

Company number: 07564538

Private company limited by shares
Written Resolution
of
eCorrugated Limited
Circulation date: 11TH OCTOBER 2016

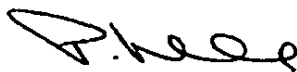
In accordance with the provisions of Chapter 2 of Part 13 Companies Act 2006, the following resolution is proposed as a special resolution of the Company

That the articles of association of the Company be amended by the insertion of the following at the end of the existing article 3 5

"In the event that there is only one director in office then such director shall constitute a quorum and be entitled to transact business as if a quorate board meeting had been held"

The persons named below, being all the persons eligible to vote on the above resolution on the circulation date, irrevocably agrees to that resolution

For and on behalf of Boxshop Limited (The)



Paul Lavelle

TUESDAY

		
A5XTTY28		
A10	10/01/2017	#247
COMPANIES HOUSE		
A5JZOG43		
A27	18/11/2016	#195
COMPANIES HOUSE		

Date 11TH OCTOBER 2016

NOTE

1 If you agree with the resolutions, please sign and date this document and return it to the Company using one of the following methods

- By hand delivering the signed copy to eCorrugated Limited at Units 13-14 Valad Industrial Estate, Poole Hall Road, Ellesmere Port, CH68 1ST
- Post returning the signed copy by post to eCorrugated Limited at Units 13-14 Valad Industrial Estate, Poole Hall Road, Ellesmere Port, CH68 1ST

If you do not agree with the resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply

- 2 Once you have indicated your agreement to the resolutions, you may not revoke your agreement
- 3 The resolutions set out above will lapse if the required majority of eligible members have not signified their agreement to them by the end of the period of 28 days beginning with the circulation date set out above. If you agree to the resolutions, please ensure that your agreement reaches us before that date
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority when returning this document

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
ECORRUGATED LIMITED**

(Adopted by special resolution passed on 23/08/11)

Introduction

1 INTERPRETATION

1.1 In these Articles, the following words have the following meanings

"Act" means the Companies Act 2006,

"A Share" means an A ordinary share of £1 in the capital of the Company (and "A Shares" shall be construed accordingly),

"A Shareholder" means a registered holder of A Shares (and "A Shareholders" shall be construed accordingly),

"A Shareholder Majority" means the written consent of A Shareholders who hold not less than 50% in nominal value of the issued A Shares,

"A Director" means any Director appointed to the Company by holders of the A Shares,

"B Director" means any Director appointed to the Company by holders of the B Shares,

"B Share" means a B ordinary share of £1 in the capital of the Company (and "B Shares" shall be construed accordingly),

"B Shareholder" means a registered holder of B Shares (and "B Shareholders" shall be construed accordingly),

"B Shareholder Majority" means the written consent of B Shareholders who hold not less than 50% in nominal value of the issued B Shares,

"Board" means the board of directors of the Company,

"Boxshop" means The Boxshop Limited, a company incorporated in Scotland (Reg No SC097103) and having its registered office at 1-3 Manson Place, Kelvin Industrial Estate, East Kilbride, G75 0QW,

"Boxshop Directors" means Mr Douglas Lamb and Mr David Protheroe,

"Business Day" means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in London and Edinburgh are generally open for business,

"call" has the meaning given in article 11.11,

"call notice" has the meaning given in article 11.11,

"Change of Control" means in respect of a company, a person acquiring a Controlling Interest in it,

"Company's lien" has the meaning given in article 11 3,

"Compulsory Purchase Notice" means a notice served on a Minority Shareholder by the Company pursuant to article 15 2,

"Conflict" has the meaning given in article 8 1,

"Controlling Interest" means an interest in Shares conferring, in aggregate, not less than 50% of the total voting rights in general meetings in, substantially, all circumstances,

"Eligible Director" means any Eligible A Director or Eligible B Director (as the case may be),

"Eligible A Director" means an A Director who would be entitled to vote on the matter at a meeting of directors (but excluding any A Director whose vote is not to be counted in respect of the particular matter),

"Eligible B Director" means a B Director who would be entitled to vote on the matter at a meeting of directors (but excluding any B Director whose vote is not to be counted in respect of the particular matter),

"Expert" means an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within ten Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (acting as an expert and not as an arbitrator),

"Fair Value" means the fair value of the relevant Shares as determined by an Expert in accordance with the following bases and assumptions

- (i) valuing the relevant Shares as on an arm's-length basis between a willing buyer and a willing seller,
- (ii) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
- (iii) that the relevant Shares are capable of transfer without restriction,
- (iv) valuing the relevant Shares as a rateable proportion of the total value of the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent,

"Interested Director" has the meaning given in article 8 1,

"lien enforcement notice" has the meaning given in article 11 7,

"Minority Shareholder" means a member or other person entitled to Shares who, following a general offer made pursuant to article 15 1, has not sold and/or contracted to sell his shares to the Third Party Purchaser in question,

"Model Articles" means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles.

"Original Member" means a person who is a member of the Company on the date of adoption of these Articles,

"Shares" means any shares in the issued share capital of the Company,

"Specified Price" means a price per Share equal to that offered, paid or payable by the proposed transferee (in cash or otherwise) for the Specified Shares plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Specified Shares (and, in the event of disagreement, the calculation of the Specified Price may be referred, by any party, to an Expert for determination),

"Specified Shares" means the shares first referred to in article 15 1,

"Subsidiary" means in relation to a company wherever incorporated (a holding company) means "subsidiary" as defined in section 1159 of the Act,

"Transfer Notice" means an irrevocable notice in writing given by any shareholder to the other shareholders where the first shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any Shares Where such notice is deemed to have been served it shall be referred to as a **Deemed Transfer Notice**,

"Writing or written" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 15, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax),

- 1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company
- 1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1 5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1 6 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every

statutory amendment, modification, re-enactment and extension thereof for the time being in force

2 ADOPTION OF THE MODEL ARTICLES

2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation

2 2 Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 21, 22, 24(2)(c), 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2) and 50 to 53 (inclusive) of the Model Articles shall not apply to the Company

2 3 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur"

2 4 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"

2 5 Article 26(1) is extended to read as follows

"Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor and, unless the share is fully paid, the transferee "

2 6 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide" Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

Directors

3 DIRECTORS' MEETINGS

3 1 Any decision of the directors must be taken at a meeting of the Board in accordance with these Articles or must be a decision taken in accordance with article 4

3 2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit Unless otherwise agreed by the Directors, not more than three months shall elapse between meetings of the Board and not less than four meetings of the Board shall be held in each year

3 3 All decisions made at any meeting of the directors shall be made only by resolution, and no such resolution shall be passed unless all of the Eligible A Directors and the Eligible B Directors participating in the meeting of the directors or of the committee of the directors have voted in favour of it

3 4 The A Directors, regardless of the number of them actually present, shall have in aggregate two votes in respect of any matter or resolution put before the Board

and the B Directors, regardless of the number of them actually present, shall have in aggregate two votes in respect of any matter or resolution put before the Board

3 5 The quorum for transacting business at a meeting of the Board shall be no less than two, one of whom shall be an A Director and the other of whom shall be a B Director. If a quorum is not present within half an hour of the time appointed for the meeting or ceases to be present during the course of a meeting the Chairman of the meeting shall adjourn the meeting to a specified place in the United Kingdom and time at least two Business Days after the original date.

3 6 ~~IF ONLY ONE DIRECTOR IS IN OFFICE THEN SUCH DIRECTOR SHALL CONSTITUTE~~ ~~ALL OR ANY OF THE DIRECTORS MAY PARTICIPATE IN A MEETING BY MEANS OF TELEPHONE OR VIDEO CONFERENCE FACILITY OR ANY OTHER COMMUNICATION EQUIPMENT WHICH ALLOWS ALL PERSONS PARTICIPATING IN THE MEETING TO HEAR EACH OTHER. A PERSON SO PARTICIPATING SHALL BE DEEMED TO BE PRESENT IN PERSON AT THE MEETING AND SHALL BE ENTITLED TO VOTE AND TO BE COUNTED IN A QUORUM ACCORDINGLY. SUCH A MEETING SHALL BE DEEMED TO TAKE PLACE WHERE THE LARGEST OF THE GROUP OF THOSE PARTICIPATING IS ASSEMBLED, OR, IF THERE IS NO SUCH GROUP, WHERE THE CHAIRMAN OF THE MEETING THEN IS~~ ~~IN THE EVENT THAT~~ ~~A QUORUM~~ ~~AND BE~~ ~~ENTITLED~~ ~~TO TRANSACT~~ ~~BUSINESS AS~~ ~~IF A QUORUM~~ ~~BOARD MEETING~~ ~~HAD BEEN~~ ~~HELD~~

4 UNANIMOUS DECISIONS OF DIRECTORS

4 1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter

4 2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing

4 3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter

5 NUMBER OF DIRECTORS

5 1 The maximum number of Directors shall at any time be four unless otherwise expressly agreed in writing by an A Shareholder Majority and a B Shareholder Majority

5 2 The A Shareholders shall be entitled to appoint up to two persons as Directors and the B Shareholders as a class shall be entitled to appoint up to two persons as Directors

6 CALLING A DIRECTORS' MEETING

6 1 Any Director may call a meeting of directors by giving not less than five Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by at least one A Director and one B Director) to each director or by authorising the Company secretary (if any) to give such notice

6 2 Notice of any Directors' meeting must be accompanied by

6 2 1 an agenda specifying in reasonable detail the matters to be raised at the meeting, and

6 2 2 copies of any papers to be discussed at the meeting

- 6 3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the Directors agree in writing

7 CHAIRING OF DIRECTORS' MEETINGS

The chairman of the Board shall not have a second or casting vote. If the chairman for the time being is unable to attend any meeting of the board of directors, the shareholder who appointed him shall be entitled to appoint another of its nominated directors to act as chairman at the meeting.

8 DIRECTORS' INTERESTS

- 8 1 For the purposes of section 175 of the Act, the shareholders (and not the directors) shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any matter or situation proposed to them by any Director which would, if not so authorised, involve a director (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (a **Conflict**)

- 8 2 The Interested Director must provide the shareholders with such details as are necessary for the shareholders to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the shareholders

- 8 3 Any authorisation by the shareholders of a Conflict under this article may (whether at the time of giving the authorisation or subsequently)

- 8 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,

- 8 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,

- 8 3 3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict,

- 8 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the shareholders think fit,

- 8 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and

- 8 3 6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters

- 8 4 Where the shareholders authorise a Conflict

- 8 4 1 the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the shareholders in relation to the Conflict, and
- 8 4 2 the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act, provided he acts in accordance with such terms and conditions (if any) as the shareholders impose in respect of their authorisation
- 8 5 The shareholders may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation
- 8 6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a director of the Company, and no authorisation under article 8 1 shall be necessary in respect of any such interest
- 8 7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the shareholders in accordance with these Articles (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds
- 8 8 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act
- 8 9 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 8 8
- 8 10 Subject, where applicable, to any terms and conditions imposed by the shareholders in accordance with article 8 3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company
- 8 10 1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested,
- 8 10 2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,
- 8 10 3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,

8 10 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,

8 10 5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and

8 10 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

9 RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye

10 APPOINTMENT AND REMOVAL OF DIRECTORS

10 1 An A Shareholder Majority shall be entitled to appoint up to two persons to be A Directors of the Company and the holders of all of the B Shares for the time being shall, as a class, be entitled to appoint two persons to be B Directors of the Company

10 2 Any person appointed as a Director pursuant to article 10 1 above may be removed from the Board only by the Shareholder by whom he was appointed, which Shareholder may appoint another person as a Director in his place

10 3 If any A Director or any B Director shall die or be removed from or vacate office for any cause, an A Shareholder Majority (in the case of an A Director) or a B Shareholder Majority (in the case of a B Director) shall appoint in his place another person to be an A Director or a B Director (as the case may be)

10 4 Any appointment or removal of a director pursuant to this article shall be in writing and signed by or on behalf of an A Shareholder Majority or a B Shareholder Majority (as the case may be) and served on each of the other shareholders and the Company at its registered office Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice

10 5 The right to appoint and to remove A or B Directors under this article shall be a class right attaching to the A Shares and the B Shares respectively

10 6 If no A Shares or B Shares remain in issue following a redesignation under these Articles, any Director appointed by shareholders of that class shall be deemed to have been removed as from the redesignation

10 7 No A Director or B Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law

Shares

11 SHARE CAPITAL

11 1 Except as otherwise provided in these Articles, the A Shares and the B Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares

11 2 On the transfer of any share as permitted by these Articles

11 2 1 a share transferred to a non-shareholder shall remain of the same class as before the transfer, and

11 2 2 a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder

If no shares of a class remain in issue following a redesignation under this article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class

Company's lien over shares

11 3 The Company has a lien (the "**Company's lien**") over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future

11 4 The Company's lien over a share

11 4 1 takes priority over any third party's interest in that share, and

11 4 2 extends to any dividend or other money payable by the Company in respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share

11 5 The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part

Enforcement of the Company's lien

11 6 Subject to the provisions of this article, if

11 6 1 a lien enforcement notice has been given in respect of a share, and

11 6 2 the person to whom the notice was given has failed to comply with it,

the Company may sell that share in such manner as the directors decide

11 7 A lien enforcement notice

- 11 7 1 may only be given in respect of a share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- 11 7 2 must specify the share concerned,
- 11 7 3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
- 11 7 4 must be addressed either to the holder of the share or to a transmittee of that holder, and
- 11 7 5 must state the Company's intention to sell the share if the notice is not complied with
- 11 8 Where shares are sold under this article
- 11 8 1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or to a person nominated by the purchaser, and
- 11 8 2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale
- 11 9 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied
- 11 9 1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice, and
- 11 9 2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the Company's lien over the shares before the sale for any money payable by that person (or his estate or any joint holder of the shares) after the date of the lien enforcement notice
- 11 10 A statutory declaration by a director or the Company secretary that the declarant is a director or the Company secretary and that a share has been sold to satisfy the Company's lien on a specified date
- 11 10 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
- 11 10 2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share

Call Notices

- 11 11 Subject to the Articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a shareholder requiring the shareholder to pay the Company a specified sum of money (a "call") which is payable to the Company at the date when the directors decide to send the call notice

11 12 A call notice

11 12 1 may not require a shareholder to pay a call which exceeds the total amount of his indebtedness or liability to the Company,

11 12 2 must state when and how any call to which it relates is to be paid, and

11 12 3 may permit or require the call to be made in instalments

11 13 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent

11 14 Before the Company has received any call due under a call notice the directors may

11 14 1 revoke it wholly or in part, or

11 14 2 specify a later time for payment than is specified in the notice,

by a further notice in writing to the shareholder in respect of whose shares the call is made

Liability to Pay Calls

11 15 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid

11 16 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share

11 17 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them

11 17 1 to pay calls which are not the same, or

11 17 2 to pay calls at different times

When Call Notice Need Not be Issued

11 18 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that share

11 18 1 on allotment,

11 18 2 on the occurrence of a particular event, or

11 18 3 on a date fixed by or in accordance with the terms of issue

11 19 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture

Failure to Comply with Call Notice Automatic Consequences

- 11 20 If a person is liable to pay a call and fails to do so by the call payment date
- 11 20 1 the directors may issue a notice of intended forfeiture to that person, and
- 11 20 2 until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate
- 11 21 For the purposes of this article
- 11 21 1 the "call payment date" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date, and
- 11 21 2 the "relevant rate" is
- (1) the rate fixed by the terms on which the share in respect of which the call is due was allotted,
 - (2) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors, or
 - (3) if no rate is fixed in either of these ways, 5 per cent per annum
- 11 22 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998
- 11 23 The directors may waive any obligation to pay interest on a call wholly or in part

Notice of Intended Forfeiture

- 11 24 A notice of intended forfeiture
- 11 24 1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice,
- 11 24 2 must be sent to the holder of that share (or all the joint holders of that share) or to a transmittee of that holder,
- 11 24 3 must require payment of the call and any accrued interest and all expenses that may have been reasonably incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
- 11 24 4 must state how the payment is to be made, and
- 11 24 5 must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited

Directors' Power to Forfeit Shares

If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture

Effect of Forfeiture

- 11 25** Subject to the Articles, the forfeiture of a share extinguishes
- 11 25 1** all interests in that share, and all claims and demands against the Company in respect of it, and
- 11 25 2** all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company
- 11 26** Any share which is forfeited in accordance with the Articles
- 11 26 1** is deemed to have been forfeited when the directors decide that it is forfeited,
- 11 26 2** is deemed to be the property of the Company, and
- 11 26 3** may be sold, re-allotted or otherwise disposed of as the directors think fit
- 11 27** If a person's shares have been forfeited
- 11 27 1** the Company must send that person notice that forfeiture has occurred and record it in the register of shareholders,
- 11 27 2** that person ceases to be a shareholder in respect of those shares,
- 11 27 3** that person must surrender the certificate for the shares forfeited to the Company for cancellation,
- 11 27 4** that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and
- 11 27 5** the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal
- 11 28** At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls, interest and expenses due in respect of it and on such other terms as they think fit

Procedure Following Forfeiture

- 11 29** If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer
- 11 30** A statutory declaration by a director or the Company secretary that the declarant is a director or the Company secretary and that a share has been forfeited on a specified date

11 30 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

11 30 2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share

11 31 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share

11 32 If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which

11 32 1 was, or would have become, payable, and

11 32 2 had not, when that share was forfeited, been paid by that person in respect of that share,

but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them

Surrender of Shares

11 33 A shareholder may surrender any share

11 33 1 in respect of which the directors may issue a notice of intended forfeiture,

11 33 2 which the directors may forfeit, or

11 33 3 which has been forfeited

11 34 The directors may accept the surrender of any such share

11 35 The effect of surrender on a share is the same as the effect of forfeiture on that share

11 36 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited

12 UNISSUED SHARES

12 1 No shares in the Company shall be allotted nor any right to subscribe for or to convert any security into any Shares in the Company shall be granted unless within one month before that allotment or grant (as the case may be) an A Shareholder Majority and a B Shareholder Majority for the time being has consented in writing to that allotment or grant and its terms and to the identity of the proposed allottee or grantee

12 2 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class

12 3 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of

the Act) where the consent to that allotment of every shareholder has been obtained as required by these Articles and that allotment otherwise conforms to the requirements of these Articles

13 FURTHER ISSUES OF SHARES AUTHORITY

13 1 Subject to article 12 and the remaining provisions of this article 13, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to

13 1 1 offer or allot,

13 1 2 grant rights to subscribe for or to convert any security into, or

13 1 3 otherwise deal in, or dispose of,

any Shares in the Company to any person, at any time and subject to any terms and conditions as the directors think proper

13 2 The authority referred to in article 13 1

13 2 1 shall be limited to a maximum nominal amount of £49,999 of A Shares and £50,000 of B Shares or such other amount as may from time to time be authorised by the Company by ordinary resolution,

13 2 2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution, and

13 2 3 may only be exercised for a period of five years from the date of adoption of these Articles, save that the directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired)

14 SHARE TRANSFERS

14 1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share

14 2 Save as specifically permitted by these Articles or with the prior written consent of an A Shareholder Majority and a B Shareholder Majority no shareholder shall

14 2 1 sell or transfer any Share other than in accordance with articles 14 3 or 15, or

14 2 2 pledge, mortgage, charge or otherwise encumber any Share or any interest in any Share,

14 2 3 grant an option over any Share or any interest in any Share, or

14 2 4 enter into any agreement in respect of the votes attached to any Share

14 3 If a Change of Control of Boxshop occurs on or before the third anniversary of the date of adoption of these articles of association (or such longer period as may be agreed by an A Shareholder Majority and a B Shareholder Majority)

- 14 3 1 Boxshop shall be entitled, within 3 months of the date of such Change of Control, to transfer its entire shareholding in the Company to the Boxshop Directors without restriction as to price or otherwise and any such transfer of shares by Boxshop shall be registered by the Board (a **"Boxshop Permitted Transfer"**),
- 14 3 2 Boxshop shall promptly give written notice of such Change of Control to the B Shareholders and in the event that no Boxshop Permitted Transfer has been made within three months of the date of upon which Boxshop has notified such Change of Control to the B Shareholders, the B Shareholders shall be entitled within one month of the expiry of the aforesaid period of three months to serve written notice (a **"B Shareholder Notice"**) on Boxshop requiring it to sell its entire shareholding in the Company to the B Shareholders at either the price agreed between Boxshop and the B Shareholders or, failing agreement within 10 days of the service of the B Shareholder Notice, at the Fair Value (the **"B Shareholder Boxshop Option"**)
- 14 4 If the B Shareholders exercise the B Shareholder Boxshop Option the B Shareholders shall be required to complete the sale and purchase of relevant Shares pursuant thereto within 14 days of the later of (a) the date of service of the B Shareholder Notice in respect of the B Shareholder Boxshop Option or (b) date upon which the Expert issues its determination of the Fair Value of such Shares
- 14 5 If the B Shareholders fail to complete the sale and purchase of the relevant Shares within the period of 14 days referred to in article 14 4 the B Shareholder Boxshop Option shall lapse and cease to be enforceable and the B Shareholders shall reimburse to Boxshop and the Company all reasonable costs and expenses (including legal and accountancy costs and expenses) incurred by Boxshop and the Company as a result of the B Shareholders giving a B Shareholder Notice
- 14 6 Any transfer of shares by way of a sale that is required to be made either pursuant to the B Shareholder Boxshop Option or under article 15 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee and the transferor shall not be obliged to give any further warranties or representations in respect of the relevant Shares or otherwise
- 14 7 Any B Shareholder who wishes to transfer any shares or an interest in shares (**"B Vendor"**) shall give to the Company notice in writing to that effect (**"B Transfer Notice"**) and shall at the same time deposit with the Company the share certificate(s) in respect of such shares (**"B Transfer Shares"**) A Transfer Notice shall appoint the Company to be the agent of the B Vendor for the sale of the Transfer Shares at the Sale Price (as defined in Article 14 8) in accordance with the remainder of the terms of this Article 14
- 14 8 The sale price (**"Sale Price"**) shall be the price per share agreed by the B Vendor and the directors or if the B Vendor and the directors (other than any director who is a B Vendor) are unable to agree a price within 21 days of the date on which the Company received the B Transfer Notice, the Fair Value
- 14 9 The Company shall within 7 days of determination of the Sale Price, by written notice offer the B Transfer Shares to the other B Shareholders (other than the B Vendor) pro rata as nearly as may be in proportion to the existing numbers of shares held by such B Shareholders giving details of the number and the Sale Price of such B Transfer Shares Each such B Shareholder shall have 14 days from the date of the offer (**"B Offer Period"**) to confirm in writing whether he is

willing to purchase any of the B Transfer Shares so offered to him, and if so the maximum thereof which he is willing to purchase

- 14 10 If at the expiration of the B Offer Period there are any B Transfer Shares offered which the B Shareholders have not confirmed their willingness to purchase, the Company shall offer ("A Offer") such B Transfer Shares to the A Shareholders on the same terms as were offered to the B Shareholders. The A Offer will invite the relevant A Shareholders to state in writing the maximum number of B Transfer Shares the subject of the A Offer they wish to purchase and shall remain open for 14 days from the date of the A Offer ("A Offer Period"). If there are insufficient shares to meet the applications by such A Shareholders for such B Transfer Shares pursuant to the A Offer then the directors will allocate such B Transfer Shares pro rata as nearly as may be in proportion with the number of Shares held by the relevant A Shareholder bears to the total number of A Shares held by such A Shareholders
- 14 11 If the Company finds B Shareholders or A Shareholders (or both as the case may be) willing to purchase all or any of the Transfer Shares in accordance with the terms of this Article 14, the B Vendor shall be bound upon receipt of the Sale Price to transfer the B Transfer Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the B Vendor defaults in transferring any of the B Transfer Shares, the Company shall if so required by the person or persons willing to purchase such B Transfer Shares, receive and give a good discharge for the purchase money on behalf of the B Vendor and shall authorise some person to execute transfers of the relevant B Transfer 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 B Transfer Shares as shall have been transferred to them as aforesaid
- 14 12 If the directors do not find B Shareholders or A Shareholders of the Company willing to purchase all the B Transfer Shares in accordance with this Article 14, the B Vendor shall at any time within 3 months after the expiry of the A Offer Period be at liberty to sell and transfer such of the B Transfer Shares as have not been so sold to any person at a price being no less than the Sale Price
- 14 13 Subject to article 14 14, the directors shall forthwith register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles
- 14 14 The directors may, as a condition to the registration of any transfer of shares in the Company (other than pursuant to article 14 3) require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any joint venture agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 14 14, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee
- 15 DRAG ALONG
- 15 1 No sale or transfer of the legal or beneficial interest in any Shares shall be made or registered if that sale or transfer would result in a person who is not an Original

- Member obtaining a Controlling Interest in the Company unless, before the transfer is lodged for registration, the proposed transferee has made an offer (stipulated to be open for acceptance for 28 days) to purchase all the other shares in the Company at the Specified Price together, in each case, with a sum equal to any arrears and/or accruals of dividends (and all interest payable thereon) to be calculated to the date of the offer. If a member does not accept that offer, in writing, within 28 days of it being made, he shall be deemed to have rejected it
- 15 2 If, following a general offer made pursuant to article 15 1, a Third Party Purchaser acquires a Controlling Interest, the Third Party Purchaser may, by serving written notice on the Company within 60 days of such acquisition, require the Company (as its agent) to serve a written notice on each Minority Shareholder intimating that he is to have his Shares acquired compulsorily and that on the terms set out in such general offer. The Company shall serve such a notice on each Minority Shareholder forthwith following service on it of such written notice by the Third Party Purchaser
- 15 3 Any transfer pursuant to a Compulsory Purchase Notice shall not require the recipient of that notice to give a Transfer Notice
- 15 4 No sale or transfer by a Minority Shareholder of the legal or beneficial interest in any Shares shall be made or registered following the service on him of a Compulsory Purchase Notice unless such sale or transfer is to the Third Party Purchaser who has acquired a Controlling Interest
- 15 5 The Third Party Purchaser and the Minority Shareholder concerned shall be bound to complete the sale and purchase of all Shares forming the subject matter of a Compulsory Purchase Notice within 21 days from the date of service of that Compulsory Purchase Notice. If the Minority Shareholder makes default in transferring any Shares to the Third Party Purchaser in accordance with this article 15 5, the Directors shall be entitled to nominate one of their number to receive the purchase money, to execute a transfer on behalf of the Minority Shareholder, to cause the name of the Third Party Purchaser to be entered in the Register as the holder of the Shares and to do any other act and/or thing and/or execute any other document required to effect the purchase of the Shares and the Company shall be entitled to hold the purchase money in trust for the Minority Shareholder. The receipt of the Company for the purchase money shall be a good discharge to the Third Party Purchaser and, after the Third Party Purchaser's name has been entered in the Register in respect of the Shares in question, the validity of the proceedings shall not be questioned by any person
- 15 6 Once it has served written notice on the Company pursuant to article 15 2, the Third Party Purchaser shall be bound to effect the purchase of all Shares held by Minority Shareholders in accordance with this article

Decision making by shareholders

16 QUORUM FOR GENERAL MEETINGS

- 16 1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be shareholders who comprise an A Shareholder Majority and a B Shareholder Majority, present in person or by proxy

- 16 2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on

17 **CHAIRING GENERAL MEETINGS**

The chairman of the Board shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholder who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

18 **VOTING**

At a general meeting, on a show of hands the B shareholders who are present in person or by proxy shall have one vote each and the A Shareholder shall be deemed to have such number of votes as is equal to the number of votes cast by the B Shareholders, on a poll every shareholder present in person or by proxy shall have one vote for each Share of which he is the holder, and on a vote on a written resolution every shareholder has one vote for each Share of which he is the holder except that

- 18 1 1 no shares of one class shall confer any right to vote upon a resolution for the removal from office of a director appointed by holders of shares of the other class under a right to appoint which is a class right, and

- 18 1 2 subject to article 18 1 1 of this exception, in the case of any resolution proposed, any holder of A Shares or of B Shares voting against such resolution (whether on a show of hands, a poll or on a written resolution) shall be entitled to cast such number of votes as is necessary to defeat the resolution

19 **POLL VOTES**

- 19 1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

20 **PROXIES**

- 20 1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate"

- 20 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article

Administrative arrangements

21 **MEANS OF COMMUNICATION TO BE USED**

- 21 1 Subject to article 21 2 any notice, document or other information shall be deemed served on, or delivered to, the intended recipient

21 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider,

21 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

21 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

21 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this article, no account shall be taken of any part of a day that is not a working day

21 2 Any notice, document or other information served on, or delivered to, an intended recipient under articles 15 may not be served or delivered in electronic form (other than by fax), or by means of a website

21 3 In proving that any notice, document or information was properly addressed, it shall suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act

22 INDEMNITY AND INSURANCE

22 1 Subject to article 22 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

22 1 1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs, and

22 1 2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 22 1 1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure

22 2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law

22 3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss

22 4 In this article

22 4 1 a "relevant officer " means any Director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor, and

22 4 2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company