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THE COMPANIES ACT 1985 AND 1989 ("the Act")

COMPANY LIMITED BY SHARES

Company No: 3720071

NAKED PRODUCTS LIMITED ("the Company")

WRITTEN RESOLUTION

PASSED 30th April 1999

We, the undersigned, being all the members for the time being of the Company entitled to receive notice of and to attend and vote at general meetings of the Company, HEREBY PASS the following Resolution as a Special Resolution and agree that the Resolution shall, pursuant to Section 381A and 381C of the Act, for all purposes be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held

IT WAS RESOLVED THAT:

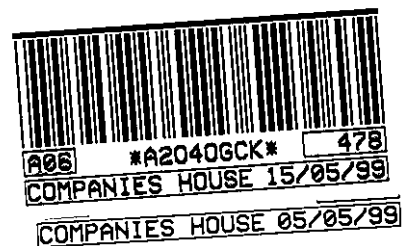
That the draft new Articles of Association in the form attached hereto and signed by the Chairman for the purposes of identification be adopted as the Articles of Association of the Company in substitution for the existing Articles of Association.


.....
ADAM BALON


.....
RICHARD REED


.....
JONATHAN WRIGHT


.....
PINTO PARTNERS LP



The Company Acts 1985 to 1989
Private Company Limited by Shares
ARTICLES OF ASSOCIATION
OF
NAKED PRODUCTS LIMITED
(Company number 3720071)
("the Company")

Adopted by a Special Resolution passed on 30 April 1999

PRELIMINARY

1. 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 (hereinafter referred to as "Table A"), subject to the additions, exclusions and modifications hereinafter expressed shall constitute the Articles of Association of the Company.

INTERPRETATION

2. In these Articles:

"the Act" means the Companies Act 1985 including any statutory modification or re-enactment for the time being in force;

"Acting in Concert" means acting in concert as that term is defined in the City Code on Takeovers and Mergers in its latest edition from time to time but excluding paragraph (6) of such definition;

"Connected Person" has the meaning given in section 839 Income and Corporation Taxes Act 1988;

“Controlling Interest”	means an interest (within the meaning of Schedule 13 Part I and Section 324 of the Act) in shares conferring in the aggregate more than fifty percent of the total voting rights conferred by all the shares in the share capital of the Company for the time being in issue and conferring the right to vote at all general meetings;
“Family Members”	means in relation to any ordinary shareholder, his spouse and/or his lineal descendants by blood or adoption;
“Good Leaver”	means an employee who ceases to be an employee of the Company or any its subsidiary undertakings by virtue of death, retirement on the grounds of ill-health, upon reaching normal retirement age or by reason of unfair dismissal or wrongful dismissal;
“Investors”	has the meaning ascribed to it under the Subscription Agreement;
“Investors’ Director”	means the director appointed by the majority of the Investors pursuant to the Subscription Agreement;
“Ordinary Shareholder”	means the registered holder of Ordinary Shares
“Ordinary Shares”	ordinary shares of £0.25 each in the capital of the Company;
“Sale”	means: <ul style="list-style-type: none"> (i) the sale to a single purchaser (or to one or more purchasers as part of a single transaction) of

Shares or any interest therein constituting a
Controlling Interest; or

- (ii) the acquisition (whether or not as part of a single transaction) of Shares or any interest therein constituting a Controlling interest by any person or by any group of persons acting in concert and who did not previously hold a Controlling Interest;

other than a person or persons who is/are member(s) at the date of the adoption of these Articles.;

“Subscription Agreement” means an agreement dated [] and entered into by the Investors and the Managers (as that term is defined in the Subscription Agreement).

SHARE CAPITAL

3. Authorised Share Capital.

The authorised share capital of the Company at the date of adoption of these Articles is £50,000 divided into 200,000 Ordinary Shares of £0.25 each.

- 4. The Directors of the Company may (subject to regulations 5 and 6.1 below and section 80 of the Act allot, grant options over, or otherwise deal with or dispose of any relevant securities (as defined by section 80 (2) of the Act) in the Company on such terms and conditions and in such manner as they think proper.

- 5.1 The Directors of the Company are generally and unconditionally authorised during the period of five years from the date of incorporation of the Company to allot grant rights to subscribe for or convert securities into shares in relation

to the original shares in the authorised share capital of the Company to such persons at such times and on such terms and conditions as they think fit, subject to the provisions of section 80 of the Act.

- 5.2 The Directors may, in their absolute discretion, decline to register the transfer of a share whether or not it be a fully paid share, and no reason for the refusal to register the aforementioned transfer need be given by the Directors. The first sentence of regulation 24 of Table A shall not apply to the Company.
- 6.1 Subject to any direction to the contrary that may be given by Special Resolution by the Company in General Meeting, any shares which do not comprise the original authorised share capital of the Company shall, before they are issued, be offered to the Members in proportion as nearly as possible to the nominal value of the existing shares held by them and such offer shall be made by notice specifying the number of shares to which the Member is entitled and limiting a time within which the offer is not accepted shall be deemed to be declined, and after the expiration of such time or on receipt of an intimation from the Member to whom the notice is given that he declines to accept the shares, the Directors may dispose of the same in such manner as they think most beneficial to the Company. The provisions of this paragraph shall have effect only insofar as they are not inconsistent with section 80 of the Act.
- 6.2 In accordance with section 91(1) of the Act, section 89(1) and sections 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

TRANSFER OF SHARES

7. Provisions applying on every transfer of Ordinary Shares.
- 7.1 The Directors may not register a transfer of ordinary shares unless:
- 7.1.1 it is permitted by Article 8 or 10 or has been made in accordance with Articles 9 or 11 as appropriate; and

- 7.1.2 the proposed transferee has entered into an agreement to be bound by the terms of the Subscription Agreement in the form required by the Subscription Agreement.
- 7.2 Shareholders are not entitled to transfer Ordinary Shares unless the transfer is permitted by Article 8 or 10 or has been made in accordance with Article 9 or 11.

TRANSFER RESTRICTIONS FOR ORDINARY SHAREHOLDERS

8. No Ordinary Share or any interest thereon may be transferred (which for the purposes of these Articles shall include the creation of any charge, lien or encumbrance over any interest in an Ordinary Share) other than:
- 8.1 with the unanimous written consent of the Board; or
- 8.2 to the trustees of a trust of which the only beneficiaries (and the only people capable of being beneficiaries) are the Ordinary Shareholder who established the trust and who is transferring the relevant shares and/or Family Members and the trustees of such a trust may not transfer Ordinary Shares under Article 9.2 other than to replacement trustees of the same trust or to beneficiaries of such a trust; or
- 8.3 to a Family Member;
- 8.4 when required by Article 9;
- 8.5 to the personal representative or beneficiaries of an Ordinary Shareholder who has died and was an employee of the Company or any of its subsidiary undertakings, once the Ordinary Shareholder's personal representatives can no longer be bound to sell shares pursuant to Article 9; or
- 8.6 pursuant to Article 10 and Article 11.

COMPULSORY TRANSFER

9.1 Article 9 applies when an employee of the Company or any of its subsidiary undertakings who:

- (a) is an Ordinary Shareholder; and/or
- (b) has established a trust which holds Ordinary Shares; and/or
- (c) has transferred Ordinary Shares to a Family Member

ceases for any reason to be an employee of the Company or any of its subsidiary undertakings.

9.2 within six months after the cessation of employment the Directors of the Company (other than the Investors' Director) holding Ordinary Shares shall by majority decision (by reference to their holding of Ordinary Shares), be entitled to serve notice requiring the Ordinary Shareholder (or his personal representatives in the case of his death) and each trustee of the relevant trust ("**Compulsory Seller**") to offer some or all of the Ordinary Shares held by him/it ("**Sale Shares**") to:

- (a) a person or persons intended to take the employee's place;
- (b) any of the existing employees of the Company or any of its subsidiary undertakings;
- (c) an employees' share scheme of the Company and its subsidiary undertakings; and/or
- (d) any other person or persons approved by resolution of such Directors

each of the above being hereinafter referred to as ("**the Offerees**").

9.3 The Compulsory Seller shall then offer the Sale Shares to the Offerees, as identified in the notice free from all liens, charges and encumbrances together with all rights attaching to them on the terms of Article 9.4 to 9.5.

9.4 The price for each Sale Shares shall be the price agreed between the Compulsory Seller and the Board or, if they do not agree a price within 14 days of the notice given under Article 9.2, the price certified by a mutually agreed independent firm of chartered accountants or, failing agreement on such a firm within 28 days of the notice given under Article 9.2, by the Company's auditors, acting as experts and not as arbitrators, the price to be determined at the time of cessation of employment and on the following basis

9.4.1 if the employee is not a Good Leaver, the lesser of the subscription price of the Sale Shares and the market value of the Sale Shares, save that the Board shall have absolute discretion to direct that the price in respect of some or all of the Sale Shares shall be market value in any event; and

9.4.2 if the employee is a Good Leaver, the greater of the market value of the Sale Shares and the subscription price of the Sale Shares.

The costs of the independent firm appointed above or Company's auditors shall be paid by the Company, and the independent firm or auditors shall calculate the market value of the Sale Shares on the basis of a sale by a willing seller to a willing buyer on the open market having regard to the trading history and prospects of the Company making no discount or premium for minority or majority shareholding.

9.5 Within 7 days after the price has been agreed or certified:

9.5.1 the Company shall notify the Compulsory Seller of the names and addresses of the Offeree and the number of Sale Shares to be offered to each;

9.5.2 the Company shall notify each Offeree of the number of Sale Shares on offer to him; and

9.5.3 the Company's notice shall specify the price per share and state a date, between 30 and 60 days later, on which the sale and purchase of the Sale Shares is to be completed ("**completion date**").

9.6 By the completion date the Compulsory Seller shall deliver stock transfer forms for the Sale Shares, with the relevant share certificates, to the Company. On the completion date the Company shall pay the Compulsory Seller, on behalf of each of the Offerees, the agreed or certified price for the Sale Shares to the extent the Offerees have put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Offerees. The Company shall hold the price in trust for the Compulsory Seller without any obligation to pay interest.

9.7 To the extent that the Offerees have not, by the completion date, put the Company in funds to pay the agreed or certified price, the Compulsory Seller shall be entitled to the return of the stock transfer forms and share certificates for the relevant Sale Shares and the Compulsory Seller shall have no further rights or obligations under Article 9 in respect of those Sale Shares.

9.8 If a Compulsory Seller fails to deliver stock transfer forms for Sale Shares to the Company by the completion date, the directors may authorise any director to transfer the Sale Shares on the Compulsory Seller's behalf to each Offeree to the extent that the Offeree has, by the completion date, put the Company in funds to pay the agreed or certified price for the Sale Shares offered to him. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Compulsory Seller shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the agreed or certified price for the Sale Shares.

9.9 Following a cessation of employment causing Article 9 to apply to particular Ordinary Shares:

9.9.1 those shares may not be transferred under Article 8 until the holder can no longer be bound to sell them under Article 9; and

9.9.2 the holder is not entitled to vote at general meetings of the Company (or of the holders of Ordinary Shares) in respect of those Ordinary Shares unless:

- (a) the Board stipulates otherwise in writing; or
- (b) they are transferred pursuant to Article 9

TRANSFER RESTRICTIONS FOR INVESTORS

10. No Ordinary Share held by an Investor may be transferred other than:

10.1 to any other Investor;

10.2 with the written consent of the holders of 90% or more of the Ordinary Shares in issue;

10.3 in the case of an Investor which is a body corporate, to a member of the same group (meaning a subsidiary or holding company of the body corporate or a subsidiary of a holding company of the body corporate) if the transferee gives an undertaking to the Company that if the transferee ceases to be a member of the same group, all its shares in the Company will, before the cessation, be transferred to another member of the same group; or

10.4 in the case of an Investor which holds Ordinary Shares as nominee or trustee for, or general partner of, a limited partnership or unit trust which is primarily a vehicle for institutional investors:

10.4.1 to another nominee or trustee for, or general partner of, the limited partnership or unit trust;

10.4.2 on a distribution in kind under the relevant partnership agreement or trust deed, to the partners of the limited partnership or their nominees or the holders of units in the unit trust or their nominees; or

10.4.3 to a nominee or trustee for a limited partnership, unit trust or investment trust which is primarily a vehicle for institutional investors and which is advised or managed by the adviser or manager of the former limited partnership or unit trust;

SALE OF ENTIRE ISSUED SHARE CAPITAL

11. Restriction on transfers conferring a Controlling Interest

11.1 No transfer of any share or of any interest therein shall be permitted if such transfer would constitute a Sale unless the person or persons who would thereby hold a Controlling Interest offers to purchase all the Ordinary Shares (including as may be enlarged by any shares which may fall to be issued under an option granted by the Company, , which is exercisable or would become exercisable upon a Sale on the terms contained in the Sale Notice) on the same terms offered to the proposed transferee and which shall be open for acceptance for a period of not less than 28 days following the date of the effective acquisition of a Controlling Interest.

Sale Notice

11.2 The holder or holders of Shares representing at the relevant time in excess of one half by number of all the Ordinary Shares (as may be enlarged by any shares which may fall to be issued under an option granted by the Company, , which is exercisable or would become exercisable upon a Sale on the terms contained in the Sale Notice) in the capital of the Company ("the Intending Sellers") may at any time give notice ("a Sale Notice") to all the other members of the Company ("the Remaining Members") setting out the principal terms of such Sale stating that the Intending Sellers intend to sell all their Shares pursuant to a Sale complying with the next following sub-clause of this Article.

Conditions

- 11.3 This Article shall have effect only if the Sale the subject of the Sale Notice is a bona fide arm's length sale to one or more persons who are not connected with the Intending Sellers or any of them within the meaning of Section 286 Taxation of Chargeable Gains Act 1992 and the terms of Sale are extended to all other holders of equity share capital in the Company.

Compulsory Purchaser

- 11.4 If a Sale Notice is served pursuant to sub-clause 11.2 of this Article and the Sale is bona fide within the meaning of sub-clause 11.3 of this Article then each of the Remaining Members shall sell all their Shares in the capital of the Company to the buyer specified in the Sale Notice at the same price per share and otherwise upon the same terms as are applicable to the Sale specified in the Sale Notice at the time specified for completion of the Sale in the Sale Notice.

Completion of Compulsory Purchaser

- 11.5 Upon the date specified for completion of the Sale in the Sale Notice each of the Remaining Members shall deliver to the buyer:

11.5.1 a transfer of his Shares (which shall include shares issued or to be issued under Options which have become exercisable) duly executed by him in favour of the buyer or as it may direct;

11.5.2 a certificate for the Shares sold by him;

11.5.3 such other evidence of his title to the shares as may reasonably be required to establish such title;

11.5.4 such other deeds, documents and things as may be required to be given or executed by him pursuant to the terms of the Sale;

- 11.6 The buyer shall pay to each Remaining Member the Sale Price for the shares sold by him which is due for payment upon completion and shall give due assurance for payment of any part of the consideration which is deferred and shall execute such documents as are required to be executed by the buyer in favour of the Intending Sellers.

Disapplication of Transfer Pre-Emption Rights

- 11.7 Where a Sale has taken place the provisions set out in these Articles in relation to rights of pre-emption on Transfer shall not apply to any subsequent transfers.

Default in Completion

- 11.8 In the event of default by any of the Remaining Members in performing their obligations under this Article, the Intending Sellers shall be deemed to have been appointed attorney of the Remaining Member with full power to execute, complete and deliver in the name and on behalf of the Remaining Member transfers of the Shares to the Buyer against payment of the price to the Intending Seller and to execute such other documents and do so such other things as the Remaining Member may be required to do under the preceding provisions of this Article.

LIEN

- 12.1 The Company shall have a first and paramount lien on every share (whether or not it is a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The Company shall also have a first and paramount lien on every share (whether or not it is a fully paid share) standing registered in the name of any Member solely or registered in the names of two or more joint holders for all moneys presently payable by him or his estate to the Company. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation.

- 12.2 Regulation 8 of the Table A shall not apply to the Company.

NOTICE OF GENERAL MEETINGS

- 13.1 An Annual General Meeting and an Extraordinary General Meeting called for the passing of a Special Resolution or a Resolution appointing a person as a Director shall be called by at least twenty-one clear days' notice. All other Extraordinary General Meetings shall be called by at least fourteen clear 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, by 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 ninety-five per cent, in nominal value of the shares giving that right.
- 13.2 The notice shall specify the time and place of the Meeting and in the case of special business only the general nature of the special business to be transacted and, in the case of an Annual General Meeting, shall specify the Meeting as such.
- 13.3 All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting with the exception of declaring a dividend, the consideration of the accounts, balance sheets and the reports of the Directors and Auditors, and the appointment of, and the fixing of the remuneration of the Auditors.
- 13.4 Subject to the provisions of articles and to any restrictions imposed on any shares, all notices of and any other communications relating to any General Meetings of the Company or of separate General Meetings of the holders of any class of share capital of the Company 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 Auditors of the Company for the time being.

- 13.5 Regulation 38 of Table A shall not apply to the Company.

PROCEEDINGS AT GENERAL MEETING

- 14.1 No business shall be transacted at any Meeting unless a quorum is present at the time the Meeting proceeds to business. Three 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.
- 14.2 If such a quorum is not present within half an hour from the time appointed for the Meeting, the Meeting shall stand adjourned to the same day in the next week at the same time and place or such time and place as the Directors may determine. If at the adjourned Meeting a quorum is not present within half an hour from the time appointed for the Meeting, such adjourned Meeting shall be dissolved.
- 14.3 Regulations 40 and 41 of Table A shall not apply to the Company.

NUMBER OF DIRECTORS

- 15.1 Unless otherwise determined by Ordinary Resolution in General Meeting of the Company the number of Directors (other than Alternate Directors) shall not be subject to any maximum, and the minimum number of Directors shall be one. If and so long as the minimum number of Directors shall be one, a sole Director may exercise all the authorities and powers which are vested in the Directors by Table A and by these Articles. Regulation 89 of Table A shall be modified accordingly.
- 15.2 Regulation 64 of Table A shall not apply to the Company.

APPOINTMENT OF DIRECTORS

16. The first Directors of the Company shall be as named in the statement delivered to the Registrar of Companies pursuant to section 10 of the Act.
17. No person shall be appointed a Director at any General Meeting unless:
 - (a) he is recommended by the directors; or
 - (b) not less than fourteen nor more than thirty-five clear days before the date appointed for the General Meeting, notice executed by a member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment together with notice executed by that person of his willingness to be appointed.
18. Subject to regulation 17 above, the Company may by Ordinary Resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director.
19. The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors.
20. The Directors shall not be required to retire by rotation and regulations 73 to 80 (inclusive) of Table A shall not apply to the Company.

DIRECTORS GRATUITIES AND PENSIONS

- 21.1 The powers of the Company set out in Clause 3 (p) of the Memorandum of Association may be exercised by the Directors of the Company.

- 21.2 Regulation 87 of Table A shall not apply to the Company

PROCEEDINGS OF DIRECTORS

- 22.1 A Director may vote as a Director in regard to any contract or arrangement in which he is interested (subject to declaring his interest therein) or upon any matter arising therefrom and if he shall so vote his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration.
- 22.2 Regulations 94 to 96 (inclusive) of Table A shall not apply to the Company.