

THE COMPANIES ACTS, 1862 to 1886
THE COMPANIES ACT, 1948

COMPANY LIMITED BY SHARES

Memorandum

(Incorporating amendments up to and including 14th September 1988)

AND

Articles of Association

(Adopted by Special Resolution passed on 4th December 1967 and amended
by Special Resolution passed on 14th September 1988)

OF

HARRODS LIMITED



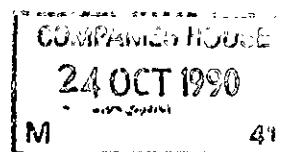


Certificate of Change of Name

I Hereby Certify that "HARROD'S STORES LIMITED" having, with the sanction of a Special Resolution of the said Company, and with the approval of the Board of Trade, changed its name, is now called "HARRODS LIMITED" and I have entered such new name on the Register accordingly.

GIVEN under my hand at London, this Twenty-seventh day of March One thousand Nine Hundred and Twenty.

I. V. BUTLER,
Registrar of Joint Stock Companies





THE COMPANIES ACTS 1948 TO 1967

I Hereby Certify that "HARRODS LIMITED" formerly
called "HARROD'S STORES, LIMITED" which name was changed
by special resolution and with the approval of the Board of Trade
on the 27th March 1920 was incorporated, under the Companies'
Acts, 1862 to 1886 as a limited company on the 20th November 1889.

GIVEN under my hand at London the 21st October, 1968.

No. 30209

A. E. WHITBY,
Assistant Registrar of Companies

COMPANY LIMITED BY SHARES

Special Resolutions

of

HARRODS LIMITED

(Passed 4th December, 1967)

At an EXTRAORDINARY GENERAL MEETING of the Company duly convened and held on the 4th day of December, 1967, the following Resolutions were duly passed as SPECIAL RESOLUTIONS:—

RESOLUTIONS

1. THAT the Scheme of Arrangement, dated the 10th day of November, 1967, between (*inter alia*) the Company and the holders of its 7½ per cent. Cumulative Preference Stock (other than the 7½ per cent. Cumulative Preference Stock held by House of Fraser Limited) a print of which Scheme has been produced to this meeting and, for purposes of identification, subscribed by the Chairman thereof be and the same is hereby approved.
2. THAT the capital of the Company be reduced by £2,614,572 and that such reduction be effected by cancelling the whole of the capital paid up on the 7½ per cent. Cumulative Preference Stock in the capital of the Company (other than the £1,385,428 of such Stock registered in the name of House of Fraser Limited) and extinguishing the same and that the sum of £2,614,572 resulting from the said cancellation be carried to the credit of Capital Reserve in the books of the Company.
3. THAT forthwith upon the reduction of capital referred to in resolution number 2 above taking effect:—
 - (A) the capital of the Company be increased to its former amount by the creation of 2,614,572 Ordinary Shares of £1 each;
 - (B) the sum of £2,614,572 transferred to Capital Reserve pursuant to the said resolution be capitalised and applied to paying up in full at par the said 2,614,572 unissued Ordinary Shares of £1 each, such shares to be allotted and issued credited as fully paid to House of Fraser Limited or its nominees and thereupon to be converted into Ordinary Stock.
4. THAT forthwith upon the reduction of capital referred to in resolution number 2 taking effect:—
 - (A) the £1,385,428 7½ per cent. Cumulative Preference Stock then remaining in the capital of the Company be converted into £1,385,428 Ordinary Stock;
 - (B) the regulations contained in the printed document produced to the meeting and for the purpose of identification subscribed by the Chairman thereof be adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.

HUGH FRASER, *Chairman*

The Companies Act, 1948

COMPANY LIMITED BY SHARES

CONSENT BY HOUSE OF FRASER LIMITED

as holders of

£1,385,428 7½ per cent. CUMULATIVE PREFERENCE STOCK

of

HARRODS LIMITED

Dated 4th December, 1967

WE, House of Fraser Limited, being the holders of £1,385,428 7½ per cent. Cumulative Preference Stock of Harrods Limited, hereby consent to the conversion of the said £1,385,428 7½ per cent. Cumulative Preference Stock into £1,385,428 Ordinary Stock of the said Company and to every abandonment or alteration of the rights attached to the said £1,385,428 7½ per cent. Cumulative Preference Stock involved therein or effected thereby.

L.S.

HUGH FRASER, *Director*
W. E. KEYMER, *Secretary*

D. K. MILLIGAN,
Secretary, Harrods Limited

COMPANY LIMITED BY SHARES

Memorandum of Association

OF

HARRODS LIMITED

- * 1.—The name of the Company is "HARRODS LIMITED".
- 2.—The registered office of the Company will be situate in England.
- ** 3.—The objects for which the Company is established are:—
 - (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,
- * 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.
- ** 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.

grocers, confectioners, fruiterers, food packers, tea 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, watches, 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 stock-brokers, bankers, and of keepers of a safe deposit.

(g) To provide, manage and conduct refreshment rooms, newspaper 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.

As amended by
Special Resolution
passed on 9th July, 1968.

(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 incumbrance, 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.

New paragraph
substituted by
Special Resolution
passed on 9th July, 1968.

(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.

(r) (B) To establish, maintain, manage, support and contribute to any schemes for the acquisition of shares in the Company or 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 or 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 £21,500,000, divided into 215,000,000 Ordinary Shares of 10p. each. The rights for the time being attached to any class of capital of the Company may be varied as provided by its Articles of Association.

* SEE NOTE

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 Subscribers.	Numbers of Ordinary Shares taken by each Subscriber
T.C.G. DUFOURG, 99 Westmoreland Road S.E., Clerk	One
HENRY MAYOR, 2, Upper Bedford Place, Russell Square, W.C., 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, E.C., Solicitor	One
H. ERNEST WARNER, Beechcroft, Steatham Common, S.W., Gentleman	One
W.A. PITTMAN, 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, E.C.,
Solicitor.

Witness to the above Signatures of SYDNEY E. PRESTON, H.
ERNEST WARNER AND W.A. PITTMAN,

D.M. BOWIE,
of 6, Old Jewry, E.C.,
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 COMPANIES ACTS 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 Resolution
passed on 14th September 1988)

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 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.

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, 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 paragraph (3) 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 subparagraphs 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

- 5 -

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.

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 exerciseable 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 officer 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 Company 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.

HARROD'S STORES LIMITED

Act, 1918.

ARRANGEMENT OF SECTIONS

	SECTION
Preamble	
Short Title	1
Alterations of Memorandum and Articles of Association. Statement of capital of the Company as altered. Extinguishment of Founders' Shares. Increase of Capital of the Company. Rights of new Ordinary Shares. Reserve Fund of the Company. Right of Company to issue new Preference Shares. Alteration of Articles of Association	2
Founders' Company authorised to hold new fully paid Ordinary Shares of the Company	3
References in executed instruments to be construed to refer to new fully paid Ordinary Shares of the Company	4
New fully paid Ordinary Shares to be held on the same terms and provisions as the Founders' Shares	5
Saving for validity of prior acts by or proceedings against the Company	6
Distribution of profits of the Company for the year ended 31st January, 1918	7
Saving rights of existing Preference Shares	8
Saving rights of Company to alter its Articles of Association ..	9
Compensation to Directors of Founders' Company for loss of office	10
Stamp Duty	11
Copies of Act to be registered: Fees payable on registration ..	12
Copies of this Act to be annexed to Memorandum and Articles of Association of the Company and of the Founders' Company ..	13
Consent of Treasury to issue of additional Capital	14
Costs of Act	15

AN
ACT

For enabling Harrod's Stores Limited to re-arrange its capital and to provide for the extinction of its Founders' Shares and for issuing fully paid Ordinary Shares in lieu thereof and for altering the Memorandum and Articles of Association of the Company and to increase its capital and for enabling Harrod's Stores Founders' Shares Company Limited to pay to its Directors compensation for loss of office as Directors of that Company and for other purposes.

(Royal Assent 27th June, 1913.)

Preamble

WHEREAS Harrod's Stores Limited (in this Act called "the Company") was incorporated in the year 1889 under the provisions of the Companies Act 1862 as a Company limited by shares.

And whereas the capital of the Company is £1,801,400 divided into 100,000 5 per cent. Cumulative Preference Shares of £5 each 700,000 5 per cent. Cumulative Preference Shares of £1 each 600,000 Ordinary Shares of £1 each and 1,400 Founders' Shares of £1 each all of which have been issued and are fully paid.

And whereas the whole of the Founders' Shares of the Company are now registered in the name of, or are the property of Harrod's Stores Founders' Shares Company Limited (in this Act called "the Founders' Company").

And whereas the respective rights of the holders of the Ordinary and Founders' Shares of the Company were originally defined in the Memorandum of Association of the Company to be as follows:--

7. "The rights of the members subject to any alterations made "under the powers given to Meetings by the Articles of "Association shall be as follows:—
 - "(a) The net profits of the Company shall subject to "sub-section (f) be applied in the manner provided by "sub-sections (b) (c) (d) (e) and (f) hereof.
 - "(b) There shall be paid out of the net profits of the Company "for each year to the holders of the Ordinary Shares "a non-cumulative dividend for the year at the rate of "8 per cent. on the amount paid up thereon for the "time being.
 - "(c) Of the surplus net profits of the Company remaining after "payment of the dividends provided for by subsection (b)

"10 per cent. shall be carried to a Reserve Fund and of the
"remainder one moiety shall belong to the holders of
"Founders' Shares and the residue shall belong to the
"holders of Ordinary Shares.

"(d) All net profits divisible amongst the holders of the
"Founders' Shares and Ordinary Shares respectively
"under the foregoing sub-sections shall be divided
"amongst the holders of each such class of shares pro-rata
"according to the number of shares held and the amount
"paid up thereon for the time being.

"(e) In the event of the Company being wound up the surplus
"assets remaining after the return of the whole of the
"paid-up capital shall belong as to one half to the holders
"of the Ordinary Shares and as to the balance to the
"holders of the Founders' Shares and be divisible as
"between the several holders of each class of shares
"according to the amounts paid up thereon.

"(f) Any new shares from time to time to be created may
"from time to time be issued with any such right of
"preference whether in respect of dividend or of repay-
"ment of capital or both or any such other special privilege
"or advantage over any shares previously issued or to be
"issued and at any price or with such deferred rights as
"compared with any shares previously issued or to be
"issued or subject to any other special conditions and with
"any special right or without any right of voting and
"generally on such terms as the Company may from time
"to time by resolution in general meeting determine
"provided that except with the consent of a meeting of
"holders of Founders' Shares under the provisions of the
"Articles of Association no new shares (other than
"Ordinary Shares ranking equally with the original
"Ordinary Shares) shall be issued with any preference or
"priority over the Founders' Shares unless they have the
"same preference or priority over the Ordinary Shares."

And whereas Article 84 of the Articles of Association of the
Company is as follows:—

"The holders of any class of shares may by a resolution passed
"by a majority of not less than three-fourths of the holders
"for the time being entitled to vote in respect of shares of
"the class present in person or by proxy at any meeting of
"such holders of which notice specifying the intention to
"propose such resolution has been duly given consent on
"behalf of all the holders of shares of the class to the issue

“or creation of any shares ranking equally therewith or having
“any priority thereto or to the abandonment of any accrued
“dividend or of any preference or priority or the reduction
“for any time or permanently of the dividends payable there-
“on or to any scheme for the reduction of capital affecting
“prejudicially the class of shares and a resolution so passed
“shall be binding upon all the holders of shares of the class
“provided that this Article shall not be read as implying the
“necessity for such consent in any case in which but for this
“Article the object of the resolution could have been effected
“without it.”

And whereas at a Meeting of the holders of the Founders' Shares of the Company duly convened and held on the 28th day of February 1913 on the occasion of the increase of the Ordinary Shares of the Company from 500,000 to 600,000 by a majority of not less than three fourths of the holders for the time being entitled to vote in respect of such Founders' Shares present in person or by proxy of which notice specifying the intention to propose such resolution had been duly given it was resolved that the surplus net profits of the Company of each year which should remain after paying the 8 per cent. dividend on the Ordinary Shares as provided by paragraph (b) of Clause 7 of the Memorandum of Association of the Company should be carried as to 10 per cent. thereof to the reserve fund specified in paragraph (c) of the same clause and that of the remainder one moiety (after deducting therefrom the sum of £5,000 and such further sum if any not exceeding £5,000 as should remain after providing for the payment to the holders of the Founders' Shares of dividends for the year to the amount of £81,496) should belong to the holders of the Founders' Shares and the residue or other moiety thereof (plus the sum of £5,000 and the further sum (if any) to be deducted as aforesaid) should belong to the holders of Ordinary Shares of the Company and be dealt with in accordance with the Memorandum of Association of the Company.

And whereas the resolution passed at the last mentioned meeting had previously been consented to by a resolution passed at a general meeting of the Founders' Company duly convened and held on the 28th day of February 1913 by a majority of not less than three fourths of the members of the Founders' Company present thereat personally or by proxy as required by the provisions of the Articles of Association of the Founders' Company.

And whereas by a resolution passed at a meeting of the holders of the Ordinary Shares of the Company duly convened and held on the 5th day of September 1917 by a majority of not less than three fourths of the holders for the time being entitled to vote in respect of such Ordinary Shares present in person or by proxy at such meeting of which notice specifying the intention to propose such resolution had been

duly given the holders of such Ordinary Shares consented on behalf of all the holders of such Ordinary Shares to their rights as to dividends and capital being altered as set forth in this Act.

And whereas by a resolution passed at a meeting of the holders of the Founders' Shares of the Company duly convened and held on the 5th day of September 1917 by a majority of not less than three fourths of the holders for the time being entitled to vote in respect of such Founders' Shares present in person or by proxy at such meeting of which notice specifying the intention to propose such resolution had been duly given the holders of such Founders' Shares consented on behalf of all the holders of such Founders' Shares to their rights as to dividends and capital being altered as set forth in this Act.

And whereas the resolution passed at the last mentioned meeting had previously been consented to by a resolution passed at a general meeting of the Founders' Company by a majority of not less than three fourths of the members of the Founders' Company present thereat personally or by proxy as required by the provisions of the Articles of Association of the Founders' Company.

And whereas the Company is desirous and it is expedient that the rights of the holders of the Founders' Shares and the rights of the holders of the Ordinary Shares of the Company *inter se* should be modified or varied from those conferred by the Memorandum of Association of the Company in manner hereinafter provided.

And whereas it is expedient that the Founders' Shares of the Company should be extinguished and that the Company should be authorised to issue to the Founders' Company in lieu thereof 350,000 new Ordinary Shares of the Company credited as fully paid as hereinafter provided.

AND WHEREAS it is expedient that power should be conferred upon the Founders' Company to compensate its Directors for loss of office in manner hereinafter provided.

And whereas the objects of this Act cannot be effected without the authority of Parliament.

MAY IT THEREFORE PLEASE YOUR MAJESTY that it may be enacted and be it enacted by the King's Most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled and by the authority of the same as follows:—

1. This Act may be cited as "Harrod's Stores Limited Act 1918." Short title

2. From and after the passing of this Act:—

- (1) Clauses 5 and 7 of the Memorandum of Association of the Company and any alterations heretofore made therein shall be and the same are hereby cancelled and annulled and all references in the Articles of Association of the Company to

Alterations of
Memorandum and
Articles of
Association

the Founders' Shares of the Company shall be and the same are hereby cancelled and annulled and the Memorandum and Articles of Association of the Company are hereby amended so as to conform with the provisions of this Act.

- (2) The capital of the Company (apart from the 350,000 new Ordinary Shares hereinafter mentioned) shall be £1,800,000 divided into 100,000 5 per cent. Cumulative Preference Shares of £5 each 700,000 5 per cent Cumulative Preference Shares of £1 each and 600,000 Ordinary Shares of £1 each. Provided always that the Company may from time to time increase or reduce the capital of the Company in manner provided by the Companies Consolidation Act 1908 and the regulations for the time being of the Company;
- (3) The Founders' Shares of the Company and all rights and privileges in respect thereof shall be and the same are hereby extinguished and the Founders' Company as the holder or proprietor of such shares shall forthwith after the passing of this Act surrender to the Company for cancellation the certificates for the Founders' Shares of the Company held by it;
- (4) The capital of the Company shall be increased by the creation and issue of 350,000 new Ordinary Shares of £1 each and the sum of £1 shall be deemed to have been paid up on each of such Ordinary Shares and the Company shall upon the surrender of Certificates as aforesaid allot to the Founders' Company or as it shall direct such new Ordinary Shares and issue to it or as it shall direct a certificate or certificates for such new Ordinary Shares;
- (5) Such new Ordinary Shares and the existing 600,000 Ordinary Shares shall form one class and shall rank *pari passu* as regards dividends voting and in all other respects but the holders of such new Ordinary Shares shall not be entitled to participate in any dividend declared in respect of the year ending the 31st day of January 1918.
- (6) The sum of £34,329 16s. 10d. standing to the credit of the holders of the Ordinary Shares of the Company in the books of the Company on the 31st day of January 1917 and the sum of £12,000 standing to the credit of the holders of the Founders' Shares of the Company in the books of the Company on the same date shall be carried to the general reserve fund of the Company.
- (7) Any new shares from time to time to be created by the Company (not forming part of the 350,000 new Ordinary Shares of the Company by this Act directed to be issued in lieu of the Founders' Shares of the Company) may from

Statement of
capital of the
Company as altered

Extinguishment of
Founders' Shares

Increase of Capital
of the Company

Rights of new
Ordinary Shares

Reserve Fund of
the Company

Right of Company
to issue new
Preference Shares

time to time be issued with any such right of preference whether in respect of dividend or of repayment of capital or both or any such other special privilege or advantage over any shares previously issued or to be issued and at any price or with such deferred rights as compared with any shares previously issued or to be issued or subject to any other special conditions and with any special right or without any right of voting and generally on such terms as the Company may from time to time by resolution in general meeting determine.

- * (8) The Articles of Association of the Company shall be deemed to be altered so as to contain the following new Articles to be Numbered 14a and 129a respectively namely:—

Alteration of
Articles of
Association

"14a. The Company shall be at liberty to issue certificates
"under the seal of the Company and signed by two
"Directors and countersigned by the Secretary or
"some other person appointed by the Directors
"representing the right of the holders thereof to
"fractions of shares of the Company."

"129a. The Directors shall before recommending any
"dividend other than the dividend on the existing
"Preference Shares carry to reserve 10 per cent. of
"the balance of the profits of the Company for each
"financial year after providing thereout an amount
"sufficient to pay the cumulative dividend payable
"on the existing preference shares inclusive of any
"arrear thereof or such other larger or smaller sum
"as may at any time and from time to time be
"prescribed by an extraordinary resolution of the
"Company in General Meeting."

3. The Founders' Company is hereby expressly authorised to accept and hold the said 350,000 fully paid new Ordinary Shares to be issued under this Act in substitution for the 1,400 Founders' Shares of the Company now held by the Founders' Company.

Founders' Company
authorised to hold
new fully paid
Ordinary Shares of
the Company

4. From and after the passing of this Act in any instrument executed before the passing of this Act references to the Founders' Shares of the Company shall be construed as references to the new fully paid Ordinary Shares of the Company to be issued in substitution for the same as aforesaid.

References in
executed
instruments to be
construed to refer
to new fully paid
Ordinary Shares of
the Company

5. The new fully paid Ordinary Shares substituted as aforesaid shall be held by the Founders' Company upon the same terms and subject to the same provisions as those upon which that Company held the Founders' Shares of the Company in substitution for which

New fully paid
Ordinary Shares to
be held on the same
terms and provisions
as the Founders'
Shares

* NOTE.—The Clauses numbered 14a and 129a have been superseded by new Articles duly adopted by the Company.

such new Ordinary Shares are issued and every deed or other instrument of or affecting such Founders' Shares shall take effect with reference to the whole or a proportionate part thereof as the case may be.

6. Save as in this Act expressly provided nothing in this Act shall prejudice alter or affect the Memorandum or Articles of Association of the Company or shall be deemed to render valid or invalid any act deed or proceeding pending by or against the Company before or at the passing of this Act.

7. The profits of the Company for the year ended the 31st day of January 1918 applicable for the payment of dividends after payment of working expenses interest on deposits and making such provision for depreciation and sinking funds as the Directors of the Company shall think fit and after paying the dividend on the existing Preference Shares of the Company shall be distributed amongst the holders of the Ordinary Shares and the holders of the Founders' Shares in accordance with the provisions of Clause 5 of the original Memorandum of Association as modified by the said resolutions of the 28th day of February 1913 on the basis that the holders of the Founders' Shares of the Company shall be entitled to have distributed among them the whole of the portion of such profits as on the basis of such provisions are attributable to the holders of the Founders' Shares but that the holders of the Ordinary Shares of the Company shall be entitled only to have distributed among them such portion only as the Directors of the Company shall think fit so to distribute and the undistributed balance thereof shall be carried forward to the credit of the general profit and loss account of the Company.

8. Nothing in this Act shall prejudice alter or affect the rights of the holders of the existing Preference Shares of the Company.

9. Nothing herein contained shall affect the right of the Company from time to time to alter its Articles of Association for the time being (including the Articles of Association introduced by this Act) by special resolution passed and confirmed by the Company in general meeting.

10. The Founders' Company is hereby expressly authorised on the liquidation thereof to pay to its Directors as compensation for loss of office as Directors of that Company such sum not exceeding the sum of £1,575 as that Company may by resolution of a general meeting (passed before or after liquidation) determine.

11. The statement of the amount of the increase of capital authorised by this Act which is required by Section 112 of the Stamp Act 1891 to be delivered to the Registrar of Joint Stock Companies shall be delivered duly stamped with the duty charged thereon within one month after the passing of this Act and in default of such delivery the duty with interest thereon at the rate of 5 per centum per

Saving for validity of prior acts by or proceedings against the Company

Distribution of profits of the Company for the year ended 31st January, 1918

Saving rights of existing Preference Shares

Saving rights of Company to alter its Articles of Association

Compensation to Directors of Founders' Company for loss of office

Stamp Duty

annum from the passing of this Act shall be a debt to His Majesty recoverable from the Company.

12. The Company and the Founders' Company shall each deliver to the Registrar of Joint Stock Companies a printed copy of this Act and he shall retain and register the same in connection with the Company and the Founders' Company respectively and if the Company or the Founders' Company shall fail to deliver such copy within three months from the passing of this Act the Company or (as the case may be) the Founders' Company shall incur a penalty not exceeding Two Pounds for every day after the expiration of those three months during which the default continues and any Director or Manager of the Company or of the Founders' Company who knowingly and wilfully authorises such default shall incur the like penalty. Every penalty under this Act shall be recoverable summarily.

Copies of Act to be registered

There shall be paid to the said Registrar by the Company and by the Founders' Company on such respective copies being registered the like fees as are for the time being payable under the Companies (Consolidation) Act 1908 on registration of any document other than a Memorandum of Association.

Fees payable on registration

13. To every copy of the Memorandum and Articles of Association of the Company or of the Founders' Company supplied after the passing of this Act to any member of the Company or of the Founders' Company respectively under the provisions of Section 18 of the Companies (Consolidation) Act 1908 there shall be annexed a copy of this Act which for the purposes of that Section shall be treated as part of the Memorandum and Articles of Association of the Company or (as the case may be) of the Founders' Company.

Copies of this Act to be annexed to Memorandum and Articles of Association of the Company and of the Founders' Company

14. The Company shall not under the powers of this Act create or issue any Capital during the continuance of the present War and twelve months thereafter unless the consent of the Treasury has been previously obtained.

Consent of Treasury to issue of additional Capital

15. All costs charges and expenses of or incidental to the preparing for obtaining and passing of this Act or otherwise in relation thereto shall be paid by the Company.

Costs of Act

22nd January, 1968

In the High Court of Justice

CHANCERY DIVISION

MR. JUSTICE PENNYCUICK

Re:

HARRODS LIMITED

AND

Re:

THE COMPANIES ACT, 1948

Order

sanctioning Scheme of Arrangement
and confirming Reduction of Capital

SLAUGHTER AND MAY,

18, AUSTIN FRIARS,

LONDON, E.C.2.

CHANCERY DIVISION

MR. JUSTICE PENNYCUICK

Fo.206 R.33

MONDAY THE 22ND DAY OF JANUARY 1968

SEAL
of the
Supreme
Court of
Judicature
Companies.

IN THE MATTER OF HARRODS LIMITED

AND

IN THE MATTER OF THE COMPANIES ACT, 1948

UPON THE PETITION of the above-named Harrods Limited (hereinafter called "the Company") whose registered office is situate at 87/135 Brompton Road in Greater London on the 6th December 1967 preferred unto this Court

AND UPON HEARING Counsel for the Company and for House of Fraser Limited referred to in the Scheme of Arrangement hereinafter mentioned

AND UPON READING the said Petition the Order dated the 25th October 1967 (whereby the Company was ordered to convene a Meeting of the holders of its Preference Stock (other than the £1,385,428 Preference Stock held by the said House of Fraser Limited) for the purpose of considering and if thought fit approving, with or without modification, a Scheme of Arrangement proposed to be made between the Company John Barker and Company, Limited Dickins & Jones, Limited Binns Limited and the holders of their respective classes of Preference Stock Preference Shares and Cumulative Preferred Ordinary Shares (other than the said House of Fraser Limited) and the said House of Fraser Limited) the Order dated the 14th December 1967 (dispensing with the settlement of a list of Creditors) the "Times" newspaper of the 11th November 1967 (containing an advertisement of the notice convening the Meeting directed to be held by the said Order dated the 25th October 1967) the "Times" newspaper of the 13th January 1968 (containing a notice of the presentation of the said Petition and that the same was appointed to be heard this day) the two Affidavits of Sir Hugh Fraser Baronet filed respectively the 20th October 1967 and the 8th December 1967 the Affidavit of Reginald Charles Mason filed the 11th December 1967 and the Exhibits in the said Affidavits respectively referred to

And the said House of Fraser Limited by its Counsel submitting to be bound by and undertaking to execute and do and procure to be executed and done all such documents acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to the Scheme of Arrangement hereinafter sanctioned

THIS COURT DOTH HEREBY SANCTION the Scheme of Arrangement as set forth in the Schedule to the said Petition and in the First Schedule hereto

AND THIS COURT DOTH ORDER that the reduction of the capital of the Company from £8,000,000 to £5,385,428 resolved on and effected by a Special Resolution passed at an Extraordinary General Meeting of the Company held on the 4th December 1967 be and the same is hereby confirmed in accordance with the provisions of the above-mentioned Act

AND THE COURT DOTH HEREBY APPROVE the Minute set forth in the Second Schedule hereto

AND IT IS ORDERED that notice of the registration by the Registrar of Companies of this Order (so far as it confirms the reduction of the capital of the Company) and of the said Minute be published once in the "Times" newspaper within 21 days after such registration

MAURICE BERKELEY

Registrar

In the High Court of Justice

CHANCERY DIVISION

IN THE MATTER OF HARRODS LIMITED

No: 001775 of 1967

AND

IN THE MATTER OF JOHN BARKER AND COMPANY, LIMITED

No: 001776 of 1967

AND

IN THE MATTER OF DICKINS & JONES, LIMITED

No: 001773 of 1967

AND

IN THE MATTER OF BINNS LIMITED

No: 001774 of 1967

AND

IN THE MATTER OF THE COMPANIES ACT, 1948

General Scheme of Arrangement

(Under Section 206 of the Companies Act, 1948)

BETWEEN

HARRODS LIMITED

and the holders of its 7½ per cent. Cumulative Preference Stock (other than the £1,385,428 7½ per cent. Cumulative Preference Stock held by House of Fraser Limited)

AND

JOHN BARKER AND COMPANY, LIMITED

and the holders of:

- (i) its 5½ per cent. Cumulative Preference Shares of £5 each (other than the 263 5½ per cent. Cumulative Preference Shares held by House of Fraser Limited); and

- (ii) its 6 per cent. Cumulative Preference Shares of £1 each (other than the 24,575 6 per cent. Cumulative Preference Shares held by House of Fraser Limited)

AND

DICKINS & JONES, LIMITED

and the holders of its 5½ per cent. Cumulative Preference Stock (other than the £1,550 5½ per cent. Cumulative Preference Stock held by House of Fraser Limited)

AND

BINNS LIMITED

and the holders of:

- (i) its 6 per cent. Cumulative Preference Shares of £1 each (other than the 22,996 6 per cent. Cumulative Preference Shares held by House of Fraser Limited);
- (ii) its 7½ per cent. Cumulative Preference Shares of £1 each (other than the 10,790 7½ per cent. Cumulative Preference Shares held by House of Fraser Limited); and
- (iii) its 10 per cent. Cumulative Preferred Ordinary Shares of £1 each (other than the 4,014 10 per cent. Cumulative Preferred Ordinary Shares held by House of Fraser Limited).

AND

HOUSE OF FRASER LIMITED

PRELIMINARY

A. In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:—

- “House of Fraser” means House of Fraser Limited;
- “Harrods” means Harrods Limited;
- “Barker” means John Barker and Company, Limited;
- “D. & J.” means Dickins & Jones, Limited;

"Binns" means Binns Limited;

"The Scheme Companies" means Harrods, Barker, D. & J. and Binns;

"The Scheme Preference Capital" means:—

- (i) the $7\frac{1}{2}$ per cent. Cumulative Preference Stock of Harrods (other than that held by House of Fraser);
- (ii) the issued $5\frac{1}{2}$ per cent. Cumulative Preference Shares and 6 per cent. Cumulative Preference Shares of Barker (other than those held by House of Fraser);
- (iii) the $5\frac{1}{2}$ per cent. Cumulative Preference Stock of D. & J. (other than that held by House of Fraser); and
- (iv) the issued 6 per cent. Cumulative Preference Shares, $7\frac{1}{2}$ per cent. Cumulative Preference Shares and 10 per cent. Cumulative Preferred Ordinary Shares of Binns (other than those held by House of Fraser).

"Non-L.S. Scheme Preference Capital" means Scheme Preference Capital in respect of which the holder gives a valid Notice of Election under Clause 4 of this Scheme;

"L.S. Scheme Preference Capital" means Scheme Preference Capital which is not Non-L.S. Scheme Preference Capital;

"House of Fraser Preference Shares" means Cumulative Preference Shares of House of Fraser to be created pursuant to Clause 1 of this Scheme;

"House of Fraser Loan Stock" means Unsecured Loan Stock 1993/98 of House of Fraser to be created pursuant to Clause 1 of this Scheme;

"The Effective Date" means the day on which this Scheme becomes operative in accordance with Clause 9 of this Scheme;

"This Scheme" means this Scheme in its present form with any modification thereof or addition thereto or condition approved or imposed by the Court;

"holder" includes persons entitled by transmission.

B. The principal objects of this Scheme are to provide for the allotment of House of Fraser Preference Shares and House of Fraser Loan Stock to the holders of the Scheme Preference Capital, for the cancellation of the Scheme Preference Capital and for the consequential reorganisation of the share capitals of the Scheme Companies.

C. House of Fraser has agreed to appear by Counsel on the hearing of the petitions to sanction this Scheme and to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

THE SCHEME

1. (A) House of Fraser shall increase its capital by the creation of up to £4,998,661 in nominal amount of Preference share capital comprising up to 3,903,331 $7\frac{1}{2}$ per cent. Cumulative Preference Shares of £1 each and up to 1,095,330 $5\frac{1}{2}$ per cent. Cumulative Preference Shares of £1 each, having attached thereto the rights and privileges and being subject to the restrictions and limitations set forth in paragraph (3) of the Resolution in the Notice convening an Extraordinary General Meeting of House of Fraser for the 6th day of December, 1967, a print of which has been subscribed for purposes of identification by Maclay, Murray & Spens, Solicitors, with such modifications, if any, as may be approved by the Directors of House of Fraser and of the Scheme Companies.

(B) House of Fraser shall create up to £5,138,751 in nominal amount of Unsecured Loan Stock comprising up to £4,013,194 $8\frac{1}{4}$ per cent. Unsecured Loan Stock 1993/98 and up to £1,125,557 6 per cent. Unsecured Loan Stock 1993/98 which shall be constituted by a Trust Deed between House of Fraser of the one part and I.C.F.C. Trustee Company Limited as trustee of the other part in the form of the draft already prepared and subscribed for the purposes of identification by Slaughter and May, Solicitors, with such modifications and additions, if any, as may prior to the execution thereof be approved by the Directors of House of Fraser and of the Scheme Companies.

2. (A) The respective share capitals of the Scheme Companies shall be reduced by cancelling the whole of the capital paid up on the Scheme Preference Capital and extinguishing the same.

(B) The credits arising from the said cancellations shall be carried to the credit of capital reserves in the respective books of the Scheme Companies.

(c) Forthwith upon the said reductions of capital taking effect :

- (i) The respective capitals of the Scheme Companies shall be increased to their former amounts by the creation of the appropriate numbers of Ordinary Shares;
- (ii) The said capital reserves shall be capitalised and applied in paying up in full at par the appropriate numbers of Ordinary Shares of the Scheme Companies and such Shares shall be allotted credited as fully paid to House of Fraser or its nominees;
- (iii) the "Preference Shareholders Reserve Fund" created by D. & J. pursuant to the provisions of its Articles of Association shall be terminated and the Trustees of the said Fund shall, at the cost and expense of D. & J., transfer to D. & J. to be held by it beneficially the investments and cash held by them on the trusts applicable to the said Fund and Clause 5 of the Memorandum of Association of D. & J. shall be deleted.

3. (A) In consideration of the cancellations aforesaid House of Fraser shall, subject where applicable as regards fractions to the provisions of Clause 5 of this Scheme, allot House of Fraser Loan Stock in accordance with the Table below set out to the persons who at the close of business on the day immediately preceding the Effective Date were the holders of the L.S. Scheme Preference Capital. The House of Fraser Loan Stock to be so allotted shall be of the series respectively specified in column 3 of the said Table against the Scheme Preference Capital respectively specified in column 1 and of the respective nominal amounts specified in column 2 of the said Table for every £100 in nominal amount of the relevant L.S. Scheme Preference Capital held by such persons as aforesaid and proportionately for holdings of less than £100 or which are not an exact multiple thereof.

TABLE

1. £100 nominal of L.S. Scheme Preference Capital:—	2. Nominal amount of House of Fraser Loan Stock:—	3. Series of House of Fraser Loan Stock:—
HARRIS:		
7½ per cent. Cumulative Preference Stock	£108	8½ per cent.
BARKER:		
5½ per cent. Cumulative Preference Shares	£106	6 per cent.
6 per cent. Cumulative Preference Shares	£116	6 per cent.
D. & J.:		
5½ per cent. Cumulative Preference Stock	£106	6 per cent.
BINNS:		
6 per cent. Cumulative Preference Shares	£120	8½ per cent.
7½ per cent. Cumulative Preference Shares	£105	8½ per cent.
10 per cent. Cumulative Preferred Ordinary Shares	£140	8½ per cent.

(B) In consideration of the cancellations aforesaid House of Fraser shall, subject where applicable as regards fractions to the provisions of Clause 5 of this Scheme, allot House of Fraser Preference Shares in accordance with the Table below set out to the persons who at the close of business on the day immediately preceding the Effective Date were the holders of the Non-L.S. Scheme Preference Capital. The House of Fraser Preference Shares to be so allotted shall be of the classes respectively specified in Column 3 of the said Table against the Scheme Preference Capital respectively specified in Column 1 and of the respective nominal amounts specified in Column 2 for every £100 in nominal amount of the relevant Non-L.S. Scheme Preference Capital held by such persons as aforesaid and proportionately for holdings of less than £100 or which are not an exact multiple thereof.

TABLE

1. £100 nominal of Non-L.S. Scheme Preference Capital:—	2. Nominal amount of House of Fraser Preference Shares:—	3. Class of House of Fraser Pre- ference Shares:—
HARRODS: 7½ per cent. Cumulative Preference Stock	£105	7½ per cent.
BARKER: 5½ per cent. Cumulative Preference Shares	£103	5½ per cent.
6 per cent. Cumulative Preference Shares	£113	5½ per cent.
D. & J.: 5½ per cent. Cumulative Preference Stock	£103	5½ per cent.
BINNS: 6 per cent. Cumulative Preference Shares	£117	7½ per cent.
7½ per cent. Cumulative Preference Shares	£102	7½ per cent.
10 per cent. Cumulative Preferred Ordinary Shares	£136	7½ per cent.

4. (A) If any holder of Scheme Preference Capital shall in manner provided in sub-clause (B) of this Clause give notice in the form prescribed by House of Fraser (hereinafter called "Notice of Election") to House of Fraser that the holder wishes to have allotted to him House of Fraser Preference Shares in respect of all or some part of the Scheme Preference Capital held by him, such Scheme Preference Capital shall to the extent specified in such Notice of Election for the purposes of this Scheme be Non-L.S. Scheme Preference Capital.

(B) Every Notice of Election shall be signed (or in the case of a body corporate executed under its common seal) by the holder or, in the case of joint holdings, all the holders of the Scheme Preference Capital concerned and sent or delivered to Whinney Murray & Co., 175 West George Street, Glasgow C.2, accompanied by the relative share or stock certificate or certificates (or a receipt showing that the said certificate or certificates is or are already lodged with them or the Registrars or Secretary of the relevant Scheme Company) so as to be received by them on or before the 1st day of December, 1967.

5. No holder of any of the Scheme Preference Capital shall be entitled to be allotted any fraction of £1 of House of Fraser Preference Shares or House of Fraser Loan Stock but any fractional amounts to which but for this provision holders of the Scheme Preference Capital would have been entitled shall be aggregated and allotted to some person nominated by House of Fraser on behalf of such holders upon trust to sell the same and House of Fraser shall distribute the net proceeds of sale to the persons entitled thereto.

6. (A) The House of Fraser Preference Shares shall entitle the holders thereof to dividends as if the same were paid up in full from and including the 1st day of February, 1968.

(B) The House of Fraser Loan Stock shall carry interest calculated as from and including the 1st day of February, 1968.

(C) Each of the Scheme Companies shall as part of this Scheme pay to the holders of the Scheme Preference Capital issued by it out of its profits available for dividend the dividends accrued or accruing thereon down to and including the 31st day of January, 1968 in so far as the same have not previously been paid in the ordinary course and the said dividends shall be paid within 28 days after the Effective Date to the persons who at the close of business on the day immediately preceding the Effective Date were the registered holders of the Scheme Preference Capital concerned.

(D) Each mandate in force at the close of business on the day immediately preceding the Effective Date relating to the payment of dividends on Scheme Preference Capital shall unless and until revoked be deemed as from such date to be a valid and effective mandate to House of Fraser in relation to interest to accrue on the corresponding House of Fraser Loan Stock or dividends on the corresponding House of Fraser Preference Shares (as the case may be) to be allotted pursuant to this Scheme.

7. (A) Not later than 28 days after the Effective Date House of Fraser shall allot to the persons who at the close of business on the day immediately preceding the Effective Date were the registered holders of the Scheme Preference Capital the amounts of House of Fraser Preference Shares or House of Fraser Loan Stock (as the case may be) to which such holders will be entitled in accordance with the provisions of this Scheme.

(B) As soon as practicable after such allotments shall have been made House of Fraser shall send to the allottees renounceable share or stock certificates for the House of Fraser Preference Shares or House of Fraser Loan Stock (as the case may be) and cheques or warrants or postal orders for any cash payments in respect of fractions

share or stock certificates shall be in such form as the Board of House of Fraser shall decide provided that the period of renounceability shall not exceed six weeks.

8. (A) All certificates required to be sent by House of Fraser pursuant to this Scheme to holders of Scheme Preference Capital shall subject to any restrictions imposed by exchange control regulations be sent by House of Fraser to such holders by sending the same through the post in prepaid envelopes addressed to such holders at their respective registered addresses as appearing in the register of members of the relevant Scheme Company at the close of business on the day immediately preceding the Effective Date (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in such register in respect of such joint holding) and House of Fraser shall not be responsible for any loss in transmission.

(B) All cash payments in respect of fractions or dividends required to be made by House of Fraser or any of the Scheme Companies pursuant to this Scheme to holders of Scheme Preference Capital shall be made by House of Fraser or the relevant Scheme Company to such holders by sending cheques or warrants (or, in the case of fractions, at the option of House of Fraser, postal orders) for the amounts payable through the post in the manner and to the addresses mentioned in paragraph (A) of this Clause or (in the case of dividends payable under Clause 6 of this Scheme) in accordance with the relevant dividend mandates (if any) for the time being in force and House of Fraser or the relevant Scheme Company shall not be responsible for any loss in transmission. All such cheques, warrants or postal orders shall be made payable to the order of the person to whom the payment is due (or in the case of joint holders entitled to such payment to the order of that one of the joint holders whose name stands first in the register in respect of such joint holding) or, in the case of dividends payable under the said Clause, in accordance with the relevant dividend mandate (if any) as aforesaid. Payment of any cheque or warrant or encashment of any postal order (as the case may be) shall be a complete discharge to House of Fraser or the relevant Scheme Company for the moneys represented thereby.

9. This Scheme shall become operative as soon as (i) House of Fraser shall have passed the resolution referred to in Clause 1 (A) of this Scheme and (ii) an office copy or office copies of the Order or Orders of the Court sanctioning under Section 206 of the Companies Act, 1948 this Scheme and confirming under Section 68 of the said Act the reductions of capital provided for in this Scheme shall have

been duly delivered to the Registrar of Companies for registration; and unless this Scheme shall have become operative as aforesaid on or before the 31st day of March, 1968 or such later date, if any, as the Court may allow, the same shall never become operative.

10. Notwithstanding anything hereinbefore contained, if this Scheme shall not have been agreed to pursuant to Section 206 of the Companies Act, 1948 by the statutory majority required by that Section at meetings of the holders of all seven classes of the Scheme Preference Capital, or if this Scheme shall not be sanctioned by the Court in respect of every such class, it shall nevertheless be capable of becoming operative in a modified form as regards those classes of the Scheme Preference Capital which shall have so agreed to it and in respect of which it shall be so sanctioned to the extent that House of Fraser shall express its desire that it shall become operative, such desire to be expressed (in a case where any particular class or classes has not or have not so agreed to this Scheme) in writing, specifying the extent to which House of Fraser desires this Scheme to become operative, sent to all the Scheme Companies within seven days after the date when the said meetings are held and in any other case to be expressed through Counsel for House of Fraser at the hearing of the Petitions to sanction this Scheme.

11. House of Fraser may consent on behalf of all concerned to any modification of or additions to this Scheme (and in particular but without prejudice to the generality of the foregoing to any modifications or additions which may be necessary or desirable in order to enable this Scheme to become operative in a modified form pursuant to Clause 10 hereof) or to any conditions which the Court may think fit to approve or impose.

DATED the 10th day of November, 1967.

THE SECOND SCHEDULE BEFORE REFERRED TO

MINUTE APPROVED BY THE COURT

The capital of Harrods Limited was by virtue of a Special Resolution and a Scheme of Arrangement sanctioned by an Order of the High Court of Justice dated the 22nd day of January 1968 reduced from the former capital of £8,000,000 divided into £4,000,000 7½ per cent. Cumulative Preference Stock and £4,000,000 Ordinary Stock to £5,385,428 divided into £1,385,428 7½ per cent. Cumulative Preference Stock and £4,000,000 Ordinary Stock.

By virtue of the said Scheme and further Special Resolutions the capital of the Company at the date of registration of this Minute is £8,000,000 divided into £5,385,428 Ordinary Stock and 2,614,572 Ordinary Shares of £1 each none of which shares has been issued.