

Company No: 1766292

THE COMPANIES ACT 1985 AND 1989
COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION OF THE SHAREHOLDERS
OF
NETWORK MANAGEMENT LIMITED
(the "Company")

(Passed in accordance with section 381A of the Companies Act 1985)

We, the undersigned, being the members of the Company who, at the date of this resolution would be entitled to attend and vote at general meetings of the Company HEREBY PASS the following resolution as a written resolution and agree that the said resolution shall, for all purposes, be as valid and effective as if the same had been passed by us at a general meeting of the Company duly convened and held.

WRITTEN RESOLUTION

"THAT:

1. Each of the issued and unissued 14% cumulative redeemable preference shares of £1 each in the capital of the Company be and are hereby converted to deferred shares of £1 each in the capital of the Company each having the rights and being subject to the restrictions set out in the articles of association of the Company as amended by resolution 2 below (the "**Deferred Shares**");
2. The articles of association of the Company be amended by replacing the existing articles 7 and 7A and inserting the following new articles 7 and 7A:
 - "7 The Deferred Shares shall, subject to the provisions of the Companies Act 1985 Part V Chapter VII, be redeemed upon and subject to the following terms and conditions:
 - (a) the Company shall have the right at any time to redeem any of the Deferred Shares for the sum of £1 for each Deferred Share;
 - (b) not less than 1 month's notice of the intention of the Company to redeem shall be given to the holders of the Deferred Shares to be redeemed. The notice shall be in writing and shall fix the time and place for the redemption. At the time and place fixed, the registered holders of the Deferred Shares to be redeemed must deliver the relative certificates up to the Company for cancellation, and the Company shall pay to them the redemption money in respect of the Deferred Shares;
 - (c) if any holder of the Deferred Shares fails or refuses to surrender the certificate or certificates for those shares, or fails or refuses to accept the redemption money payable in respect of them, the redemption money shall be retained and held by the Company but without interest or further obligation whatsoever;



- (d) no Deferred Shares shall be redeemed otherwise than out of distributable profits or the proceeds of a fresh issue of shares made for the purposes of the redemption or out of capital to the extent permitted by the Companies Act 1985;
- (e) no Deferred Shares redeemed by the Company shall be capable of re-issue and on redemption of any Deferred Shares the directors may convert the authorised share capital created as a consequence of the redemption into shares of any other class or share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of that class then in issue or into unclassified shares of the same nominal amount as the Deferred Shares; and
- (f) the holders of the Deferred Shares shall immediately repay to the Company any redemption monies received in respect of the Deferred Shares in satisfaction or part satisfaction (as the case may be) of the £2,000,000 loan from the Company to Christy Cosmetics Limited.

7A. The Deferred Shares shall carry no right to a dividend, shall not entitle the holders thereof to receive notice of or attend or vote at any general meetings of the Company and shall not be capable of transfer at any time hereafter without the consent of the directors of the Company. On a winding up or other repayment of capital the holders of the Deferred Shares shall in aggregate be entitled to payment of 1 pence."

Signed: 

David Justin Kidd

Signed: 

Peter Stuart Kidd

Signed: 

John Duncan Kidd

Signed: 

Phyllis Margaret Kidd

Signed: 

For and on behalf of
Christy Cosmetics Limited

Date: 10 April 2003