

COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

HARRODS LIMITED

At an Extraordinary General Meeting of the Company duly convened and held at HARRODS LTD on 14TH SEPTEMBER 1988 the following resolution was duly passed as a special resolution:-

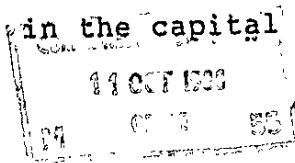
SPECIAL RESOLUTION

THAT:-

(1) (a) the authorised share capital of the Company be and is hereby increased from £8,000,000 divided into 8,000,000 ordinary shares of £1 each to £21,500,000 divided into 21,500,000 ordinary shares of £1 each by the creation of an additional 13,500,000 ordinary shares of £1 each;

(b) each of the ordinary shares of £1 each in the capital

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of the Company (as increased by paragraph (1)(a) of this Resolution) be sub-divided into 10 ordinary shares of 10p each;

- (c) upon the recommendation of the Directors it is desirable to capitalise the sum of £11,200,000 (£1,065,872 of which being part of the amount standing to the credit of the share premium account of the Company and the balance of £10,134,128 standing to the credit of the revenue reserves of the Company) and accordingly that the said £10,134,128 be set free for distribution among the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied together with the said £1,065,872 in paying up in full at par 112,000,000 ordinary shares of 10p each in the capital of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion of 7 new ordinary share[s] of 10p each for every 5 ordinary shares of 10p each held by them immediately following the sub-division of ordinary shares of £1 each referred to in paragraph (1)(b) of this Resolution and that the Directors be and they are hereby authorised and directed to apply the said sum of £11,200,000 and to issue the said 112,000,000 new ordinary shares of 10p each accordingly and to deal with fractional entitlements in such manner as they in their absolute discretion shall think fit;

- (d) the Directors be and they are hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (within the meaning of the said section 80) up to an aggregate nominal amount of £21,500,000 PROVIDED THAT this authority shall expire five years from the date of the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry in which case the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority hereby conferred had not expired;
- (e) the Directors be empowered to allot ordinary shares for cash pursuant to the authority contained in paragraph (1)(d) of this resolution irrespective of section 89 of the Companies Act 1985;
- (2) (a) the Memorandum of Association of the Company be amended by re-designating the existing sub-clause (r) of clause 3 as sub-clause (r)(A) and inserting the following new sub-clause as sub-clause (r)(B) of clause 3:-

"(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."

- (b) the Articles of Association of the Company be amended by re-designating the existing Article 2 as Article 2(A) and inserting the following as a new Article 2(B):-

"2(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