

Filing fee: \$100.00

Corp. I.D.# 10096

ORIGINAL OF
ARTICLES OF MERGER
OF SWAROVSKI AMERICA LIMITED
INTO
SWAROVSKI CONSUMER GOODS LIMITED

RECEIVED
SECRETARY OF STATE
CORPORATIONS DIV.
DEC 24 10 15 AM '97

Pursuant to the provisions of Chapter 7-1.1 of the General Laws, 1956, as amended, the undersigned corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporations:

FIRST: The following Plan of Merger was approved by the shareholders of each of the undersigned corporations in the manner prescribed by said Chapter 7-1.1:

FILED

DEC 24 1997

AGREEMENT AND PLAN OF MERGER

By [Signature] #9
196645

This AGREEMENT AND PLAN OF MERGER (the "Agreement") is made and entered into this 31st day of December, 1997, by and between **SWAROVSKI CONSUMER GOODS LIMITED (FORMERLY SWAROVSKI JEWELRY U.S. LIMITED)**, a Rhode Island corporation ("SCG") and **SWAROVSKI AMERICA LIMITED**, a Rhode Island corporation ("SAL").

53235

WHEREAS, SCG is a corporation organized and existing under the laws of the State of Rhode Island, incorporated on December 31, 1987, and has authorized capital stock consisting of: 4,000 shares of common stock without par value, of which 300 shares have been issued and are outstanding; and

WHEREAS, SAL is a corporation organized and existing under the laws of the State of Rhode Island, incorporated on January 3, 1989, and has an authorized capital stock consisting of 4,000 shares of common stock without par value, of which 300 have been issued and are outstanding,

NOW, THEREFORE, the parties agree as follows:

1. **Merger.** This Agreement and the merger contemplated hereby shall be submitted to the holders of all of the stock of SCG and SAL, respectively, outstanding and entitled to vote, in accordance with the requirements of the laws of Rhode Island, for the authorization, adoption, and approval of this Agreement, the approval of the merger contemplated hereby, and the authorization of the proper officers of each corporation to execute and file this Agreement. As of the Effective Date, as hereinafter defined, SAL shall be merged with and into SCG, by the transfer by whatever nature to SCG of any and all of the assets of SAL, subject to all of the liabilities and obligations of SAL, and the separate existence of SAL shall cease (except to the extent

continued by statute). The appropriate officers of SCG and SAL shall take or cause to be taken any and all action as may be necessary or desirable in order to vest in and confirm in SCG title to and possession of all of the assets and rights of SAL, tangible and intangible, and otherwise carry out the intent and purposes of this Agreement and Plan of Merger.

2. Surviving Corporation. The surviving corporation shall be SCG, a Rhode Island corporation, which shall continue its corporate existence without change and under the same name. The number of authorized shares of the capital stock of SCG shall be unchanged as a result of this Agreement and Plan of Merger. The issued shares of capital stock of SCG shall continue to represent the same number of issued shares. Upon the Effective Date, the Articles of Incorporation of SCG, as in effect on the Effective Date, shall continue in full force and effect as shall the Articles of Incorporation of SCG and shall not be changed or amended by reason of this Agreement and Plan of Merger, and the By-laws of SCG shall continue to be the By-laws of SCG until altered or amended in accordance with the provisions thereof.

3. SAL Stock. Each share of common stock of SAL outstanding on the Effective Date shall be completely cancelled and cease to exist.

4. Directors and Officers. On the Effective Date, the directors and officers of SCG who shall hold office as provided in the By-laws of SCG are as follows:

<u>Officer</u>	<u>Name</u>
President	Daniel Cohen
Treasurer	Douglas P. Brown
Secretary	Norman G. Orodener

and the officers of SCG shall serve until their respective successors are duly elected and qualified.

5. Effective Date. The merger of SAL into SCG shall for financial statement and tax reporting purposes be deemed to have become effective on December 31, 1997 (the "Effective Date").

6. Representations and Warranties

6.1 SAL represents and warrants to SCG as follows:

(a) Organization. SAL is a Corporation duly organized, validly existing and in good standing under the laws of the State of Rhode Island, has corporate power to carry on its business as it is now being conducted and is qualified to do business in every jurisdiction in which the character and location of the assets owned by it or the nature of the business transacted by it require qualification.

(b) Capitalization. The issued capital stock of SAL

is as set forth below and is held as follows:

<u>Shareholder</u>	<u>Class</u>	<u>Number of Shares Held</u>
Swarovski North America Limited	Common Stock	300

(c) Subsidiaries. SAL has no subsidiaries.

(d) Title. SAL has and on the Effective Date will have good and marketable title to the machinery, equipment, merchandise, materials, supplies and other property of every kind, tangible or intangible, including trademarks, and licensing agreements, contained in its offices, plants and other facilities or shown as assets in its records and books of account, free and clear of all liens, encumbrances and charges, except for liens, encumbrances and charges, if any, which do not materially detract from the value of or interfere with the use of the properties subject thereto or affected thereby. SAL has and on the Effective Date will have valid leases under which it is entitled to use in its business all personal property of which it is the lessee, and SAL has no knowledge of any default under any such lease.

(e) Taxes. All taxes imposed by the federal, state, municipality, subdivision or instrumentality of the federal government or any other taxing authority, which are due or payable by SAL, have been paid in full or are adequately provided for by reserves shown in the records and books of account of SAL and will be so paid or provided for on the Effective Date. SAL has no knowledge of any assessed tax deficiency proposed or threatened against it.

(f) Litigation and Proceedings. There is no suit, action or legal or administrative proceeding, or to the knowledge of SAL threatened, against it or any of its subsidiaries, which, if adversely determined, would materially and adversely affect the financial condition of SAL or the conduct of its business nor is there any decree, injunction or order of any court, governmental department or agency outstanding against SAL having any such effect.

(g) Material contracts. SAL is not in default in any material respect under the terms of any material outstanding contract, agreement, lease or other commitment.

(h) No conflict with other instruments. On the Effective Date, the consummation of the transactions contemplated hereby will not result in the breach of any term or provision of or constitute a default under any indenture, mortgage, deed or trust or other material agreement or instrument to which SAL is a party.

6.2 SCG represents and warrants to SAL, as follows:

hereby will not result in the breach of any term or provision of or constitute a default under any indenture, mortgage, deed or trust or other material agreement or instrument to which SCG is a party.

9. Conduct of Businesses Pending the Merger. From and after the date of the Agreement and prior to the Effective Date, neither SCG nor SAL will, without the prior written consent of the other:

- (a) amend its Articles of Incorporation or By-laws;
- (b) engage in any material activity or transaction or incur any material obligation (by contract or otherwise) except in the ordinary course of business;
- (c) issue rights or options to purchase or subscribe to any shares of its capital stock or subdivide or otherwise change any such shares;
- (d) issue or sell any shares of its capital stock or securities convertible into shares of its capital stock;
- (e) declare or pay any dividends on or make any distributions in respect of any shares of its capital stock.

From and after the date of the Agreement and prior to the Effective Date, SAL will use its best efforts to preserve its business organizations intact; to keep available to SCG the services of its present officers and employees; and to preserve for SCG the goodwill of SAL's suppliers, customers and others having business relations with any of them.

10. Additional Agreements. SCG and SAL further agree as follows:

(a) Access and Information. SCG and SAL agree that each will give to the other and to the other's accountants, counsel and other representatives full access during normal business hours throughout the period prior to the Merger to all of its properties, books, contracts, commitments and records, and that each will furnish the other during such period with all such information concerning its affairs as such other party may reasonably request.

(b) Further Assurances. If at any time SCG shall consider or be advised that any further assignment or assurance in law or other action is necessary or desirable to vest, or confirm, of record or otherwise, in SCG the title to any property or rights SCG acquired or to be acquired by or as a result of the Merger, the proper officers and directors of SCG and SAL shall be and they hereby are severally and fully authorized to execute and deliver such proper deeds, assignments and assurances in law and take such other action as may be necessary or proper in the name of SCG to vest, perfect or confirm title to such property or rights in SCG and otherwise carry out the purposes of this Agreement.

(a) Organization. SCG is a corporation duly organized, validly existing and in good standing under the laws of the State of Rhode Island, has corporate power to carry on its business as it is now being conducted and is qualified to do business in every jurisdiction in which the character and location of the assets owned by it or the nature of the business transacted by it require qualification.

(b) Capitalization. The issued capital stock of SCG is as set forth below and is held as follows:

<u>Shareholder</u>	<u>Class</u>	<u>Number of Shares Held</u>
Swarovski North America Limited	Common Stock	300

(c) Subsidiaries. SCG has one subsidiary, JCA Export, Inc., a Rhode Island corporation.

(d) Title. SCG has and on the Effective Date will have good and marketable title to the machinery, equipment, merchandise, materials, supplies and other property of every kind, tangible or intangible, contained in its offices, plants and other facilities or shown as assets in its records and books of account, free and clear of all liens, encumbrances and charges, except for liens, encumbrances and charges, if any, which do not materially detract from the value of or interfere with the use of the properties subject thereto or affected thereby. SCG has and on the Effective Date will have valid leases under which it is entitled to use in its business all personal property of which it is the lessee, and SCG has no knowledge of any default under any such lease.

(e) Taxes. All taxes imposed by the federal, state, municipality, subdivision or instrumentality of the federal government or any other taxing authority, which are due or payable by SCG, have been paid in full or are adequately provided for by reserves shown in the records and books of account of SCG and will be so paid or provided for on the Effective Date. SCG has no knowledge of any assessed tax deficiency proposed or threatened against it.

(f) Litigation and proceedings. There is no suit, action or legal or administrative proceeding, or to the knowledge of SCG threatened, against it, which if adversely determined, would materially and adversely affect the financial condition of SCG or the conduct of its business nor is there any decree, injunction or order of any court, governmental department or agency outstanding against SCG having any such effect.

(g) Material contracts. SCG is not in default in any material respect under the terms of any material outstanding contract, agreement, lease or other commitment.

(h) No conflict with other instruments. On the Effective Date, the consummation of the transactions contemplated

11. Termination and Abandonment. Anything herein or elsewhere to the contrary notwithstanding, this Agreement may be terminated and abandoned at any time before the Effective Date, whether before or after adoption or approval of this Agreement by the shareholders of SCG or SAL, under any one or more of the following circumstances:

(a) By the mutual consent of the shareholders of SCG and SAL;

(b) By either SCG or SAL if any action or proceeding before any court or other governmental body or agency shall have been instituted or threatened to restrain or prohibit the Merger and such corporation deems it and advisable to proceed with the Merger; or

(c) By either SCG or SAL if the requisite approval of the shareholders of both corporations shall not have been obtained on or before the Effective Date.

Upon any such termination and abandonment, neither party shall have any liability or obligation hereunder to the other.

12. Amendments. Any of the terms or conditions of this Agreement may be modified or waived at any time before the Effective Date by the party which is, or the shareholders of which are, entitled to the benefit thereof upon the authority of the board of directors of such party, provided that any such modification or waiver shall in the judgment of the party making it not affect substantially or materially and adversely the benefits to such party or its shareholders intended under this Agreement.

SECOND: As to each of the undersigned corporations, (except one whose shareholders are not required to approve the agreement under §7-1.1-67, in which event that fact shall be set forth), the number of shares outstanding, and the designation and number of outstanding shares of each class entitled to vote as a class on such Plan, are as follows:

<u>Name of Corporation</u>	<u>Number of Shares Outstanding</u>	<u>Entitled to Vote as a Class</u>	
		<u>Designation of Class</u>	<u>Number of Shares</u>
Swarovski Consumer Goods Limited	300	Common	-
Swarovski America Limited	300	Common	-

THIRD: As to each of the undersigned corporations, the total number of shares voted for and against such Plan, respectively, and, as to each class entitled to vote thereon as a class, the number of shares of such class voted for and against such Plan, respectively, are as follows:

<u>Name of Corporation</u>	<u>Total Voted For</u>	<u>Total Voted Against</u>	<u>Class</u>	<u>Number of Shares Entitled to Vote as a Class</u>		
				<u>Voted For</u>	<u>Voted Against</u>	
Swarovski Consumer Goods Limited	300	Common	0	-	-	-
Swarovski America Limited	300	Common	0	-	-	-

FOURTH: Time merger to become effective (§7-1.1-69):

December 31, 1997. ...

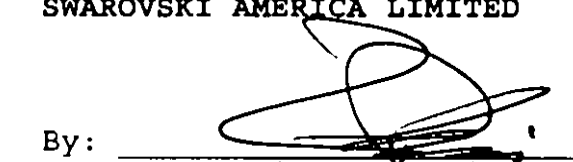
Dated: December 23, 1997

SWAROVSKI CONSUMER GOODS LIMITED

By: 
Daniel Cohen, President

By: 
Norman G. Orodener, Secretary

SWAROVSKI AMERICA LIMITED

By: 
Franz Weis, Executive Vice President

By: 
Norman G. Orodener, Secretary

State of Rhode Island

County of Providence

} Sc.

At Providence in said County on the 23rd day of December, 1997, before me personally appeared Norman G. Orodener, who being by me first duly sworn, declared that he is

the Secretary of Swarovski Consumer Goods Limited, that he signed the foregoing document as such Secretary of the corporation, and that the statements therein contained are true.

Esther E. Stone
Notary Public
ESTHER E. STONE

State of Rhode Island

} Sc.

County of Providence

At *Providence* in said County on the 23rd day of December, 1997, before me personally appeared Norman G. Orodener, who being by me first duly sworn, declared that he is the Secretary of Swarovski America Limited, that he signed the foregoing document as such Secretary of the corporation, and that the statements therein contained are true.

Esther E. Stone
Notary Public
ESTHER E. STONE



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
DIVISION OF TAXATION
One Capitol Hill
Providence, RI 02908-5800

December 22, 1997

TO WHOM IT MAY CONCERN:

Re: SWAROVSKI AMERICA LIMITED

It appears from our records that the abovenamed corporation has filed all of the required Business Corporation Tax Returns due to be filed and paid all taxes indicated thereon and is in good standing with this Division as of this date regarding any liability under the Rhode Island Business Corporation Tax Law.

This letter is issued pursuant to the request of the abovenamed corporation for the purpose of:

A MERGER - CORPORATION IS THE NONSURVIVOR

Very truly yours,

R. Gary Clark
Tax Administrator

Ernest A. DeAngelis
Ernest A. DeAngelis
Chief Revenue Agent
Corporations