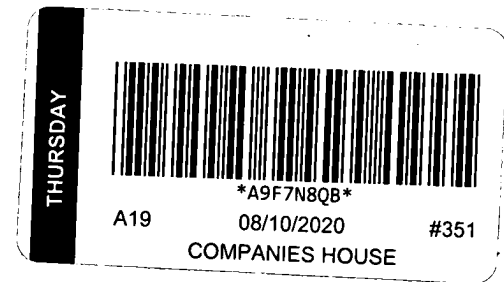


THE COMPANIES ACT 1985  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
VAN ELLE LIMITED  
Company number: 02590521



Preliminary

1. The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (hereinafter referred to as "Table A") subject to the additions exclusions and modifications hereinafter expressed shall constitute the Articles of Association of the Company.
2. Regulations 8, 24, 40-41 (inclusive), 60, 61, 64, 73-80 (inclusive), 87, 94-97 (inclusive) of Table A shall not apply to the Company.

Share Capital

3. The Directors of the Company may for the period of 5 years after the date of adoption of these Articles (subject to this Article and Article 4 below and section 80 of the Companies Act 1985 (hereinafter referred to as "the Act")) allot grant options over or otherwise deal with or dispose of any relevant securities (as defined by section 80(2) of the Act) in the Company which are at the date hereof unissued on such terms and conditions and in such manner as they shall think proper.
4. The Directors of the Company are generally and conditionally authorised pursuant to the authority given by Article 3 above to allot up to 1,198 Ordinary Shares of £1 each in the share capital of the Company to such persons at such times and on such terms and conditions as they think fit subject to the provisions of section 80 of the Act and in addition to the said 1,198 Ordinary Shares to allot to any person who is at the time of such allotment a director or employee of the Company or any subsidiary of the Company such number of shares as the directors shall decide provided that such shares so allotted do not exceed 6% of the issued share capital of the Company at the time of such allotment as if Section 89(1) did not apply to any such allotment.
5. Subject to the provisions of the Act the Company may purchase any of its own shares.

Lien

6. The company shall have a first and paramount lien on every share (whether or not it is a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The Company shall also have a first and paramount lien on every share (whether or not it is a fully paid share) standing registered in the name of any Member solely or registered in the names of two or more joint holders for all moneys presently payable by him or his estate to the Company. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation.

Proceedings at General Meetings

7.
  - 7.1 No business shall be transacted at any Meeting unless a quorum is present at the time the Meeting proceeds to business. Two persons entitled to vote upon the business to be transacted each being a Member or a proxy for a Member or a duly authorised representative of a corporation shall be a quorum.

- 7.2 If such a quorum is not present within half an hour from the time appointed for the Meeting the Meeting shall stand adjourned to the same day in the next week at the same time and place or such time and place as the Directors may determine.
- 7.3 At the adjourned Meeting a quorum shall be one person entitled to vote upon the business to be transacted being a Member of the Company.
- 7.4 If at the adjourned Meeting a quorum is not present within half an hour from the time appointed for the Meeting such adjourned Meeting shall be dissolved.

#### Number of Directors

8. Unless otherwise determined by Ordinary Resolution in General Meeting of the Company the number of Directors (other than Alternate Directors) shall not be subject to any maximum and the minimum number of Directors shall be one. If and so long as the minimum number of Directors shall be one a sole Director may exercise all the authorities and powers which are vested in the Directors by Table A and by these Articles. Regulation 89 of Table A shall be modified accordingly.

#### Appointment of Directors

9. No person shall be appointed a Director at any General Meeting unless:-
- 9.1 he is recommended by the Directors; or
- 9.2 not less than fourteen nor more than thirty-five clear days before the date appointed for the General Meeting notice executed by a Member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment together with notice executed by that person of his willingness to be appointed.
10. The Company may by Ordinary Resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director.
11. The Directors may appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors.
12. The Directors shall not be required to retire by rotation.

#### Directors Powers

13. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge the whole or any part of its undertaking property and uncalled capital, and to issue debentures debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the company or of any third party.

#### Proceedings of Directors

14. A Director may vote as a Director in regard to any contract or arrangement in which he is directly or indirectly interested or upon any matter arising thereout and if he shall so vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration.

#### Alternate Directors

- 15.
- 15.1 A Director may appoint any other Director, or any other person approved by the Directors, as his alternate and may revoke such appointment at any time. Such an appointment may be special, that is, limited to a particular meeting, or general, that is effective until determined.

- 15.2 In the absence of his appointer, a special alternate shall be entitled to represent his appointer and vote in his place at the meeting referred to in his appointment.
- 15.3 A general alternate shall (subject to his giving to the Company an address for service in the United Kingdom) be entitled to receive notices of meetings to attend and vote as a Director at any meeting at which his appointer is not personally present, and generally in the absence of his appointer to exercise all the functions of his appointer as a Director.
- 15.4 A Director present at a meeting of Directors and appointed alternate (whether special or general) for another Director shall have an additional vote for each of his appointers absent from that meeting.
- 15.5 The appointer of an alternate Director may direct the payment to the alternate Director of some or all of the remuneration which would otherwise be payable to the appointer. Except as so directed, an alternate Director shall not be entitled to any remuneration or expenses from the Company for acting in the capacity
- 15.6 An alternate Director shall cease to be an alternate Director if for any reason his appointment is revoked or his appointor ceases to be a Director or if he resigns.
- 15.7 All appointment, revocations of appointments and resignations of alternate Directors shall be in writing signed by either of the appointor or the alternate (as the case may be) and left at the Company's registered office.

#### Transfer of Shares

#### 16.

- 16.1 The Directors shall register the transfer of any share transferred in pursuance of paragraphs 16.2 16.4 16.5 and 17 below and in accordance with the Companies Act 1985 but otherwise in their absolute discretion may refuse to register any transfer of any share without giving any reason whether the share is fully paid or not. If the Directors do not resolve to register a transfer within two months after being requested to do so they shall be deemed to have declined it.
- 16.2 Transfers of shares shall be permitted:
  - 16.2.1 to any person or persons acting in the capacity of trustee or trustees of a trust created inter vivos by a Member or upon any change of trustee or trustees (so that any such transfer as aforesaid shall be registered pursuant to paragraph 16.1 only if such shares are to be held upon the terms of the trust) provided that there are no persons beneficially interested under the trust other than children or remoter issue (including a child by adoption) of the Member and the voting rights conferred by any such shares are not exercisable by or subject to the consent of any person other than the trustee or trustees of the trust or the Member children or remoter issue (including a child by adoption) of the Member and also the Directors are satisfied that the trust is and is intended to remain a trust the sole purpose of which is to benefit the children or remoter issue (including a child by adoption) of the Member;
  - 16.2.2 by any Member holding 75% or more of the issued share capital of the Company from time to time to any person(s) corporation or company;
  - 16.2.3 if and whenever any shares which have been transferred to a trust referred to in sub-paragraph 16.2.1 and created after the date of adoption of these Articles in accordance with and pursuant to paragraph 16.2 cease to be held upon such trust the trustees shall forthwith give a Sales Notice in respect of the relevant shares and such shares may not otherwise be transferred; and failure so to give a Sales Notice within 28 days of the shares ceasing to be held as aforesaid shall result in a Sales Notice being deemed immediately to be given in respect of the relevant shares.

- 16.3 For the purposes of paragraph 16.2 the word "Member" shall not include a person who holds share only in the capacity of trustee, legal personal representative or trustee in bankruptcy but shall include a former Member in any case where the person concerned ceased to be a Member as a result of the creation of the relevant trust.
- 16.4
- 16.4.1 Notwithstanding any other provision of these Articles Michael Frank Ellis and Joan Elizabeth Ellis or either of them shall be entitled upon the death of either or both of them to dispose of their shares or any of them without restriction by way of testamentary disposition and such disposal shall not result in a Sales Notice being deemed to have been given.
- 16.4.2 In the event that Michael Frank Ellis and Joan Elizabeth Ellis or either of them dispose of shares in accordance with sub-paragraph 16.4.1 to any person or persons acting in the capacity of trustee or trustees of a trust transfers of shares shall be permitted to the beneficiary or beneficiaries of such trust and upon any charge of trustees of such a trust to the new trustee or trustees.
- 16.5 Except where a transfer is made under paragraph 16.2 or 16.4:-
- 16.5.1 A Member wishing to transfer any shares in the Company or any interest therein ("the Seller") must give to the Directors written notice ("the Sale Notice") stating the number and class of shares ("the Transfer Shares") which the Seller wishes to transfer. A Sales Notice shall not be revocable except with the sanction of the Directors. The Sales Notice shall state whether the Seller wishes to impose a Total Transfer Condition (meaning a condition that unless all of the Transfer Shares are sold pursuant to the following provisions of this Article none shall be so sold) but in the absence of such a condition the Sales Notice shall be deemed not to contain a Total Transfer Condition.
- 16.5.2 The Sale Notice shall be deemed to constitute the Directors the Seller's agents for the purpose of the proposed sale and the Directors shall offer the Transfer Shares to the Members at the time (other than the Seller) and in the manner and at the price per share ("the Offer Price") described below.
- 16.5.3 The Offer Price may be agreed between the Seller and the Directors but if it has not been agreed within thirty days after the date of the Sale Notice the Directors shall within the next seven days instruct the Auditors (or at the discretion of the Auditors, a person nominated by the President for the time being of the Institute of Chartered Accountants and for the purpose of this Article and Article 17 reference to the Auditors shall include a person so nominated) to certify in writing within two months of instruction the fair value of the Transfer Shares. In certifying the fair value the Auditors shall be considered to be acting as experts and not as arbitrators and accordingly the Arbitration Acts 1950 to 1979 shall not apply. When the fair value is certified the Offer Price shall be the fair value per Transfer Share.
- 16.5.4 Within seven days of the determination of the Offer Price the Directors shall offer by notice in writing ("the Offer Notice") to each Member of the Company at the date of determination of the Offer Price ( other than the Seller) at the Offer Price the number of the Transfer Shares as nearly as maybe proportionate to that Member's holding of shares of the same class as the Transfer Shares at the date of determination of the Offer Price. The Offer Notice shall limit the time in which the offer may be accepted not being less than twenty-one days nor more than forty-two days after the date of the Offer Notice. For the purpose of this Article an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company. The Offer Notice shall further invite each Member to state in his reply the number of additional shares (if any) in excess of his proportion which he desires to purchase and if all the Members do not accept the offer in respect of their respective proportions in full the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in proportion to the number of shares already held by them respectively

provided that no Member shall be obliged to take more shares than he shall have applied for. If any of the Transfer Shares shall not be capable of being allocated as aforesaid without involving fractions, the same shall be offered amongst Members accepting shares or some of them in such proportions or in such manner as may be determined by lots drawn in respect thereof and the lots shall be drawn in such manner as the Directors shall think fit.

- 16.5.5 If any Transfer Shares are not taken up by existing Members after being offered in accordance with sub-paragraph 16.5.4 above the Directors may if they think fit offer those shares to any other person at the Offer Price on such term as the Directors shall decide.
  - 16.5.6 If the Sales Notice in question contained a Total Transfer condition then no offer of Transfer Shares made by the Directors pursuant to this Article shall be capable of acceptance until all of the Transfer Shares shall have been accepted by the Members (or any of them) or by any person offered shares by the Directors under sub-paragraph 16.5.5 above or the Seller has waived such condition in accordance with this sub-paragraph 16.5.6. If the Sales Notice in question contained a Total Transfer Condition and if by the foregoing procedure the Directors shall not receive acceptances in respect of all the Transfer Shares they shall forthwith give notice in writing of that fact to the Seller and none of the Transfer Shares will be sold to Members or any person under sub-paragraph 16.5.5 of this Article, unless the Seller gives notice to the Directors of his waiver of the Total Transfer Condition within 30 days of receipt of such notice in writing.
  - 16.5.7 If the Sales Notice did not contain a Total Transfer Conciliation or if acceptances are received for all of the Transfer Shares or if the Total Transfer Condition is waived the Seller shall be bound to transfer all the Transfer Shares accepted in pursuance of the arrangements set out in this Article (including the handing to the Company of the relevant Share Certificates) upon receiving notice from the Directors of the acceptances that have been received for all or part (as the case may be) of the Transfer Shares and if he fails to do so the Directors at the time shall each have power as his attorney to execute and complete the transfer of those shares to the person(s) accepting them. Any purchase money received by the Directors shall be held on trust for the Seller and shall be paid into a separate account. The purchaser shall pay for the Transfer Shares allocated to him upon receipt by him of a copy of the notice to the Seller sent pursuant to this paragraph and the Directors shall send such copy at the same time as sending the original. to the Seller. The Company shall not be bound to earn or pay interest on any money so held, the receipt of the Company for such purchase money shall be a good discharge to the purchasers of the shares who shall not be bound to see to the application thereof, and after the name of the purchaser of the shares has been entered in the register of Members in purported exercise of the aforesaid power of the validity of the proceedings shall not be questioned by any person.
- 16.6 If any Transfer Shares have not been sold or become the subject of a binding contract for sale in pursuance of the arrangements set out above 150 days after the date of the Sale Notice the Seller shall be free (subject to the provisions of paragraph 16.1 above) for three months thereafter to sell those shares or any of them to any person provided always that if the Sales Notice contained a Total Transfer Condition the Seller shall only be entitled to sell all and not some only of the Transfer Shares and provided further that he shall not be entitled to sell the Transfer Shares or any of them at a price less than the Offer Price.
- 16.7
- 16.7.1 In this 'paragraph a "Relevant Event" means: -
    - 16.7.1.1 death of a Member;
    - 16.7.1.2 a Member leaving the employment of the Company or any subsidiary thereof or ceasing to be a director of the Company or any subsidiary thereof for any reason whatsoever (or in respect of

Members who are both directors and employees leaving the employment or ceasing to be a director whichever shall be the later);

16.7.1.3 bankruptcy of a Member.

16.7.2 Subject to paragraph 16.4 upon the happening of any Relevant Event the Member in question (which expression for the purposes of this paragraph shall be deemed to include any Member who has acquired shares from the Member to whom the Relevant Event has occurred in accordance with sub-paragraph 16.2.1) shall be deemed to have immediately given a Sales Notice in respect of all the shares then registered in the name of the Member in question.

16.7.3 The provisions of paragraph 16.5 shall apply mutatis mutandis in respect of a deemed Sales Notice save that if the Relevant Event is as set out in clause 16.7.1.1 then in sub-paragraph 16.5.3 the Auditors shall calculate the fair value per share by dividing the aggregate fair value of all the issued shares of the same class in the Company by the total number of issued shares of that class.

16.7.4 A deemed Sales Notice shall be deemed to contain a Total Transfer Provision which shall not be capable of waiver notwithstanding any other provision of these Articles.

#### Option

17.

17.1 Any Member for the time being holding 75% or more of the issued share capital of the Company ("the Majority Shareholder") shall have the option to require all or any of the other Members of the Company to sell all or any of their shares to the Majority Shareholder "the Option", in accordance with the terms of this Article 17.

17.2 The Majority Shareholder may exercise the Option at any time and from time to time after the expiry of a period of three years from the date of adoption of these Articles by giving written notice ("the Option Notice") to the Member all or any of whose shares the Majority Shareholder wishes to acquire ("the Transferor") stating the number of shares which the Majority Shareholder wishes to acquire ("the Option Shares"). Without prejudice to the generality of the foregoing the Majority Shareholder shall be entitled to serve an Option Notice in respect of shares in respect of which a Sales Notice or a deemed Sales Notice has been given and in such event the procedures laid down in Article 16 shall cease to apply to the shares subject to any such Sales Notice or deemed Sales Notice and the provisions of this Article 17 shall apply.

17.3 The Majority Shareholder and the Transferor shall endeavour to agree a fair price for the Option Shares within 30 days of the date of the Option Notice. In default of agreement within such period of 30 days the fair value of the Option Shares shall be determined by the Auditor who shall value the Option Shares on a going concern basis as a rateable proportion of the whole of the issued shares of that class in the Company on the basis of an arms length sale between a willing seller and a willing buyer.

17.4 Completion of the sale and purchase of the Option Shares shall take place within 7 days of the fair value of the Option Shares being agreed or determined in accordance with paragraph 17.3 ("the Price"). Upon the Majority Shareholder paying the Price to the Transferor the Transferor shall hand to the Majority Shareholder a duly executed stock transfer form in favour in respect of the Option Shares of the Majority Shareholder or his nominee together with the relevant share certificates.

17.5 In the event that the Transferor refuses to complete the sale and purchase of the Option Shares in accordance with paragraph 17.4 the Company may receive the Price on his behalf and may authorise some person as attorney for the Transferor to execute a transfer of the Option Shares in favour of the Majority Shareholder or his nominee. The receipt of the Company for the Price shall be a good discharge to the Majority Shareholder. The Company

shall pay the Purchase Money into a separate bank account but shall not be bound to earn or pay interest on any money so held.

17.6 Following exercise of the Option if the Majority Shareholder transfers all or any of the Option Shares to any third party within 6 months after completion of the sale and purchase of the Option Shares in accordance with paragraph 17.5 at a price in excess of the Price the Majority Shareholder shall forthwith pay to the Transferor a sum equal to the difference between the Price and the net price as defined in paragraph 17.7.

17.7 The "net price" for the purposes of paragraph 17.6 shall be the amount calculated as follows:-

$$\frac{C}{D} \times (A - B)$$

Where:-

A = Total price received by the Majority Shareholder from the third party purchaser for all the shares in the Company sold by the Majority Shareholder to the third party;

B = The aggregate amount of all taxation and other liabilities whatsoever due from the Majority Shareholder in respect of the sale of the shares to the third party or incurred by the Majority Shareholder in connection with or related in any way to the disposal of such shares;

C = The number of Option Shares sold by the Majority Shareholder to the third party;

D = The total number of shares sold by the Majority Shareholder to the third party.

17.8 In the event that following a sale of shares as referred to in paragraph 17.6 the Majority Shareholder suffers or incurs any claims losses or expenses related to the sale of shares including without prejudice to the generality of the foregoing any warranty or indemnity claims from the purchaser of such shares or the Company or any act of its subsidiaries or otherwise ("the Claim"). The Majority Shareholder shall be entitled to reclaim from the Transferor the specified proportion of the Claim. The specified proportion for the purposes of this paragraph means C divided by D (as defined in paragraph 17.7 above).

17.9 The rights created by this Article 17 shall lapse upon the 50<sup>th</sup> anniversary of the date of adoption of these Articles.

#### Sale of the Company

18. In the event that an offer is received from a third party for all of the issued share capital of the company ("the Offer") and the Majority Shareholder determines to accept the Offer in respect of his shares in the Company upon receipt of notice so to do from the Majority Shareholder all Members shall be bound to accept the Offer, execute any agreement the terms of which have been agreed between the third party and the Majority Shareholder and any documents agreements or deeds ancillary thereto and comply with the provisions of all such agreements documents and deeds (including without prejudice to the generality of the foregoing transfer their shares). In the event of the any of the other Members not complying with this Article the Majority Shareholder shall be entitled as such Member's attorney to execute all such agreements deeds and documents and to do all such acts.

#### Indemnity

19. Subject to Section 310 of the Companies Act 1985 and in addition to the indemnity contained in Regulation 118 of Table A every Director, officer or official of the Company shall be indemnified out of the funds of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties.

#### Warranty

20. The Transferor of any shares pursuant to these Articles warrants that at the time of transfer such shares are free of encumbrance or charge and that he is the legal and beneficial owner of such shares.

Transfer of shares to a Secured Institution

21.

- 21.1 Notwithstanding anything contained in these articles, the directors shall not decline to register any transfer of shares, nor may they suspend or delay registration thereof where such transfer:

- 21.1.1 is to any bank or institution to which such shares have been charged by way of security, or to any nominee, successor, permitted assignee or transferee of such a bank or institution (a "**Secured Institution**"); or
- 21.1.2 is delivered to the company for registration by a Secured Institution or its nominee in order to perfect its security over the shares; or
- 21.1.3 is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under such security,

and furthermore, notwithstanding anything to the contrary contained in these Articles, no transferor or proposed transferor (including a Secured Institution), of any shares in the capital of the company to a Secured Institution shall be required to provide any prior written notice of the transfer to the Company or to offer the shares which are, or are to be the subject of any such transfer, to the existing shareholders of the Company at the time of the proposed transfer, and no such shareholder shall have any right under the Articles or otherwise to require such shares to be transferred to them whether for consideration or not.

- 21.2 The Company shall have no lien on any shares which have been charged by way of security to a Secured Institution and the provisions of the articles relating to liens over shares shall not apply in respect of any such shares.

Participation in directors' meetings

22.

- 22.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting when:

- 22.1.1 the meeting has been called and takes place in accordance with the articles; and
- 22.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

- 22.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

- 22.3 If all the directors participating in a meeting are not in the same place, they may decide the meeting is to be treated as taking place wherever any of them is.