



THE COMPANIES ACTS, 1862 TO 1886

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

HARRODS LIMITED

1. The name of the Company is "**Harrods Limited**"¹
2. The registered office of the Company will be situate in England.
3. The objects for which the Company is established are:-²
 - (A) To enter into and carry into effect, either with or without modifications, an Agreement (the draft of which has been initialled by two of the subscribers hereto) purporting to be made between Charles Digby Harrod of the one part and Harrod's Stores, Limited, of the other part, and to carry on, develop and extend the business of Mr. Harrod described in such Agreement.
 - (B) To carry on the business of a general supply company in all its branches, and to buy, sell, manufacture and deal in all kinds of goods.
 - (C) To carry on all or any of the businesses of wholesale and retail drapers, furnishing and general warehousemen, Manchester warehousemen, silk mercers, cloth manufacturers, furriers, haberdashers, hosiers, importers, manufacturers and wholesale and retail dealers of, and in textile fabrics of all kinds, milliners, dressmakers, costumiers, tailors, hatters, clothiers, outfitters, umbrella manufacturers and sellers, gloves, lace manufacturers, feather dressers, lace and feather dealers, dyers, cleaners, boot and shoe makers and sellers, manufacturers and importers, and wholesale and retail dealers of and in leather goods, household furniture, china, glass, carpets, ironmongery, turnery and other household fittings and utensils, ornaments, stationery, artists' materials and fancy goods and artificial flowers; butchers, bakers, fishmongers, poulterers, grocers, confectioners, fruiterers, food packers, tea

¹ The Company was incorporated under the name of HARROD'S STORES LIMITED. The Certificate of Incorporation on change of name to HARRODS LIMITED was issued on 27th March 1920.

² This Clause was amended by re-designating existing sub-clause (r) as sub-clause (r)(A) and the inclusion of sub-clause (r)(B) by Special Resolution passed on 14th September 1988.

and spice blenders, wholesale and retail dealers in provisions, drugs, chemicals and other articles of personal, household or general use and consumption, and generally of and in all manufactured goods, materials, provisions and produce.

- (D) To carry on all or any of the businesses of undertakers, motor car, carriage, coach and cycle builders, repairers and agents, livery stable keepers, jobmasters, sellers, letters or hirers of motor cars and cycles, saddlers, wheelwrights, farriers, house decorators, electrical, sanitary, motor and general engineers, contractors, gasfitters, land, estate and house agents, builders, decorators, auctioneers, valuers, surveyors, advertising agents, insurance agents and brokers, cabinet makers, upholsterers, makers and sellers of packing cases, furniture removers, owners of depositories, warehousemen, passenger railway and steamship agents, shipping agents, packing and forwarding agents, carriers, storekeepers, wholesale and retail manufacturers of and dealers in hardware, cutlery, jewellery, precious stones, plate and plated goods, clocks, watchers, perfumery, soap and articles required for ornament, recreation or amusement, gold and silver smiths, electro-platers, printers, proprietors of circulating libraries, booksellers, publishers, bookbinders, die sinkers, copperplate engravers, dealers in musical instruments, picture dealers, theatre music hall and concert ticket agents, entertainment agents, ball furnishers, letters of all kinds of goods, refreshment contractors, caterers, restaurant keepers, chemist and druggists, church furnishers, owners and letters of houses, flats or apartments, furnished or unfurnished, coal and coke merchants, corn and forage merchants, licensed victuallers, wholesale and retail beer, wine and spirit merchants, tobacconists, hairdressers, manicurists, masseurs and chiropodists, photographers and dealers in photographic materials opticians, naturalists, taxidermists and entomologists, manufacturers and sellers of surgical instruments, dealers in and manufacturers of mineral, aerated and other liquors and cordials, farmers, dairymen, market gardeners, nurserymen and florists, makers, sellers and letters of boats and manufacturers and sellers of fishing tackle.
- (E) To buy, sell, manufacture, repair, alter and exchange, let on hire, export and deal in all kinds of articles and things which the Company is empowered to sell or deal in or may be required for the purposes of any of the said businesses or are commonly supplied or dealt in by persons engaged in any such businesses or which may seem capable of being profitably dealt with in connection with any of the said businesses.
- (F) To receive money, valuables and securities of all kinds on deposit or for safe custody, and to carry on the business of stockbrokers, bankers, and of keepers of a safe deposit.
- (G) To provide, manage and conduct refreshment rooms, newspapers rooms, clubs, reading and writing rooms, dressing rooms, telephones and other conveniences for the use of customers and others.
- (H) To grant to selected customers any special privileges and advantages in connection with the use of the Company's premises.

- (I) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated to enhance the value of any of the Company's property.
- (J) To acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on or possessed of property suitable for the purposes of the Company.
- (K) To apply for, purchase or otherwise acquire any patents, brevets d'invention, licences, concessions, and the like, conferring any exclusive or non-exclusive or limited right to use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property, rights or information so acquired.
- (L) To promote or concur in promoting any company or companies for the purpose of acquiring all or any of the property and liabilities of this Company, or of carrying on all or any of the businesses aforesaid in any part of the world, or for any other purpose which may seem directly or indirectly calculated to benefit this Company and to subscribe or agree to subscribe for, acquire and hold or guarantee the subscription of shares, stock or securities of any such company.
- (M) To construct, maintain and alter any buildings or works necessary or convenient for the purposes of the Company.
- (N) To purchase, lease or otherwise acquire any land or buildings situate in the neighbourhood of any existing premises or works of the Company, or which, in the opinion of the Directors, may seem as to the whole or part thereof to be capable of being conveniently used in connection with any extension or development of the Company's business, or any improvement in the means of carrying on the same, and to lay out, develop, rebuild, reconstruct or, otherwise turn to account any such land or buildings, and to sell, lease or otherwise dispose of the same.
- (O) To procure the Company to be registered or recognised abroad in any foreign country or place.
- (P) To enter into any arrangement for sharing profits, union of interests, co-operation, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to engage in any business or transaction which this Company is authorised to carry on or engage in, and to lend money to and guarantee the contracts of or otherwise assist any such person or company, and to take, subscribe for or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee of dividends or otherwise, or otherwise deal with the same, and to guarantee the dividends or interest or the return of the capital upon any shares, stock or debentures of any such company, and to give guarantees of every description.

(Q) To do all or any of the following things namely:-

- (1) To guarantee the payment of money secured by or payable under or in respect of bonds, debentures, debenture stock, contracts, mortgages, charges, obligations and securities of any company or of any authority supreme, municipal, local or otherwise, or of any persons whomsoever whether incorporated or not incorporated.
- (2) To guarantee the title to or quiet enjoyment of property either absolutely or subject to any qualifications or conditions, and to guarantee persons and corporations interested or about to become interested in any property against any loss, actions, proceedings, claims and demands in respect of any insufficiency, imperfection, or deficiency of title, or in respect of any encumbrance, burdens or outstanding rights.
- (3) To furnish and provide deposits and guarantees of funds required in relation to any tender or application for any contract, concession, decree, enactment, property or privilege, whether acquired or to be acquired by the Company or not, or in relation to the carrying out of any contract, concession, decree or enactment.
- (4) To guarantee, support, or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by both such methods, the performance of the obligations of and the repayment or payment of the principal amounts of and premiums, interest and dividends on any securities of any person, firm or company, including (without prejudice to the generality of the foregoing) any company which is for the time being the Company's holding company as defined by Section 154 of the Companies Act, 1948, or another subsidiary as defined by the said Section of the Company's holding company or otherwise associated with the Company in business.
- (5) To invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may be from time to time determined, and particularly to lend and advance money with or without security and in particular to customers of and persons having dealings with the Company, and so that the security (if any) taken may be the personal security of any other person or a legal or equitable mortgage of or charge or lien upon any real or personal property or rights whether existing or to come into existence at a future date, but so that the Company be not authorised to carry on the business of a registered moneylender.
- (6) To draw, make, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.

- (7) To undertake and execute any trusts, the undertakings whereof may seem desirable, and either gratuitously or otherwise.
- (8) To act as executors, administrators, trustees, receivers, or in any other fiduciary capacity, or as general agents.

(R)

- (a) To pay or procure the payment of pensions, gratuities, donations and emoluments to any employees or ex-employees and to officers and ex-officers (including Directors and ex-Directors) of the Company or of any subsidiary or associated Company, or the wives, widows, relations, connections and dependants of any such persons, and to establish or support associations, institutions, clubs, funds and trusts which may be considered to benefit any such persons or otherwise advance the interests of the Company or its members; to support or subscribe to any association, institution or other body whose objects are such as are calculated to promote the interests or maintain the status of the Company, whether such associations are trade associations or otherwise, and to subscribe to any charitable or public institution, object or appeal of any nature whatsoever.
 - (b) To establish, maintain, manage, support and contribute to any schemes for the acquisition of shares in the Company of its holding company by or for the benefit of any individuals who are or were at any time in the employment of, or directors or officers of, the Company or any company which is or was its holding company or is or was a subsidiary of the Company or any such holding company, and to lend money to any such individuals to enable them to acquire shares in the Company or in its holding company and to establish, maintain, manage and support (financially or otherwise) any schemes for sharing profits of the Company or any other such company as aforesaid with any such individuals.
- (S) To make arrangements with any persons for the concession of any special rights, privileges and advantages, and in particular with regard to the supply of goods.
- (T) To purchase, lease or hire, or otherwise acquire, develop and use farms, lands, buildings, plant, machinery, live stock, and appliances of all kinds, and other property which may be useful or conducive to the attainment of any of the objects of the Company.
- (U) To sell, lease, exchange, or otherwise dispose of absolutely, conditionally, or for any limited interest, the whole of any part of the property, rights, or privileges of the Company, wholly or partly for cash or the shares in or obligations of other companies for distribution among the members of the Company or otherwise, and generally upon such terms as seem expedient.
- (V) To acquire and hold, or to sell and deal with the stock, shares, debentures, bonds, or other securities of any other company now existing, or hereafter to

be formed, and having objects altogether or in part similar to those of this Company, or carrying on any business capable of directly or indirectly benefiting this Company.

- (W) To pay commissions and brokerage for the purpose of securing the subscription of the share or loan capital of the Company or of any company in which the Company may be or intend to be interested.
- (X) To raise or borrow money without security or to secure the repayment thereof and also to secure any debt, guarantee, or other obligation of or binding on the Company in such manner and on such terms as may seem expedient and, in particular, but without prejudice to the generality thereof, by mortgages of or charges on all or any part of the property and undertaking, present and future, and the uncalled capital of the Company or by the creation and issue of debentures, debenture stock or other obligations or securities of any description and to renew, reissue, redeem or pay off all or any of such securities.
- (Y) To do all or any of the above things, either alone or in conjunction with others, in any part of the world, and to make and carry into effect any arrangement as to sharing profits, or otherwise.
- (Z) To purchase or otherwise acquire and take over all or any part of the business, property and liabilities of any company, partnership, or person engaged in any business within the objects of the Company, and to conduct or liquidate, and wind up such business.
- (Za) To appoint from time to time any person or persons, or corporation, English or foreign, the attorney or attorneys of the Company, with powers of delegation, or substitution, and confer upon any such attorney or attorneys or substitute any powers of the Company.
- (Zb) To do all such things as are incidental or conducive to the attainment of the above objects.

4. The liability of members is limited.

5. The capital of the Company is £21,500,002, divided into 215,000,000 Ordinary Shares of 10p each, one "A" special rights redeemable preference share of £1 and one "B" special rights redeemable preference share of £1. The rights for the time being attached to any class of capital of the Company may be varied as provided by its Articles of Association³

WE, the several persons, whose names, addresses, and descriptions are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of Shares in the Capital of the Company set opposite our respective names.

| | |
|--------------------------------------|--|
| Names, Addresses and Descriptions of | Numbers of Ordinary Shares taken by each |
|--------------------------------------|--|

³ See Note.

| Subscribers | Subscriber |
|--|------------|
| TCG Dufourg 99 Westmoreland Road SE Clerk | One |
| Henry Mayor 2 Upper Bedford Place Russell Square WC Shorthand Writer | One |
| Edwin Samuel Harper 3 Lytcott Grove East Dulwich Accountant | One |
| Edwin T Botwright 23 Sutton Place Hackney Accountant | One |
| Sydney E Preston 18 Austin Friars EC Solicitor | One |
| H Ernest Warner Beechcroft Streatham Common SW Gentleman | One |
| W A Pitman 7 St Helen's Gardens West Kensington W Gentleman | One |

Dated this 20th day of November, 1889

Witness to the above Signatures of T C G Dufourg, Henry Mayor, Edwin Samuel Harper and Edwin T Botwright

W B Evans

Clerk to Messrs Ashurst Morris Crisp & Co
of 6 Old Jewry London EC

Solicitor

Witness to the above Signatures of Sydney E Preston H Ernest Warner and W A Pittman

D M Bowie

of 6 Old Jewry EC

Solicitor.

NOTE

The above is the Memorandum of Association as altered by Special Resolution of the Company (passed 29th February 1912, and confirmed 15th March 1912), confirmed by Order of the Honourable Mr Justice Swinfen Eady, dated the 15th day of July 1912, and Special Resolution of the Company (passed 14th May 1913, and confirmed 30th May 1913), confirmed by Order of the Honourable Mr Justice Neville, dated the 25th day of July 1913, and Harrod's Stores, Limited, Act 1918, and Special Resolutions of the Company passed on 4th December 1967, 9th July, 1968 and 14th September 1988. The capital stated in Clause 5 is the capital of the Company as from time to time increased and varied pursuant to Resolutions of the Company and to the above Act).

The share capital of the Company was increased from £21,500,000 to £21,500,002 by Ordinary Resolution passed on 4th March 1997 creating one 'A' special rights redeemable preference share of £1 and one 'B' special rights preference share of £1.

THE COMPANIES ACT 1862 to 1907

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

HARRODS LIMITED

(Adopted by Special Resolution passed

on 4th December 1967

and amended by Special Resolutions

passed on 14th September 1988, 29th April 1993

and 4th March 1997)

CONSTITUTION

1. The Company is a private company within the meaning of Section 28 of the Companies Act 1948 (hereinafter referred to as "the Act") in accordance with and subject to the provisions of the Act and of the Memorandum of Association of the Company and of the regulations contained in Part II of Table A in the First Schedule to the Act (hereinafter referred to as "Table A") which are hereby adopted with the exception of regulations 10, 75, 77, 79, 84(2), 87 and 89 to 97 inclusive of Part I of Table A and subject to the provisions of the following additional Articles in modification of Table A, so far as hereby adopted.

- 1A. In these Articles, except where the context otherwise requires, words denoting the singular number only shall include the plural number also and vice versa, words denoting a particular gender shall include either gender and words denoting a person shall include any body of persons, either corporate or unincorporate.

- 1B. In these Articles, reference to shares shall include securities of any nature.

SHARES

2. (A) Subject to the provisions of regulation 2(b) of Part II of Table A, the shares shall be at the disposal of the Directors and they may, but only, if and so long as any company is for the time being the holding company of the Company, with the prior consent in writing of such company (except that no such requirement for consent shall be required in respect either of 'A' Special Shares or 'B' Special Shares), allot or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided nevertheless that no shares shall be issued at a discount except as provided by Section 57 of the Act.
- (B) (1) The Directors may from time to time and at any time appoint any person to the office of Manager for the purposes of the Employee Share Option Plan of the Company with such powers, authorities and discretions (including the power to grant options over shares in the Company pursuant to the said Employee Share Option Plan) and for such period and subject to such conditions as they may think fit
- (2) (a) Subject to paragraphs (3) and (4) of this Article and unless in any particular case all the holders for the time being of shares of the Company otherwise agree in writing, none of the shares of the Company nor any interest therein shall be transferred and the Directors shall not register any transfer of any shares of the Company except pursuant to paragraph (2) of this Article.
- (b) Every Member who wishes to transfer any of his shares or to dispose of any interest therein (such member being hereinafter referred to as a "Vendor" and including for the purposes of this Article any person who has exercised an option to acquire shares in the Company but has not yet been registered as a member of the Company) shall serve on the Directors of the Company a notice in writing of his wish so to do accompanied by the relevant share certificates. Such notification (hereinafter called a "Transfer Notice") shall state the number and class of shares which the Vendor desires to transfer or dispose of and shall constitute the Directors his agents for the sale of such shares (hereinafter called "the Sale Shares") at such price per share as shall be specified therein or if no price shall be specified at the fair value thereof as hereinafter determined. Save as hereafter provided a Transfer Notice shall not be withdrawn. A Transfer Notice shall not relate to more than one class of share in the capital of the Company.
- (c) Within 7 days of receipt of the Transfer Notice, the Directors shall forthwith offer the Sale Shares giving details of the number and price (being the price specified in paragraph (2)(b) of this Article) of the Sale Shares, to all other persons or companies registered as members of the Company (other than

the Vendor) pro rata as nearly as may be in proportion to the numbers of shares of the class comprising the Sale Shares then held by such offerees and inviting each such member to state in writing within 21 days from the date of the Transfer Notice whether he is willing to purchase any of the Sale Shares and, if so, the maximum number thereof. At the expiration of the time limit specified by such offer for the acceptance of such shares, the balance of any shares offered to the members but not so accepted shall be offered to the members who have accepted all the shares to which they are respectively entitled who shall, if more than one, be entitled to purchase such balances of shares in the proportion as nearly as the circumstances will admit to the number of shares of the class comprising the Sale Shares then held by each of them respectively. Such further offer shall be deemed to have been refused if not accepted within 14 days.

- (d) The Directors shall on the expiration of the above periods give notice to the Vendor of the numbers of Sale Shares which members are willing to purchase. If the Directors shall have found members willing to purchase some but not all of the Sale Shares, the Vendor may within 21 days of writing to the Directors withdraw the Transfer Notice. If the Directors shall under the preceding sub-paragraphs of this Article have found members willing to purchase all the Sale Shares or if no such counter-notice shall have been given by the Vendor within the aforesaid period, the Vendor shall be bound upon receipt of the price per share specified in the Transfer Notice, to transfer the Sale Shares (or such of the same for which the Directors shall have found purchasers) to the purchasers specified by the Directors in accordance with this Article.
- (e) If the Vendor makes default in so transferring the Sale Shares, the Company shall receive and give a good discharge for the purchase money on behalf of the Vendor but shall not be bound to earn or pay interest thereon and the Directors shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holders of such of the Sale Shares as shall have been transferred to them as aforesaid.
- (f) If by the end of the applicable period specified in paragraph (2)(c) of this Article the Directors shall not have found purchasers for all the Sale Shares pursuant to this Article, the Vendor shall be at liberty to sell and transfer all or any of the Sale Shares not so sold as aforesaid at any time within the following three months to any person or persons at any price not being less than specified in the Transfer Notice (or the fair value thereof if no price was specified).

- (g) For the purpose of ensuring that a transfer of shares is duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is required to be given hereunder the Directors may require any member, the legal personal representatives of a deceased member, the trustee of a bankrupt member or the liquidator of any corporate member or any person named as transferee in any transfer lodged for registration to furnish to the company such information and evidence as the Directors may think fit regarding any matter they deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such request or if any such information or evidence discloses that a Transfer Notice ought to be given in respect of any shares, the Directors shall be entitled to serve a Transfer Notice in respect of the shares concerned seeking transfer at a fair value and the provisions of these Articles shall take effect accordingly.
 - (h) For the purposes of this Articles the fair value shall be such price as shall be agreed between the Vendor and the Directors or failing agreement the price at which the Sale Shares could be acquired on the exercise of the HOF-Option, as the same is determined pursuant to the Employee Share Option Plan of the Company.
- (3) (a) The provisions of paragraph (2) of this Article shall not apply to any transfer by a member being a body corporate, to a member of the same group.
- (b) For the purposes of this paragraph (3):-
- (i) Where shares have been transferred under sub-paragraph (3)(a) above (whether directly or by a series of transfers thereunder) from a body corporate ("the transferor company" which expression shall not include a second or subsequent transferor in such a series of transfers) to a member of the same group ("the transferee company") otherwise than under a scheme of reconstruction or amalgamation whereunder the transferor company is placed in liquidation and the transferee company acquires the whole or the major part of its undertaking and assets, and subsequently the transferee company ceases to be a member of the same group as the transferor company, shall be the duty of the transferee company to notify the Directors in writing that such event has occurred and (unless after such event the relevant shares are transferred to the transferor company any such transfer only being deemed to be authorised under sub-paragraph (2)(a) above) the transferee company shall be bound, if and when

required in writing the Directors so to do, to give a Transfer Notice (as defined in paragraph (2) of this Article) in respect of the relevant shares seeking a transfer at fair value and the provisions of these Articles shall take effect accordingly;

(ii) "a member of the same group" means a company which is for the time being a holding company of the transferor company or a subsidiary of the transferor company or any such holding company or a company acquiring the whole or major part of the undertaking and assets of the transferor company under a scheme of reconstruction or amalgamation whereunder the transferor company is placed in liquidation;

(iii) "the relevant shares" means and includes (so far as the same remain for the time being held by the transferee company) the shares originally transferred and any additional shares issued or transferred to the transferee company by virtue of the holding of the relevant shares or any of them or the membership thereby conferred.

(4) The provisions of paragraph (2) of this Article shall not apply to the transfer of 'A' Special Shares or 'B' Special Shares or to the transfer of any interest therein.

3. In regulation 15 of Part I of Table A the words "provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call" shall not apply.

DIRECTORS

4. The number of Directors shall not be less than two.

5. A Director shall require no share qualification, but nevertheless shall be entitled to attend and speak at any general meeting of the Company.

6. If and so long as any company is for the time being the holding company of the Company, the power to appoint Directors, whether to fill casual vacancies or as an addition to the Board or otherwise, and the power to remove any Director, howsoever appointed, shall reside exclusively in such Company. Any such appointment or removal shall be effected by instrument in writing signed on behalf of such company by one of its directors duly authorised in that behalf and shall be effective forthwith upon the receipt of such instrument at the registered office of the Company.

BORROWING POWERS

7. The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge the whole or any part of its undertaking, property and uncalled capital, and to issue debentures, debenture stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party, provided that, if and so long as any company is for the time being the holding company of the Company, the powers conferred by this Article, other than the power to borrow money from the bankers of the Company, shall be exercisable only with the prior consent in writing of such company.

POWERS AND DUTIES OF DIRECTORS

8. A Director shall be capable of contracting and participating in the profits of any contract or arrangement with the Company in the same manner as if he were not a Director, provided that, before the contract or arrangement is entered into or as soon thereafter as he becomes interested therein, he shall disclose to the Board his interest therein in manner required by Section 199 of the Act. For the purpose of this Article, a general notice given to the Directors of the Company by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contracts which may, after the date of the notice, be made with that company or firm, shall be deemed to be a sufficient declaration of interest in relation to any contract so made. No Director shall be disqualified from being counted in the quorum present at the relevant meeting or from voting as a Director in respect of any such contract or arrangement or any matter arising thereout.
9. In regulation 86 of Part I of Table A the words "and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose" shall not apply.
10. The Directors may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the next following Article shall include any Director who may hold or have held any executive office or other office or place of profit, or have been appointed to exercise special powers or authorities) and ex-employees of the Company and of any such other companies and their dependants, or any class or classes of such persons.
11. The Directors may pay, enter into agreements to pay or make grants (revocable or irrevocable and either subject or not subject to any terms or conditions) of pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the last preceding Article. Any such pension or benefit may, as the Directors consider desirable, be granted to an employee either before and in anticipation of, or upon or at any time, after his actual retirement.

DISQUALIFICATION OF DIRECTORS

12. No person shall be disqualified from being appointed a Director in accordance with the provisions of these Articles by reason of having attained the age of 70 years or any other age, nor shall special notice or other special formality be required on that account. No Director shall vacate his office by reason only of age.

EXECUTIVE DIRECTORS

13. Regulations 107, 108 and 109 of Part I of Table A shall be read and construed as if the expression "managing director" included any executive office of any description.

ALTERNATE DIRECTORS

14. Any company entitled for the time being pursuant to Article 6 hereof to appoint and remove Directors of the Company shall be entitled to appoint any person to be an alternate Director of the Company and to remove any alternate Director so appointed, any such appointment or removal being effected in the manner provided in Article 6. An alternate Director shall, except as regards remuneration, be subject to the provisions of these presents with regard to Directors and shall be entitled to receive notices of all meetings of the Directors and to attend and vote as a Director at any such meeting at which the Director for whom he is alternate is not personally present and generally to exercise and discharge all the functions, powers and duties as a Director of the Director for whom he is alternate in the absence of such Director. Any Director acting as alternate shall have an additional vote for each Director for whom he acts as alternate. An alternate Director shall *ipso facto* cease to be an alternate Director if the Director for whom he is alternate ceases for any reason to be a Director.

RESOLUTIONS IN WRITING

15. Any resolution in writing pursuant to regulation 106 of Part I of Table A or regulation 5 of Part II of Table A may consist of several documents in the like form each signed by one or more of the Directors or members, as the case may be, and the said regulations shall be deemed to be modified accordingly.

SPECIAL RIGHTS REDEEMABLE PREFERENCE SHARES

- 16.1 In this Article, "A' Special Share " means the 'A' special rights redeemable preference share of £1.00 in the capital of the Company and "B' Special Share" means the 'B' special rights redeemable preference share of £1.00 in the capital of the Company, each being a "Special Share" and the holder of either being the "A' Special Shareholder " or the "B' Special Shareholder" (as appropriate) and a "Special Shareholder".
- 16.2 A Special Share may only be issued to, held by and transferred to a Relevant Trustee or a person wholly owned, directly or indirectly, by a Relevant Trustee. "Relevant Trustee" means the trustee(s) for the time being of an Approved Trust, acting in such capacity. "Approved Trust" means a trust approved by the Board of Directors as the original holder (through its trustees or a person wholly owned, directly or indirectly, by them) of a Special Share. No restrictions relating to the transfer of any share (including any right of the directors to refuse to register any transfer) set out in these

Articles of Association, other than the restrictions set out in this Article 16, shall apply to any transfer of any Special Share.

- 16.3 The Company shall only create or issue one 'A' Special Share and one 'B' Special Share.
- 16.4 Notwithstanding any provision in these Articles to the contrary, the rights attaching to the 'A' Special Share and the rights attaching to the 'B' Special Share shall include the right to approve or disapprove of each of the following matters:-
- (a) the amendment removal or alteration of the effect of (which for the avoidance of doubt, shall be taken to include the ratification of any breach of) this Article 16;
 - (b) any disposal or transfer of any shares in the Company or of any interest in any such shares, other than a disposal or transfer to a Permitted Person in circumstances where the whole of the beneficial interest so disposed of or transferred is acquired by such person. A "Permitted Person" means Alfayed Investment and Trust Pvt L.P. (an exempted limited partnership formed under the laws of Bermuda) ("AIT") or any company or body corporate which is wholly owned by AIT or any wholly owned subsidiary of such a company or body corporate and which has itself issued to the Relevant Trustee of each Approved Trust a special rights share having substantially the same rights as the rights under these Articles attaching to the 'A' Special Share and the 'B' Special Share;
 - (c) any issue of any shares in the Company, other than an issue to a Permitted Person in circumstances where the whole of the beneficial interest in the Shares will be vested in such person;
 - (d) a proposal for the voluntary winding-up or dissolution of the Company;
 - (e) a proposal for a voluntary arrangement of the Company pursuant to Section 1 of the Insolvency Act 1986;
 - (f) any disposal by the Company of any shares in the capital of any Relevant Subsidiary, or of any interest in any such shares, or the entering into of any agreement or arrangement by the Company which at any time requires or would on satisfaction of any condition require the disposal by it of any such shares or any such interest, save in any such case for a disposal to a Permitted Person acquiring the whole of the beneficial interest so disposed of. "Relevant Subsidiary" means any person which is wholly owned by AIT or by a subsidiary of such a person and which owns or carries on the Harrods Business, or any substantial part of such business or which owns, directly or indirectly (including through any other person) any shares in any company which owns or carries on such business or any substantial part of it. "Harrods Business" means the business of owning and operating the Harrods department store in Knightsbridge, London, SW1;

- (g) any disposal of, or of any substantial part of, the Harrods Business or assets forming part of the Harrods Business other than the disposal of trading assets in the ordinary course of business;
- (h) the termination or cessation of the appointment of any Senior Executive of the Company or the Harrods Business (other than by resignation, death or retirement on reaching the Company's normal retirement age). A "Senior Executive" means any executive director or person holding any position of equivalent or greater executive importance, whether or not a director; and
- (i) the appointment of any person as a Senior Executive of the Company or the Harrods Business;

and in the event that, in respect of any such matter, the approval of the A Special Shareholder and the B Special Shareholder shall not be forthcoming and evidenced by prior written consent, there shall be deemed to be a variation of the rights attaching to the A Special Share and of the rights attaching to the B Special Share and the matter shall not be effective.

- 16.5 The 'A' Special Shareholder and the 'B' Special Shareholder shall each be entitled to receive notice of and to attend and to speak at any general or other meeting of the Company and any meeting of the holders of any class of shares of the Company (other than of the other Special Shares), but the Special Shares shall not carry any entitlement to vote at any such meeting.
- 16.6 On any distribution of capital on a winding-up of the Company, the holder of the 'A' Special Share and the holder of the 'B' Special Share shall each be entitled to be paid a sum equal to an amount paid up or treated for the purposes of the Act as paid up on the Special Share held by it, in priority to any distribution of capital to any other member. Neither Special Share confers any other right to participate in the capital or profits of the Company.
- 16.7 Subject to the provisions of the Act, a Special Shareholder may require the Company to redeem the Special Share held by it at par at any time by serving written notice upon the Company. The Company shall have no right to redeem a Special Share.