chief financial officer of the Company, and the Other Connected Participants. The compensation packages for Mr. Tainwala, Mr. Gendreau and the Other Connected Participants mainly comprise (a) base salary; (b) short-term incentives represented by a percentage of yearly base salary; (c) long-term incentives which are currently in the form of Options; and (d) other customary benefits. Details of the total compensation of each of Mr. Tainwala and Mr. Gendreau in recent years are set out in the 2017 Annual Results Announcement and the 2016 Annual Report.

Mercer has compared the total compensation levels of (i) Mr. Tainwala with that of the chief executive officers of the Global Peer Companies; (ii) Mr. Gendreau with that of chief financial officers and the second highest-ranked executives of the Global Peer Companies.

We have reviewed the proposed total compensation package for Mr. Tainwala for the year ending December 31, 2018 and noted that it is within the range of that for the chief executive officers of the Global Peer Companies. We have also discussed with Mercer on the proposed compensation level of Mr. Tainwala and noted that such level reflects the demanding nature of Mr. Tainwala's job including unusually high levels of travel commitments and number of direct reports to be handled by him. The pay mix of Mr. Tainwala's proposed compensation package comprises approximately 14% of base salary, approximately 21% of short-term incentive and approximately 66% of long-term incentive. After taking into account the pay mix in the market, we are of the view that the pay mix of Mr. Tainwala is generally in line with the market, of which approximately 18% is base salary, approximately 28% is the short-term incentive and approximately 54% is the long-term incentive. Having considered the above, we are of the view that the proposed total compensation package for and the pay mix of Mr. Tainwala to be appropriate.

We have also reviewed the proposed total compensation package for Mr. Gendreau for the year ending December 31, 2018 and noted that it is within the range of that of both chief financial officers and the second highest rank officers of the Global Peer Companies. The pay mix of Mr. Gendreau proposed compensation package comprises approximately 24% of base salary and short-term incentives respectively and approximately 52% of long-term incentives. After taking into account the pay mix in the market, we are of the view that the pay mix of Mr. Gendreau is generally in line with the market, of which approximately 30% is base salary, approximately 24% is the short-term incentive and approximately 46% is the long-term incentive. Having considered the above, we are of the view that the proposed total compensation package for and pay mix of Mr. Gendreau to be appropriate.

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## LETTER FROM SOMERLEY

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We consider a higher proportion of long-term incentive for senior management which links to the actual performance of the Company is favourable to the Company as the compensation packages for the senior management align with the shareholders' interest and demonstrates the Company's philosophy of "pay-for-good-performance".

In addition to the above, the Company and Mercer have compared the total compensation packages for the Other Connected Participants (who are senior management of the Group) with that from Mercer's survey market data of companies engaging similar business of the Company in the USA and/or the rest of the world. We have obtained and reviewed the relevant results of the survey and noted that the total compensation packages for the Other Connected Participants (who are senior management of the Group) are, as a whole, comparable to those of similar positions in the market.

As for the Other Connected Participants (who are not senior management of the Group), we have reviewed and discussed the total compensation packages for the Other Connected Participants (who are not senior management of the Group) with the management of the Group and noted that the total compensation packages for the Other Connected Participants (who are not senior management of the Group) are generally comparable with those of other employees (who are not senior management of the Group), after having considered the factors including the respective role, responsibility and contribution to the Group and longevity with the Company.

### **(iii) Weighting of Awards**

Whereas previous years' Awards consisted entirely of Options, the proposed LTIP replaces a portion of Option grants with PRSUs and/or TRSUs. The Target LTI Value of Awards to be granted to the Group's Connected Participants (who are senior management of the Group) will be comprised 50% of PRSUs, 25% of TRSUs and 25% of Options based on the grant date value. The Target LTI Value of Awards to be granted to the Group's Connected Participants (who are not senior management of the Group) will be comprised 75% of TRSUs and 25% of Options (based on the grant date value).

We have reviewed the Compensation Expert Report and noted that only 2 (i.e. Belle and Prada) out of the 19 Global Peer Companies did not have any long-term incentive schemes in place. Among the rest of the Global Peer Companies, the average mix of the long-term incentive scheme consist of 50% performance shares, 25% service-based stock (i.e. TRSUs) and 25% options. Therefore, we considered the proposed mix of 50% PRSUs, 25% TRSUs and 25% Options of the LTIP is comparable with that of the Global Peer Companies.

### **(iv) PRSUs**

As discussed with the management of the Group, a PRSU under the LTIP is a contractual right, granted to a participant, to be given a relevant number of award shares for nil or nominal cash consideration if relevant performance targets are achieved. The PRSUs do not confer rights to the participant as a Shareholder until such time as the performance targets are achieved, the PRSUs are vested and converted into the Shares.

PRSUs will 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 a key performance indicator. Final vesting is modified based on total shareholders' return ("TSR") relative to the Global Peer Companies, with no positive TSR modifier applied if absolute TSR is negative. Final vesting level of PRSUs is modified based on the Group's TSR relative to the Global Peer Companies' TSR to ensure that senior executives are rewarded for performance that exceeds the Global Peer Companies' performance and that rewards are reduced if relative performance is below that of the Global Peer Companies.

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## LETTER FROM SOMERLEY

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As set out in the letter from the Board contained in the Circular, the PRSUs ensure that there is a greater linkage between the Company's stated long-term strategic and financial goals and executive compensation.

Set out below are further details of the performance measures and performance period of the PRSUs:

(a) *Performance measures*

The performance measures of the PRSUs are divided to 80% as to the adjusted earnings per Share (the "Adjusted EPS") and 20% as to the strategic key performance indicator (the "Strategic KPI"). Details of the performance conditions, including maximum vesting level of the PRSUs, for each of the performance measures are set out below:

(1) *Adjusted EPS (80% weighting)*

	<b>3-year cumulative adjusted EPS (% of target)</b>	<b>Vesting level (% of shares granted)</b>
<b>Maximum</b>	120% or higher	200%
<b>Target</b>	100%	100%
<b>Threshold</b>	90%	50%
	Below 90%	0%

*Notes:*

- (1) *Adjusted EPS targets are deemed to be commercially sensitive and will not be disclosed prospectively. However, retrospective disclosure of the targets and performance against them will be provided in the Company's annual report following the end of the performance period.*
- (2) *Vesting levels will be interpolated for actual performance between goals.*

The 3-year cumulative Adjusted EPS represents the cumulative adjusted diluted earnings per Share for the three years ending December 31, 2020. The adjusted diluted earnings per Share for the year ended December 31, 2017 was US\$0.182. In determining the target 3-year cumulative Adjusted EPS, the Remuneration Committee and Mercer have taken into account a number of factors including: (i) the recent historical performance of the cumulative annual growth rate of the earnings per share for three years (the "EPS 3-year CAGR") of the Company, the Global Peer Companies and the general market; (ii) the analyst forecasts on the future performances of the EPS 3-year CAGR of the Company, the Global Peer Companies and the general market for the three years ending December 31, 2020; and (iii) the Company's internal projection of the EPS 3-year CAGR for the three years ending December 31, 2020. We have obtained the goal setting guidelines for PRSUs prepared by Mercer and we have reviewed the aforesaid historical performances, analyst consensus and projection of the adjusted diluted EPS of the Company in determining the target Adjusted EPS by the Company's management and we considered that the aforesaid goal setting methodology to be appropriate.

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## LETTER FROM SOMERLEY

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In determining the actual payout, it is proposed that if the Company achieves 120% or higher of the 3-year cumulative Adjusted EPS target, the vesting level will be 200% of the target number of the Shares. Mercer noted that for the Global Peer Companies adopting EPS as the performance measurement, accomplishing 115% of the target was a common benchmark of entitlement for maximum vesting level and the vesting level for achieving such maximum performance level (i.e. 115% of the target) was approximately 183%. On the other hand, if the Company only manages to achieve 90% of the Adjusted EPS target, the vesting level will drop to 50% of the target number of the Shares. The average benchmark for the threshold performance level of the Global Peer Companies was approximately 86%, which is lower than the proposed threshold performance level of the Company of 90%, with the average vesting level of approximately 36%. Having considered the above, we are of the view that the scale of the proposed performance target and vesting level are in line with, if not more stringent than, the prevailing market practices.

(2) *Strategic KPI (20% weighting)*

	<b>Strategic KPI (% of target)</b>	<b>Vesting level (% of shares granted)</b>
<b>Maximum</b>	110% or higher	150%
<b>Target</b>	100%	100%
<b>Threshold</b>	90%	50%
	Below 90%	0%

*Notes:*

- (1) *Strategic KPI target is deemed to be commercially sensitive and will not be disclosed prospectively. However, retrospective disclosure of the targets and performance against them will be provided in the Company's annual report following the end of the performance period.*
- (2) *Vesting levels will be interpolated for actual performance between goals.*

The Strategic KPI represents the total sales amount that are direct-to-consumer, which includes sales through bricks-and-mortar retail and direct-to-consumer e-commerce channels, in 2020. In determining the target direct-to-consumer sales, the Remuneration Committee and Mercer have considered the existing percentage of direct-to-consumer sales to total sales and the projected growth of direct-to-consumer sales for each of the three years ending December 31, 2018, 2019 and 2020. We have reviewed the Company's future plan on direct-to-consumers sales and noted that the plan is consistent with the target level of the Strategic KPI.

Based on our discussion with Mercer, we understand that strategic measures generally reflect management's strategic priorities and are very company specific and not typically driven by market practices. Nevertheless, from the experience of Mercer and consistent with how the Company's goals were set, the performance ranges for non-financial goals (i.e. the Strategic KPI in the Connected Grants) are often more narrow than financial goals (i.e. the Adjusted EPS in the Connected Grants) as the goals are typically calibrated so they will be met and less volatility is expected. Because of the more narrow performance range and less volatility, the maximum payouts for non-financial goals are typically lower.

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## LETTER FROM SOMERLEY

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We considered that the Strategic KPI to be adopted by the Company is designed to incentivise achievement of one of the Company’s principal strategies as outlined in the 2017 Annual Results Announcement, namely to increase the proportion of net sales from the direct-to-consumer channels. Based on our discussion with the management of the Group, we understand that the aforesaid strategy allows the Group to (i) diversify distribution channels and reduce reliance on third party retailers; (ii) enhance ability to control brand image and merchandising in the Group’s own retail stores and on the Group’s own websites; and (iii) improve the Group’s profitability due to higher margins from direct-to-consumer sales. Having considered the expected benefits above, we consider the proposed adoption of the Strategic KPI is, in general, in line with the interests of the Shareholders.

### (3) *TSR Modifier*

	<b>3-year TSR percentile ranking</b>	<b>TSR modifier (the “TSR Modifier”) (% adjustment to vesting level as determined by Adjusted EPS and the Strategic KPI)</b>
<b>Maximum</b>	90th or higher	20%
<b>Target</b>	50th	0%
<b>Threshold</b>	25th or lower	-20%

*Note: No positive TSR modifier will be applied if absolute TSR is negative. Vesting levels will be interpolated for actual performance between goals.*

TSR is the total return of a stock to an investor, or the capital gain plus dividends. TSR is the internal rate of return of all cash flows to an investor during the holding period of an investment. Relative TSR is a market-based performance measure that substantially aligns the interests of the Shareholders with the Participants. The higher the relative TSR, the higher the likelihood for the Shareholders to benefit from investing in the Shares, as compared to the shares of peer companies.

For the 3-year TSR percentile ranking, Mercer noted that 88% of companies set the threshold performance for relative TSR payouts between 25th and 35th percentile of the selected benchmark and 79% of the companies set their target payout at the 50th percentile. The most common maximum payouts are at 75th and 90th percentiles. We have reviewed the relative TSR payout scale as mentioned above and considered the range of the relative TSR payout is in line with market practices.

For the TSR Modifier, Mercer further noted that the most common practices had threshold payouts of 50% of target and maximum payouts of 200% of target. The proposed TSR Modifier of 80% of the target (i.e. -20% in the table above) and 120% of the target (i.e. 20% in the table above) for the threshold payout and maximum payout respectively therefore has a narrower range but, in our view, is consistent with market practices.

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## LETTER FROM SOMERLEY

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We have discussed with Mercer the appropriateness in selecting the Adjusted EPS, the Strategic KPI and the TSR Modifier as the performance measures. According to Mercer, a relative TSR compared to the peers and the EPS are the most prevalent performance metrics for long-term incentive plans adopted by companies with performance-based long-term incentive plans. Approximately 59% and 27% of the companies listed in Standard & Poor's 500 Index, an American stock market index based on the market capitalisation of 500 largest companies having common stock traded on New York Stock Exchange or NASDAQ, adopted relative TSR and EPS respectively for performance measurement.

Having considered the above, we consider the performance measures of the PRSUs proposed to be adopted by the Company are in line with the market practices.

The final number of Shares vested under the PRSUs will vary depending on the level of achievement of performance conditions applicable to PRSUs, thereby ensuring that the actual payout is linked to the Company's performance.

*(b) Performance period*

PRSUs will vest three years after the grant date only upon achievement of pre-established cumulative performance goals determined as mentioned above. The performance period is from January 1, 2018 to December 31, 2020 (the "**Performance Period**"). The Group's achievement against the corresponding performance targets will be determined upon the end of the Performance Period for the purpose of vesting of the PRSUs.

Based on our discussion with Mercer, we noted that three-year performance period is the most common practice in the USA. We have reviewed a survey conducted by Mercer, among 478 companies under the survey, approximately 89.3% opted for a 3-year performance period for similar PRSUs. Approximately 85.6% of the above adopted cliff vesting, i.e. the PRSUs are fully vested at specified time compared with partially vested in increasing amount over the performance period. We have obtained the survey results from Mercer and noted that the findings are consistent with above.

We also consider the Performance Period of three years to be sufficient (but not prolonged) period of time to evaluate the performance of the Group, while not losing sight of the Participants' interests in realising their PRSUs.

**(v) TRSUs**

As set out in the letter from the Board contained in the Circular, 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 executive in accordance with the terms of the Share Award Scheme and no consideration or nominal consideration is payable by the senior executive to receive such Shares. TRSUs aid in the retention of senior executives since the Shares will vest over a period of time, thereby rewarding long-term performance.

Based on our discussion with Mercer, we noted that three-year vesting period for restricted share units schemes is also the most common in the USA. We have reviewed a survey conducted by Mercer, approximately 71.0% of the restricted share units schemes adopted a three-year vesting period among 382 companies in the survey. We have obtained the survey results from Mercer and noted that the findings are consistent with above.

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## LETTER FROM SOMERLEY

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### **(vi) Termination of employment/corporate events**

Under the Share Award Scheme, in case of termination of employment, the Board has discretion to determine, among other things, whether and to what extent any unvested Awards should vest. 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).

In case of a change in control of the Company (including 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 and 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.

The Board has proposed that the Share Award Scheme be amended to provide for continuation of unvested Awards following a change in control, 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 within two years following the change in control (commonly known as “**double-trigger**”).

We have discussed with Mercer and we noted that accelerated vesting via double-trigger has become the most prevalent in the USA and is considered as the best practice. Furthermore, approximately 80% of the peer companies’ share award scheme adopted accelerated vesting via double-trigger. We have obtained Mercer’s research on peer companies’ share award scheme and noted that the research result is consistent with Mercer’s finding. Therefore, the proposed accelerated vesting via double-trigger to be adopted in the Share Award Scheme is considered to be in line with market practices.

### **(vii) 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 senior executives on or after June 7, 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 may seek to recover in respect of vested Awards and reduce in respect of unvested Awards, at the discretion of the Board after it has reviewed the facts and circumstances that led to the requirement for the restatement and the costs and benefits of seeking recovery, the amount of erroneously awarded performance-based compensation received by the individual.

We consider this policy can safeguard the interests of the Shareholders from individual’s fraud or misconduct.

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## LETTER FROM SOMERLEY

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### 5. Financial effects of the Connected Grants

In accordance with the terms of the PRSUs and the TRSUs, holders of Awards receive Shares when vesting occurs. The fair value of services received in return for the PRSUs and the TRSUs granted is based on the grant date fair value of the underlying Shares. The grant-date fair values of the PRSUs and the TRSUs granted are generally recognised as an expense, with a corresponding increase in a reserve account in equity over the vesting period of the Awards. The amount recognised as an expense is adjusted to reflect the number of Awards for which the vesting conditions are expected to be met, such that the amount ultimately recognised is based on the number of Awards that meet the vesting conditions at the vesting date. Upon vesting of the RSUs, the Shares under the RSUs will be issued and the corresponding balance in the reserve account will be transferred to share capital account in equity.

The financial impact on the consolidated income statement of the Group between the proposed grants of a combination of RSUs and Options and grants of solely Options will have no material difference in aggregate over the four year option vesting period, on the basis that the Target LTI Value of Awards between the two are the same.

In terms of financial impact on net asset value (“NAV”) of the Group, it is anticipated that there will be a dilution in the NAV per Share upon the issue of new Shares as a result of the vesting of the RSUs. It is expected that the Connected Grants in 2018 will result in the dilution in the NAV per Share of not more than approximately 0.15% (assuming target level vesting of PRSUs and based on the Share price as at the Latest Practicable Date) and approximately 0.27% (assuming maximum level vesting of the PRSUs and based on the Share price as at the Latest Practicable Date). On the other hand, it is expected there will be a NAV per Share accretion upon the vesting and exercise of Options on the basis that the exercise price, which will be determined with reference to the prevailing market price of the Shares, is significantly above the current NAV per Share.

### 6. Shareholding effects of the Connected Grants

The table below sets out the shareholding in the Company assuming (i) all the conditions to the grant of the RSUs are satisfied; (ii) RSUs in respect of the maximum number of Shares referred to above (i.e. 3,886,586 Shares) are granted to the Connected Participants; (iii) no Options (whether outstanding or proposed to be granted) are exercised; (iv) no other Shares are issued or repurchased by the Company; and (v) there are no other changes to the issued share capital of the Company as of the Latest Practicable Date:

	<b>As of the Latest Practicable Date</b>		<b>Upon vesting of the RSUs granted in full</b>	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
The Capital Group Companies, Inc.	171,304,989	12.02	171,304,989	11.98
FIL Limited	84,463,400	5.92	84,463,400	5.91
Mr. Tainwala	6,102,034	0.43	8,117,292	0.57
Mr. Gendreau	1,409,648	0.10	1,856,671	0.13
Other Connected Participants	541,854	0.04	1,966,159	0.14
Other Shareholders	<u>1,161,767,649</u>	<u>81.49</u>	<u>1,161,767,649</u>	<u>81.27</u>
<b>Total</b>	<b><u>1,425,589,574</u></b>	<b><u>100.0</u></b>	<b><u>1,429,476,160</u></b>	<b><u>100.0</u></b>

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## LETTER FROM SOMERLEY

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As shown in the table above, the shareholding of the Other Shareholders in the Company will decrease from approximately 81.49% to approximately 81.27% assuming the RSUs in respect of the maximum number of Shares are granted to the Connected Participants.

Having said the above, if Options are only granted instead of the proposed grants of a combination of RSUs and Options as currently proposed and provided that the Target LTI Value of Awards between the two alternatives are the same, the shareholding dilution of issuing solely Options will be higher than the proposed RSU grants.

Although the shareholding interest of the existing public Shareholders will be diluted, taking into account the reasons for and benefits of the Connected Grants and terms and conditions of the Connected Grants as discussed above, the dilution to the Independent Shareholders upon the issuance of the Awards to the Connected Participants is considered acceptable.

### OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that (i) the Connected Grants are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Connected Grants are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders, to vote in favor of the ordinary resolutions to be proposed at the Annual General Meeting in relation to the Connected Grants.

Yours faithfully,  
for and on behalf of  
**SOMERLEY CAPITAL LIMITED**  
**Danny Cheng**  
*Director*

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## NOTICE OF ANNUAL GENERAL MEETING

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### SAMSONITE INTERNATIONAL S.A.

新秀丽國際有限公司

*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)**

### NOTICE OF ANNUAL GENERAL MEETING

**Notice is hereby given that** an annual general meeting (the “**Annual General Meeting**”) of Samsonite International S.A. (the “**Company**”) will be held at 13–15 Avenue de la Liberté, L-1931 Luxembourg and by video conference at 5/F, Hutchison House, 10 Harcourt Road, Central, Hong Kong on Thursday, June 7, 2018 at 10:00 a.m. (CET)/4:00 p.m. (Hong Kong time) for the purposes of considering and, if thought fit, passing (with or without amendments) the following resolutions:

#### ORDINARY RESOLUTIONS

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

1. To receive and adopt the audited statutory accounts and audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and auditors for the year ended December 31, 2017.
2. To approve the allocation of the results of the Company for the year ended December 31, 2017.
3. To declare a cash distribution to the shareholders of the Company in an amount of one hundred and ten million United States dollars (US\$110,000,000) out of the Company’s ad hoc distributable reserve.
4. To re-elect the following retiring Directors for a period of three years expiring upon the holding of the annual general meeting of the Company to be held in 2021:
  - (i) Mr. Ramesh Dungarmal Tainwala;
  - (ii) Mr. Jerome Squire Griffith; and
  - (iii) Mr. Keith Hamill.
5. To renew the mandate granted to KPMG Luxembourg to act as approved statutory auditor (*réviseur d’entreprises agréé*) of the Company for the year ending December 31, 2018.
6. To re-appoint KPMG LLP as the external auditor of the Company to hold office from the conclusion of the Annual General Meeting until the next annual general meeting of the Company.

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## NOTICE OF ANNUAL GENERAL MEETING

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7. **“THAT:**

- (a) subject to paragraphs 7(c) and (d) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company during the Applicable Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company (“**Shares**”) or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such convertible securities and to make or grant offers, agreements and options which would or might require the exercise of such powers;
- (b) the mandate in paragraph 7(a) above shall authorize the Directors of the Company to make or grant offers, agreements and options during the Applicable Period which would or might require the exercise of such powers after the end of the Applicable Period;
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the mandate in paragraph 7(a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below); or
  - (ii) the exercise of any options under the share award scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire Shares of the Company; or
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with the articles of incorporation of the Company; or
  - (iv) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 10 per cent. of the total number of the issued Shares of the Company as at the date of the passing of this resolution and the said mandate shall be limited accordingly;
- (d) the mandate in paragraph 7(a) above shall authorize the Directors of the Company to allot and issue, or agree conditionally or unconditionally to allot and issue, Shares or securities convertible with Shares for cash consideration, provided that the relevant price for securities shall not represent a discount of more than 10 per cent. to the Benchmarked Price (as defined below) of the Shares; and
- (e) for the purposes of this resolution:

**“Applicable Period”** means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) 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
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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“**Benchmarked Price**” means the higher of:

- (i) the closing price of the Shares on the date of the relevant agreement involving the proposed issue of securities; and
- (ii) the average closing price of the Shares in the five trading days immediately prior to the earlier of:
  - (A) the date of announcement of the proposed transaction or arrangement involving the proposed issue of securities;
  - (B) the date of the agreement involving the proposed issue of securities; and
  - (C) the date on which the subscription price for the securities is fixed.

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to holders of Shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusions or other arrangements as the 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 recognized regulatory body or any stock exchange).”

8. “**THAT:**

- (a) subject to paragraph 8(b) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company to exercise during the Applicable Period (as defined in paragraph 7(e) above) all the powers of the Company to purchase its Shares in accordance with all applicable law, rules and regulations; and
  - (b) (i) the total number of Shares of the Company to be purchased pursuant to the mandate in paragraph 8(a) above shall not exceed 10 per cent. of the total number of the issued Shares of the Company as at the date of passing of this resolution and (ii) the price at which any Shares of the Company may be purchased shall be within the range of HK\$24.00 and HK\$44.00 per Share and shall not be higher by five per cent. or more than the average closing market price of the Shares on The Stock Exchange of Hong Kong Limited for the five trading days preceding the date of purchase of any such Shares by the Company, and the said mandate shall be limited accordingly.”
9. “**THAT** a mandate be and is hereby granted to the Directors of the Company to grant awards of restricted share units (“**RSUs**”) pursuant to the Share Award Scheme in respect of a maximum of 8,876,044 new Shares during the period from the passing of this 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 of the Company in general meeting (the “**Relevant Period**”) and to allot, issue and deal with Shares underlying the RSUs granted pursuant to the Share Award Scheme during the Relevant Period as and when such RSUs vest.”

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## NOTICE OF ANNUAL GENERAL MEETING

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10. “**THAT** the Share Award Scheme adopted by the Company on September 14, 2012 (as amended) (the “**Share Award Scheme**”) be amended as follows:

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

“5.12 For Awards granted on or after June 7, 2018, in the case of any of the events referred to in **paragraphs 5.7 to 5.9** above (the *Relevant Event*), the Board may, at its absolute discretion, decide that 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 Board determines is equivalent to the Award which it replaces (for the avoidance of doubt, an Award not replaced with a new award under this **paragraph 5.12** 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 Board shall consider reasonable. 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 with respect to an award that is subject to performance conditions, the performance conditions applicable to that award shall be assumed to have been achieved at target, and 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 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

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## NOTICE OF ANNUAL GENERAL MEETING

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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."

- (b) paragraph 6.1(d) of the Share Award Scheme 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;"

- (c) paragraph 6.1(e) of the Share Award Scheme 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

- (d) paragraph 6.1(f) of the Share Award Scheme 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;".

11. **THAT** subject to the passing of the resolution in paragraph 9 above, (a) the grant of RSUs pursuant to the Share Award Scheme in respect of an aggregate of up to 2,545,590 Shares to Mr. Ramesh Dungarmal Tainwala in accordance with the terms of the Share Award Scheme, subject to all applicable laws, rules and regulations and applicable award document(s), be approved and (b) authority be given to the Directors to exercise the powers of the Company under the mandate granted to the Directors to grant RSUs referred to in the resolution in paragraph 9 above to give effect to such grant of RSUs."

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## NOTICE OF ANNUAL GENERAL MEETING

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12. “**THAT** subject to the passing of the resolution in paragraph 9 above, (a) the grant of RSUs pursuant to the Share Award Scheme in respect of an aggregate of up to 564,662 Shares to Mr. Kyle Francis Gendreau in accordance with the terms of the Share Award Scheme, subject to all applicable laws, rules and regulations and applicable award document(s), be approved and (b) authority be given to the Directors to exercise the powers of the Company under the mandate granted to the Directors to grant RSUs referred to in the resolution in paragraph 9 above to give effect to such grant of RSUs.”
13. “**THAT** subject to the passing of the resolution in paragraph 9 above, (a) the grant of RSUs pursuant to the Share Award Scheme in respect of an aggregate of up to 1,799,117 Shares to the Other Connected Participants (as defined in the circular dated April 23, 2018) in accordance with the terms of the Share Award Scheme, subject to all applicable laws, rules and regulations and applicable award document(s), be approved and (b) authority be given to the Directors to exercise the powers of the Company under the mandate granted to the Directors to grant RSUs referred to in the resolution in paragraph 9 above to give effect to such grant of RSUs.”

### SPECIAL RESOLUTIONS

To consider and, if thought fit, pass with or without amendments, the following resolutions as special resolutions:

14. To approve the discharge granted to the Directors and the approved statutory auditor (*réviseur d'entreprises agréé*) of the Company for the exercise of their respective mandates during the year ended December 31, 2017.
15. To approve the remuneration to be granted to certain Directors of the Company.
16. To approve the remuneration to be granted to KPMG Luxembourg as the approved statutory auditor (*réviseur d'entreprises agréé*) of the Company.

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

Hong Kong, April 23, 2018

*Notes:*

1. All resolutions at the Annual General Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.
3. Any shareholder of the Company whose ownership is either recorded through the Central Clearing and Settlement System (“**CCASS**”) or maintained with a licensed securities dealer (i.e. not directly recorded in his own name in the register of members of the Company) shall only be entitled to vote by providing its instructions to vote to HKSCC Nominees Limited either directly as a CCASS Participant or through its licensed securities dealer and the relevant financial intermediaries. In order to attend and vote at the meeting, any such shareholder shall be appointed by HKSCC Nominees Limited as its proxy to attend and vote instead of him.

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## NOTICE OF ANNUAL GENERAL MEETING

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4. In order to be valid, the form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or at the Company's registered office at 13-15 Avenue de la Liberté, L-1931 Luxembourg not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Friday, June 1, 2018 to Thursday, June 7, 2018, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual 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 Thursday, May 31, 2018 (Hong Kong Time).
6. For determining the entitlement to the proposed cash distribution, the register of members of the Company will be closed from Wednesday, June 13, 2018 to Friday, June 15, 2018, both dates inclusive, during which period no transfer of shares will be registered. In order to be entitled to receive the proposed cash distribution, 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, June 12, 2018 (Hong Kong Time).
7. If a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted at or after 12 noon on June 7, 2018, the above meeting will not be held in Hong Kong on June 7, 2018 but will continue to be held at the Company's registered office in Luxembourg at 13-15 Avenue de la Liberté, L-1931 Luxembourg.
8. In order to comply with its legal obligations under relevant laws (including, without limitation, the Luxembourg law dated August 10, 1915 on commercial companies as amended, the Luxembourg law dated November 12, 2004 on the fight against money laundering and terrorist financing as amended, any Luxembourg law implementing the Directive (EU) 2015/849 of the European Parliament and of the Council of May 20, 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing as amended), the Company shall collect (or has collected) and process (or has processed) your personal data as shareholder of the Company.

The Company is the data controller of your personal data.

The Company shall transmit (or has transmitted) your personal data to its services providers (e.g. banks, legal advisors, auditors, domiciliation agent) with whom the Company has entered into a services agreement including the compliance with the applicable laws on data protection (the Luxembourg law on August 2, 2002 on the protection of individuals with regard to the processing of personal data, as amended, and effective as from May 25, 2018, the Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46 EC (General Data Protection Regulation)).

Your personal data will be stored by the Company until your personal data will no longer be necessary for the purposes for which it was collected/processed.

You have the right to request from the Company access to and rectification of your personal data or restriction of processing concerning the data subject or to object to processing as well as the right to data portability.

Please be also aware that, to the extent it is necessary to the management of the Company, and provided that the Company always complies with its legal obligations, the Company may disclose your personal data to, without limitation:

- Company's professional advisors (other than the ones referred to above);
- Governmental bodies; and
- Regulatory and non-regulatory authorities.

Please note that you have the right to lodge a complaint with the Luxembourg supervisory authority (*Commission Nationale pour la Protection des Données*).

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### SAMSONITE INTERNATIONAL S.A.

新秀丽國際有限公司

*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)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**Notice is hereby given that** an extraordinary general meeting (the “**Extraordinary General Meeting**”) of Samsonite International S.A. (the “**Company**”) will be held in the presence of a notary of the Grand Duchy of Luxembourg at 13-15 Avenue de la Liberté, L-1931 Luxembourg on Thursday, June 7, 2018 at 11:00 a.m. (CET)/5:00 p.m. (Hong Kong time) (or as soon thereafter as the Annual General Meeting shall have adjourned) for the purposes of considering and, if thought fit, passing (with or without amendments) the following resolution.

The purpose of the Extraordinary General Meeting is to (a) extend the authorisation granted to the board of directors of the Company until May 10, 2021, subject always to compliance with applicable provisions of the Luxembourg law of August 10, 1915 on commercial companies, as amended from time to time, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, to allocate existing Company’s shares without consideration and/or to issue Company’s shares paid-up out of available reserves to employees and/or corporate officers (including directors, members of the management board and the supervisory board) of the Company or companies pertaining to the same group as the Company upon the vesting of awards of restricted share units without any consideration to be paid from the participants, within the limits of the authorized capital of the Company and without reserving a preferential subscription right to the existing Company’s shareholders to subscribe to the Company’s shares to be issued, and (b) amend accordingly Article 4.2 of the articles of incorporation of the Company to reflect the extension referred to above.

Subject to the passing of the special resolution set out below and subject always to the same conditions and restrictions currently in effect (as further described in the letter from the board of directors of the Company included in the circular issued by the Company on April 23, 2018), the Company’s directors will have the authority under the Luxembourg law of August 10, 1915 on commercial companies, as amended from time to time: (i) to issue additional shares, to grant options to subscribe for the Company’s shares, to grant restricted share units to receive Company’s shares and to issue any other securities or instruments convertible into the Company’s shares without reserving for the existing Company’s shareholders the preferential rights to subscribe for the issued shares and (ii) to allocate existing Company’s shares without consideration and/or to issue Company’s shares paid-up out of available reserves to employees and/or corporate officers (including directors, members of the management board and the supervisory board) of the Company or companies pertaining to the same group as the Company, pursuant to the existing mandate or any future mandate that the Company’s shareholders may grant to the board of directors at a general meeting with the authority for the board of directors of the Company to disapply the preferential subscription rights of the existing Company’s shareholders when issuing the shares.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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A report of the board of directors of the Company justifying the reasons for the extension of the share capital authorisation with the authority for the board of directors to disapply the preferential subscription rights of the existing Company's shareholders is attached to the present convening notice.

### SPECIAL RESOLUTION

To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

1. To (a) extend the authorization granted to the board of directors of the Company until May 10, 2021, subject always to compliance with applicable provisions of the Luxembourg law of August 10, 1915 on commercial companies, as amended from time to time, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, to grant restricted share units to receive Company's shares and to allocate existing Company's shares without consideration and/or to issue Company's shares paid-up out of available reserves to employees and/or corporate officers (including directors, members of the management board and the supervisory board) of the Company or companies pertaining to the same group as the Company, within the limits provided for in Article 4.2 of the articles of incorporation of the Company and without reserving a preferential subscription right to the existing Company's shareholders to subscribe to the Company's shares to be issued, on the basis of the report of the board of directors of the Company drawn up in accordance with Article 420-26(5) and (6) of the Luxembourg law of August 10, 1915 on commercial companies, as amended from time to time, and (b) amend Article 4.2 of the articles of incorporation of the Company to reflect the extension referred to above which shall be read as follows:

*“The authorised share capital of the Company is set, including the subscribed share capital, at thirty-five million United States Dollars (USD35,000,000.-) represented by three billion five hundred million (3,500,000,000) Shares with a par value of United States Dollars one Cent (USD0.01) each. Subject always to compliance with applicable provisions of the Luxembourg Companies Law, during the period of five years from the date of the publication in the Luxembourg Official Gazette, Mémorial C, Recueil des Sociétés et Associations, of the minutes of the Extraordinary General Meeting approving the renewal of the authorised share capital, the Board is authorised:*

- (i) to issue Shares, to grant options to subscribe for Shares, to grant restricted share units to receive 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, and*
- (ii) to allocate existing Shares without consideration or to issue Shares paid-up out of available reserves (the “**Bonus Shares**”) to employees and to corporate officers (including the directors) of the Company, or certain categories thereof.*

*In case of issue of new Shares, the Board shall disapply the preferential subscription right of the existing shareholders. The Board is authorised to fix the terms and conditions of the allocation of the Bonus Shares, including the final allocation period and a minimum period during which the Bonus Shares may not be transferred by their respective holder.*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*The Board is also authorised to allocate existing Shares or to issue the Bonus Shares within the same terms and conditions as described above to (i) employees of companies in which the Company holds, directly or indirectly, at least 10% of the issued share capital or voting rights, (ii) employees of companies which, directly or indirectly, hold at least 10% of the issued share capital or voting rights of the Company, (iii) employees of companies at least 50% of the issued share capital or voting rights of which are directly or indirectly, held by a company which itself, directly or indirectly, holds at least 50% of the issued share capital of the Company, and (iv) corporate officers (including directors, members of the management board and the supervisory board) of the companies referred to under (i), (ii) and (iii) above, or certain categories thereof.*

Moreover, to comply with applicable provisions of the Listing Rules, any issue of Shares, any grant of options to subscribe for Shares, any grant of restricted share units to receive Shares and any issue of any other securities or instruments convertible into Shares by the Board through the authorised share capital authorisation 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.”

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

Hong Kong, April 23, 2018

*Notes:*

1. The resolution at the Extraordinary General Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.
3. Any shareholder of the Company whose ownership is either recorded through the Central Clearing and Settlement System (“**CCASS**”) or maintained with a licensed securities dealer (i.e. not directly recorded in his own name in the register of members of the Company) shall only be entitled to vote by providing its instructions to vote to HKSCC Nominees Limited either directly as a CCASS Participant or through its licensed securities dealer and the relevant financial intermediaries. In order to attend and vote at the meeting, any such shareholder shall be appointed by HKSCC Nominees Limited as its proxy to attend and vote instead of him.
4. In order to be valid, the form of proxy must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong or at the Company’s registered office at 13–15 Avenue de la Liberté, L-1931 Luxembourg not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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5. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Friday, June 1, 2018 to Thursday, June 7, 2018, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual 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 Thursday, May 31, 2018 (Hong Kong Time).
6. In order to comply with its legal obligations under relevant laws (including, without limitation, the Luxembourg law dated August 10, 1915 on commercial companies as amended, the Luxembourg law dated November 12, 2004 on the fight against money laundering and terrorist financing as amended, any Luxembourg law implementing the Directive (EU) 2015/849 of the European Parliament and of the Council of May 20, 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing as amended), the Company shall collect (or has collected) and process (or has processed) your personal data as shareholder of the Company.

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The Company shall transmit (or has transmitted) your personal data to its services providers (e.g. banks, legal advisors, auditors, domiciliation agent) with whom the Company has entered into a services agreement including the compliance with the applicable laws on data protection (the Luxembourg law on August 2, 2002 on the protection of individuals with regard to the processing of personal data, as amended, and effective as from May 25, 2018, the Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46 EC (General Data Protection Regulation)).

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