

**ARTICLES OF ASSOCIATION
OF VRG SPÓŁKA AKCYJNA
IN KRAKÓW**

consolidated text

I. GENERAL PROVISIONS

§ 1.

1. The Company name is: VRG Spółka Akcyjna.
2. The company may use in trading the abbreviation: VRG S.A.
3. The Company may use a distinguishing logo.

§ 2.

The registered office of the Company is Kraków.

§ 3.

1. The founder of the Company is the State Treasury.
2. The company is established as a result of a transformation of a state enterprise under the name: "VISTULA" Garment Industry Enterprise in Kraków.

§ 4.

The Company operates pursuant to the Commercial Companies Code and other current laws.

§ 5.

1. The Company operates in the territory of the Republic of Poland and outside of her borders.
2. The Company may set up branches, representative offices and other organizational units.

II. THE OBJECT OF THE COMPANY'S ACTIVITY:

§ 6.

The object of the Company's activity are as follows:

1. Manufacturing of wooden packages (PKD 16.24. Z),
2. Manufacturing of other wood products; manufacturing products made of cork, straw and materials used for wickerwork (PKD 16.29.Z),
3. Manufacturing of other articles of paper and cardboard (PKD 17.29.Z),
4. Publication of books (PKD 58.11.Z),
5. Other publishing activity (PKD 58.19.Z),
6. Bookbinding and similar services (PKD 18.14.Z),
7. Manufacturing of plastic packaging (PKD 22.22.Z),
8. Manufacturing of precious metals (PKD 24.41.Z),

9. Manufacturing of other special-purpose machines, not classified elsewhere (PKD 28.99.Z),
10. Manufacturing of watches and clocks (PKD 26.52.Z),
11. Manufacturing of jewellery, bijouterie and similar products (PKD 32.1),
12. Manufacturing of jewellery and similar products (PKD 32.1.),
13. Manufacturing of costume jewellery and similar products (PKD 32.99.Z),
14. Manufacturing of other products, not classified elsewhere (PKD 32.99.Z),
15. Repair and maintenance of machines (PKD 33.12.Z),
16. Wholesale conducted to the order (PKD 46.1),
17. Activity of agents dealing with the sale of furniture, household appliances and small metal products (PKD 46.15.Z),
18. Activity of agents specializing in sale of textiles, clothing, fur products, footwear and leather goods (PKD 46.16.Z),
19. Activity of agents specializing in selling the remaining specified products (PKD 46.18.Z),
20. Activity of agents dealing with sale of remaining of various kinds of goods (PKD 46.19.Z),
21. Retail sale conducted in non-specialized shops, mostly dealing with foods, beverages and tobacco products (PKD 47.11.Z),
22. Retail sale of tobacco products conducted in specialized shops (PKD 47.26.Z),
23. Retail sale of pharmaceutical products conducted in specialized shops (PKD 47.73.Z),
24. Retail sale conducted in non-specialized shops (PKD 47.1),
25. Retail sale of cosmetics and toiletries conducted in specialized shops (PKD 47.75.Z),
26. Retail sale of clothing conducted in specialized shops (PKD 47.71.Z),
27. Retail sale of footwear and leather goods conducted in specialized shops (PKD 47.72.Z),
28. Retail sale of furniture, lighting fixtures and other household appliances conducted in specialized shops (PKD 47.59.Z),
29. Retail sale of newspapers and stationery products conducted in specialized shops (PKD 47.62.Z),
30. Retail sale of books conducted in specialized shops (PKD 47.61.Z),
31. Retail sale of watches, clocks and jewellery conducted in specialized shops (PKD 47.77.Z),
32. Retail sale of second hand articles conducted in specialized shops (PKD 47.79.Z),
33. Repair of watches, clocks and jewellery (PKD 95.25.Z),
34. Retail sale conducted by mail-order companies or the Internet (PKD 47.91.Z),
35. Storing and warehousing of goods (PKD 52.10),
36. Storing and warehousing of remaining goods (PKD 52.10.B),
37. Other financial intermediating services (PKD 64.19.Z),
38. Rental and management of own and leased properties (PKD 68.20.Z),
39. Purchase and sale of properties at the company's own account (PKD 68.10.Z),
40. Market research and opinion polling (PKD 73.20, Z),
41. Activity of head offices; management-related consulting (PKD 70),
42. Other consulting related to conducting business activity and management (PKD 70.22.Z),
43. Activity of head offices and holdings, excluding financial holdings (PKD 70.10.Z),
44. Advertising (PKD 73.1),
45. Activity related to organization of fairs, exhibitions and conventions (PKD 82.30.Z),
46. Commercial activity, not classified elsewhere (PKD 82.9),
47. Preparation and milling textile fibres (PKD 13.1),
48. Finishing of textile products (PKD 13.3),
49. Manufacturing of other textile products (PKD 13.9),

50. Manufacturing of hosiery (PKD 14.31.Z),
51. Manufacturing of other knitwear (PKD 14.39.Z),
52. Manufacturing of leatherwear (PKD 14.11.Z),
53. Manufacturing of working clothes (PKD 14.12.Z),
54. Manufacturing of the remaining outer wear (PKD 14.13.Z),
55. Manufacturing of underwear (PKD 14.14.Z),
56. Manufacturing of remaining clothing and accessories (PKD 14.19.Z),
57. Manufacturing of luggage, handbags and similar leathercraft products; manufacturing of saddlery products (PKD 15.12.Z),
58. Manufacturing of footwear (PKD 15.20.Z),
59. Wholesale of textile products (PKD 46.41.Z),
60. Wholesale of clothing and footwear (PKD 46.42.Z),
61. Retail sale of textile products conducted in specialized shops (PKD 47.51.Z),
62. Repair of remaining personal and household products (PKD 95.29.Z),
63. Laundering and cleaning of textile and fur products (PKD 96.01.Z),
64. Manufacturing of cosmetics and toiletries (PKD 20.42.Z),
65. Wholesale of perfume and cosmetics (PKD 46.45.Z),
66. Wholesale of remaining household products (PKD 46.49.Z),
67. Retail sale of sport equipment conducted in specialized shops (PKD 47.64.Z),
68. Reloading of goods in remaining reloading stations (PKD 52.24.C),
69. Activity of financial holdings (PKD 64.20.Z),
70. Manufacturing of fabrics (PKD 13.20).

III. SHAREHOLDERS' EQUITY

§ 7.

The Company shareholder's equity includes its share capital, supplementary capital and other reserve capitals.

§ 8.

1. Share capital is divided into 234.455.840 (two hundred thirty four million four hundred fifty five thousand eight hundred forty) shares with the nominal value of 0,20 PLN (twenty groszy) each.
2. Share capital amounts to PLN 49.122.108 (forty nine million one hundred twenty two thousand one hundred and eight PLN).

§ 9.

1. Nominal value of the conditional increase of the share capital of the Company is established at the level of the amount not higher than PLN 5.565.400 (five million five hundred sixty five thousand four hundred PLN).
2. Conditional increase of the share capital is performed as an issue of bearer shares series C with the nominal value of 0,20 PLN (twenty groszy) each in a number not higher than 1.400.000 (one million four hundred thousand), an issue of E series bearer shares with the nominal value of 0,20 PLN (twenty groszy) each in a number not higher than 3.940.000

(three million nine hundred forty thousand), an issue of J series bearer shares with the nominal value of 0,20 PLN (twenty groszy) each in a number not higher than 5.437.000 (five million four hundred thirty seven thousand), an issue of L series bearer shares with the nominal value of 0,20 PLN (twenty groszy) each in a number not higher than 4.000.000 (four million), an issue of N series bearer shares with the nominal value of 0,20 PLN (twenty groszy) each in a number not higher than 6.000.000 (six million) and an issue of P series bearer shares with the nominal value of 0,20 PLN (twenty groszy) each in a number not higher than 7.050.000 (seven million fifty thousand).

3. Shares of C series, E series, J series, L series, N series and P series shall be subscribed by entities authorized on the basis of subscription warrants A series, B series, C series, D series, E series and F series, respectively, issued pursuant to the resolution no. 3 of the Extraordinary General Meeting of the Company of 30th March 2005, in a wording amended by the resolution no. 17 of the Ordinary General Meeting of the Company of 28th June 2005, resolution no. 4 of the Extraordinary General Meeting of the Company of 13th November 2006, resolution no. 22 of the Ordinary General Meeting of the Company of 28th June 2007, on the basis of the resolution no. 27/06/2009 of the Ordinary General Meeting of the Company of 29th June 2009, on the basis of the resolution no. 23/04/2012 of the Ordinary General Meeting of the Company of 23rd April 2012, on the basis of the resolution no. 21/04/2015 of the Ordinary General Meeting of the Company of 15th April 2015 and on the basis of the resolution no. 17/06/2018 of the Ordinary General Meeting of the Company of 27th June 2018, respectively.

§ 10.

1. All shares of the Company are bearer shares.
2. Shares may be redeemed in a manner and pursuant to the conditions specified by the resolution of the General Meeting.

§ 11.

1. Bank – Issuer conducting the issue of shares of the Company issues to shareholders a deposit certificate, constituting the evidence that the person referred to there is an owner of bearer shares located in its depository.
2. A deposit certificate is the sole evidence confirming the right to dispose of and exercise other share rights.

IV. BODIES OF THE COMPANY

§ 12.

Bodies of the Company are:

- Management Board of the Company,
- Supervisory Board,
- General Meeting.

a) MANAGEMENT BOARD

§ 13.

1. The Management Board of the Company consists of 3-6 persons. The term of office of the Management Board lasts for 3 subsequent years. A number of Management Board Members is defined by the Supervisory Board.
2. The Management Board is appointed by the Supervisory Board. Members of the Management Board are appointed for a joint term of office.
3. President of the Management Board, Vice-President of the Management Board or the entire Management Board may be dismissed by the Supervisory Board prior to the termination of a term of office.

§ 14.

1. The Management Board, under the leadership of the President of the Management Board, manages the Company and represents it outside.
2. All matters connected with the conducting of the Company which are not reserved by the provisions of law or these Articles of Association to the General Meeting or the Supervisory Board competence, belong to the scope of activity of the Management Board.
3. By-laws of the Management Board will define in detail the manner of activity of the Management Board. The by-laws shall be adopted by the Management Board, and approved by the Supervisory Board.

§ 15.

1. The cooperation of two members of the Management Board or one member of the Management Board jointly with the proxy is required to submit statements on behalf of the Company.
2. The Resolutions of the Management Board are passed with absolute majority of votes.

§ 16.

In the agreement between the Company and a member of the Management Board, as well as in a dispute with this member, the Company is represented by the Supervisory Board or a proxy appointed by the resolution of the General Meeting.

b) SUPERVISORY BOARD

§ 17.

1. Supervisory Board consists of 5-7 members. The term of office of the Supervisory Board lasts for 3 years.
2. A number of members of the Supervisory Board is defined by the General Meeting.
3. Members of the Supervisory Board are appointed and dismissed, subject to provisions of § 22 section 3 and 4 of the Articles of Association of the Company, by the General Meeting for a joint term of office.

§ 18.

1. The Supervisory Board will elect from among its members the Chairman of the Supervisory Board and his/her Deputy, and also the Secretary of the Board, when needed.
2. The Chairman of the Supervisory Board convenes the meetings of the Board and chairs the meetings. The Chairman of the Supervisory Board of the previous term of office convenes and opens the first meeting of the newly elected Board and chairs it until the Chairman is elected.
3. The Supervisory Board may dismiss the Chairman, his/her Deputy and the Secretary of the Board.

§ 19.

1. The Supervisory Board holds meetings at least once every quarter.
2. The Chairman of the Supervisory Board or his/her Deputy shall also be obliged to convene the Meeting of the Supervisory Board within two weeks from the date of receiving a written demand to convene a meeting of the Supervisory Board contained in a request of the Management Board or the Supervisory Board member.

§ 20.

1. The Supervisory Board may pass resolutions:
 - a) during meetings,
 - b) in a written form,
 - c) using direct distant communication means.
2. A Member of the Supervisory Board may participate in passing resolutions of the Board, casting his/her vote in writing, through another Supervisory Board members.
3. A resolution of the Supervisory Board may be adopted in writing by signing a draft of the resolution by individual members of the Board indicating the date on which the vote was cast and specifying whether the vote is in favour of the resolution, against the resolution or the member withholds his/her vote. The failure of member of the Supervisory Board to send signed draft of the resolution pursuant to the provisions above within 5 days from the date of dispatch of the draft to the address provided by the member of the Board shall be deemed as lack of will to participate in the ordered voting.
4. It is required, for validity of resolutions of the Supervisory Board, to invite all members of the Board to the meeting, and in case of resolutions passed in a written form or when using the direct distant communication means – to notify all members of the Supervisory Board on the contents of a draft of a resolution.
5. The Supervisory Board shall adopt resolutions by an absolute majority of votes, with presence or (in the case of resolutions adopted in writing or using the direct distant communication means) with the participation of at least half of the members of the Supervisory Board. In the case of equal number of votes for and against the resolution of the Supervisory Board, the vote of the Chairman of the Supervisory Board shall be decisive. In the case of resolutions adopted in writing, participation in a vote shall be understood as sending by a member of the Supervisory Board of a signed draft of a resolution within the time-limit referred to in § 20 clause 3.
6. A resolution of the Supervisory Board becomes valid on the date of its passing, unless the contents of the resolution does not state otherwise. Passing a resolution in a manner

described in item 3 of this paragraph becomes valid at the moment of signing the resolution by all members of the Supervisory Board or after 10 days from the date of sending a draft of the resolution to all members of the Supervisory Board.

7. The Supervisory Board may pass, amend, abrogate its by-laws specifying the manner of its operation.

§ 21.

1. The Supervisory Board holds continuous supervision over the activity of the Company.
2. Apart from the matters reserved by provisions of these Articles of Association, the particular competences of the Supervisory Board include:
 - 1) audit and evaluation of the financial report for the previous financial year,
 - 2) audit and evaluation of the report of the Management Board on activity of the Company and the conclusions of the Management Board concerning the distribution of profit or covering the loss,
 - 3) submitting to the General Meeting of an annual written report on the results of evaluation referred to in items 1 and 2,
 - 4) suspension of a member of the Management Board or the entire Management Board for important reasons,
 - 5) delegation of a member of the Supervisory Board for temporary performance of activities of members of the Management Board of the Company who are unable to perform their activities, unless it encroaches the provisions of § 17 section 1 of the Articles of Association,
 - 6) approval of the by-laws of the Management Board of the Company,
 - 7) approval of the remuneration for Management Board members,
 - 8) selection of an audit firm to audit the financial statements and attest of sustainable reporting,
 - 9) approval in a form of a resolution of the consolidated text of the Articles of Association of the Company, prepared by the Management Board of the Company, for internal purposes of the Company,
 - 10) passing opinions on redemption of the shares of the Company.
3. The following actions shall require obtaining the approval of the Supervisory Board in the form of a resolution:
 - a) the acquisition and sale of the real property, perpetual usufruct or share in the real property;
 - b) approval of a draft of the Company's budget and significant changes to the adopted budget of the Company regarding at least 10% of the amount of the Company's budget;
 - c) the conclusion of credit or loan agreements, excluding the loans granted within the Company's group;
 - d) taking up shares, acquisition of the shares and sale of shares of other companies.The above actions shall not require a resolution of the General Meeting.
4. The exercise by the Company of the right to vote in the adoption of resolutions of the meeting of shareholders or resolutions of the general meeting of shareholders of other commercial companies in which the Company participates as a shareholder shall require the approval of the Supervisory Board in the form of a resolution in the following matters:
 - a) the examination and approval of individual and consolidated financial statements and the Management Board reports on the operations of the company and its group for the previous financial year;
 - b) the adoption of resolutions on the distribution of profits or the covering of losses;

- c) granting members of the authorities of the company a discharge regarding execution of their obligations;
- d) the appointment and dismissal of members of the authorities of the company and the determination of the number of members of such authorities;
- e) the adoption of resolutions on the issue of bonds, including convertible bonds and bonds with the priority right, and subscription warrants referred to in Article 453 § 2 of the Commercial Companies Code;
- f) the adoption of resolutions regarding amendment of the articles of association of the company, including amending the subject of the company's activity and increase or decrease of the amount of share capital;
- g) the adoption of resolutions on the redemption of the shares and conditions for such redemption;
- h) the adoption of resolutions on the sale or lease of the company's enterprise or its organised part and to establish on them limited property rights;
- i) the adoption of resolutions on the sale or acquisition of real property, perpetual usufruct right or share in the real property of the company;
- j) determining and amending the rules of granting remuneration and levels of remuneration of the members of the authorities of the company;
- k) merger, division or conversion;
- l) dissolution of the Company

§ 22.

1. Members of the Supervisory Board perform their obligations and exercise their rights in person.
2. Principles of establishment and amounts of remuneration of the Supervisory Board is established of the General Meeting, subject to provisions of section 5.
3. In case of resignation or death of a member of the Supervisory Board, the Supervisory Board may add a new member until the end of its joint term of office (by means of co-optation).
4. A resolution of the Supervisory Board on adding another member by means of co-optation is subject to approval by the nearest General Meeting.
5. Remuneration of members of the Supervisory Board delegated to temporary performance of obligations of the Management Board members is established by a resolution of the Supervisory Board.
6. The Supervisory Board should approve the budget of the Company by 31 December before the beginning of the subsequent financial year. The Management Board shall submit to the Supervisory Board a draft budget of the Company no later than 30 November before the beginning of the subsequent financial year. In the absence of approval of the budget of the Company within the specified period, the Management Board shall operate on the basis of the draft budget of the Company presented to the Supervisory Board. The Supervisory Board shall be entitled to comment on the submitted budget of the Company, which should be considered by the Management Board within 14 days from the date of their notification to the Management Board and within that deadline the revised draft budget should be resubmitted to the Supervisory Board for approval. The Supervisory Board may be granted a budget as defined by the General Meeting, within which it should be provided with a legal service.

c) GENERAL MEETING

§ 23.

1. General Meeting is held as ordinary or extraordinary.
2. Ordinary General Meeting convened by the Management Board should be held until 30th June after the end of each financial year.
3. The Extraordinary General Meeting convenes the Management Board of the Company at its own initiative or at a written demand of the Supervisory Board or at a written request of a shareholder or shareholders representing at least 1/10 of the share capital.
4. Convening of the Extraordinary General Meeting by the Management Board at the request of the Supervisory Board or at a request of a shareholder or shareholders should be performed within two weeks from the date of submitting the demand.
5. The Supervisory Board convenes the General Meeting:
 - 1) in case the Management Board of the Company does not convene the Ordinary General meeting within the prescribed term,
 - 2) if, despite the submission by the Supervisory Board of a request referred to in section 3 of this paragraph, the Management Board of the Company does not convene the Extraordinary General meeting within the term referred to in section 4 of this paragraph.

§ 24.

1. General Meeting may pass resolutions only in matters included into the agenda.
2. The Agenda of the General Meeting is established by the Management Board, and in situations defined in § 23 section 5 of the Articles of Association or Art. 401 § 1 of the Commercial Companies Code, the agenda of the General Meeting is established by an entity convening the General Meeting.
3. The Supervisory Board, a shareholder or shareholders representing at least 1/10 of the share capital may demand the inclusion of particular matters into the agenda of the nearest General Meeting.
4. If such a demand is submitted after the announcement on convening the General Meeting, then it will be treated as a request for convention of the Extraordinary General Meeting.

§ 25.

General meetings are held in the location of the registered office of the Company or in other places allowed by binding regulations.

§ 26.

1. General Meeting may pass resolutions regardless of a number of current shareholders and represented shares, unless the regulations of the Commercial Companies Code provide otherwise.
2. If these Articles of Association or the provisions of law do not provide otherwise, each share entitles to one vote at a General Meeting.

§ 27.

Resolutions of the General Meeting are passed with an ordinary majority of votes cast, unless provisions of law or these Articles of Association do not provide otherwise.

§ 28.

1. Voting during the General Meeting is open. Secret voting is ordered at elections and over the motions to dismiss members of the bodies of the Company or liquidators of the Company, or holding them to account, as well as in personnel matters. Moreover, secret voting is ordered at a request of at least one of the persons present, authorized to vote.
2. Resolutions on significant change of the objects of the activity of the Company are cast with the majority of two thirds of the votes in open and roll-call vote. Such resolutions require to be announced.

§ 29.

1. General Meeting is opened by the Chairman of the Supervisory Board or a person appointed by him/her, afterwards a chairman is elected among the persons who are entitled to vote.
2. General Meeting passes its by-laws specifying in detail the mode of holding the meeting.

§ 30.

1. The powers of the General Meeting of Shareholders include:
 - 1) consideration and approval of the Management Board report on the Company's operations and the financial statements for the previous financial year;
 - 2) the adoption of a resolution regarding the distribution of profits or the covering of losses;
 - 3) establishment of a budget of the Supervisory Board of the Company;
 - 4) granting discharge to the members of the authorities of the company regarding execution of their obligations;
 - 5) change in the subject matter of the Company's activity;
 - 6) amendment of the Company's Articles of Association;
 - 7) increase or decrease of the share capital;
 - 8) merger of the Company, division of the Company, conversion of the Company;
 - 9) dissolution and liquidation of the Company;
 - 10) the issuance of convertible bonds or with the priority right and the issue of subscription warrants referred to in Article 453 § 2 of the Commercial Code;
 - 11) any provisions relating to claims for compensation for damage caused during establishment of the Company or exercising management or supervision;
 - 12) redemption of shares;
 - 13) granting consent to the disposal of shares owned by the Company of a value exceeding PLN 25.000.000, including by establishing a pledge or other limited property right, with the exception of the disposal in favour of the companies from the Group and with the exception of pledges and other limited property rights established in favour of the banks or entities financing the Company or the companies from the Company's Group or in case of securing the bonds issued by the Company or companies from the Company's Group.
2. Apart from the matters listed in section 1 of this paragraph, the matters specified in the Commercial Companies Code require a resolution of the General Meeting.
3. Competences listed in section 1 items 2, 4, 5, 6, 7, 9 of this paragraph are performed by the General Meeting at a motion of the Management Board of the Company submitted

jointly with a written opinion of the Supervisory Board. A motion of shareholders in these matters should be assessed by the Management Board of the Company and the Supervisory Board.

§ 31.

Subject to relevant provisions of law, the change of the object of the Company's activity shall not require the repurchase of shares, if a resolution is passed with a majority of two thirds of votes in the presence of persons representing at least a half of the share capital.

V. BUSINESS OF THE COMPANY

§ 32.

Organization of the business of the Company is defined in the organizational by-laws agreed upon by the Management Board of the Company.

§ 33.

1. The Company runs accurate accounting pursuant to the binding regulations.
2. The financial year is a calendar year.

§ 34.

1. The Company sets up the following capitals:
 - 1) share capital,
 - 2) supplementary capital.
2. The Company may set up reserve funds.
3. Supplementary capital is subject to increase by an amount constituting a difference between the current evaluation of fixed assets and the evaluation of fixed assets updated pursuant to principles specified in separate regulations and by an amount arising from other binding provisions of law.
4. The Management Board of the Company may set up funds charged into the account of the costs of activity of the Company with a consent of the Supervisory Board.

§ 35.

The Management Board is obliged, within three months after the end of the financial year, to prepare and submit an annual financial statement to the supervisory bodies pursuant to the principles specified in separate regulations, as well as the report on operations of the Company in this period.

§ 36.

1. Net profit of the Company may be distributed especially for:
 - 1) transfer to the supplementary capital,
 - 2) transfer to supplementation of the reserve capitals set up in the Company,

- 3) dividend for shareholders,
 - 4) other purposes.
2. The date of establishment of the right to dividend and the date of its pay-out shall be determined by the General Meeting of Shareholders. The dividend may be paid in instalments.

VI. MISCELLANEOUS

§ 37.

1. The Company publishes the announcements required by law in the Monitor Sądowy i Gospodarczy or Monitor Polski B.
2. Moreover, each announcement of the Company should be posted in the registered office of the Company in locations accessible for all employees.