

Company Number: 2882042

SECTION 381A COMPANIES ACT 1985  
THE FACTORY SHOP GROUP LIMITED ('the Company')  
WRITTEN RESOLUTIONS

We, being all the members of the Company entitled to attend and vote at a general meeting of the Company hereby resolve as follows:-

1. Increase in authorised capital

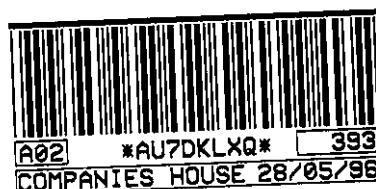
The authorised share capital of the Company be hereby increased from £2,350,000 to £2,352,000 by the creation of 200,000 cumulative redeemable preference shares of one penny each all such shares having the rights set out in the articles of association of the Company as proposed to be altered by resolution 3 set out below.

2. Reclassification of shares

200,000 of the Preference Shares of £1 each owned by 3i Group plc be reclassified as 200,000 Old 3i Preference Shares of £1 each having the rights set out in the articles of association of the Company as proposed to be altered by the resolutions below.

3. Approval of share allotment and share subscription and exclusion of pre-emption rights

(A) The directors are unconditionally authorised for the purposes of section 80 of the Companies Act 1985 to allot and dispose of or grant options over the Company's shares to such persons, on such terms and in such manner as they think fit, up to a maximum additional issued share capital of the Company of £2,000 at any time during the period of five years from the date hereof;



- (B) That by virtue of section 95(1) of the Companies Act 1985, section 89(1) shall not apply to the allotment of shares up to the amount set out in the preceding paragraph;
- (C) That the subscription by 3i Group plc for 200,000 cumulative redeemable preference shares of one penny each in the Company at a premium of 99 pence per share be and is hereby approved, notwithstanding any provisions of the articles of association of the Company.

4. Alteration of articles of association

The articles of association of the Company be hereby altered as follows:-

(A) By amending article 2 as follows:-

- (i) by deleting the definition of 'Preference Shares'
- (ii) by inserting in alphabetical order the following definitions:-

"General Preference Shares" means the 847,916 cumulative redeemable preference shares of £1 each in the share capital of the Company held by NatWest Ventures Investments Limited and County NatWest Nominees Limited and the 802,084 cumulative redeemable preference shares of £1 each in the capital of the Company held by 3i Group plc at the date of adoption of this definition;

"Old 3i Preference Shares" means the 200,000 cumulative redeemable preference shares of £1 each in the capital of the Company held by 3i Group plc at the date of adoption of this definition;

"3i Preference Shares" means the cumulative redeemable preference shares of one penny each in the share capital of the Company";

"Preference Shares" means together the General Preference Shares and the 3i Preference Shares;

- (iii) by inserting in the definition of "Preferential Relevant Amount" at the top of column 2 "£".

- (B) By deleting the first paragraph of Article 3 and substituting the following paragraph:-

"The share capital of the Company at the date of the adoption of this paragraph as part of these Articles is £2,352,000 divided into 200,000 Old 3i Preference Shares of £1 each, 1,650,000 General Preference Shares of £1 each, 200,000 3i Preference Shares of 1 penny each, 350,000 'A' Ordinary Shares of £1 each and 150,000 Ordinary Shares of £1 each. With effect from the date of adoption of this paragraph of this Article the 3i Preference Shares and the General Preference Shares shall for all purposes rank pari passu as if the same constituted one class of share".

- (C) By adding at the end of Article 3 the following new sub-article:-

"3.6.1 The holders of the Old 3i Preference Shares may at any time by written notice to the Company (an "Early Redemption Notice") require the Company to redeem the whole of the Old 3i Preference Shares then remaining in issue at £1 per share provided that the Company shall have first received an application for the issue of an equal number of 3i Preference Shares of one penny each at a subscription price per share equal to the redemption price of each Old 3i Preference Share.

3.6.2 Notwithstanding any other provisions of these Articles, forthwith on receipt from the holders of Old 3i Preference Shares of an Early Redemption Notice the Company shall redeem all the Old 3i Preference Shares out of the proceeds of a fresh issue of 3i Preference Shares.

3.6.3 All the provisions of Article 3.4.4 shall apply to the redemption of Old 3i Preference Shares notwithstanding that the sum paid on the redemption of each Old 3i Preference Share is as stated in article 3.6.1 above."

(D) By deleting sub-article 3.1.9 and renumbering the existing article 3.1.10 as sub-article 3.1.9.

(E) By amending Article 17 by:-

(i) deleting the eighth and ninth lines and substituting the following:

"hereinafter provided) have 1 vote for every share in the capital of the Company of which he is a holder"; and

(ii) deleting in sub-article 17.3.2 the words "in nominal value".

(F) That the provisions of sub-article 3.5 shall not apply to the redemption of the Old 3i Preference Shares.

*[Signature]* for and on behalf of ..... Date .....  
Country NORTHWEST NOMINEES LTD  
*[Signature]* for and on behalf of ..... Date .....  
NORTHWEST VENTURES INVESTMENT LTD  
*[Signature]* for and on behalf of ..... Date .....  
3i Group plc  
*[Signature]* ..... Date ..... 14/5/96  
*[Signature]* ..... Date ..... 14/5/96  
*[Signature]* ..... Date ..... 14/5/96