

THE ARTICLES OF ASSOCIATION OF LPP SA

Complying with the adjustments resulting from the Resolution No. 22 of the Annual General Meeting of LPP SA of 27 June 2011 regarding (i) the issue of series A subscription warrants for series L shares, (ii) conditional share capital increase, (iii) exclusion of subscription rights of series A subscription warrants and exclusion of subscription rights for series L shares, (iv) authorisation for the Company bodies, (v) amendment to the Articles of Association and the Resolution No. 3 LPP of the LPP SA Management Board of 25 July 2011 on the amendment to the Articles of Association as a result of converting series A bonds into series K shares

§ 1

GENERAL PROVISIONS

1. The name of the Company is "LPP" Spolka 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 abroad.
2. The company may open branches and agencies, as well as act as a shareholder in other companies in Poland and abroad.

§ 3

THE OBJECTS OF THE COMPANY'S BUSINESS

The objects of the Company's business according to the Polish Classification of Economic Activities (PKD) adopted by force of the Regulation of the Council of Ministers of 24 December 2007 on the Polish Classification of Economic Activities (PKD) (Journal of Laws no. 251 item 1885 as amended thereafter) are:

1. Manufacture of knitted fabrics - PKD 13.91.Z
2. Manufacture of leather clothing -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 hosiery - PKD 14.31.Z
8. Manufacture of footwear - PKD 15.20.A
9. Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials - PKD 16.29
10. Manufacture of paper stationery
11. Other printing - PKD 18.12.Z
12. Printing related 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, footwear and leather goods - PKD 46.16.16 Z
18. Agents involved in the sale of particular products or ranges of products n.e.c. - 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-specialised stores - PKD 47.19.Z
24. Retail sale of cosmetics and toilet articles in specialised stores - PKD 47.75.Z
25. Retail sale of textiles in specialised stores - PKD 47.51 .Z
26. Retail sale of clothing in specialised stores - PKD 47.71.Z
27. Retail sales of footwear and leather goods in specialised stores - PKD 47.72.Z
28. Retail sale of books in specialised stores - PKD 47.61.Z
29. Retail sale of newspapers and writing supplies in specialised stores -PKD 47.62.Z
30. Retail sale of sports goods in specialised stores - PKD 47.64.Z
31. Retail sale of games and toys in specialised stores - PKD 47.65 .Z
32. Retail sale of second-hand goods in specialised stores - PKD 47.79.Z
33. Retail sale via mail order houses or via Internet - PKD.47.91 .Z
34. Other retail sale outside stores, stalls or markets - PKD 47.99.Z
35. Freight transport by road - PKD 49.41.Z
36. Storage and warehousing of other goods - PKD 52.10.Z
37. Cargo handling - PKD 52.24.
38. Activities of other transport agencies - PKD 52.29.C
39. Publication of magazine and periodic publications - PKD 58.14.Z
40. Other publishing activity - PKD 58.19.Z
41. Publishing of computer games - PKD 58.21.Z
42. Other software publishing - PKD 58.29.Z
43. Motion picture, video and television programme production activities - PKD.59.11.Z
44. Motion picture, video and television programme post-production activities - PKD 59.12.Z
45. Motion picture, video and television programme distribution 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 - PKD 62
49. Data processing, hosting and related activities - PKD 63.11.Z
50. Other information service activities n.e.c. _ PKD 63.99.Z
51. Activities of financial holding companies - PKD 64.20.Z

- 52. Activities of trusts, funds and similar financial entities - PKD 64.30.Z
- 53. Other credit granting - PKD 64.92.Z
- 54. Other financial service activities, except insurance and pension funding n.e.c. - 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 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, market research and public opinion polling - PKD 73
- 60. Specialised design activities - PKD 74.10.Z
- 61. Other professional, scientific and technical activities n.e.c - PKD 74.90.Z
- 62. Renting and leasing of cars and vans - PKD 77.11.Z
- 63. Renting of office machinery and equipment (including computers) - PKD 77.33.Z
- 64. Renting and leasing of other machinery, equipment and tangible goods n.e.c. - 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 - PKD 79.90.C

- 67. Organisation of fairs, exhibitions and conventions - PKD 82.30.Z
- 68. Activities of collection agencies and credit bureaus - PKD 82.91.Z
- 69. Other business support service activities n.e.c. - PKD 82.99.Z
- 70. Other education - PKD 85.5
- 71. Educational support activities - PKD 85.60.Z
- 72. Other sport-related activities - PKD 93.19.Z
- 73. Other amusement and recreation activities - PKD 95.23 .Z
- 74. Repair of footwear and leather goods - PKD 95.23 .Z

§ 4

The Company is established for an unlimited period of time

§5

SHARE CAPITAL AND SHARES

- 2. Company share capital amounts to PLN 3,555,468 (three million five hundred fifty-five thousand four hundred sixty eight zlotys) and is divided into: 350,000 (three hundred fifty thousand zlotys) registered shares and 1,427,734 (one million four hundred twenty seven thousand seven hundred thirty four) bearer shares with the nominal value of PLN 2,- (two) zlotys each.

1. The Company's share capital amounts to PLN 3.523.130,00 (three million five hundred twenty thousand one hundred and thirty) and is divided into 350,000 (three hundred and fifty thousand) registered shares and 1,411,565 (one million four hundred eleven thousand five hundred and sixty five) bearer shares of nominal value PLN 2,00 (two) each.
2. The Company has issued:
 - 1) 100 (hundred) series A bearer shares of nominal value PLN 2,00 each,
 - 2) 350,000 (three hundred and fifty thousand) series B registered shares of nominal value PLN 2,00 (two) each,
 - 3) 400,000 (four hundred thousand) series C bearer shares of nominal value PLN 2,00 (two) each,
 - 4) 350,000 (three hundred and fifty thousand) series D bearer shares of nominal value PLN 2,00 (two) each,
 - 5) 56,700 (fifty six thousand seven hundred) series E bearer shares of nominal value PLN 2,00 (two) each,
 - 6) 56,700 (fifty-six thousand seven hundred) series F bearer shares of nominal value PLN 2,00 (two) each,
 - 7) 300,000 (three hundred thousand) series G bearer shares of nominal value PLN 2,00 (two) each,
 - 8) 190,000 (one hundred ninety thousand) series H bearer shares of nominal value PLN 2,00 (two) each,
 - 9) 6,777 (six thousand seven hundred and seventy-seven) series I bearer shares of nominal value PLN 2,00 (two) each,
 - 10) 40,000 (forty thousand) series J bearer shares of nominal value PLN 2,00 (two) each.
3. 27,457 (twenty seven thousand four hundred fifty seven) series K bearer shares with the nominal value of 2,- (two) zlotys each Series B shares are preferential shares with regard to the voting right at the General Meeting of Shareholders.
4. One preference share carries 5 (five) votes at the General Meeting of Shareholders.
5. By 28 June 2010, the Management Board of the Company is entitled, pursuant to the provisions of Art. 444-447 of the Commercial Companies Code, to increase the share capital of the Company by not more than PLN 30,000 (thirty thousand zlotys), by issuing not more than 15,000 I series shares [target capital].
6. The issue price of the new shares to be issued as part of target capital shall be PLN 2 (two zlotys).

7. The Management Board is entitled to effect multiple increases of the Company's share capital through multiple share issues up to the maximum allowed limit value of the target capital, referred to in 5 above.
8. With a prior consent of the Supervisory Board, the Management Board of the Company is entitled, to exclude the subscription rights 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 authorised to take up such shares under the incentive and scheme implemented by the Company in accordance with the rules of the incentive scheme adopted by the Company and approved by its Supervisory Board.
9. Pursuant to Art. 446 §1 of the Commercial Companies Code, the Management Board of the Company is authorised and obliged to perform any actions related to the share capital increase under the target capital, in particular to carry out the share issue and register the shares which will be issued as part of the target capital, determine any and all dates related to effecting the issue of such shares and allocate the shares in conformance with the rules of the incentive scheme adopted by the Company for key personnel and associates of the Company, as well as make necessary amendments to the Articles of Association related to the introduction of provisions specifying the amounts of share capital increases and the designation of the series and number of shares issued in relation to a given increase in the Company's share capital.
10. The Supervisory Board of the Company is hereby authorised to draft the consolidated text of the Company Articles of Association incorporating the amendments resulting from the increase in the company share capital.

§ 5¹

1. The conditional share capital of the Company shall not exceed PLN 240,000 (two hundred and forty thousand zlotys) and shall be 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 zlotys) each,
 - (b) 21,300 (twenty one thousand three hundred) series L ordinary bearer shares with the nominal value of PLN 2 (two zlotys) each.
2. The purpose of the conditional capital increase referred to in sec. 5(1)(1)(a) shall be 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 sec. 5(1)(1)(b) shall be 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) shall be entitled to take up series K shares, to the exclusion of the pre-emptive rights 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 sec. 5(1)(3) shall be 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 of Shareholders.
2. The Company's shares are issued in series designated with subsequent letters of the alphabet.
3. The shares can be paid for in cash or by way of contributions in kind.
4. The Company can issue bonds, including bonds convertible to shares.

§ 7

The Company's shares are transferable.

§ 8

1. The shares can be redeemed pursuant to the regulations on decreasing the share capital or, regardless of the aforesaid regulations, against net profit.
2. In return for the redeemed shares, the Company can issue utility shares.
3. The methods and terms of share redemption shall each time be specified by the General Meeting of Shareholders.

§ 9

1. Transferring or pledging registered shares is conditional upon the Company's consent.
2. Any transfer or pledging of the shares shall not be valid without a prior written consent of the Supervisory Board issued within 14 (fourteen) days of filing an application to this effect.
3. If the Company refuses a consent referred to above, it should indicate an alternative transferee within 30 (thirty) days and propose a date and venue for the payment of the price. If the Company fails to indicate an alternative transferee prior to the deadline mentioned above, the shares can be transferred without any restrictions.
4. Preference shares can be inherited with preference intact.
5. Exchanging registered shares for bearer shares is possible only with a prior approval of the Company's Supervisory Board issued by way of a written resolution and shall not be valid if effected without such an approval.
6. Exchanging registered preference shares for bearer shares shall result in the loss of their preferential status.

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

- 1) supplementary capital,
- 2) other capitals and funds provided for by the law and established by force of a resolution of the General Shareholders' 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 the point when the capital reaches the value of one-third of the share capital. The General Meeting of Shareholders can decide to continue increasing the value of the supplementary capital.

§ 12

The Company's authorities include:

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

§ 13

MANAGEMENT BOARD

1. The Company's Management Board consists of two to five persons appointed for a five-year term and dismissed by the Supervisory Board. 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. The persons 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 */prokurent/* jointly.
3. The Management Board can appoint authorised representatives */prokurent/* and grant powers of attorney in accordance with the applicable 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 of the Company operations for the period of the term it has been elected for, no later than within two months from the date of being elected.

§16

The Management Board is competent in all matters which have not been reserved for the competence of other Company authorities.

§17

SUPERVISORY BOARD

1. The Supervisory Board consists of 5 (five) to 6 (six) members, including the Chairman of the Supervisory Board. The number of members of the Supervisory Board is determined by the General Meeting of Shareholders.
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 one-year term.
3. The Supervisory Board shall be appointed and dismissed by the General Meeting of Shareholders.
4. Members of the Supervisory Board shall elect from among themselves the Chairman of the Supervisory Board.

§ 18

Members of the Supervisory Board fulfil their duties in person.

§ 19

1. Meetings of the Supervisory Board are held at least once every quarter and are called by the Chairman or Vice-Chairman of the Supervisory Board.
2. Persons entitled to call the Supervisory Board meetings are obliged to call a meeting at a request of at least three members of the Supervisory Board or the Management Board. In such an event, the meeting of the Supervisory Board should be held not later than within 14 days of filing a written request to this effect with the Chairman.
3. The Supervisory Board may adopt resolutions during its meetings, or in writing by using means of direct communication.
4. Members of the Supervisory Board can participate in the process of adopting resolutions by the Supervisory Board by casting their votes in writing by agency of another member of the Supervisory Board.

§ 20

In order to ensure validity of the Supervisory Board resolutions, all members must be invited to the Meeting and at least half of them must be present. The resolutions are passed by simple majority of the votes cast, unless the relevant provisions of these Articles of Association stipulate otherwise.

The invitation to the Supervisory Board meeting shall contain the agenda. The Supervisory Board can deal only with the matters that are present on the agenda, or else the discussions will be null and void, unless all members of the Supervisory Board are present at the meeting and raise no objections to the changes in the meeting agenda or to discussing matters not included in original the agenda.

§21

The Supervisory Board shall adopt its own regulations defining in detail the procedures followed by the Supervisory Board.

§ 22

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

1. Acquisition or disposal of real estate, acquisition or disposal of rights to perpetual leasehold of real estate,
2. assuming liabilities of third parties,
3. renting out the Company's enterprise or any part thereof,
4. acquisition or sale of Company branches or affiliates,
5. disposal of the Company's enterprise in whole or in part,
6. authorising employees to take part in the profit distribution and allocating special pension and disability benefit rights,
7. all transactions on involving securities.

§ 23

THE GENERAL MEETING OF SHAREHOLDERS

1. The highest authority of the Company is the General Meeting of Shareholders, in which all shareholders participate. Each share carries one voting right, unless it has a preferential status with regard to the voting right.
2. Holders of registered shares are entitled to participate in the General Meeting of Shareholders if they are entered in the shareholder's register at least sixteen days before the date of the General Meeting of Shareholders, hereinafter referred to as the "General Meeting of Shareholders record date".

3. Holders of bearer shares in the documentary form are entitled to participate in the General Meeting of Shareholders if the share certificates are filed in the Company's registered office no later than on the General Meeting of Shareholders record date and are not claimed back before the end of the day. Instead of the shares, notarial certificates may be presented, confirming that the shares have been deposited with a notary public, bank or investment firm with a head or branch offices located on the territory of the European Union or a member state of the European Economic Area, as specified in the announcement of the notice of the general Meeting of Shareholders. The certificate should contain the numbers of the shares and a statement that the shares will not be issued to the holder prior to the General Meeting of Shareholders record date.
4. Holders of dematerialised bearer shares are entitled to take part in the General Meeting of Shareholders if they are on the authorised list of attendance drawn up and made available to the Company by the securities depository of, on the basis of named certificates confirming entitlement to attend the General Meeting issued by the entities keeping the securities accounts or equivalent documents, in accordance with respective provisions of the Commercial Companies Code and the Act of 29 July 2005 on the conditions for introducing financial instruments to an organised trading system and on public companies (Journal of Laws no. 184 item 1539 as amended thereafter).

§ 24

Before each General Meeting of Shareholders, 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 a period of 3 business days before the General Meeting of Shareholders is held. Each shareholder can request for sending the list by electronic mail to an indicated address.

§ 25

As soon as the Chairman of the General Meeting of Shareholders has been elected, the list of participants should be drawn up, indicating the number of shares held by each participant and the number of attached voting rights, signed by the Chairman of the meeting.

§ 26

Shareholders can participate in the General Meeting of Shareholders in person or by proxy.

§ 27

The Annual General Meeting of Shareholders is held each year within six months of the end of the previous accounting year.

§ 28

An Extraordinary General Meeting of Shareholders is called by the Management Board at its discretion or at the request of shareholders representing at least one-twentieth of the share capital, filed with the Management Board in writing or by electronic mail. The Management Board is under the obligation to fulfil this request

within 14 days of receiving the request. The Extraordinary General Meeting of Shareholders can also be called the Supervisory Board and shareholders representing at least half of the Company's total share capital or at least half of all voting rights.

§ 29

The General Meeting of Shareholders is called by way of a notice published on the Company's website and using the agreed method of communication in accordance with the provisions of the Act on the conditions for introducing financial instruments to an organised trading system and on public companies. The notice should be published at least 26 days prior to the scheduled date of the General Meeting of Shareholders and contain all information required by the applicable provisions of the Commercial Companies Code.

§ 30

The General Meeting of Shareholders is capable of taking binding resolutions regardless of the number of represented shares and value of capital, unless the provisions of these Articles of Association or the Commercial Companies Code stipulate otherwise.

§ 31

1. General Meetings of Shareholders are held in Gdansk, Warsaw, Sopot, at the venue indicated by the Management Board.
2. The General Meeting of Shareholders is opened by the Chairman of the Supervisory Board, or in his absence, by a member of the Supervisory Board.
3. The General Meeting of Shareholders shall adopt its own regulations determining in detail the way of conducting proceedings.

§ 32

1. Resolutions are adopted by simple majority of the votes cast, unless these Articles of Association or the applicable provisions of the Commercial Companies Code provide otherwise.
2. Resolutions on removal of items from the agenda or on abandoning the discussion of items present on the agenda shall require the consent of all shareholders that submitted such a motion. Resolutions on issues referred to in the preceding sentence shall be adopted by the majority of at least 75% of votes represented at the General Meeting of Shareholders.

§ 33

1. The following transactions require a resolution of the General Meeting of Shareholders:

- 1) examination and approval of the financial statements and the report of the Management Board on the Company's operations in the previous accounting year,
 - 2) making decisions on claims for remedying damage suffered during the formation of the Company or performance of the management and supervision duties,
 - 3) adopting resolutions on the distribution of profit or covering of losses,
 - 4) granting discharge from liability to Members of the Company authorities for fulfilment of their duties,
 - 5) issuing bonds, including bonds convertible to shares,
 - 6) amending the Statutes,
 - 7) adopting resolutions on the merger, reorganisation, dissolution or winding-up of the Company,
 - 8) adopting resolutions on disposal or renting out the business or its organised part and the right of usufruct on the business,
 - 9) reviewing and deciding on the motions filed by the Supervisory Board,
 - 10) deciding on other matters reserved for the competence of the General Meeting of Shareholders by force of the provisions of the Commercial Companies Code and provisions of these Articles of Association,
2. Matters to be dealt with by the General Meeting of Shareholders must be earlier submitted by the Management Board for consideration by the Supervisory Board. Shareholders holding jointly at least one-twentieth of the share capital who request calling a General Meeting or placement of particular matters on the agenda of the nearest General Meeting of Shareholders are obliged to submit to the Management Board a justification of the motion or draft resolutions concerning the particular agenda item, in writing or by e-mail, at least twenty one days ahead of the planned date of the General Meeting of Shareholders.
 3. All matters to be submitted for consideration by the General Meeting of Shareholders 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. Acquisition or disposal of the ownership title to a real estate, as well as acquisition or disposal of the perpetual leasehold right shall not require a resolution of the General Meeting of Shareholders.

§ 34

1. Persons who hold, individually or as parent entities together with the subsidiaries, shares accounting for more than 15% of the total vote at the General Meeting of Shareholders, exercise the voting rights in respect of 15% of the total vote.
2. The 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 keeps its books and prepares financial statements in accordance with the provisions of the Commercial Companies Code and other applicable regulations.
2. The Supervisory Board shall appoint a chartered auditor to audit the financial statements of the Company.

§ 36

The Company's accounting year shall be equivalent to the calendar year.

§ 37

The Company organisational structure is defined in the organisational regulations adopted by the Company's Management Board.

§ 38

The financial statements and the report on the Company's operations should be prepared by the Management Board no later than within five months from the end of the accounting year. The General Meeting of Shareholders held within six months of the end of the accounting year shall adopt a resolution on the approval of the report.

§ 39

1. The Company's net profit can be allocated to:
 - 1) shareholder dividends;
 - 2) contributions to the supplementary capital;
 - 3) contributions to the reserve capital and other capitals and funds established 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 the annual profit among the Shareholders shall contain the date of the dividend payment and the date of establishing the right to the dividend.
3. Dividend which has not been not collected for 5 (five) years as of the date of its payment is transferred to the Company.

§ 40

FINAL PROVISIONS

Matters not regulated by these Statutes shall be governed by the provisions of the Commercial Companies Code.