

Company No: 3185938

**COMPANIES ACT 1985 TO 1989**

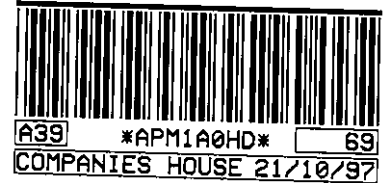
**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

of

**PAPERCHASE PRODUCTS LIMITED**

(Passed on 13 October 1997)



We, the undersigned, being all of the members for the time being of the above named company entitled to attend and vote at general meetings HEREBY PASS the following resolution as a written resolution pursuant to section 381A of the Companies Act 1985.

**SPECIAL RESOLUTION**

**THAT:**

- (a) the authorised capital of the Company be increased from £1,250,000 to £1,506,153.80 by the creation of 61,538 "A" Ordinary Shares of 10p each and 250,000 "B" Preference Shares of £1 each;
- (b) notwithstanding and in derogation of any provision to the contrary contained in the articles of association of the Company the directors from time to time of the Company be, subject to the conditions set out below, authorised, for the purposes of section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot 61,538 "A" Ordinary Shares of 10p each and 250,000 "B" Preference Shares of £1 each provided that the authority hereby conferred shall expire on 31 October 1997 (unless previously revoked, varied or extended by the Company in

general meeting) except that the Company may at any time before such expiry make an offer or agreement which would or might require ordinary shares to be allotted after such expiry and the directors may allot ordinary shares in pursuance of such offer or agreement as if the authority hereby conferred had not expired. The conditions referred to above are that (i) the 61,538 "A" Ordinary Shares of 10p each shall be allotted to a chairman of the Company or to the trustees so directed by the chairman on his appointment and provided that the appointment of such chairman has been approved by each of Foreign & Colonial Enterprise Trust PLC, Foreign & Colonial Private Equity Trust Limited Partnership and F&C Ventures Private Equity Partnership ("the Subscribers"), and (ii) and that the "B" Preference Shares of £1 each be allotted to the Subscribers in the proportions agreed between the Subscribers;

- (c) notwithstanding and in derogation of any provision to the contrary contained in the articles of association of the Company, the directors from time to time of the Company be empowered pursuant to section 95 of the Companies Act 1985 to allot the above shares in the capital of the Company pursuant to the authority and subject to the conditions set out in part (b) of this resolution during the period from the date of the passing of this resolution until 31 October 1997 as if section 89(1) and 90(1) and (6) of the Companies Act 1985 did not apply to such allotment.

DATED *13 October* 1997

*Timothy Melgund* .....

Timothy Melgund

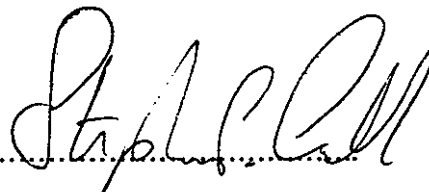
*Robert James Warden* .....

Robert James Warden

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Esme Frances Winch

  
Foreign & Colonial Enterprise Trust PLC

  
Foreign & Colonial Private Equity Trust Limited Partnership

  
Foreign & Colonial Ventures Private Equity Partnership