

Company No: 1302718

THE COMPANIES ACTS 1985-89

COMPANY LIMITED BY SHARES

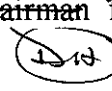
SPECIAL RESOLUTION

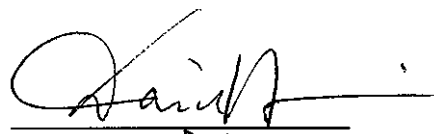
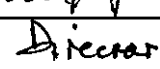

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EHRMANN'S GROUP PLC

At an extraordinary general meeting of the company held on Wednesday 22 May 1996 the following resolution was passed:

SPECIAL RESOLUTION

1. That the Option Agreement dated 1 July 1993 and made between the company (1) and David Harris and Yvonne Harris (2) be revised in accordance with the draft deed of variation produced to the meeting and for the purposes of identification signed by the chairman, and that the draft deed be approved and the directors authorised to enter into the deed in the terms of the draft by 30 September 1996 as specified in the deed.
2. That a purchase agreement be entered into between David Harris and Yvonne Harris (1) and the company (2) whereby the company agreed to purchase and Mr and Mrs Harris agreed to sell the shares held by Mr and Mrs Harris in the company and that the purchase agreement be entered into no later than 30 September 1996.
3. That the articles of association of the company be amended in the form attached to this resolution as signed by ^{a director} ~~the chairman~~ for the purposes of identification. 


Chairman 




EHRMANN'S GROUP PLC

COMPANY NUMBER 1302718

**AMENDMENTS TO THE ARTICLES OF ASSOCIATION
OF THE ABOVE COMPANY**

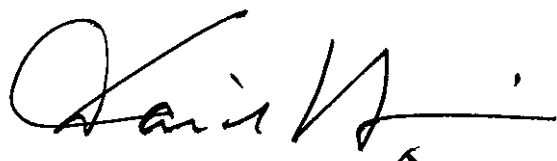
**in accordance with a special resolution
passed on 22nd May 1996**

1. The deletion of article 2(A)(ii) and the insertion of the following article in its place:

"The "A" Shares shall be offered back to the Company in the circumstances set out in and in accordance with the provisions of Article 7 and subject to this provision shall rank pari passu in all respects with the existing Ordinary Shares of the Company"

2. The deletion of article 2(B) and the insertion of the following article in its place:

"The "B" Shares shall be offered back to the Company in the circumstances set out in and in accordance with the provisions of Article 7 and the holders of "B" Shares shall have no right to receive notice of or to attend or to vote at any General Meeting of the Company and shall have no right to receive any amount distributed by way of dividend but shall otherwise rank pari passu in all respects with the holders of the Ordinary Shares of the Company."


(Director)

3. The deletion of the existing article 7 and the insertion of the following article in its place:

" 7. Transfer of Shares

- 7.1 7.1.1 Except as provided in article 7.12, any member or trustee in bankruptcy ("Proposed Transferor") desiring to sell, transfer or otherwise dispose of any "A" Shares or "B" Shares which he holds must give notice in writing ("Transfer Notice") to the company at its registered office specifying such number of "A" Shares or "B" Shares held by him which he desires to transfer ("Shares"), the price ("Offer Price"), if any, at which the Shares are offered by him and the third party or parties, if any, to whom he proposes to transfer the Shares if they are not purchased by a member pursuant to the following provisions of this article.
- 7.1.2 The directors may require the Proposed Transferor to furnish them with such evidence as they require about the bona fide nature of the Offer Price, where such price has been offered by a third party purchaser to whom the member proposes to sell the Shares, and the identity of the proposed purchaser(s) ("Further Information"). The directors may refuse to offer the Shares for sale or to register the transfer if, in their absolute discretion, they determine that the Offer Price offered by such proposed purchaser and/or the willingness of the proposed purchaser to purchase the Shares are not for any reason bona fide.
- 7.1.3 A Transfer Notice will be revocable only with the consent of the directors.
- 7.2 The Transfer Notice will constitute the directors the agents of the Proposed Transferor for the sale of the Shares and the directors will, within 7 days of the later of the receipt of the Transfer Notice and the receipt of the Further Information, if any, offer the Shares in writing to the other shareholders in proportion to their shareholdings at the date of service of the Transfer Notice, unless they have determined pursuant to article 7.1.2 that the Offer Price and/or the proposed purchaser are not bona fide.

- 7.3 7.3.1 The offer made pursuant to article 7.2 ("Offer") must state:
- 7.3.1.1 the number of Shares offered;
 - 7.3.1.2 the Offer Price, if any;
 - 7.3.1.3 the third party or parties specified in the Transfer Notice, if any;
 - 7.3.1.4 that, if the Offer is not accepted in writing within 30 days, it will be deemed to be declined;
 - 7.3.1.5 that, if there is more than one member other than the Proposed Transferor and any such member wants an allotment of Shares in excess of his proportion, he should in his reply state how many excess Shares he wants; and
 - 7.3.1.6 that, if there is only one member other than the Proposed Transferor and the Proposed Transferor has specified in the Transfer Notice all the shares not owned by such other member and such other member claims all those shares, he should in his reply state the name of his nominee to hold one or more of the Shares.
- 7.3.2 Subject to article 7.3.3, to the extent that members receiving the Offer do not claim their full entitlements to the Shares, the directors will immediately allocate the unclaimed Shares to satisfy the claims made in excess of such entitlements in the proportions in which such claims are made. If any Shares are not capable, without fractions, of being offered to such members in proportion to their existing holdings, they will, to the extent that fractions would arise, be offered to such members in such proportions or in such manner as may be determined by the directors.

- 7.3.3 If a member does not wish to claim his full entitlement to the Shares offered to him, he may, with the prior approval of all the other members other than the Proposed Transferor, nominate any other person who is not a holder of the same class of shares as the Shares to accept the Offer in respect of those Shares which he does not wish to claim
- 7.4 7.4.1 If no Offer Price was stated by the Proposed Transferor, the directors, immediately upon all the members to whom the Offer is made replying or, if earlier, upon the expiry of the period of 30 days referred to in article 7.3.1.4, will instruct the auditors for the time being of the company or, if the company does not have auditors, a chartered accountant nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales ("Auditors") to certify the fair price of the Shares ("Fair Price").
- 7.4.2 Each member who accepts the Offer made may state in his reply that he accepts the Offer Price, if any. If any member accepting the Offer states in his reply that he does not accept the Offer Price or makes no reference to the Offer Price or if no Offer Price was stated by the Proposed Transferor, the directors, immediately upon all the members to whom the offer is made replying or upon the termination, if earlier, of the period of 30 days referred to in article 7.3.1.4, will instruct the Auditors to certify the Fair Price.
- 7.4.3 The fees and expenses of the Auditors will be paid as to one half by the Proposed Transferor and as to the balance by those members who have accepted the Offer in proportion to the numbers of the Shares which they have respectively accepted.
- 7.5 The Fair Price is to be determined by the Auditors in their absolute discretion, acting as experts and not as arbitrators, as at the date on which the Auditors are instructed to determine the Fair Price.
- 7.6 Within 5 business days of the later of the expiry of the 30 day period referred to in article 7.3.1.4 or the notification, if any, of the Fair Price by the Auditors to the company, the company will inform the Proposed

Transferor and all the company's other members of the final result of the Offer by written notice ("Sale Notice"). The Sale Notice will state the Offer Price or Fair Price, if any, the identities of the purchasers of the Shares and the number of Shares agreed to be purchased by each of them.

7.7 The Fair Price will be binding upon the Proposed Transferor and any member who does not accept the Offer Price or does not refer to it in his reply.

7.8 If a member or members are willing to purchase all the Shares, the Proposed Transferor will be bound to transfer to each purchaser the number of Shares being purchased by him upon payment by such purchaser to the Proposed Transferor at the Offer Price or the Fair Price as the case may be. Payment must be made within 14 days of the date of the Sale Notice.

7.9 7.9.1 If a Proposed Transferor who has become bound to transfer the Shares defaults in transferring any of them, the directors may receive the purchase money which will be paid into a separate bank account.

7.9.2 The directors will within a reasonable period nominate some person to execute an instrument or instruments of transfer of the relevant Shares in the name and on behalf of the Proposed Transferor and, when such instrument or instruments have been duly stamped, the name of the relevant purchasing member or members will be entered in the register as the holder or holders of the relevant Shares and the directors will hold the purchase money in trust for the Proposed Transferor.

7.9.3 The receipt of the directors for the purchase money will be a good discharge to the relevant purchasing member or members and, after his or their names have been entered in the register in exercise of the power contained in article 7.9.2, the validity of the proceedings cannot be questioned by any person.

- 7.10 If the directors do not find a member or members willing to purchase all the Shares under articles 7.1.1 to 7.9, the Proposed Transferor will at any time within 90 days of the date of the Sale Notice be free to sell and transfer the Shares to the third party named in the Transfer Notice at the Offer Price.
- 7.11 Articles 7.1 to 7.10 do not apply:
- 7.11.1 to a transfer of shares for the purpose only of effecting the appointment of a new trustee;
 - 7.11.2 in the case of a member being a holding company, to a transfer to its subsidiary or by a member being a subsidiary to its holding company or any other subsidiary of that company. If any such holding company or subsidiary ceases at any time while a member to be such holding company or such a subsidiary, the provisions of this article will apply and a Transfer Notice will be deemed to have been served at such date as the company may determine at any time after becoming aware of the position.
- 7.12 Any such transfer as is referred to in article 7.11 will be subject to the decision of the Auditors as to whether any transfer of shares is or the holder of shares remains bona fide within the provisions of that article and any such decision will be final and binding.
- 7.13 A Transfer Notice will be deemed to have been given immediately in respect of any shares:
- 7.13.1 registered in the name of a member who:
 - 7.13.1.1 dies and whose shares have not been transferred to the deceased member's legal person representatives within 6 months of his death; or
 - 7.13.1.2 has a bankruptcy order made against him or enters into a voluntary arrangement or who, being a company, has an administrator or

administrative receiver appointed or goes into
voluntary or compulsory liquidation;

- 7.13.2 registered in the names of members who are also directors or employees of the company upon their ceasing to be such directors or employees; or
 - 7.13.3 acquired in pursuance of rights or interests obtained by members in their capacity as directors or employees of the company who are not or have ceased to be such directors or employees at the time that such shares are acquired.
- 7.14 The holders of all the ordinary shares in the capital of the company may, if they all think fit, agree in writing to waive the provisions contained in articles 7.1 to 7.9.3 and 7.13 in any particular case.
- 7.15 Except as provided in these articles, the instrument of transfer of a share must be signed by or on behalf of the transferor, and in the case of a transfer of a partly paid share also by the transferee, and the transferor will be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it. Regulation 23 is modified accordingly.
- 7.16 Regulations 24, 26 and 29 to 31 do not apply.
- 7.17 No interest in any share or shares can be disposed of or created by any means without a transfer of an equivalent number of shares being presented for registration, except in circumstances where a transfer of the share or shares concerned would be permitted under the provisions of these articles without the member giving a Transfer Notice.
- 7.18 Except for any transfer of "A" Shares or "B" Shares in accordance with the preceding provisions of this article the directors may, in their absolute discretion and without assigning any reason therefore, decline to register any transfer of any share, whether or not it is a fully paid share."