

LPP

ARTICLES OF ASSOCIATION of LPP SA

Consolidated text incorporating amendments stemming from Resolution no 23 of the Ordinary General Meeting of Shareholders of LPP SA, dated 18 September 2020, comprised in the minutes drawn up by Renata Górska, notary public in Gdańsk, under record of deeds A no 7163/2020.

§ 1

GENERAL PROVISIONS

1. The Company operates under business name of "LPP" Spółka Akcyjna.
2. The registered office of the Company is the city of Gdańsk.

§ 2

1. The Company operates in the Republic of Poland and abroad.
2. The Company may establish branches and representative offices, as well as act as a partner in other companies, domestic and foreign.

SCOPE OF ACTIVITIES

§ 3

The object of Company's business activity is, according to the Polish Classification of Activities in the wording adopted by the Council of Ministers of 24 December 2007 on the Polish Classification of Activities (PKD) (Journal of Laws no. 251, item 1885, as amended):

1. Manufacture of knitted and crocheted fabrics - PKD 13.91.Z,
2. Manufacture of leather clothes - PKD 14.11.Z,
3. Manufacture of workwear - PKD 14.12.Z,
4. Manufacture of other outerwear - PKD 14.13.Z,
5. Manufacture of underwear - PKD 14.14.Z,
6. Manufacture of other wearing apparel and accessories - PKD 14.19.Z,
7. Manufacture of knitted and crocheted hosiery - PKD 14.31.Z,
8. Manufacture of footwear - PKD 15.20.Z,
9. Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials - PKD 16.29.Z,
10. Manufacture of paper stationery - PKD 17.23.Z,
11. Other printing - PKD 18.12.Z,

12. Pre-press and pre-media services - PKD 18.13.Z,
13. Manufacture of other rubber products - PKD 22.19.Z,
14. Manufacture of other plastic products - PKD 22.29.Z,
15. Manufacture of sports goods - PKD 32.30.Z,
16. Other manufacturing not elsewhere classified - PKD 32.99.Z,
17. Agents involved in the sale of textiles, clothing, fur, footwear and leather goods - PKD 46.16.Z,
18. Agents specialised in the sale of other particular products - PKD 46.18.Z,
19. Agents involved in the sale of a variety of goods - PKD 46.19.Z,
20. Wholesale of textiles - PKD 46.41.Z,
21. Wholesale of clothing and footwear - PKD 46.42.Z,
22. Retail sale in non-specialised stores with food, beverages or tobacco predominating - PKD 47.11.Z,
23. Other retail sale in non-specialized stores - PKD 47.19.Z,
24. Retail sale of cosmetic and toilet articles in specialized stores - PKD 47.75.Z,
25. Retail sale of textiles in specialized stores - PKD 47.51.Z,
26. Retail sale of clothing in specialized stores - PKD 47.71.Z,
27. Retail sale of footwear and leather goods in specialized stores - PKD 47.72.Z,
28. Retail sale of books in specialized stores - PKD 47.61.Z,
29. Retail sale of newspapers and stationery in specialized stores - PKD 47.62.Z,
30. Retail sale of sports goods in specialized stores - PKD 47.64.Z,
31. Retail sale of games and toys in specialized stores - PKD 47.65.Z,
32. Retail sale of second-hand goods in specialized stores - PKD 47.79.Z,
33. Retail sale via mail order houses or via Internet - PKD 47.91.Z,
34. Other retail sale not in stores, stalls or markets - PKD 47.99.Z,
35. Freight transport by road - PKD 49.41.Z,
36. Warehousing and storage of other goods - PKD 52.10.B,
37. Handling of goods - PKD 52.24,
38. Other transportation support activities - PKD 52.29.C,
39. Publishing of journals and periodicals - PKD 58.14.Z,
40. Other publishing - PKD 58.19.Z,
41. Publishing of computer games - PKD 58.21.Z,
42. Publishing of other software - PKD 58.29.Z,
43. Motion picture, video and television programme production activities - PKD 59.11.Z,
44. Post-production activities related to films, video and television program - PKD 59.12.Z,
45. Motion picture, video and television programme post-production activities - PKD 59.13.Z,
46. Motion picture projection activities - PKD 59.14.Z,
47. Sound recording and music publishing activities - PKD 59.20.Z,
48. Computer programming, consultancy and related activities - NACE 62,
49. Data processing, hosting and related activities - PKD 63.11.Z,
50. Other information service activities, not elsewhere classified - PKD 63.99.Z,

51. Activities of holding companies - PKD 64.20.Z,
52. Trusts, funds and similar financial institutions - PKD 64.30.Z,
53. Other credit granting - PKD 64.92.Z,
54. Other financial services not elsewhere classified, except insurance and pension funding - PKD 64.99.Z,
55. Security and commodity contracts brokerage - PKD 66.12.Z,
56. Other activities auxiliary to financial services, except insurance and pension funding - PKD 66.19.Z,
57. Renting and operating of own or leased real estate - PKD 68.20.Z,
58. Activities of head offices and holdings, excluding financial holdings - PKD 70.10.Z,
59. Advertising and market research - PKD 73,
60. Specialised design activities - PKD 74.10.Z,
61. Other professional, scientific and technical activities not elsewhere classified - PKD 74.90.Z,
62. Renting and leasing of cars and light motor vehicles - PKD 77.11.Z,
63. Renting and leasing of office machinery and equipment (including computers) - PKD 77.33.Z,
64. Renting and leasing of other machinery, equipment and tangible goods not elsewhere classified - PKD 77.39.Z,
65. Leasing of intellectual property and similar products, except copyrighted works - PKD 77.40.Z,
66. Other reservation service and related activities, not elsewhere classified - PKD 77.90.C,
67. Organisation of conventions and trade shows - PKD 82.30.Z,
68. Activities of collection agencies and credit bureaus - PKD 82.91.Z,
69. Other business support service activities not elsewhere classified - PKD 82.99.Z,
70. Other education - PKD 85.5,
71. Educational support activities - PKD 85.60.Z,
72. Other sports activities - PKD 93.19.Z,
73. Other amusement and recreation activities - PKD 93.29.Z,
74. Repair of footwear and leather goods - PKD 95.23.Z.
75. Accounting, bookkeeping and auditing activities; tax consultancy – PKD 69.20.Z,
76. Business and other management consultancy activities – PKD 70.22.Z,
77. Office administrative service activities, including support activities – PKD 82.11.Z,
78. Photocopying, document preparation and other specialised office support activities – PKD 82.19.Z,
79. Research and development works – PKD 72.

§ 4

The Company is incorporated for an unlimited period.

SHARE CAPITAL AND SHARES

§ 5

1. The Company's share capital amounts to PLN 3,704,846 (three million seven hundred four thousand eight hundred and forty-six) and is divided into: 350,000 (three hundred fifty thousand) registered shares and 1,502,423 (one million five hundred two thousand four hundred twenty three) bearer shares with the nominal value of PLN 2.00 (two zloty) each.
2. The Company has issued:
 - 1) 100 (one hundred) series A bearer shares, with a nominal value of PLN 2,- each,
 - 2) 350,000 (three hundred and fifty thousand) series B registered shares, with a nominal value of PLN 2,- (two zloty) each,
 - 3) 400,000 (four hundred thousand) series C bearer shares, with a nominal value of PLN 2,- (two zloty) each,
 - 4) 350,000 (three hundred and fifty thousand) series D bearer shares, with a nominal value of PLN 2,- (two zloty) each,
 - 5) 56,700 (fifty six thousand seven hundred) series E bearer shares, with a nominal value of PLN 2,- (two zloty) each,
 - 6) 56,700 (fifty six thousand seven hundred) series F bearer shares, with a nominal value of PLN 2,- (two zloty) each,
 - 7) 300,000 (three hundred thousand) series G bearer shares, with a nominal value of PLN 2,- (two zloty) each,
 - 8) 190,000 (one hundred and ninety thousand) series H bearer shares, with a nominal value of PLN 2,- (two zloty) each,
 - 9) 6,777 (six thousand seven hundred and seventy seven) series I bearer shares, with a nominal value of PLN 2,- (two zloty) each,
 - 10) 40,000 (forty thousand) series J bearer shares, with a nominal value of PLN 2,- (two zloty) each,
 - 11) 80,846 (eighty thousand eight hundred and forty six) series K bearer shares, with the nominal value of PLN 2,- (two zloty) each.
 - 12) 21,300 (twenty one thousand three hundred) series L bearer shares, with a nominal value of PLN 2.00 (two zloty) each.
3. Series B shares are preference shares in terms of voting rights at the General Meeting.
4. Each preference share entitles to 5 (five) votes at the General Meeting.
5. Until 28 June 2010, under the terms of Articles 444-447 of the Commercial Companies Code, the Management Board is entitled to increase the Company's share capital by an amount of no more than PLN 30,000 (thirty thousand zloty) through the issuance of no more than 15,000 series I shares [target capital].
6. The issue price of the new shares to be issued within the target capital will be PLN 2.
7. The Management Board has the right, within the maximum allowable amount of target capital referred to in sec. 5, to make a number of increases in the Company's share capital by numerous share emissions.

8. The Management Board, with the consent of the Supervisory Board, has the right to waive the pre-emptive right to shares issued in connection with the share capital increase within the target capital, provided that the shares issued within the target capital will be offered exclusively to persons entitled to subscribe these shares under the incentive program implemented by the Company in accordance with incentive program adopted by the Company and approved by the Supervisory Board.
9. The Management Board, pursuant to Article 446 §1 of the Commercial Companies Code, is authorized and obligated to take any action relating to the share capital increase within the target capital, in particular to issue and register shares to be issued within the target capital, determine any deadlines for carrying out emissions of these shares and to allot these shares taking into account the rules adopted under the Company's incentive program for key employees and partners of the Company, to introduce editorial changes to the Articles of Association relating to amendments in the provisions thereof relating to the introduction of specific amounts of the share capital increase and the marking of series and numbers of shares issued in connection with this share capital increase.
10. The Supervisory Board of the Company is authorized to produce a consolidated text of the Articles of Association reflecting the changes resulting from the share capital increase within the institution of the share capital.

§ 5¹

1. The conditional share capital of the Company does not exceed PLN 240,000 (two hundred and forty thousand zloty) and it is divided into no more than:
 - (a) 106,250 (one hundred six thousand two hundred fifty) series K ordinary bearer shares, with the nominal value of PLN 2 (two zloty) each,
 - (b) 21,300 (twenty one thousand three hundred) series L ordinary bearer shares, with the nominal value of PLN 2 (two zloty) each.
2. The purpose of the conditional capital increase referred to in § 5⁽¹⁾(1)(a) is to grant pre-emptive rights to series K shares to the owners of convertible shares issued by the Company pursuant to the resolution of the Annual General Meeting No. 4/2009 of 3 July 2009.
3. The purpose of the conditional capital increase referred to in § 5⁽¹⁾(1)(b) is to grant pre-emptive rights to series L shares to the owners of subscription warrants issued by the Company pursuant to the resolution No. 22 of the Annual General Meeting held on 27 June 2011.
4. Only the owners of convertible shares referred to in sec. 5(2) are entitled to take up series K shares, excluding the pre-emptive right of the previous shareholders.
5. The pre-emptive right to series K shares by way of converting Bonds may be exercised after each first business day following the maturity day for Bond interest, with the proviso that the last statement on exercising the pre-emptive right to series K Shares by way of converting Bonds may be submitted on the day when 36-month period from the day of allocating the Bonds expires.
6. Owners of subscription warrants referred to in § 5¹ (3) are entitled to take up series L shares.
7. The pre-emptive right to series L shares may be exercised until 31 December 2020.

§ 6

1. The share capital may be increased or decreased by resolution of the General Meeting.
2. The Company's shares are issued in series marked with successive letters of the alphabet.
3. Shares may be paid in cash and in kind.
4. The Company may issue bonds, including convertible bonds.

§ 7

The Company's shares are freely transferable.

§ 8

1. Shares may be redeemed subject to the provisions on the reduction of share capital, or without observing these provisions, from the net profit.
2. In exchange for the redeemed shares, the Company may issue utility shares.
3. The method and conditions of redemption are determined each time by the General Meeting.

§ 9

1. Sale or mortgage of shares depends on the approval of the Company.
2. Permits to sell or mortgage shares are granted by the Supervisory Board in writing, under pain of nullity, within 14 (fourteen) days from the date of application.
3. If the Company refuses its approval, it should, within 30 (thirty) days, indicate another buyer and determine the time and place of price payment. If the Company, within the specified time, does not indicate another buyer, the shares may be sold without restriction.
4. The preference shares are subject to inheritance, observing the preferential rights.
5. Conversion of registered shares into bearer shares may be effected only with the approval of the Supervisory Board, granted in the form of a written resolution under pain of nullity.
6. Conversion of preference shares into bearer shares will result in the loss of their preferential rights.

§ 10

In addition to its share capital, the Company establishes the following capitals and funds:

- 1) supplementary capital,
- 2) other capitals and funds provided for by law and established on the basis of resolution of the General Meeting.

§ 11

1. Supplementary capital is created from deductions of profit sharing and the surplus between the issue price and the nominal share price obtained upon subsequent issues of shares. A deduction of this capital may not be less than 8% of the annual net profit.
2. A deduction of the supplementary capital is made until the capital reaches one-third of the share capital. The General Meeting may enact further expansion of the supplementary capital.

§ 12

The governing bodies of the Company are:

- 1) Management Board,
- 2) Supervisory Board,
- 3) General Assembly.

§ 13

MANAGEMENT BOARD

1. The Management Board consists of two to six persons appointed and dismissed by the General Meeting for a period of five years. The Management Board consists of: President of the Board and from one to five Vice-Presidents.
2. The Management Board represents the Company in court and out of court. The President individually, or two Vice-Presidents of the Management Board acting jointly or Vice-President acting jointly with a proxy, are authorized to make representations and execute instruments on behalf of the Company.
3. The Management Board may grant power of attorney and appoint proxies pursuant to the provisions of the Civil Code.

§ 14

The Management Board hires and dismisses employees, and determines their remuneration.

§ 15

The newly appointed Management Board is obliged to present to the Supervisory Board the Company's business program for the term for which it was elected - at the latest within two months from the date of appointment.

§ 16

The Management Board is responsible for all and any affairs not reserved for other authorities.

§ 17

SUPERVISORY BOARD

1. The Supervisory Board consists of five (5) to six (6) members, including the Chairman of the Supervisory Board. The number of members of the Supervisory Board is established by the General Meeting.
2. Members of the Supervisory Board are appointed for a period of five years. Members of the first Supervisory Board are appointed for a period of one year.
3. The Supervisory Board is appointed and dismissed by the General Meeting. In the event the mandate of a Supervisory Board member expires before the term of office due to resignation or death, the Supervisory Board may make up its composition by co-opting a new member. The Supervisory Board may co-opt no more than one person to its composition. Co-opted member of

the Supervisory Board shall be subject to approval by the next General Meeting. In the event of non-approval by the General Meeting or failure to present to the General Meeting's approval the Supervisory Board's resolution on co-option, the mandate of the co-opted member of the Supervisory Board shall expire upon the completion of the next General Meeting of the Company. Alternatively, in the absence of co-option, the Supervisory Board shall operate in a reduced composition until the next General Meeting of the Company.

4. Members of the Supervisory Board elect the Chairman of the Supervisory Board from among its members.

§ 18

Members of the Board meet their obligations in person.

§ 19

1. Board meetings are held at least once every three months and they are convened by the Chairman of the Board, or his deputy.
2. Persons authorised to convene the Board meeting are also obliged to convene it at the request of at least three of its members or the Management Board. In this case, the Supervisory Board meeting will be held within 14 days from the date of filing a written request to the Chairman.
3. The Supervisory Board may adopt resolutions at the meeting of the Supervisory Board, or in writing, or by means of direct communication.
4. Members of the Supervisory Board may participate in adopting resolutions of the Supervisory Board by casting their votes in writing through another member of the Supervisory Board.

§ 20

1. All members must be invited and at least half of the members must be present for the Board's resolutions to be valid. The Board's resolutions are passed by a simple majority of the votes cast, unless otherwise stated in the special provisions herein.
2. The invitation convening the Board's meeting must indicate the agenda. Under pain of nullity, the Board may decide on the matters indicated in the agenda only, unless all the members of the Board are present at the Board's meeting and no one present objects neither to hold the Board's meeting with the revised agenda or to deal with issues that were not identified on the agenda.

§ 21

The Supervisory Board adopts its rules of procedure, which specifies the mode of its proceedings.

§ 22

The Management Board is obliged to obtain the consent of the Supervisory Board prior to taking the following actions:

1. Purchase and sale of real estate, purchase and sale of the perpetual usufruct right to real estate.

2. Taking over third-party obligations.
3. Leasing the enterprise or its part.
4. Acquisition and disposal of plants and branches of the Company.
5. Selling part or the whole of the Company.
6. Allowing employees to participate in profits and granting special pension and retirement privileges.
7. Acquisition of shares by the Company, in any circumstances.

§ 23

GENERAL MEETING OF SHAREHOLDERS

1. The highest authority of the Company is the General Meeting of Shareholders, which brings together all shares owners, whereby each share entitles to one vote, unless it is a preference share in terms of voting right.
2. Holders of registered shares are entitled to participate in the General Meeting if they are entered in the share register sixteen days before the date of the General Meeting of Shareholders (this term is further referred to as "the record date for participation in the General Meeting").
3. Holders of bearer shares in the form of a document have the right to participate in the General Meeting if the share documents are deposited at the registered office of the Company not later than on the record date for participation in the General Meeting and will not be collected before the end of that day. Instead of the shares, a certificate may be submitted, issued as evidence of deposit of shares with a notary, bank or investment company having its registered office or branch in the territory of the European Union or a state party to the Agreement on the European Economic Area, as indicated in the notice convening the meeting. The certificate indicates the numbers of share documents and confirms that the share documents will not be issued before the record date for participation in the general meeting.
4. Holders of bearer dematerialized shares are entitled to participate in the General Meeting if they are on the list of persons eligible to participate, drawn up and made available to the Company by the entity maintaining the securities account, established based on personal certificates of entitlement to participate in the General Meeting, issued by entities maintaining the securities accounts, or equivalent document in accordance with the provisions of the Commercial Companies Code and the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Journal of Lawa no. 184, item 184, as amended).

§ 24

Prior to each General Meeting, the list of shareholders entitled to participate is made under the terms of the Commercial Companies Code. This list should be made available at the registered office of the Company for three days prior to the Meeting, whereby the shareholder has the right to request sending this list to a specified email address.

§ 25

Immediately after the election of the Chairman of the General Meeting, a list of current participants should be made with the number of shares held by each of them and of their votes, signed by the chairman of the meeting.

§ 26

Shareholders may participate in the General Meeting in person or by proxy.

§ 27

Annual General Meeting is held annually within six months after the end of a financial year.

§ 28

Extraordinary General Meeting is convened by the Management Board on its own initiative or at the request of shareholders representing at least one twentieth of the share capital, submitted to the Management Board in writing or in electronic form. The Management Board is required to satisfy this request within fourteen days of its receipt. The power to convene the Extraordinary General Meeting may also be exercised by the Supervisory Board and shareholders representing at least half of the share capital or at least half of the total votes in the Company.

§ 29

The General Meeting is convened by announcement made on the Company's website and in the manner provided for conveying current information, in accordance with the provisions on public offering and terms and conditions of introducing financial instruments to an organised trading system and on public limited companies. The announcement should be made at least twenty-six days before the date of the General Meeting and it should contain the information required by the relevant provisions of the Commercial Companies Code.

§ 30

The General Meeting is able to adopt binding resolutions irrespective of the number of shares represented and the amount of capital, unless the provision of this Articles of Association or the Commercial Companies Code provide otherwise.

§ 31

1. The General Meetings are held in Gdańsk, Warsaw, Sopot, Pruszcz Gdanski - at the place designated by the Management Board.
2. The General Meeting is opened by the Chairman of the Supervisory Board, and in his absence by one of the Board members.
3. The General Meeting adopts its rules of procedure specifying in detail the conduct of the meeting.

§ 32

1. Resolutions are passed by a simple majority of votes cast, unless the Articles of Association or the Commercial Companies Code provide otherwise.
2. Resolutions on removal from the agenda or resolutions on waiving to consider matters on the agenda require the consent of all shareholders who submitted such a request. Resolutions on matters as referred to in the preceding sentence are passed by a majority of at least 75% of the votes represented at the General Meeting.

§ 33

1. Resolutions of the General Meeting are required for the following:
 - 1) reviewing and approving the financial statement and report of the Management Board and the Supervisory Board on the Company's business in the previous financial year,
 - 2) taking all decisions relating to claims for damages suffered during the establishment of the company or its management or supervision,
 - 3) adopting a resolution on the distribution of profits or covering losses,
 - 4) granting to the members of the Company authorities acknowledgement of the fulfilment of their duties,
 - 5) issuing bonds, including convertible bonds,
 - 6) amending the Articles of Association,
 - 7) adopting resolutions concerning a merger, conversion of the Company, its dissolution and liquidation,
 - 8) adopting resolutions concerning the sale and lease of the company or its organised part and establishing beneficial ownership,
 - 9) examining and deciding on proposals submitted by the Supervisory Board,
 - 10) deciding on other matters reserved to the competence of the General Meeting in the Commercial Companies Code and the provisions of the Company's Articles of Association.
2. Issues presented at the General Meeting must be submitted by the Management Board in advance for consideration by the Supervisory Board. Shareholders representing at least one twentieth of the share capital, who are requesting to convene the General Meeting or to place certain issues on the agenda of the next General Meeting, are required, at least twenty-one days before the date of the General Meeting to provide the Management Board with written or electronic request justification or draft resolutions concerning the proposed agenda.
3. All issues to be presented for consideration by the General Meeting of Shareholders are subject to an opinion by the Supervisory Board. Opinion of the Supervisory Board will be read at the General Meeting prior to the examination of the matter.
4. Purchase and disposal of property rights and purchase and sale of the perpetual usufruct right to real estate does not require a resolution of the General Meeting of Shareholders.

§ 34

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ACCOUNTING AND COMPANY'S MANAGEMENT

§ 35

1. The Company maintains books and financial reporting in accordance with the provisions of the Commercial Companies Code, the Accounting Act and other rules in that regard.
2. An expert auditor to audit the Company's financial statements is selected by the Supervisory Board.

§ 36

The Company's financial year shall last from 1 February to 31 January of the following calendar year.

§ 37

The organization of the Company is defined in organizational regulations as set forth by the Management Board.

§ 38

Financial statements and report on the Company's business will be made by the Management Board no later than five months from the end of the financial year. General Meeting should pass a resolution approving the reports within six months from the end of the financial year.

§ 39

1. Company's net profit is allocated to:
 - 1) dividend to shareholders,
 - 2) deductions for supplementary capital,
 - 3) deductions to feed the reserve fund and other capitals and funds created by the General Meeting of Shareholders,
 - 4) other objectives set by the General Meeting of Shareholders.
2. The resolution of the General Meeting of Shareholders on allocation of annual profit to be divided among the shareholders indicates the dividend payment date and the date of record.
3. Dividends not collected within five (5) years from the date the payment are transferred to the Company.

FINAL PROVISIONS

§ 40

Provisions of the Commercial Companies Code apply in all matters not provided for in this act.