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~~\$5.00~~

**STATEMENT OF
RESOLUTION ESTABLISHING SERIES OF SHARES
OF**

THE OUTLET COMPANY

To the Secretary of State
of the State of Rhode Island

Pursuant to the provisions of Section 7-1.1-15 of the General Laws, 1956, as amended, the undersigned corporation submits the following statement for the purpose of establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof:

FIRST: The name of the corporation is The Outlet Company

SECOND: The following resolution, establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof, was duly adopted by the board of directors of the corporation on December 13, 1977, by unanimous written consent.

(Insert copy of resolution)

Reference is made to Exhibit A attached hereto, incorporated by reference herein and made a part hereof.

Dated December 16, 1977

THE OUTLET COMPANY

By

Its President

and

Its Secretary

(C.S.)

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

} Sc.

At Providence in said county on this 16th day of
December, 1977, personally appeared before me
Bruce G. Sundlun, who, being by me first duly sworn, declared that he is
the President of
The Outlet Company
that he signed the foregoing document as President of the
corporation, and that the statements therein contained are true.

William G. Brown Jr.
Notary Public

(NOTARIAL SEAL)

MY COMMISSION EXPIRES
JUNE 30, 1981

• 10.00

DEC 20 1977

DEC 20 1977

AF Brown

THE OUTLET COMPANY

Resolutions Establishing 5.75% Convertible Preferred Stock

RESOLVED that pursuant to the authority granted and vested in the Board of Directors by the provisions of the Articles of Association of the Corporation, the Board of Directors hereby creates and fixes the terms of the following series of Preferred Stock, without par value, of the Corporation:

The 5.75% Convertible Preferred Stock, without par value (herein referred to as the "5.75% Convertible Preferred Stock") shall have the following voting powers, designations, preferences or other special rights:

1. Dividends. The 5.75% Convertible Preferred Stock shall rank, in respect of the order of payment of dividends, (i) junior to the 5-1/2% Convertible Preferred Stock, the \$5.00 Preferred Stock, Series PA, without par value (the "Series PA Stock") and the \$5.00 Preferred Stock, Series PB, without par value (the "Series PB Stock") and (ii) in priority to any other series of Preferred Stock without par value. Subject to full dividends accrued on all outstanding shares of 5-1/2% Convertible Preferred Stock, Series PA Stock and Series PB Stock for all past quarterly dividend periods and for the then current dividend period having been paid or declared and set apart for payment, the

holders of the 5.75% Convertible Preferred Stock shall be entitled to receive out of any funds of the Corporation at the time legally available for the declaration of dividends, dividends at the rate of \$5.75 per annum per share and no more, payable in cash quarterly, when and as declared by the Board of Directors. Such dividends shall accrue from the date of issuance and shall accrue from day to day, whether or not earned or declared. Such dividends shall be payable before any dividends shall be declared or paid upon or set apart for, the Common Stock, or any other shares of stock junior in rights or preferences to the 5.75% Convertible Preferred Stock, and shall be cumulative, so that if at any time dividends upon the outstanding 5.75% Convertible Preferred Stock at the rate of \$5.75 per annum per share shall not have been paid thereon or declared and set apart therefor with respect to all preceding quarterly dividend periods, the amount of the deficiency shall be fully paid or declared and set apart for payment, but without interest, before any distribution, whether by way of dividend or otherwise, shall be declared or paid upon, or set apart for, the Common Stock, or any other shares of stock junior in rights or preferences to the 5.75% Convertible Preferred Stock.

2. Liquidation Preference. The 5.75% Convertible Preferred Stock shall rank, in respect of the distribution of

assets in the event of any liquidation, dissolution or winding up of the Corporation, (i) junior to the 5-1/2% Convertible Preferred Stock, the Series PA Stock and the Series PB Stock and (ii) in priority to any other series of Preferred Stock without par value. After the payments to the holders of the 5-1/2% Convertible Preferred Stock, the Series PA Stock and the Series PB Stock of all amounts payable to them in the event of any liquidation, dissolution or winding up (whether voluntary or involuntary), the holders of the 5.75% Convertible Preferred Stock shall be entitled to receive out of the assets of the Corporation, whether such assets are capital or surplus of any nature, an amount in cash equal to \$100 per share, and in addition to such amount, a further amount equal to the dividends unpaid and accumulated thereon to the date of such event, whether earned or declared or not, and no more, before any payment shall be made or any assets distributed to the holders of any Common Stock or any other shares of stock junior in rights or preferences to the 5.75% Convertible Preferred Stock in respect of the distribution of assets in the event of any liquidation, dissolution or winding up.

3. Redemption. The Corporation, at the option of the Board of Directors, may redeem the whole or from time to time may redeem any part of the 5.75% Convertible Preferred Stock on any date set by the Board of Directors, but not prior to five (5) years following the date of issuance of said shares, by depositing with any bank or trust company the amount per share hereinafter set forth as payable upon the redemption thereof (the "Per Share Redemption Price") and, in addition to the Per Share Redemption Price aforementioned amount, an amount in cash equal to all dividends accumulated and unpaid to and including the date fixed for redemption, whether earned or declared or not, such sum being hereinafter sometimes referred to as the Total Redemption Price, with irrevocable instructions and authority to the bank or trust company to give the notice of redemption thereof if such notice shall not previously have been given by the Corporation or to complete the giving of such notice if theretofore commenced, and to pay, on and after the date fixed for redemption, the Total Redemption Price of the shares of their respective holders upon the surrender of their share certificates. In case of the redemption of a part only of the outstanding shares of the 5.75% Convertible Preferred Stock, the Corporation shall designate by lot, in such manner as the Board of Directors may determine, the shares to be redeemed, or shall effect such redemption pro rata. Less than

all of the shares of the 5.75% Convertible Preferred Stock at any time outstanding may not be redeemed and the Corporation may not offer to purchase any of such shares except on a pro rata basis, until all dividends accrued and in arrears upon all such shares then outstanding shall have been paid for all past dividend periods, and until full dividends for the then current dividend period on all of such shares then outstanding, other than the shares to be redeemed, shall have been paid or declared and the full amount thereof set apart for payment. Notice by mail, postage prepaid, shall be given to the holders of record of the shares to be redeemed, each notice to be addressed to each such shareholder at his post office address as shown by the records of the Corporation and mailed not more than sixty (60) nor less than thirty (30) days prior to the redemption date. Each notice shall inform the holders of shares to be redeemed that such shares may be converted into shares of Common Stock of the Corporation at any time prior to five (5) days before the redemption date and that a failure to so convert or to surrender shares for redemption will result in cessation of the accrual of dividends and the termination of all rights with respect to such shares except the right to receive the redemption price as aforesaid. On or after the date fixed for redemption and stated in such notice, each holder of the shares called for redemp-

tion shall surrender his certificate evidencing such shares to the Corporation at the place designated in such notice and shall thereupon be entitled to receive payment of the Total Redemption Price. In case less than all the shares represented by any such surrendered certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

From and after the date of the deposit (although prior to the date fixed for redemption), the shares so called shall be deemed to be redeemed and dividends on those shares shall cease to accrue after the date fixed for redemption. The deposit shall be deemed to constitute full payment for the shares to their holders and from and after the date of the deposit the shares shall be deemed to be no longer outstanding, and the holders thereof shall cease to be shareholders with respect to such shares, and shall have no rights with respect thereto except (i) the right to receive from the bank or trust company payment of the Total Redemption Price of the shares without interest, upon the surrender of their certificates therefor, or (ii) the right to convert such shares into fully paid and nonassessable shares of Common Stock of the Corporation in accordance with paragraph

(4) below. Any moneys deposited by the Corporation pursuant to this paragraph and unclaimed at the end of three (3) years after the date fixed for redemption shall be repaid to the Corporation upon its request expressed in a resolution of its Board of Directors, and thereafter the holders of certificates evidencing the shares so called for redemption shall be entitled to receive payment of the Total Redemption Price only from the Corporation.

The Corporation shall establish a sinking fund, commencing ten years after the issuance of the 5.75% Convertible Preferred Stock and the Corporation shall retire by redemption, on the tenth anniversary of the issuance of the 5.75% Convertible Preferred Stock and on each annual anniversary of such issuance after such tenth anniversary, six and two-thirds (6-2/3) percent of the issue of said 5.75% Convertible Preferred Stock outstanding on the fifth anniversary of the issuance of the 5.75% Convertible Preferred Stock at the price of \$100. per share plus dividends accumulated and unpaid to and including the date fixed for redemption whether earned or declared or not.

The Per Share Redemption Price at which any or all of the 5.75% Convertible Preferred Stock may be redeemed in accordance with the provisions of this Section 3 (other than the sinking fund) shall be as set forth in the following table, if redemption occurs during the 12-month period indicated after the issuance of the 5.75% Convertible Preferred Stock:

<u>12-month period</u>	<u>Redemption Price</u>
Sixth	\$110.00
Seventh	110.00
Eighth	110.00
Ninth	110.00
Tenth	107.60
Eleventh	105.05
Twelfth	102.50
Thirteenth and Subsequent	100.00

Any provision herein to the contrary notwithstanding, the Corporation shall have no right to redeem any of the 5.75% Convertible Preferred Stock at any time (except pursuant to the sinking fund) pursuant to this Section 3 during the sixth through ninth such 12-month periods referred to above unless the closing market price per share of the Common Stock for the business day immediately preceding the date of such redemption on any stock exchange on which the Common Stock is listed or in any over-the-counter market exceeds \$32.40 during the sixth such period, \$31.70 during the seventh such period, \$31.00 during the eighth such period and \$30.30 during the ninth such period, in each case as adjusted for stock splits, dividends or combinations.

4. Conversion. Each holder of 5.75% Convertible Preferred Stock may at any time, but not later than the fifth day prior to such date, if any, as may have been fixed for the redemption thereof in any notice of redemption given pursuant to any provisions hereof, upon surrender of the

certificates therefor, convert any or all of his shares of 5.75% Convertible Preferred Stock into fully paid and non-assessable shares of Common Stock of the Corporation. The number of shares of Common Stock into which each such share of Preferred Stock may be so converted shall be determined by dividing \$100 by the conversion price at which 5.75% Convertible Preferred Stock may then be converted into Common Stock, which conversion price initially shall be \$27.50 per share of Common Stock, subject to adjustment in certain cases as hereinafter provided. Such initial conversion price of \$27.50 per share of Common Stock shall be reduced to \$25.00 per share on and after December 31, 1988 in the event that the market price per share of the Corporation's Common Stock on any stock exchange on which such Common Stock is listed or in the over-the-counter market both (a) does not reach \$27.50 for any five consecutive business days within the eight calendar years ending on December 31, 1988 and (b) reaches \$25.50, for any five consecutive business days within the calendar year ending on December 31, 1988, such amounts of \$27.50 and \$25.50 to be adjusted for stock splits, dividends or other stock distributions.

Such option to convert shall be exercised by surrendering for such purpose to the Corporation, at any place where the Corporation shall maintain a transfer agency for its Common Stock or its 5.75% Convertible Preferred Stock, certificates representing the shares to be converted, duly endorsed in blank or accompanied by proper instruments of transfer. At the time of such surrender the person exercising such option to convert shall be deemed to be the holder of record of the shares of Common Stock issuable on such conversion, notwithstanding that the share register of the Corporation shall then be closed or the certificates representing such shares of Common Stock shall not then be actually delivered to him. In the event that, while any 5.75% Convertible Preferred Stock shall remain outstanding, the Corporation shall at any time subdivide or combine its outstanding Common Stock or issue additional Common Stock as a dividend or other distribution on the Common Stock of the Corporation, the conversion price in effect immediately prior to such subdivision or combination of shares or share dividend or distribution shall be proportionately adjusted so that, with respect to each such subdivision of shares or share dividend or distribution, the number of shares of Common Stock deliverable upon conversion of each of the shares of 5.75% Convertible Preferred Stock shall be increased in proportion to the increase in the number of the then outstanding shares of Common Stock resulting from such

subdivision of shares or share dividend or distribution, and with respect to each such combination of shares, the number of shares of Common Stock deliverable upon conversion of each of the shares of 5.75% Convertible Preferred Stock shall be decreased in proportion to the decrease in the number of the then outstanding shares of Common Stock resulting from such combination of shares. Any such adjustment in the conversion price shall become effective, in the case of any such subdivision or combination of shares, at the close of business on the effective date thereof, and, in the case of any such share dividend or distribution, at the close of business on the record date fixed for the determination of shareholders entitled thereto or on the first business day during which the share transfer books of the Corporation shall be closed for the purpose of such determination, as the case may be.

5. Notices. In case:

(a) of any reclassification of shares of Common Stock of the Corporation (other than a subdivision or combination of outstanding shares of its Common Stock), or of any consolidation or merger to which the Corporation is a party and for which approval of any stockholders of the Corporation is required, or of the sale or transfer of all or substantially all of the assets of the Corporation; or

(b) of the voluntary or involuntary dissolution, liquidation or winding up of the Corporation; then the Corporation shall cause to be mailed to each holder of 5.75% Convertible Preferred Stock at his post office address as shown by the records of the Corporation at least twenty (20) days prior to the earliest applicable date hereinafter specified in the following clauses (x) or (y) of this sentence, a notice stating (x) the date as of which a record is to be taken for the purpose of such event, or, if a record is not to be taken, the date as of which the holders of Common Stock of record are to be determined with respect to such event, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and, if applicable, the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up. Failure to give any such notice by mail, or any defect therein, shall not affect the validity of the proceedings referred to in clauses (a) and (b) above.

Whenever the amount of shares of Common Stock or other securities deliverable upon the conversion of 5.75%

Convertible Preferred Stock shall be adjusted pursuant to the provisions hereof, the Corporation shall forthwith file, at its principal office and with any transfer agent or agents for 5.75% Convertible Preferred Stock and for Common Stock, and with any stock exchange on which such Preferred Stock is listed, a statement, signed by its President or one of its Vice Presidents or its Secretary or Treasurer, stating the adjusted number of shares of its Common Stock or other securities deliverable per share of 5.75% Convertible Preferred Stock upon conversion thereof calculated to the nearest one-hundredth (1/100) and setting forth in all reasonable detail the facts requiring such adjustment and upon which such calculation is based. Each adjustment shall remain in effect until a subsequent adjustment hereunder is required.

The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock the full number of shares of Common Stock deliverable upon the conversion of all the then outstanding shares of 5.75% Convertible Preferred Stock and shall take all such action and obtain all such permits or orders as may be necessary to enable the Corporation lawfully to issue such shares of Common Stock upon the conversion of shares of such Preferred Stock.

No fractions of shares of Common Stock shall be issued upon conversion, but in lieu thereof nondividend bearing, nonvoting scrip (exchangeable for full shares) shall be issued in such form, bearer or registered in such denominations, expiring after such reasonable time and containing such provisions for the sale of the full shares of Common Stock for which such scrip is exchangeable for the account of the holders of such scrip and such other terms and provisions, as the Board of Directors of the Corporation may from time to time determine prior to the issue thereof, the Corporation may, however, at its option, in lieu of issuing such scrip, make equitable provisions for the shareholders entitled to such scrip as the Board of Directors may determine, including payment in cash, or sale of stock to the extent of such scrip and distribution of the net proceeds or otherwise.

6. Voting Rights; Miscellaneous. Each share of the 5.75% Convertible Preferred Stock shall be entitled to one vote and, except as otherwise provided by law, shall have the same voting rights as the shares of Common Stock.

The holders of the outstanding shares of 5.75% Convertible Preferred Stock shall be entitled to vote as a class upon any proposed amendment to the Articles of Association of the Corporation (i) creating a new class of authorized shares,

in addition to the existing classes, which would have rights and preferences prior to or on a parity with shares of 5.75% Convertible Preferred Stock, (ii) increasing the number of authorized shares of the existing Preferred Stock without par value to more than one million shares, (iii) creating any new series of Preferred Stock having rights and preferences prior to or on a parity with the 5.75% Convertible Preferred Stock as to payment of dividends or as to distribution of assets upon liquidation, dissolution or winding up of the Corporation, or (iv) so as otherwise to affect such shares adversely.

For purposes of Stated Capital of the Corporation the value of each share of 5.75% Convertible Preferred Stock shall not be less than \$100.

In connection with the creation or issuance of additional series of Preferred Stock, without par value:

1. Each share of such series shall be entitled to such vote (not exceeding one vote per share) or fraction thereof as the stated value of such share bears to \$100.

2. For purposes of Stated Capital of the Corporation, the value of each share of any such series shall not be less than the amount of the preference of such share in the assets of the Corporation on liquidation.