

Company Number 1465195



**THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
SPECIAL RESOLUTIONS OF
MERCHANT RETAIL GROUP PLC**

passed on 9 July 1998

At an ANNUAL GENERAL MEETING of the above named Company duly convened and held at Founders Hall, 1 Cloth Fair, London EC1A 7HT on 9 July 1998 the following resolutions were duly passed as special resolutions of the Company:-

SPECIAL RESOLUTIONS

6. THAT, the Directors of the Company be and they are hereby empowered pursuant to the general authority conferred on them for the purposes of Section 80 of the Companies Act 1985 during the period expiring at the conclusion of the next annual general meeting of the Company or on 9 October 1999 whichever is the earlier to allot equity securities as defined in Sections 94 (2) and 94 (3) of the Companies Act 1985 as if Section 89 (1) of that Act did not apply to the allotment provided that this power shall be limited to :-

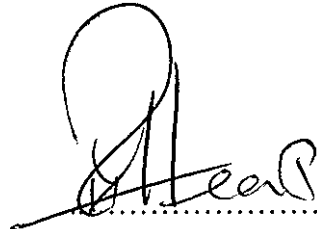
- a) allotments in connection with a rights issue or offer on a pre-emptive basis to holders of ordinary shares and (where considered by the Directors to be appropriate) other equity securities where the Directors shall have the right to make such exclusions or other arrangements as they may deem necessary or expedient to deal with fractional entitlements that would otherwise arise or with legal or practical problems under the laws of any territory or the requirements of the London Stock Exchange or any other Stock Exchange or regulatory authority; and
- b) other allotments of equity securities for cash where the aggregate nominal amount of the shares that may be allotted does not exceed 5% of the nominal value of the issued ordinary share capital of the Company as at the date hereof.

The Company may make an offer or agreement which would or might require equity securities to be allotted after the expiry of this power and the Directors may implement such offer or agreement notwithstanding such expiry.

7. THAT Article 148 of the Company's Articles of Association be altered by adding the following:-

- a) After the words "to such person and such address", the words "and/or by such other means (including without limitation bank transfer or direct debit or, in respect of shares held in uncertificated form, by means of the relevant system concerned)";

- b) After the words “and payment of the cheque or warrant”, the words “(or in the case of payment by any other means, transfer of the funds by the Company or any other person through whom the payment is made); and
- c) After the words “every such cheque or warrant”, the words “or payment by other means”.



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Chairman