



**ARTICLES OF ASSOCIATION**

of

**WOLFORD  
AKTIENGESELLSCHAFT**

As amended by the Annual General Meeting  
on September 30, 2020

## **I. GENERAL PROVISIONS**

### **Section 1 Name and Registered Offices of the Company**

(1) The name of the stock corporation is:

Wolford Aktiengesellschaft

(2) The registered office of the company is in Bregenz/Austria.

### **Section 2 Objects of the Business**

- (1) The purpose of the company's business is the production, distribution and sale of textiles of any kind, in particular knitwear and hosiery, primarily under the "Wolford" brand name.
- (2) Furthermore, the object of the company's business is the purchase and lease of movable and immovable assets, in particular the commercial acquisition, management, lease and sale of real estate, as well as the acquisition of own and third-party data for the purpose of automatic collection, storage and processing, all of which are carried out in accordance with the stipulations contained in the Austrian Data Protection Act, and the trading and sales of goods of any kind.
- (3) The object of the company's business also encompasses the acquisition and management of interests in other companies and corporations, with the exception of the banking business.
- (4) The company is entitled to carry out all activities, transact all business and take all measures required or conducive to achieving the purposes of its business, with the exception of banking transactions.
- (5) The company may also establish branches in Austria and abroad.

### **Section 3 Announcements**

Announcements of the company will take place, as long as and to the extent that this is stipulated by legal regulations, in the "Wiener Zeitung" newspaper. Otherwise, announcements of the company are to be made in accordance with the applicable statutory provisions in each case. All announcements are also to be published on the Website of the company on the Internet.

## **II. SHARE CAPITAL AND SHARES**

### **Section 4 Share Capital**

- (1) The share capital of the company amounts to EUR 48,848,227.77 (in words: forty-eight million, eight hundred and forty-eight thousand, two hundred and twenty-seven euros and seventy-seven cents).
- (2) The share capital is divided into a total of 6,719,151 (in words: six million, seven hundred and nineteen thousand, one hundred and fifty-one) no par value bearer shares, with each share representing an equal portion of the Company's share capital.
- (3) All shares are bearer shares.
- (4) If in the case of a capital increase, the resolution on the increase of capital does not stipulate whether the shares shall be bearer shares or registered shares, they shall be bearer shares.
- (5) Holders of preferred shares shall annually receive a preferred dividend corresponding to the holding in the share capital represented by the individual preferred shares. The preferred dividend shall be distributed only if and to the extent that it is covered by the respective net profit for the year, and all arrears on preferred dividends have been redeemed. Any arrears on preferred dividends shall be paid retroactively from the net profit of subsequent years, with previous arrears to be covered prior to arrears incurred at a later date.
- (6) In case of the dissolution of the company, the preferred shareholders will initially receive from the liquidation proceeds any dividends that may be outstanding after the creditors' claims have been satisfied or secured. The remaining liquidation proceeds shall be distributed among shareholders in proportion to their contributions, without any distinction being made between common and preferred shares.
- (7) In the case of a capital increase, the company is entitled to issue further preferred shares with priority or equal rights up to the maximum amount authorized by law, without having to obtain the consent of preferred shareholders.

### **Section 5 Share Certificates**

- (1) Bearer shares are to be securitized in one or more global certificates. The global certificate(s) is (are) to be deposited with a central securities depository according to Section 1 Para. 3 Austrian Securities Deposit Act or an equivalent foreign securities depository.
- (2) In so far as is legally permissible, the right of shareholders to individual share certificates is excluded.

- (3) In so far as is legally permissible, the form and content of share certificates, global certificates, profit sharing certificates, renewal coupons, partial debentures, interest coupons and warrants are to be determined by the Executive Board.

### **III. EXECUTIVE BOARD**

#### **Section 6**

##### **Composition of the Executive Board**

- (1) The Executive Board shall consist of two, three or four members. The Supervisory Board may appoint one of the Executive Board members to serve as Chairman of the Executive Board.
- (2) Deputy members of the Executive Board may also be appointed.
- (3) Each member of the Executive Board is entitled to resign without having to provide good cause by complying with the obligation to provide six months' advance notice. The resignation is to be submitted in writing to the Chairman of the Supervisory Board.

#### **Section 7**

##### **Representation of the Company**

- (1) The company is represented by two members of the Executive Board or by one member of the Executive Board jointly with a "Prokurist" (authorized representative vested with general commercial power of representation).
- (2) The Supervisory Board may confer the sole power of representation upon individual members of the Executive Board or revoke such power.

#### **Section 8**

##### **Management**

- (1) The Executive Board may adopt internal rules of procedure for itself which stipulate the allocation of duties among the Executive Board members and the measures it implements which require formal approval in accordance with Sect. 95 (5) Austrian Stock Corporation Act. The rules of procedure are subject to the approval of the Supervisory Board.
- (2) In its management of the company, the Executive Board is obliged to act in compliance with existing laws, these Articles of Association as well as the rules of procedure approved by the Supervisory Board.
- (3) The Executive Board is required to comply with the restrictions imposed by law, the Articles of Association or by the Supervisory Board in respect to the scope of its authority to do business, or which result from a resolution passed by the Annual General Meeting pursuant to Sect. 103 Austrian Stock Corporation Act.

**Section 9**  
**Reporting to the Supervisory Board**

- (1) The Executive Board is to submit a written report to the Supervisory Board at least once a year on fundamental issues of the company's future business policy as well as to present the future development of the assets and liabilities, financial position and profit or loss of the company based on a forecast (annual report).
- (2) The Executive Board shall also submit a written report to the Supervisory Board at regular intervals, but at least quarterly, on the course of business and the situation of the company in comparison to the forecast, taking the expected future development of the company into account (quarterly report).
- (3) Important developments shall be immediately reported to the Chairman of the Supervisory Board, either orally or in writing. Furthermore, any circumstances of material or major significance to the profitability and liquidity of the company shall be immediately reported to the Supervisory Board, either orally or in writing (special report).
- (4) Additionally, the Supervisory Board is deemed entitled at any time to demand oral explanations to the reports, which are required to comply with the principles of conscientious and truthful accountability. The annual and quarterly reports are to be distributed to each member of the Supervisory Board.

**IV. SUPERVISORY BOARD**

**Section 10**  
**Composition of the Supervisory Board**

The Supervisory Board is comprised of a minimum of three and a maximum of six members elected by the Annual General Meeting.

**Section 11**  
**Election and Recall of Supervisory Board Members**

- (1) The members of the Supervisory Board are elected by the Annual General Meeting for a maximum period lasting up until the completion of the Annual General Meeting which resolves upon the discharge for the fourth fiscal year following the election, not counting the fiscal year in which the member of the Supervisory Board was elected.
- (2) If members of the Supervisory Board resign or retire prior to the expiration of their terms of office, then a by-election is first to be held at the next Ordinary Annual General Meeting, unless the number of elected members of the Supervisory Board subsequently drops below three. In such a case, members elected by way of by-elections shall serve for the remaining term of office of the member who left the Supervisory Board.
- (3) Each member of the Supervisory Board may also resign without good cause by providing one month's advance written notice to the Chairman of the Supervisory Board.
- (4) The Annual General Meeting may revoke the election of a member of the Supervisory Board before expiration of his or her term of office. The relevant resolution requires a majority of

three quarters of the votes cast.

**Section 12**  
**Internal Organization of the Supervisory Board**

- (1) Each year, the Supervisory Board elects a Chairman and a Deputy Chairman from among its members at a meeting to be held following the conclusion of the Annual General Meeting. No separate invitations shall be necessary to convene this meeting. The election requires an absolute majority of the votes cast. If none of the proposed candidates receives the required absolute majority, a final ballot between the two candidates with the most votes shall be held.
- (2) If the position of Chairman or Deputy Chairman becomes vacant, a new election is to be carried out at the next Supervisory Board meeting to replace the resigning member.

**Section 13**  
**Internal Rules of Procedure for the Supervisory Board**

- (1) The Supervisory Board shall decide upon its own internal rules of procedure.
- (2) In addition to the general requirements pertaining to resolutions as stipulated in the Austrian Stock Corporation Act, resolutions adopted by the Supervisory Board in respect to its own internal rules of procedure shall require a simple majority of the votes cast by the members elected by the Annual General Meeting.

**Section 14**  
**Discussions and Resolutions of the Supervisory Board**

- (1) The discussions and resolutions on the part of the Supervisory Board shall take place at meetings which the Chairman of the Supervisory Board convenes by notifying the members in writing to the last known address. This provision shall not affect Sect. 94 (2) Austrian Stock Corporation Act.
- (2) The Supervisory Board is deemed to have a quorum if a simple majority of the members elected by the Annual General Meeting or at least a minimum of three members is present, including the Chairman or the Deputy Chairman. The Chairman presides over the meeting and determines the type of voting.
- (3) Unless otherwise stipulated by law or the Articles of Association, the resolutions of the Supervisory Board are adopted by a simple majority of the votes cast. In the event of a tied vote, the chairman of the meeting shall have the casting vote.
- (4) Minutes shall be kept of the discussions and resolutions adopted by the Supervisory Board and signed by the chairman of the meeting.

**Section 15**  
**Proxy**

Each member of the Supervisory Board may authorize another Supervisory Board member to represent him at a single meeting by granting written proxy. The proxy shall not be counted for the purpose of determining if the meeting has a quorum. The right to chair a meeting may not be transferred to another member.

**Section 16**  
**Circular Resolutions**

Resolutions of the Supervisory Board may also be adopted by means of a written ballot if the Chairman of the Supervisory Board determines that special reasons exist to warrant such a vote and no member of the Supervisory Board objects to this voting procedure. In the case of such circular resolutions, representation by other members of the Supervisory Board is not permissible.

**Section 17**  
**Committees**

- (1) The Supervisory Board may set up committees from among its members. Their responsibilities and powers as well as the rules of procedure, if any, are determined by the Supervisory Board. The committees may also be entrusted with decision-making powers. The election procedures stipulated in Sect. 12 of these Articles of Association apply analogously to the election of Supervisory Board members to committees.
- (2) The provisions contained in Sect. 4, 15 and 16 of these Articles of Association apply analogously to the committees established by the Supervisory Board. If a committee only consists of two members, it only forms a quorum if both members are present.

**Section 18**  
**Reservation of Powers**

Unless the Supervisory Board decides otherwise on a case-by-case basis, responsibility for deciding on the following is vested in the Supervisory Board as a whole:

- (1) The resolution to adopt the internal rules of procedure for the Supervisory Board and the Executive Board.
- (2) Approval granted to the financial statements, the proposal for the appropriation of profits and the Management Report as well as resolution approving the report to the Annual General Meeting pursuant to Sect. 96 of the Austrian Stock Corporation Act.
- (3) The appointment and recall of members of the Executive Board as well as the appointment and recall of the Chairman of the Executive Board.

**Section 19**  
**Participation in Supervisory Board and Committee Meetings**

- (1) Persons who are members of either the Supervisory Board or the Executive Board may not take part in meetings of the Supervisory Board and its committees. Specialists and persons providing information may be invited to meetings and consulted on individual issues. In any case, the auditor shall attend the specific Supervisory Board meetings dealing with the approval of the company's financial statements as well as the preparation and audit of these financial statements.
- (2) Members of the Supervisory Board who do not belong to a particular committee may only attend the meetings of this committee with the consent of the Chairman of the Supervisory Board.

**Section 20**  
**Amendments**

The Supervisory Board is empowered to pass resolutions on amendments to the Articles of Association provided that these changes only affect their wording.

**Section 21**  
**Supervisory Board - Declarations of Intent**

Declarations of intent on the part of the Supervisory Board and its committees shall be made by the Chairman of the Supervisory Board.

**V. ANNUAL GENERAL MEETING**

**Section 22**  
**General**

The Annual General Meeting of the company's shareholders is to be held at its registered offices, at one of its domestic branches or at another location where an Austrian notary public practices.

**Section 23**  
**Convocation**

- (1) The Annual General Meeting is convened by the Executive Board or the Supervisory Board.
- (2) The announcement of the convocation of an ordinary Annual General Meeting and the corresponding invitation to shareholders is to be made no later than on the 28<sup>th</sup> day before the meeting is scheduled to take place, whereas the announcement of the convocation of an extraordinary Annual General Meeting is to be made no later than the 21<sup>st</sup> day before the meeting is scheduled to take place. Both announcements must take the following provisions into account:

**Section 24**  
**Right to Participate in the Annual General Meeting**

- (1) The entitlement to participate in a Annual General Meeting and the right to exercise the rights of shareholders is based on the ownership of shares of the company at the end of the tenth day before the Annual General Meeting is held. Shareholders who want to participate in the Annual General Meeting and exercise their right to vote are required to provide evidence of their ownership of shares to the company.
- (2) In order to verify share ownership of bearer shares in the company deposited with a depositary credit institution, it is sufficient to have a confirmation on the record date pursuant to § 10a Para. 2 Austrian Stock Corporation Act issued by a depositary credit institution whose registered office is in a member state of the European Economic Area, or in a full member state of the OECD (certificate of deposit). This certificate is to be received by the company no later than a term of three working days prior to that of the Annual General Meeting, and sent to the addressed divulged for that purpose in the convocation.
- (3) The certificate of deposit shall not be more than seven days old on the date it is presented to the company, and must be conveyed to the company in text form. The company will accept a certificate of deposit transmitted via an international, highly secure messaging network of financial institutions, provided that the participants can be clearly identified.

**Section 25**  
**Language**

- (1) Deposit certificates shall be issued either in German or English.
- (2) In order to be legally binding, any notices on the part of shareholders and/or credit institutions which are addressed to the company must be sent either in German or English.
- (3) Annual General Meetings are to be officially held in German.

**Section 26**  
**Voting Rights**

- (1) Voting rights are exercised in accordance with the number of no par value shares.
- (2) Exercising of voting rights at the Annual General Meeting by authorized proxies is permissible with a written power of attorney which is to be transmitted to and retained by the company. The proxy issued in writing in accordance with the requirements of the "text form" is sufficient. The proxy may also be sent by electronic means.
- (3) If the shareholder grants a power of attorney to its depositary credit institution (§ 10a Austrian Stock Corporation Act, it will suffice if the credit institution declares, in addition to providing the certificate of deposit, that it has been granted power of attorney.

**Section 27**  
**Chairmanship of the Annual General Meeting**

- (1) The Chairman of the Supervisory Board or his deputy chairs the Annual General Meeting. If neither the Chairman nor the Deputy Chairman appears or is prepared to chair the meeting, then the notary appointed for the purposes of notarization shall chair the meeting with the purpose of electing a Chairman for the Annual General Meeting.
- (2) The Chairman of the Annual General Meeting conducts the proceedings and determines the order in which the agenda items are handled as well as the type and manner of voting. If several proposals have been submitted for one item on the agenda, the Chairman also determines the sequence of voting on these proposals.

**Section 28**  
**Majority Voting**

- (1) Unless a different majority is prescribed by law or by these Articles of Association, the Annual General Meeting shall pass resolutions with a simple majority of the votes cast. In cases which require a capital majority, resolutions are adopted by a simple majority of the share capital represented upon the passing of the resolution.
- (2) If no absolute majority is obtained on the first ballot of elections, a final ballot will be held between the two candidates who received the most votes. In the case of a tie, the Chairman of the meeting shall have the casting vote.

**Section 29**  
**Subject Matter of Resolutions**

The Annual General Meeting resolves every year during the first eight months of the respective fiscal year on the following issues concerning the previous business year:

- Distribution of the net profit
- Discharge of the members of the Executive Board and the Supervisory Board
- Election of the auditor, and in cases provided for by law, adoption of the annual financial statements.

**VI. FINANCIAL STATEMENTS AND DIVIDENDS**

**Section 30**  
**Fiscal Year**

The fiscal year that started on 1 May 2020 will end (as a short financial year) on 31 December 2020. From 1 January 2021 the fiscal year will respectively begin on 1 January and end on 31 December.

**Section 31**  
**Annual Financial Statements**

The Executive Board shall prepare the annual financial statements for the previous fiscal year including the notes to the financial statements and the Management Report within the legally stipulated time frame, and present its proposal for the appropriation of the net profit to the Supervisory Board.

**Section 32**  
**Appropriation of the Net profit**

- (1) Profits shall be distributed to the shareholders in proportion to the contribution they have made to the share capital in the company. The Annual General Meeting may resolve to exclude all or any part of the net profit from the distribution. Contributions which were made during the course of the fiscal year shall be taken into account in proportion to the period of time that has elapsed since the contribution was paid in. For this purpose, only full months will be taken into account. In the case of a capital increase, the resolution on the increase of capital may determine a date, independent of the date on which the contributions were made, from which new shares shall be entitled to dividends. The holders of preferred shares shall receive an annual preferred dividend on their shares in the share capital attributable to the individual preferred shares. The preferred dividend shall be distributed if it is covered by the respective net profit for the fiscal year, and all arrears on preferred dividends have been redeemed. Arrears on preferred dividends shall be paid retroactively from the net profit of subsequent years, with previous arrears to be covered prior to arrears occurred at a later date.
  
- (2) Dividends not claimed by shareholders within three years of becoming due are deemed to be forfeited by the shareholders and shall be transferred to the free reserves of the company.