AKTSIASELTS SILVANO FASHION GROUP
NOTICE TO CONVENE
AN EXTRAORDINARY GENERAL MEETING
AND AGENDA

Aktsiaselts Silvano Fashion Group 22.02.2011
Notice of an extraordinary general meeting

NOTICE AND AGENDA OF AN EXTRAORDINARY GENERAL MEETING TO BE HELD ON 17 MARCH 2011

The management board of Aktsiaselts Silvano Fashion Group (registry code 10175491, registered address Tulika 15/17, 10613 Tallinn, hereinafter also referred to as the **Company**) convenes an extraordinary general meeting of shareholders on Thursday, **17th of March 2011 at 12:00 p.m** (Estonian time) in the hotel "Radisson Blu Hotel Olümpia" conference room „Epsilon", address Liivalaia 33, Tallinn.

The registration of participants of the general meeting starts at 11:00 a.m. (Estonian time) at the same location.

The supervisory council of the Company has approved the following agenda and proposals for the extraordinary general meeting of shareholders:

1. Amendment of the articles of association

Whereas the Republic of Estonia has adopted euro for its official currency, it is advisable to convert the share capital into euros. By the resolution of the extraordinary general meeting of shareholders, dated 9th of November 2010, the buy-back programme of shares has been set for, according to which, *i.a.* the reduction of the share capital has been planned. The amendment of the articles of association is necessary due to the need and wish to change the Company's share capital for the above reasons.

In view of the above, the supervisory council makes the proposal to amend the Company's articles of association and to approve the new version of the articles of association, by adopting the following resolutions:

1.1 To amend Section 2.1 of the articles of association and to formulate it as follows: „2.1. The minimum amount of the company's share capital shall be 15 000 000 (fifteen million) euros and the maximum amount of the share capital shall be 60 000 000 (sixty million) euros".

1.2 To amend the second sentence of Section 2.2 and to formulate it as follows: „The nominal value of an A-share shall be 50 (fifty) cents ".

1.3 To approve the amended articles of association, as attached to this resolution.

2. Conversion of the share capital into euros, reduction of the share capital and making payments to the shareholders

The need to reduce the share capital is caused by (a) the adoption of euro as the official currency of the Republic of Estonia, due to which it is advisable to convert the share capital into euros, and (b) the buy-back programme of shares, as approved by the resolution of the extraordinary general meeting of shareholders, dated 9th of November 2010, under which the Company has acquired 133 629 shares as at the date of this notice. The supervisory council proposes to adopt the following resolutions in order to reduce the share capital according to the buy-back programme and to convert the share capital into euros:

To convert the share capital of the Company into euros and to reduce the share capital to 19 750 000 euros as follows:

2.1. To cancel 107 000 Company´s own A-shares that have been bought back by the Company under the buy-back programme as adopted by the resolution of the extraordinary general meeting of 9th of November 2010 and to reduce the share capital by 1 070 000 kroons to 395 000 000 kroons.

2.2. After the cancellation of the own shares and the reduction of the share capital related thereto, the total number of shares shall be 39 500 000.

2.3. The shares held by the shareholders are not subject to cancellation.

2.4. The Company shall make no payments to the shareholders in connection with the cancellation of the Company´s own shares.

2.5. To convert into euros the share capital reduced according to Section 2.1 and the nominal value of the shares as follows:

2.5.1. The amount of the share capital as being converted into euros is 25 245 101,17 euros and the nominal value of each share is 64 cents.

2.5.2. To reduce the share capital by 5 495 101,17 euros to 19 750 000 euros in order to meet the requirements set forth in § 223(1) and § 223(2) of the Commercial Code.

2.5.3. The share capital shall be reduced by means of decreasing the nominal value of each share by 14 cents to 50 cents.

2.5.4. The conversion of the nominal value of shares into euros shall not affect the rights attached to shares nor the relation of the nominal value of shares to the share capital. The rounding of the results of the conversion of shares' nominal value has no legal effect.

2.6. After the conversion and the reduction of the share capital the new amount of share capital shall be 19 750 000 euros, which is divided into 39 500 000 A-shares with nominal value of 50 cents each share.

2.7. To pay to the shareholders 14 cent per each share for the reduction of the nominal value of share. This amount shall be paid to the shareholders within three months after entry of the reduction of share capital in the

commercial register provided that the claims of creditors submitted during the term are secured or satisfied.

2.8. The list of shareholders entitled to receive the payment related to reduction of the nominal value of shares shall be fixed at 23:59 on 31th of March 2011 (Estonian time).

At the general meeting, a shareholder is entitled to receive information about the Company's activities from the Company's management board. The management board may decide to withhold information if there is reason to believe that the disclosure of the information may cause significant damage to the Company's interests. If the management board refuses to disclose information, a shareholder may demand the general meeting to adopt a resolution regarding the lawfulness of the information request or file a petition with a court of law within two weeks requesting the court for the rule requiring the management board to disclose the information.

The shareholders whose shares represent at least 1/20 of the share capital, may request for additional items to be included in the agenda, if the respective request is submitted in writing at least 15 days prior to the general meeting, by close of business (5 p.m. Estonian time). The shareholders whose shares represent at least 1/20 of the share capital, may present their draft resolutions to each agenda item in writing no later than 3 days before the general meeting, by close of business (5 p.m. Estonian time).

The explanations regarding the agenda items submitted by the shareholders, other documents to be submitted to the general meeting in accordance with the law and other documents related to the agenda of the meeting are available for examination at the headquarters of the Company at Tulika 15/17, Tallinn, from the time of publication of this notice until 16th March 2011 from 09 a.m. until 5 p.m. (Estonian time) on each working day. In order to have access to the documents: (1) the shareholders who are physical persons are required to present a document verifying their identity and their representatives are additionally required to present the power of attorney at least in the simple written form; (2) the representatives of the shareholders who are a legal entities shall present (a) an extract from the registry where the legal entity is registered; and (b) a document verifying the identity of representative; and (c) in case of representation on the basis of proxy, additionally also a power of attorney at least in the simple written form. On 17th of March 2011, the documents can be studied at the venue of the general meeting from 11 a.m (Estonian time) until the end of the general meeting.

Documents and data which are disclosed according to § 294^1 of the Estonian Commercial Code, including the previous annual report, the draft articles of association and the templates of power of attorney are available on the homepage of the Company: www.silvanofashion.com.

The following documents shall be submitted to participate in the general meeting:

- the shareholders who are physical persons are required to present a document verifying their identity and their representatives are additionally required to present the power of attorney at least in the simple written form;

- the representatives of the shareholders who are a legal entities shall present (a) an extract from the registry where the legal entity is registered; and (b) a document verifying the identity of representative; and (c) in case of representation on the basis of proxy, additionally also a power of attorney at least in the simple written form.

A document issued by a foreign authority shall be duly apostilled or legalized. It is recommended to translate foreign documents into Estonian.

Prior to the general meeting a shareholder may notify the Company of the appointment of a representative or the revocation of the representative's authority by sending a digitally signed e-mail message to info@silvanofashion.com or by delivering the information in person on workdays between 9 a.m to 5 p.m (Estonian time) or by post to AS Silvano Fashion Group, Tulika 15/17, 10613 Tallinn, Estonia by 5 p.m. (Estonian time) on the 16th March 2011 at the latest.

For any information regarding the general meeting of the shareholders or the agenda items, please contact Märt Meerits (e-mail address info@silvanofashion.com; phone +372 684 5000). The questions, answers and the minutes of the general meeting shall be published on the Company's website.

The list of shareholders entitled to participate in the extraordinary general meeting shall be fixed at 8:00 (Estonian time) on the day of the extraordinary general meeting.

Märt Meerits
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