

MEMORANDUM AND ARTICLES OF ASSOCIATION OF OF LPP S.A.

consolidated text adopted by the Supervisory Board of the Company on 03 August 2009, acting pursuant to the resolution of the LPP S.A. General Shareholders' Meeting No 15/2007 of 29 June 2007.

§ 1

GENERAL PROVISIONS

1. The Company's name is "LPP" Spółka Akcyjna.
2. The Company's registered office is located in the city of Gdansk.

§ 2

1. The Company operates on the territory of the Republic of Poland and beyond.
2. The company may open branches and agencies, as well as act as a shareholder in other companies and in Poland and beyond.

THE COMPANY'S OBJECTS

§ 3

The company's objects according to the Polish Classification of Economic Activities (PKD) are:

1. Manufacture of knitted and crocheted fabrics – PKD symbol 17.60 Z
2. Manufacture of hosiery – PKD symbol 17.71.Z
3. Manufacture of leather clothing –PKD symbol 18.10 Z
4. Manufacture of workwear –PKD symbol 18.21 Z
5. Manufacture of other outerwear for men and boys 18.22 A
6. Manufacture of other outerwear for women and girls 18.22 B
7. Manufacture of underwear 18.23 Z
8. Manufacture of other wearing apparel and accessories n.e.c. 18.24 Z
9. Manufacture of footwear, except sport footwear 19.30.A
10. Manufacture of sport footwear 19.30.B
11. Publication of magazine and periodic publications 22.13.Z
12. Publication of sound recordings 22.14.Z
13. Other publishing activity 22.15.Z
14. Other printing activity, not classified elsewhere 22.22.Z
15. Auxilliary graphical activity 22.25.Z
16. Agents involved in the sale of textiles, clothing, footwear and leather goods 51.16 Z
17. Agents involved in the sale of particular products or ranges of products n.e.c. 51.18 Z
18. Agents involved in the sale of a variety of goods 51.19 Z
19. Wholesale of textiles 51.4 1 Z
20. Wholesale of clothing and footwear 51.42 Z
21. Retail sale in non-specialised stores with food, beverages or tobacco predominating

52.11 Z

22. Other retail sale in non-specialised stores 52.12 Z
23. Retail sale of cosmetics and toilet accessories 52.33.Z
24. Retail sale of textiles 52.41 Z
25. Retail sale of clothing 52.42 Z
26. Retail sales of footwear and leather goods 52.43 Z
27. Retail sale of books 52.47.A
28. Retail sale of newspapers and writing supplies 52.47.B
29. Retail sale of sports goods 52.48 D
30. Retail sale of games and toys 52.48.E
31. Retail sale via mail order houses 52.61 Z
32. Other retail sale outside retail outlet network, not classified elsewhere 52.63.B
33. Repair of footwear and other leather goods 52.71.Z
34. Rental of goods vehicles with the driver 60.24 C
35. Cargo handling 63.11 Z
36. Storage and warehousing 63.12 Z
37. Activities of other transport agencies 63.40 Z
38. Other credit granting 65.22 Z
39. Other financial brokerage, not classified elsewhere 65.23.Z
40. Auxiliary financial activities, not classified elsewhere 67.13.Z
41. Letting of own property 70.20 Z
42. Renting of automobiles 71.10 Z
43. Renting of office machinery and equipment 71.33 Z
44. Renting of other machinery and equipment 71.34 Z
45. Software editing 72.21.Z
46. Other software-related activities 72.22.Z
47. Data processing 72.30.Z
48. Other IT-related activities 72.60.Z
49. Market research and public opinion polling 74.13 Z
50. Management activities of holding companies 74.15 Z
51. Advertising 74.40.Z
52. Organisation of fairs and exhibitions 74.87.A
53. Other commercial activity, not classified elsewhere 74.87.B
54. Lifelong learning of adults and other forms of education, not classified elsewhere
80.42.B

- 55. Production of films and video recordings 92.11.Z
- 56. Distribution of films and video recordings 92.12.Z
- 57. Film screening 92.13.Z
- 58. Other sport-related activities 92.62.Z

§ 4

The Company's life is unlimited.

SHARE CAPITAL AND SHARES

1. The Company's share capital equals PLN 3.500.554,00 (three million five hundred five hundred and fifty four) and is divided into 350,000 (three hundred and fifty thousand) registered shares and 1,400,277 (one million four hundred fifty two hundred and seventy seven) bearer shares, of nominal value 2.00 (two) PLN each.
2. The Company has issued:
 - 1) 100 (hundred) bearer shares series A, of nominal value 2.00 PLN each,
 - 2) 350.000 (three hundred and fifty thousand) registered shares series B, of nominal value 2.00 PLN (two) each,
 - 3) 400.000 (four hundred thousand) bearer shares series C, of nominal value 2.00 PLN (two) each,
 - 4) 350.000 (three hundred and fifty thousand) bearer shares series D, of nominal value 2.00 PLN (two) each,
 - 5) 56.700 (fifty six thousand seven hundred) bearer shares series E, of nominal value 2.00 PLN (two) each,
 - 6) 56.700 (fifty-six thousand seven hundred) bearer shares series F, of nominal value 2.00 PLN (two) each,
 - 7) 300.000 (three hundred thousand) bearer shares series G, of nominal value 2.00 PLN (two) each,
 - 8) 190.000 (one hundred ninety thousand) bearer shares series H, of nominal value 2.00 PLN (two) each,
 - 9) 6 777 (six thousand seven hundred and seventy-seven) bearer shares series I, of nominal value 2.00 PLN (two) each.
 - 10) 40.000 (forty thousand) bearer shares series J, of nominal value 2.00 PLN (two) each.
3. Shares series B are preferenced with regard to the voting right at the General Meeting.
4. One preference share is entitled to 5 (five) votes at the General Meeting.
5. By 28 June 2010, the Management Board of the Company is entitled, pursuant to the provisions of art. 444-447 of the Code of Commercial Companies, to increase the share capital of the Company by no more than PLN 30,000 (thirty thousand złotych), by issuing no more than 15,000 shares series I [target capital].
6. The issue price of new shares to be issued as part of target capital shall be PLN 2.
7. The Management Board is entitled to effect multiple increases of the Company share capital through multiple share issues under the maximum allowed value of the target capital, referred to in 5 above.
8. The Management Board of the Company is entitled, if approved by the Supervisory Board, to exclude the subscription right for shares which will be issued as a result of the capital increase as part of the target capital on the condition that the shares issued as part of the target capital will be offered exclusively to individuals authorized to take up such shares under the incentive and bonus scheme implemented by the Company in accordance with the incentive and bonus scheme adopted by the Company as a result of it being passed by the Supervisory Board of the Company.

9. Pursuant to art. 446 §1 of the Code of Commercial Companies, the Management Board of the Company is authorised and obliged to perform any actions related to the company capital increase under the target capital, in particular to carry out and register an issue of shares which will be issued as part of the target capital, determine any and all dates related to effecting the issue of such share and allot such shares considering all rules resulting from the incentive and bonus scheme adopted by the Company for key personnel and collaborators of the Company, introduce editing changes related to the introduction to the Memorandum and Articles of Association of provisions on specific amounts of share capital increases and mark series and number of shares issued in relation to a given increase in the company share capital.

10. The Supervisory Board of the Company is authorised to draft a consolidated text of the Memorandum and Articles of Association of the Company that incorporates the amendment to the Memorandum and Articles of Association resulting from the increase in the company share capital

§ 5¹

1. The Company's conditional share capital shall not exceed PLN 212,500 (in words: PLN two hundred twelve thousand and five hundred) and shall be divided into no more than 106,250 (in words: one hundred six thousand two hundred and fifty) series K ordinary bearer shares of PLN 2.00 (in words: PLN two) in the nominal per share value.

2. The objective of the conditional increase in the Company's share capital is to vest the right to take up series K Shares in the holders of convertible Bonds issued by the Company under resolution of the Extraordinary General Meeting of Shareholders No. 4/2009 of 3 July 2009.

3. Only the holders of convertible bonds referred to in section 2 shall be entitled to take up series K shares and the pre-emptive rights of current shareholders shall be waived.

4. The right to take up Series K shares by bond conversion may be exercised on each first business day following the bond interest maturity date, with a reservation that the final statement on exercising the right to take up series K shares by bond conversion may be submitted exactly 36 months after the Bond allotment date.

§ 6

1. Share capital may be increased or decreased by resolution of the General Meeting.

2. The Company's shares are issued in series marked with subsequent letters of the alphabet.

3. Shares may be paid in by cash or contributions in kind.

4. The Company may issue bonds, including bonds convertible to shares.

§ 7

The Company's shares are transferable.

§ 8

1. The shares may be cancelled pursuant to regulations on decreasing the share capital, or from net profit outside of such regulations.

2. In exchange for cancelled shares, the Company may issue utility shares.

3. The methods and terms of cancelling shares are each time specified by the General Meeting.

§ 9

1. Transferring or pledging registered shares is conditional upon the approval of the Company.

2. The approval of share transfer or pledging is issued by the Supervisory Board in writing on pain of it being null and void, within 14 (fourteen) days of filing an application to this effect.

3. Where the Company does not give its approval, it should indicate an alternative transferee within 30 (thirty) days and set a date and venue for the payment of the price. Where the Company within the foregoing framework does not indicate an alternative transferee, the shares may be transferred without any restrictions.
4. Preference shares may be inherited with preference intact.
5. Exchanging registered shares for bearer shares is possible only with approval of the Company's Supervisory Board given by way of a written resolution or else null and void.
6. Exchanging registered shares for bearer shares involves the loss of their preferred status.

§ 10

Apart from share capital, the Company creates the following capitals and funds:

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

§ 11

1. The supplementary capital is created by way of contributions from distributable profit and from the premium at which shares are sold during further share issues. Contributions to this capital might not be less than 8% of the annual net profit.
2. Contributions to the supplementary capital are made up to a moment when the capital reaches the value of one-third of the share capital. The General Meeting may resolve on further increasing the supplementary capital.

§ 12

The Company's bodies include:

- 1) the Management Board,
- 2) the Supervisory Board,
- 3) the General Meeting.

§ 13

MANAGEMENT BOARD

1. The Company's Management Board consists of two to five persons appointed and dismissed by the Supervisory Board for a period of five years. The Management Board consists of the President of the Management Board and one to four Vice- Presidents.
2. The Company's Management Board represents the Company in court and out of court. Authorised to make effective representations and sign on behalf of the Company are the President of the Management Board individually, two Vice - Presidents jointly or a Vice-President with the authorised representative jointly.
3. The Management Board may institute authorised representatives, and give the power of attorney as per provisions of the civil code.

§ 14

The Management Board employs and dismisses employees and determines their remuneration.

§ 15

A newly elected Management Board is under the obligation to present to the Supervisory Board a plan for Company operations for the term it has been elected for, at the latest within two months from the date of being elected.

§ 16

The Management Board is competent in matters which have not been delegated to other Company bodies.

§ 17

SUPERVISORY BOARD

1. The Supervisory Board consists of from 5 (five) to 6 (six) members, including the President of the Supervisory Board. The number of members of the Supervisory Board is determined by the General Meeting.
2. Members of the Supervisory Board are elected for a term of five years. The members of the first Supervisory Board are appointed for a term of one year.
3. The Supervisory Board shall be called up and dismissed by the General Meeting.
4. Members of the Supervisory Board shall choose from among themselves the President of the Supervisory Board.

§ 18

Members of the Supervisory Board fulfil their obligations in person.

§ 19

1. Meetings of the Supervisory Board are held at least once every quarter and are called by the President of the Supervisory Board or his/her deputy.
2. Persons entitled to call the meetings are further obliged to call a meeting at a request of at least three members of the Supervisory Board or the Management Board. In this case, the meeting of the Supervisory Board should be held not later than 14 days of filing a written application to this effect with the President.
3. The Supervisory Board may adopt resolutions during its meeting, or in writing by using means of direct communication.
4. Members of the Supervisory Board may participate in the process of the Supervisory Board taking resolutions by casting their votes in writing by agency of another member of the Supervisory Board.

§ 20

1. For their validity, resolutions of the Supervisory Board require that all members have been invited to participate in the Meeting and at least half of them are present. The resolutions are made by simple majority of cast votes, unless specific provisions of this Memorandum and Articles of Association provide otherwise.
2. An invitation to a Meeting of the Supervisory Board shall specify the agenda. The Supervisory Board may discuss only these matters that have been included in the agenda, or else the discussions will be null and void, unless all members of the Supervisory Board are present at the meeting and no present member shall object to the meeting being held with its agenda changed, nor to discussing matters not included in the agenda.

§ 21

The Supervisory Board shall pass its own rules and regulations.

§ 22

The Management Board is obliged to secure a prior consent of the Supervisory Board for the following transactions:

1. acquiring and disposing of the ownership rights to real property, acquiring and disposing of the right to perpetual leasehold of real property,
2. assuming liabilities of third parties,

3. letting the enterprise of the Company or any part thereof,
4. acquiring or sale of Company branches or affiliates,
5. disposing of the Company's enterprise in whole or part,
6. allowing employees to participate in the profit and allocating special pension and disability rights,
7. all transactions connected with trading in securities.

§ 23

THE GENERAL MEETING OF SHAREHOLDERS

1. The governing Company body is the General Meeting of Shareholders, in which all shareholders participate, where each share carries one voting right, unless it is preferenced with regard to the voting right.
2. Holders of registered shares are entitled to participate in the General Meeting if they are entered in the shareholder's register at least one week before the General Meeting is held.
3. Holders of bearer shares are entitled to participate in the General Meeting if the shares are filed in the Company's registered office no later than one week before the General Meeting and are not claimed back before the Meeting has finished. Instead of shares, notarial certificates may be filed within the same time frame, confirming that the shares have been filed in the notarial depository and will not be given back to the holder before the Meeting has finished.
4. Holders of bearer shares introduced to public trading are entitled to participate in the General Meeting, if they file with the Company's registered office a certificate issued by an entity running a brokerage business indicating the number of shares, and stating that the shares may not be disposed of before the General Meeting has finished, at least one week before the General Meeting.

§ 24

Before each General Meeting, a list of shareholders entitled to participate in the General Meeting shall be made in accordance with rules set out in the commercial companies code. The list should be made available in the Company's registered office for 3 business days before the General Meeting is held.

§ 25

As soon as the chairman of the General Meeting has been elected, a list of participants should be drawn up, indicating the number of shares held by each participant and the number of votes, signed by the chairman of the proceedings.

§ 26

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

§ 27

The Annual General Meeting is held each year within six months of the fiscal year elapsing.

§ 28

An Extraordinary General Meeting is called by the Management Board at its discretion, at the request of the Supervisory Board and at the application of shareholders representing onetenth of the share capital, filed with the Management Board in writing. The Management Board is under the obligation to fulfil this request within 14 days as of receiving the application from the Supervisory Board or the shareholders.

§ 29

The Management Board is obliged to communicate the fact of calling a General Meeting and its date in Monitor Sadowy I Gospodarczy. The communication shall indicate the date, hour and venue of the General Meeting and present the agenda in detail.

§ 30

The General Meeting is capable of taking binding resolutions regardless of the number of represented shares and value of capital, unless the provisions of this Memorandum and Articles of Association or the commercial companies code determine otherwise.

§ 31

1. General Meetings are held in Gdansk, Warsaw, Sopot, and venue indicated by the Management Board.
2. The General Meeting is opened by the President of the Supervisory Board, or in case he or she is absent, by a member of the Supervisory Board.
3. The General Meeting shall pass its regulations determining in detail the way of conducting proceedings.

§ 32

1. Resolutions are made by simple majority of cast votes, unless this Memorandum and Articles of Association or the commercial companies code provide otherwise.
2. Resolutions on the removal from the agenda, or resolutions on the dismissal of items on the agenda require the consent of all shareholders that submitted a motion to that effect. Resolutions on issues referred to in the preceding sentence are adopted by majority of at least 75% of votes present at the General Meeting.

§ 33

1. The following transactions require a resolution of the General Meeting:
 - 1) analysing and approving financial statements and the report of the Management Board from Company's operation for the previous year,
 - 2) making any decisions on claims for remedying damage effected during the formation of the Company or performance of the management and supervision duties,
 - 3) adopting resolutions on the distribution of profits or covering of losses,
 - 4) granting a vote of acceptance to Members of Company bodies confirming the discharge of their duties,
 - 5) issuing bonds, incl. bonds convertible to shares,
 - 6) amending the Memorandum and Articles of Association,
 - 7) adopting resolutions on the merger, reorganisation of the Company, its dissolution or winding-up,
 - 8) adopting resolutions on disposing or leasing the business and the right of usufruct on it,
 - 9) analysing and deciding on applications filed by the Supervisory Board,
 - 10) deciding on other matters delegated to the General Meeting by the commercial companies code and provisions of this memorandum and articles of association,
2. Matters to be included in the agenda of the General Meeting must be previously filed by the Management Board with the Supervisory Board. Shareholders holding jointly of at least one-tenth of the share capital who request that eneral Meeting be called or certain matters be introduced into the agenda of the nearest GeneralMeeting are obliged to file relevant applications with the Management Board in writing and in good time.
3. All matters submitted to the General Meeting should have an opinion of the Supervisory Board attached. The opinion of the Supervisory Board should be read out at the General Meeting prior to discussing any such matter.

4. The acquisition and disposing of the ownership title to a real property, as well as the acquisition and disposing of the perpetual leasehold right shall not require a resolution of the General Meeting of Shareholders.

§ 34

1. Persons who individually or as a holding company together with its subsidiaries hold shares giving them more than 15% of the total vote at the General Meeting, exercise the right to 15% of the total vote.

2. Limitations set out in 1 above do not pertain to the registered shares held by Jerzy Lubianiec and Marek Piechocki.

COMPANY ACCOUNTING AND FINANCE

§ 35

1. The company's accounting and financial reports conform to the regulations contained in the Polish Commercial Companies Code, the Polish Accounting Law and other relevant regulations as may apply.

2. The Supervisory Board shall appoint a chartered auditor to audit financial reports of the Company.

§ 36

The Company's fiscal year equals the calendar year.

§ 37

The Company corporate structure is determined by the organisational regulations compiled by the Company's Management Board.

§ 38

The financial statement and report from the Company's operations should be prepared by the Management Board not later than five months from the end of the fiscal year. The General Meeting held within six months of the end of the fiscal year shall adopt a resolution on approving the reports.

§ 39

1. The Company's net profit is allotted as follows:

- 1) shareholder dividends;
- 2) contributions to the supplementary capital;
- 3) contributions to the reserve capital and other capitals and funds created by the General Meeting of Shareholders;
- 4) other purposes determined by the General Meeting of Shareholders;

2. The resolution of the General Meeting of Shareholders on the distribution of yearly profit among Shareholders shall set out the deadline for dividend payments and the date for determining the right to the dividend.

3. Dividend which has not been drawn for 5 (five) years as of the date of its payment is transferred to the Company.

FINAL PROVISIONS

§ 40

Matters not regulated by this Memorandum and Articles of Association are governed by the provisions of the Polish Code of Commercial Companies.

Certified to be a true copy

Chairman of the LPP S.A. Supervisory Board

Jerzy Lubianiec