

THE VIRGIN CLOTHING COMPANY LIMITED

ORDINARY RESOLUTION

1 THAT:

- (a) the authorised share capital of the Company be increased from £15,897.28 to £15,879.36 by the creation of one B Ordinary Share of 8p in the capital of the Company;
- (b) in substitution for all other existing authorities pursuant to section 80 of the Companies Act 1985, the Directors of the Company be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot two A Ordinary Shares of 3p each in the capital of the Company and one B Ordinary Share of 8p in the capital of the Company to the Sole Member; the authority hereby conferred shall be for a period expiring on the date which is two months from the date of this resolution;
- (c) subsequent to the allotment of two A Ordinary Shares of 3p each of the Company and one B Ordinary Share of 8p of the Company and the increase in the authorised share capital of the Company authorised by this Ordinary Resolution, the authorised share capital of the Company be redesignated into 66,164 Ordinary Shares of 24p each having the rights specified thereto in the new Articles of Association; and
- (d) that the entire authorised share capital of the Company then be subdivided into 1,587,936 Ordinary Shares of 1p each.



SPECIAL RESOLUTION

2

3 THAT :

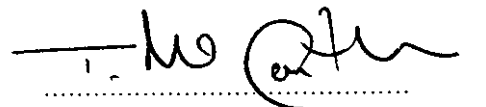
- (a) the new Articles of Association of the Company, as produced to the Meeting and initialled for the purposes of identification by the Sole Member of the Company, be and are hereby adopted by the Company as the Articles of Association of the Company to the exclusion of and in substitution for the existing Articles of Association of the Company; and
- (b) the amendments to the Memorandum of Association of the Company, as produced to the Meeting and initialled for the purposes of identification by the Sole Member of the Company, be and are hereby approved.

Dated 19th January 1998

By Order of the Board

Registered Office:

346 Kensington High Street
London W14 8NS



Company Secretary

Note: A member entitled to attend and vote at the above Extraordinary General Meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

No: 3196828

THE VIRGIN CLOTHING COMPANY LIMITED

MINUTES of an Extraordinary General Meeting of the Company

held at 11 Holland Park, London W11 3TH

on 19th January, 1998 at 3.35 pm

PRESENT: *Brad Rosser*
Tim McCarthy

IN ATTENDANCE: *Edward Lukens*
Henry Knowles
Helen Darling

- 1 Mr *McCarthy* took the Chair, announced that a quorum was present and declared the Meeting open.
- 2 There was produced to the Meeting a Notice convening an Extraordinary General Meeting of the Company containing:
 - (a) a proposed Ordinary Resolution for:
 - (i) increasing the authorised share capital of the Company by the creation of one B Ordinary Share of 8p in the capital of the Company;

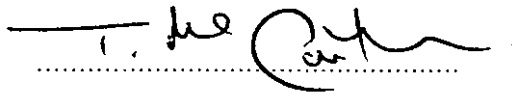
- (ii) authorising the Directors of the Company, in substitution for all other existing authorities of the Company pursuant to section 80 of the Companies Act 1985, to allot two A Ordinary Shares of 3p each in the capital of the Company and one B Ordinary Share of 8p in the capital of the Company to the Sole Member;
 - (iii) subsequent to the allotment of shares authorised by this Ordinary Resolution, redesignating the authorised share capital of the Company into 66,164 Ordinary Shares of 24p each; and
 - (iv) sub-dividing the entire authorised share capital of the Company into 1,587,936 Ordinary Shares of 1p each; and
- (b) a proposed Special Resolution for adopting new Articles of Association and amending the Memorandum of Association of the Company;

such Notice containing consents to short notice.

2 IT WAS RESOLVED that:

- (a) the said Resolutions be and are hereby approved.

3 There being no further business, the Chairman declared the meeting closed.

A handwritten signature in black ink, appearing to be 'I. J. Carter', written over a dotted line.

For and on behalf of Victory Corporation plc

Sole Member

COMPANY LIMITED BY SHARES

of

(Adopted by Special Resolution passed on 19th January, 1998)

1.1 In these Articles:

means the auditors of the Company from time to time;

means the ordinary shares of 1p each
in the capital of the Company;

means the Companies Act 1985 (as amended);

"Table A"

means Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985. References to Regulations are to regulations in Table A.

"the Statutes"

means the Act and any statutory modification or re-enactment thereof for the time being in force and every other Act for the time being in force concerning companies and affecting the Company.

- 1.2 Subject as hereinafter provided, the regulations contained in Table A shall apply to the Company.
- 1.3 Regulations 24, 38, 69, 73 to 78 inclusive, 116 and 118 shall not apply to the Company, but the Articles hereinafter contained and the remaining regulations of Table A, subject to the modifications hereinafter expressed, shall constitute the regulations of the Company.
- 1.4 References in these Articles to persons shall include any form of body corporate, unincorporated association, firm, partnership, individual, joint venture, consortium, association, organisation or trust (in each case whether or not having separate legal personality).

2 Share capital

- 2.1 The share capital of the Company at the date of the adoption of these Articles is £15,879.36 divided into 1,587,936 Ordinary Shares.
- 2.2 The provisions of section 89(1) of the Act shall not apply to the Company.

3 General meetings

3.1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution or a resolution appointing a person as a Director shall be called by at least 21 clear days' notice. All other extraordinary general meetings shall be called by at least 14 days' notice but a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of an annual general meeting or a meeting called for the passing of an elective resolution, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right, or such less percentage, not being less than 90 per cent., as may be specified in or pursuant to any elective resolution passed by the Company.

The notice shall specify the time and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the Directors and the auditors.

3.2 The following provisions of this Article apply if the Company has only a single member:

- (a) regulation 40 shall be modified by the insertion at the end of that regulation of the following proviso: ", provided that if the company has only a single member, the quorum shall be one such person."; and
- (b) if the single member takes any decision which may be taken by the Company in general meeting and which has effect as if agreed by the Company in general meeting, the single member shall (unless the decision is taken by way of a written resolution) provide the Company with a written record of that decision. However, failure to do so shall not affect the validity of such decision.

3.3 Regulation 37 shall be modified by:

- (a) the substitution of the words "four weeks" for the words "eight weeks"; and
- (b) the deletion of the second sentence thereof and by the addition at the end of the regulation of the following sentence: "If the company has only a single member, such member shall be entitled at any time to call a general meeting."

3.4 Regulation 41 shall be modified by the addition at the end of that regulation of the following sentence: "If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved. Provided that if the company has only a single member, the preceding provisions of this regulation as to adjournment shall not apply and, if within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall be dissolved and shall not be adjourned."

3.5 A resolution in writing in accordance with regulation 53 shall be deemed to have been duly executed on behalf of a corporation if signed by one of its directors or its secretary. In the case of a share held by joint holders the signature of any one of them on behalf of all such joint holders shall be

sufficient for the purposes of that regulation. The Directors shall cause a record of each resolution in writing, and of the signatures to it, to be entered in a book in the same way as minutes of proceedings of a general meeting of the Company and to be signed by a Director or the secretary of the Company.

3.6 Before a resolution in writing is executed, the Company, if it is required by Section 381B of the Act to do so:

- (a) shall secure that a copy of the proposed resolution is sent to the Auditors; and
- (b) shall ensure that where such resolution is sent to the Auditors, the resolution is not passed unless it has received either notification from the Auditors in the terms of Section 381B(3)(a) of the Act or the period for giving a notice under Section 381B(2) has expired without any notice having been given to the Company by the Auditors in accordance with that sub-section.

3.7 The Chairman at every general meeting of the Company shall be the Chairman of the Board of Directors of the Company.

4 Powers and duties of Directors

4.1 Subject to the provisions of the Statutes, a Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or any subsidiary thereof) under the Company or any such other company and he or any firm of which he is a member may act in a professional capacity for the Company or any such other company and be remunerated therefor.

4.2 Notwithstanding his interest a Director may vote on any matter in which he is interested and be included for the purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and

advantages accruing to him. Regulations 94 and 95 shall be modified accordingly.

- 4.3 The Directors may exercise all the powers of the Company contained in clause 3 of the Memorandum of Association of the Company.

5 Appointment, removal and disqualification of Directors

- 5.1 Without prejudice to the powers of the Company under section 303 of the Act to remove a Director by Ordinary Resolution, the holder or holders for the time being of more than one half of the issued Ordinary Shares of the Company shall have the power from time to time and at any time to appoint any person or persons as a Director or Directors and to remove from office any Director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members making the same or (in the case of a member being a corporation) signed on its behalf by one of its directors or its secretary and shall take effect upon lodgement at the registered office of the Company.
- 5.2 The office of a Director shall be vacated if he is removed from office under Article 5.1. Regulation 81 shall be modified accordingly.
- 5.3 Any memorandum of appointment or removal of a Director which is required to be signed by a corporate shareholder may be signed on its behalf by any one of its directors or secretary.
- 5.4 Regulation 88 shall be modified by the deletion of the third sentence thereof.

6 Rotation of Directors

The Directors shall not be liable to retire by rotation, and accordingly the second and third sentences of regulation 79 shall be deleted.

7 Alternate Directors

- 7.1 Any appointment or removal of an alternate Director under Table A shall be delivered at the registered office of the Company.
- 7.2 If his appointor is for the time being absent from the United Kingdom or otherwise not available the signature of an alternate Director to any resolution in writing of the Directors shall be as effective as the signature of his appointor. An alternate Director shall be deemed to be a Director for the purpose of signing instruments pursuant to Article 9. Save as aforesaid, an alternate Director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.
- 7.3 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration, except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

8 Proceedings of Directors

- 8.1 Any Director or member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
- 8.2 Subject to these Articles the Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and manner of dispatching business as they think fit. All decisions of the Board shall be by a majority vote of the Directors.

8.3 The following sentence shall be inserted after the first sentence of regulation 72:
"Any committee shall have power unless the Directors direct otherwise to co-opt as a member or members of the committee for any specific purpose any person or persons although not being a Director of the Company."

8.4 For a signed resolution under regulation 93 to be effective it shall not be necessary for it to be signed by a Director who is prohibited by the Articles or by law from voting thereon. Regulation 93 shall be modified accordingly.

9 The seal

9.1 If the Company has a seal, it shall only be used with the authority of the Directors or a committee of the Directors. 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 by the secretary or second Director. The obligation under regulation 6 relating to the sealing of share certificates shall apply only if the Company has a seal.

9.2 If the Company has a common seal, the Company may also have an official seal for use abroad under the provisions of the Act, where and as the Directors shall determine, and the Company may by writing under the common seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company, for the purpose of affixing and using such official seal, and may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the common seal of the Company, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

10 Notices

10.1 Every Director of the Company and every alternate Director shall be entitled to receive notices of general meetings (at his usual address or such other address as he may notify to the Company) in addition to the persons so entitled under the Statutes. The third sentence of regulation 112 shall be deleted.

- 10.2 Any notice required by these Articles to be given by the Company shall be given by any visible form, including telex, facsimile and electronic mail, and a notice communicated by such forms of immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed. Regulations 111 and 112 shall be modified accordingly.

11 Indemnity

- 11.1 Subject to the provisions of, and so far as may be consistent with, the Statutes, but without prejudice to any indemnity to which a Director may be otherwise entitled, every Director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court. This Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.
- 11.2 The Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or who were at any time directors, officers or employees of the Company including, without prejudice to the generality of the foregoing, insurance against all costs, charges, losses, liabilities suffered or incurred by such person in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and discretions and/or

otherwise in relation to or in connection with their duties, powers or offices in relation to the Company.