

No: 04353810

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

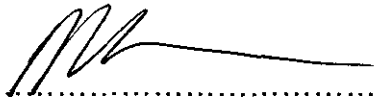
WRITTEN RESOLUTION
(S380(4) (c) Companies Act 1985)

of

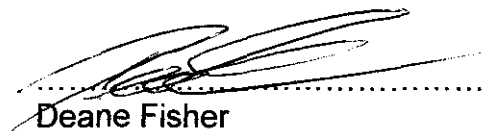
BAGS 4 U DIRECT LIMITED

We, the undersigned, being all of the members of the above named Company entitled to attend and vote at general meetings of such Company, resolve as follows:

That the draft regulations contained in the document now produced to the Meeting and for the purposes of identification signed by the Chairman be and they are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association of the Company.



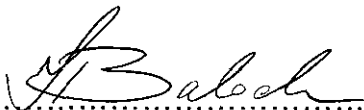
.....
Marcus Scott Fitch Peyton



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Deane Fisher

Dated: 30 August..... 2006

Dated: 30 August..... 2006



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Ineta Balode-Blluza

Dated: 30 August..... 2006



THE COMPANIES ACT 1985

AND

THE COMPANIES ACT 1989

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

BAGS 4 U DIRECT LIMITED

Incorporated the 16th day of January 2002

COMPANY NUMBER: 04353810

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THE COMPANIES ACT 1985

AND

THE COMPANIES ACT 1989

A PRIVATE COMPANY LIMITED BY SHARES

* ARTICLES OF ASSOCIATION

of

BAGS 4 U DIRECT LIMITED

PRELIMINARY

1. (a) Subject as hereinafter provided 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 (such Table being hereinafter called "Table A") shall apply to the Company.
- (b) In these Articles the expression "the Act" means the Companies Act 1985 but any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

* New Articles of Association of the Company were adopted by a Written Resolution of the Company passed on 30 day of August 2006.

ALLOTMENT OF SHARES

2. (a) Directors shall have full control of shares which are comprised in the authorised share capital at the date of adoption of these Articles and may allot relevant securities (as defined in Section 80(2) of the Act) as authorised from time to time by the Company, and during the period of five years commencing with the date of adoption of these Articles the Directors shall have authority to allow relevant securities to such persons and for such consideration and upon such terms and conditions as they may determine provided that the nominal value of the relevant securities allotted shall not exceed the authorised but unissued share capital of the Company for the time being, and after the period of five years commencing with the date of adoption of these Articles the Directors may allot any relevant securities in pursuance of an offer or agreement so to do made by the Company within that period. The Authority hereby given may at any time be renewed revoked or varied by Ordinary Resolution of the Company.
- (b) All shares which are not comprised in the authorised share capital at the date of adoption of these Articles and which the Directors propose to issue shall first be offered to the Members in proportion as nearly as may be to the number of the existing shares held by them respectively. The offer shall be made by notice specifying the number of shares offered and limiting a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions shall be under the control of the Directors who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such matter as they think fit, provided that, in the case of shares not accepted as aforesaid, such

shares shall not be disposed of on terms which are more favourable to the subscribers therefore than the terms on which they were offered to the Members. The foregoing provisions of this paragraph (b) shall have effect subject to Section 80, 80A and 379A of the Act.

- (c) In accordance with Sections 91(1) of the Act, Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

TRANSFER OF SHARES

3. The Directors may in their absolute discretion and without assigning any reason therefore, refuse to register any transfer, whether or not it is a fully paid share, and the members shall not be entitled to transfer any interest in share, save for transfers made in accordance with Article 4. For the avoidance of doubt the Directors may in their absolute discretion and without assigning any reason therefore, refuse to register any person firm or body corporate or unincorporate in respect of any share or interest therein which may have come into the possession or control of such person firm or body corporate or unincorporate in consequence of any default by a member.
4. (A) For the purpose of this Article the following words shall have the following meanings:
- “Transfer Event”
- (a) a member who is a director or employee of the Company
 - (i) ceasing to be such director (without remaining or thereupon becoming an employee of the Company) or
 - (ii) ceasing to be such an employee;
 - (b) a member dying;
 - (c) a member being declared bankrupt or having an administration order made in respect of him, or making or entering into any composition or arrangement with his creditors;

- (d) the service of a notice by the Directors pursuant to paragraph (K) of this Article; or
- (e) a member desiring to transfer any of the shares registered in his name and having served on the Directors a Transfer Notice.

"Transfer Notice" written notice served on the Directors by a member stating his wish to dispose of any of the shares in the capital of the Company registered in his name and accompanied by all relevant shares certificates and appointing the Directors his agents for the sale of such shares at Fair Value or any other notice served under these Articles having the effect of a Transfer Notice. A Transfer Notice once served shall not (save as provided in paragraph (H) below) be withdrawn.

"Sale Shares" the shares in the capital of the Company the subject of a Transfer Notice.

"Fair Value" the price for the Sale Shares to be agreed or determined in accordance with paragraph (C) of this Article.

(B) If a Transfer Event of a kind described in sub-paragraphs (a) to (d) of Article 4 paragraph (A) in relation to any member shall occur ("the Seller") the Directors shall be entitled within three months of the occurrence of such event to serve notice on the relevant member (or, if deceased, his personal representative(s)) who shall be deemed to have served a Transfer Notice with effect from the date of service of the Directors' notice and regulations 30 and 31 of Table A shall be modified accordingly.

(C) For the purposes of this Article the Fair Value shall be determined as follows:

- (i) If a Transfer Event occurs as a result of:-

- (a) any act of gross misconduct on the part of any member who is for the time being an employee or director of the Company; or
- (b) any purported transfer or disposal of any interest in shares in contravention of the provisions of these Articles

the Fair Value for the Sale Shares shall be the amount paid up in respect of the Sale Shares or the par value of such Sale Shares which ever is the lesser.

- (ii) If a Transfer Event occurs in any circumstances other than those referred to in sub-paragraph (i) of this paragraph (C) the Fair Value for the Sales Shares shall be the value agreed between the Seller (or, if deceased, his personal representative(s)) and the Directors or failing agreement such value as the auditors or accountants of the Company for the time being acting as experts and not as arbitrators shall certify to be in their opinion the fair value of the Sale Shares on the basis of an arms length transaction as between a willing seller and a willing buyer but the Fair Value of any such Sale Shares shall be its value as a rateable proportion of the total value of all the issued shares of the Company and shall not be discounted or enhanced by reference to the number of Sale Shares referred to in the Transfer Notice.

- (D) Within 7 days of the agreement or determination of Fair Value ("the Offer Date") the Directors shall offer the Sale Shares for sale to the other members (other than the Seller) at Fair Value pro rata as nearly as may be in proportion to the existing number of shares then held by such members (or if this is not possible without creating fractions of shares, in such proportions as the Directors shall determine to remove the incidence of fractions). Such offer shall remain open for acceptance for 28 days following which it will be deemed to be declined.

- (E) If the Directors shall not have found existing members willing to purchase all of the Sale Shares pursuant to paragraph (D) above the Directors shall forthwith offer the Sale Shares not so accepted to

members who have accepted their full entitlement under the provisions of paragraph (D), and if more than one, the Directors shall ascertain the number of Sale Shares which each such member would be willing to purchase (up to a maximum per member equivalent to the aggregate number of Sale Shares available). Such further offer will be deemed to be declined if not accepted within 56 days of the Offer Date. If the Directors receive acceptances for shares in excess of the aggregate number of Sale Shares available each acceptance received shall be scaled down in proportion to the aggregate number of Sale Shares available (or if this is not possible without creating fractions of shares in such proportions as the Directors shall determine to remove the incident of fractions).

- (F) If the Directors shall not have found purchasers for all of the Sale Shares pursuant to the provisions of paragraphs (D) and (E) above the Directors may offer the Sale Shares not so accepted at Fair Value to any person firm or body corporate or unincorporate which the Directors may approve in writing. Any such offer will be open for acceptance with 77 days of the Offer Date failing which it shall be deemed to have been declined.
- (G) If the Directors shall find purchasers for all or any of the Sale Shares they shall forthwith give notice thereof to the Seller ("the Acceptance Notice") which notice shall state that the Seller shall be bound to complete the sale of the Sale Shares the subject of the Acceptance Notice within 7 days of the date thereof.
- (H) If the Directors shall not find purchasers for any of the Sale Shares they shall forthwith give notice thereof to the Seller who may within 21 days of the date of such notice give notice in writing to the Directors ("Counter Notice") withdrawing the Transfer Notice to the extent that it relates to Sale Shares not the subject of any Acceptance Notice.

- (I) The Seller may within three calendar months of the date of a Counter Notice sell and transfer any shares the subject of the Counter Notice to any person or persons he may wish at a Fair Value or any higher or lower price PROVIDED THAT no shares shall be sold at a price lower than Fair Value without the Seller first having served on the Directors a further Transfer Notice specifying such lower price as the price at which such shares are offered and all the provisions of this Article 4 shall apply to such further Transfer Notice mutatis mutandis.
- (J) If the Seller shall make default in so transferring the Sale Shares the Company shall receive and give good discharge for the purchase money on behalf of the Seller and shall not be bound to earn or pay interest thereon and the Directors shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holders of such of the Sale Shares as shall have been so transferred to them.
- (K) For the purpose of ensuring that a transfer of shares or the disposal of any interest therein is duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is required to be given hereunder the Directors may require any member, the legal personal representatives of a deceased member, the trustee of a bankrupt member, the liquidator of any corporate member or any person named as transferee in any transfer lodged for registration or any person firm or body corporate or unincorporate having possession or control of any share in consequence of any default by any member to furnish to the Company such information and evidence as the Directors may think fit regarding any matter they deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such request or if any such information or evidence discloses that a Transfer Notice ought to be given in respect of any shares, the Directors shall be entitled to serve notice upon the relevant member or the legal personal

representative(s) of a deceased member requiring the transfer of the shares concerned at Fair Value and the provisions of these Articles shall take effect accordingly.

TRANSMISSION OF SHARES

5. Without prejudice to the provisions of Article 4 a person becoming entitled to a share by reason of the death or a bankruptcy of a member shall not, before being registered as a member in respect of the share, be entitled to receive a copy of any balance sheet (or other document required by law to be annexed thereto) or any notice of a General Meeting, and regulations 31 and 38 of Table A shall be modified accordingly.

DRAG ALONG

6. (a) If the holders of 51% of the shares ("the Selling Shareholders") wish to transfer their shares in the Company ("the Offer") to any person ("the Purchaser") then the Selling Shareholders shall also have the option to require all of the other holders shares and any persons who become holders of shares upon exercise of any options, warrants or other rights to subscribe for shares which exist at the date of the Offer, to transfer all of their shares in the Company to the Purchaser, or as the Purchaser directs, by giving notice ("the Drag Along Notice") to that effect to all such other holders ("the Called Shareholders") who are, or will be, in accordance with this Article 6, required to transfer their shares free from all liens, charges and encumbrances at the same price per share at which each of the shares are proposed to be transferred.
 - (b) The Called Shareholders shall be bound, on payment of the price offered for their shares as set out above, to transfer the relevant shares comprised in the Drag Along Notice to the Purchaser names therein at the time and place specified in the Drag Along Notice.
 - (c) If the Called Shareholders (or any of them) shall make default in transferring their shares pursuant to this Article 6 ("the Defaulting Called Shareholders") then one of the Directors, or some other person duly

nominated by a resolution of the board for that purpose, shall forthwith be deemed to be the duly appointed attorney for the Defaulting Called Shareholders and shall have full power to execute, complete and deliver in the name and on behalf of the Defaulting Called Shareholders a transfer of the relevant shares to the Purchaser and any director may receive or give a good discharge for the purchase money on behalf of the Defaulting Called Shareholders and (subject to the transfer being duly stamped) enter the name of the Purchaser in the register of members as the holder or holders by transfer of the shares so purchased by him or them. The board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Defaulting Called Shareholder until he shall deliver up his certificate or certificates for the relevant shares (or an indemnity, in a form reasonably satisfactory to the board, in respect of any lost certificate or certificates) to the Company when he shall thereupon be paid the purchase money.

CHARGING OF SHARES

7. Without prejudice to the provisions of Article 4 no member shall create any mortgage or charge over any shares or pledge any shares for any purpose without the consent in writing of the Board of Directors.

LIENS ON SHARES

8. The lien conferred by Regulation 8 in Table A shall attach to all shares whether fully paid or not and to all shares standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders. Regulation 8 in Table A shall be modified accordingly.

PURCHASE OF OWN SHARES

9. Subject to the provisions of Section 162 of the Act the Company may with the sanction of any Ordinary Resolution purchase its own shares (including any redeemable shares) on such terms as the Directors may think fit and make a payment in respect of the redemption or purchase of such shares otherwise

than out of the distributable profits of the Company or the proceeds of a fresh issue of shares and subject to the provision of Section 173 to 175 of the Act. Regulation 35 in Table A shall be modified accordingly.

VARIATION OF RIGHTS

10. If at any time the share capital is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such general meeting the provisions of these Articles relating to general meetings shall apply but so that the necessary quorum shall be two persons at least holding or representing by proxy one third of the issued shares of that class and that any holder of shares of the class present in person or by proxy may demand a poll.

GENERAL MEETINGS AND RESOLUTIONS

11. (a) Regulations 40 and 41 in Table A shall not apply to the Company.
- (b) No business shall be transacted at any General Meeting unless a quorum is present. 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, unless the Company has only one Member in which case one Member present in person or by proxy shall be a quorum.
- (c) If a quorum is not present within half an hour from the time appointed for a General Meeting the General Meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting shall be dissolved.
- (d) In addition to the requirements of Regulation 100 of Table A, the directors shall also insert in the minute book of the Company:

- (i) a memorandum of all decisions taken by a sole member where the Company has only one member which may have been taken by the Company in General Meeting and which have effect as if agreed in General Meeting; and
- (ii) all written resolutions passed by the Company.

APPOINTMENT OF DIRECTORS

- 12. (a) Regulation 64 in Table A shall not apply to the Company.
- (b) The maximum number respectively of the Directors may be determined from time to time by Ordinary Resolution of the Company. Subject to and in default of any such determination the minimum number of Directors shall be one, and a sole Director shall have authority to exercise all the powers and discretions by Table A and by these Articles expressed to be vested in the Directors generally, and Regulation 89 in Table A shall be modified accordingly. There shall be no maximum number of Directors.
- (c) No Director shall be liable to retire by rotation and Regulations 73 to 77 (inclusive) and Regulation 80 in Table A shall not apply to the Company. In Regulation 78 the words "and may also determine the rotation in which any additional directors are to retire" shall be deleted.

BORROWING POWERS

- 13. The Directors may exercise all the powers of the Company to borrow money of unlimited amount and upon such terms and in such manner as they think fit and subject (in the case of any security convertible into shares) to Section 80, 80A and 379A of the Act to grant any mortgage, charge or security over its undertaking, property and uncalled capital, or any part thereof and to issue debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

ALTERNATE DIRECTORS

- 14. An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor or such part as his

appointor may by notice in writing to the Company from time to time direct and the first sentence of Regulation 66 in Table A shall be modified accordingly.

DISQUALIFICATION OF DIRECTORS

15. The Office of Director shall be vacated if the Director:

- (i) ceases to be a Director by virtue of any provision of the Act of he becomes prohibited by law from being a Director;
- (ii) becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (iii) becomes of unsound mind and either:
 - (a) is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or in Scotland an application for admission under the Mental Health (Scotland) Act 1960; or
 - (b) an Order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for detention or for the appointment of a receiver curator bonis or other person to exercise powers with respect to property or affairs.
- (iv) resigns his office by notice in writing to the Company;
- (v) is absent from Directors' Meeting for six calendar months without reasonable excuse and without written consent of the other Directors and they resolve that he vacate office. Regulation 81 shall be modified accordingly;
- (vi) ceases to be an employee of the Company.

PROCEEDINGS OF DIRECTORS

16. (a) The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. A Director may and the Secretary on the requisition of a Director shall at any time summon a meeting of the Directors and except where there is a sole director the quorum necessary for the transaction of business shall be two.

- (b) At any meeting of the Directors or of any committee of the Directors subject to disclosing his interest therein a Director may vote on any resolution notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the Meeting. Regulations 94 to 98 inclusive of Table A shall be construed accordingly.
- (c) Any Director or member of a committee of the Directors may participate in the meeting of the Directors or such committee by means of conference telephone or other means of telephone radio or televisual communication whereby all the persons participating in such a meeting will be deemed to be present in person at such meeting.

INDEMNITY

- 17. Subject to section 310 of the Act and in addition to such indemnity as is 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 or the proceeds of any insurance policy effected by the Company for such purpose against all costs charges losses expenses and liabilities incurred by in the execution and discharge or in relation thereto.

SHARE CERTIFICATES

- 18. In the second sentence of Regulation 6 of Table A the words "shall be sealed with the seal and" shall be deleted. Each share certificate shall only be issued by authority of the Directors, or of a committee of the Directors authorised by the Directors and shall bear the signature of one Director and the Company Secretary or a second Director.

COMPANY SEAL

- 19. Regulation 101 of Table A shall not apply to the Company. The Company shall not be required to, but may, at the discretion of the Directors, keep a common seal. If such a seal is kept, it shall only be used by the authority of the

Directors, or of a committee of the Directors authorised by the Directors, and the Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and the Secretary or a second Director.

INSURANCE

20. Without prejudice to the provisions of Regulation 87 and Article 16 the Directors shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees or auditors of the Company, or of any other company which is its holding company or any other company.

NAME ADDRESS AND DESCRIPTION OF SUBSCRIBERS