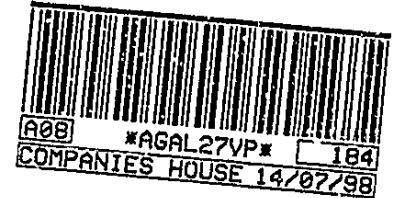


Compared to be a true copy
J. C. Munnich
Ben. C. Munnich Smith
Company Secretary

THE COMPANIES ACT 1985 TO 1989
PUBLIC COMPANY LIMITED BY SHARES

SELFRIDGES PLC

Company number 3505859
("Company")



WRITTEN RESOLUTION PURSUANT TO
REGULATION 53 OF THE ARTICLES
OF ASSOCIATION OF THE COMPANY

We, the undersigned, being the only member of the Company **RESOLVE THAT:**

1. the Articles of Association of the Company be amended by the insertion of the following new clause as Article 2A:

"2A. SHARE CAPITAL"

The share capital of the Company, at the date of adoption of this article, is £100,000 divided into 50,000 ordinary shares of £1 each ("**ordinary shares**") and 50,000 cumulative redeemable preference shares of £1 each ("**redeemable preference shares**").

(a) **Income**

Out of the profits available for distribution the holders of the redeemable preference shares shall be entitled, in priority to any payment of dividend to the holders of any other class of share, to be paid a fixed cumulative preferential dividend ("**preferential dividend**") at the rate of 0.001% per share per annum (exclusive of any associated tax credit) such dividend to accrue from day to day and to be paid half-yearly on 1st April and 1st October ("**fixed dividend dates**") (or in the event of any such date being a Saturday, Sunday or public holiday in England on the first business day following such date) in each year in respect of the half-years ending on those respective dates, save that the first such payment in respect of the redeemable preference shares shall be made on 1st October 1998 in respect of the period from the date of issue thereof to 30th September 1998 (both dates inclusive). Payments of preferential dividends shall be made to holders of the redeemable preference shares on the register at any date selected by the Company up to 42 days prior

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to the relevant fixed dividend date. The redeemable preference shares shall not entitle the holders to any further right of participation in the profits of the Company.

(b) **Capital**

On a return of capital (other than on conversion, redemption or purchase of shares in the Company) the assets of the Company available for distribution among the members shall be applied in priority to any payment to the holders of any other class of share in repaying to the holders of the redeemable preference shares a sum equal to the nominal capital paid up or credited as paid up thereon and per redeemable preference share held by them respectively and all arrears and accruals (if any) of the preferential dividend whether such preferential dividend has been earned or declared or not, calculated to the date of the commencement of the winding-up (in the case of a winding-up) or the return of capital (in any other case) on the footing that it continues to accrue from day to day down to that date. The provisions of this paragraph are without prejudice to the other provisions of these articles (as from time to time amended) as to redemption and purchase of shares.

(c) **Voting at General Meetings**

The redeemable preference shares shall not entitle the holder to receive notice of or attend or vote at any general meeting unless either:-

- (i) at the date of the notice convening the meeting the dividend on the redeemable preference shares is six months or more in arrear; or
- (ii) the business of the meeting includes the consideration of a resolution for reducing the capital of the Company, including the purchase of its own shares for winding up the Company or for the sale of its undertaking or any resolution varying, modifying or abrogating any of the special rights attached to the redeemable preference shares in which case they shall only be entitled to vote on any such resolution.

Whenever the holders of the redeemable preference shares are entitled to vote at a general meeting of the Company on a resolution proposed at such general meeting, on a show of hands, every holder thereof who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and, on a poll, every holder thereof who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote in respect of each fully paid redeemable preference share registered in the name of such holder.

(d) **Redemption and purchase**

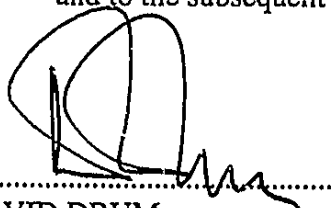
- (i) The Company may, subject to the Act, at any time at its option redeem, and the holders of the redeemable preference shares may, subject to the Act, at any time after 9th June 1998, require the Company to redeem,

("the Redemption Date") the whole of the redeemable preference shares (if any) in issue on that date.

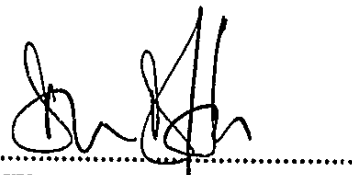
- (ii) There shall be paid on each redeemable preference share so redeemed the nominal amount paid up or credited as paid up thereon together with a sum equal to all arrears of the preferential dividend thereon to be calculated down to and including the Redemption Date on the footing that it continues to accrue from day to day down to that date and to be payable irrespective of whether or not such preferential dividend has been declared or earned.
- (iii) The provisions of this sub-paragraph (d) shall apply in relation to any redeemable preference shares that are to be redeemed and that, at 12.01 am on the Redemption Date, are in certificated form. Upon the Redemption Date each of the holders of the redeemable preference shares shall be bound to deliver to the Company at the Office the certificate(s) for the redeemable preference shares held by him and upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption.
- (iv) As from the Redemption Date the preferential dividend shall cease to accrue on the redeemable preference shares except on any such redeemable preference share in respect of which, upon due presentation of the certificate relating thereto, payment of the money due at such redemption has been refused in which case the preferential dividend shall be deemed to have continued and shall continue to accrue from the relevant Redemption Date to the date of payment.
- (v) The receipt of the registered holder for the time being of any redeemable preference shares or in the case of joint registered holders the receipt of any of them for the monies payable on redemption thereof shall constitute an absolute discharge to the Company in respect thereof.
- (vi) Upon the redemption of any redeemable preference shares the directors may pursuant to the authority given by the adoption of this article convert and sub-divide the authorised redeemable preference share capital created as a consequence of such redemption into shares of any other class of share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of such class then in issue or into unclassified shares of the same nominal amount as the redeemable preference shares.";

2. clause 6 of the Memorandum of Association of the Company be amended by deleting the words "100,000 shares of £1 each" and replacing them with the words "50,000 ordinary shares of £1 each and 50,000 redeemable preference shares of £1 each";

3. in order for the Company to be issued with a certificate of trading the allotment and issue of 50,000 redeemable preference shares of £1.00 each in the capital of the Company to Sears plc be and it is hereby approved;
4. the directors be and they are hereby authorised to do all things necessary to give effect to Written Resolution 3 above;
5. the directors be and they are hereby generally and unconditionally authorised, in accordance with Section 80 of the Companies Act 1985 (the "Act") and in substitution for any previous such power, to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) up to an aggregate nominal amount of £99,998 during the period commencing on the date of this Written Resolution and expiring (unless previously revoked) on the fifth anniversary of the date of this Written Resolution, provided that the Company may at any time before such expiry make offers or agreements which would or might require relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired; and
6. the directors be and they are hereby empowered pursuant to Section 95 of the Companies Act 1985 (the "Act"), in substitution for any previous such power, to allot equity securities (within the meaning of Section 94 of the Act) for cash pursuant to the general authority conferred by part 1 of this Written Resolution as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall expire (unless previously revoked) on the fifth anniversary of this Written Resolution but shall extend to the making of, at any time prior to the expiry of the power, any offer or agreement which would or might require equity securities to be allotted after its expiry and to the subsequent allotment of such securities.



DAVID DRUM



DAVID DEFTY

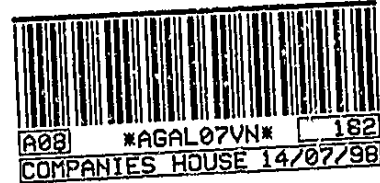
5th June 1998
DATE

5th June 1998
DATE

correct to be a true copy
Alan Campin-Smith
Alan Campin-Smith
Company Secretary

THE COMPANIES ACT 1985
PUBLIC COMPANY LIMITED BY SHARES

SELFRIDGES PLC
Company Number 3505859
("Company")



EXTRAORDINARY GENERAL MEETING

Minutes of a meeting of the members of the above-named Company held at 40 Duke Street, London W1A 2HP on 9 June 1998 at **3.15** p.m.

Present:

David Defty (in the chair)
David Drum

1. The Chairman noted that the meeting was quorate and produced a Notice of Extraordinary General Meeting of the Company dated 9 June 1998 ("Notice") convening the meeting. It was noted that the consents to short notice signed by the necessary majority of shareholders of the Company had been received by the Chairman.
2. The Chairman then individually proposed each of the resolutions set out in the Notice.
3. **IT WAS RESOLVED THAT** Price Waterhouse be and are hereby appointed as auditors of the Company and that the directors of the Company be and are hereby authorised to determine their remuneration.
4. **IT WAS RESOLVED THAT** the initial accounts of the Company as at 9 June 1998 be are hereby received and adopted.
5. **IT WAS RESOLVED THAT**, conditional on the preparation and approval by the Company of initial accounts, the directors of the Company or any committee of the directors of the Company be and are hereby authorised to exercise the powers of the Company pursuant to Article 2A(d)(i) of the Articles of Association of the Company to redeem the redeemable preference shares of £1.00 each in the capital of the Company currently held by Sears plc.

6. **IT WAS RESOLVED THAT** each issued share of £1 in the capital of the Company (save for issued redeemable preference shares) and each unissued share of £1 in the capital of the Company be and is hereby sub-divided into four ordinary shares of 25 pence each in the capital of the

7. **IT WAS RESOLVED THAT**

- (a) the authorised share capital of the Company of £100,000 divided into 50,000 redeemable preference shares of 25 pence each and 200,000 ordinary shares of 25 pence each be and is increased to £200,000,000 by the creation of an additional 799,600,000 shares of 25 pence each;
- (b) the directors of the Company ("Directors") be and they are hereby generally and unconditionally authorised, in accordance with Section 80 of the Companies Act 1985 (the "Act"), to exercise all the powers of the Company to allot relevant securities (as defined in Section 80(2) of the Act) up to an aggregate nominal amount of £199,999,998 provided that in the case of any allotment (other than allotments by the Company of ordinary shares of 25 pence each in connection with or incidental to the proposed demerger of Selfridges Retail Limited by Sears plc ("Initial Allotments")) this authority is limited to the allotment of relevant securities up to an aggregate nominal amount equal to £12,727,160 (equal to one-third of the estimated aggregate nominal amount of all ordinary shares issued and fully paid immediately after admission of the ordinary shares of 25 pence each in the capital of the Company to the Official List of the London Stock Exchange) and provided further that this authority (unless previously revoked or renewed) shall expire at the conclusion of the first annual general meeting of the Company (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 and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired) and is in substitution for any and all authorities previously conferred upon the Directors for the purposes of Section 80 of the Act;
- (c) the Directors be and they are hereby empowered pursuant to Section 95 of the Act to allot equity securities (as defined in Section 94(2) of the Act) for cash pursuant to the authority referred to in paragraph (b) above as if Section 89(1) of the Act did not apply to such allotment provided that this power is limited to:
 - (i) the Initial Allotments to the extent, if at all, that any such allotments are for cash;
 - (ii) the allotment of equity securities for cash in connection with or pursuant to a rights issue or any other offer in favour of the holders of equity securities and other persons entitled to participate therein in proportion (as nearly as may be practicable) to the respective numbers of equity securities then held by them (or, as appropriate, the number of such securities which such other persons are for those purposes deemed to hold), but subject to such exclusions or other arrangements as the

Directors may consider necessary, expedient or appropriate to deal with any fractional entitlements or legal or practical difficulties which may arise under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory or otherwise howsoever; and

- (iii) the allotment (otherwise than pursuant to paragraphs (a) and (b) above) of equity securities for cash up to an aggregate nominal amount of £1,909,074 (equal to five per cent. of the estimated aggregated nominal amount of all ordinary shares issued and fully paid immediately after admission of the ordinary shares of 25 pence each in the capital of the Company to the Official List of the London Stock Exchange);

provided further that this power shall expire on the earliest of the date of replacement or renewal hereof and the conclusion of the first annual general meeting of the Company (save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired).

8. **IT WAS RESOLVED THAT**, conditional upon the allotments by the Company of ordinary shares of 25 pence each in connection with or incidental to the proposed demerger of Selfridges Retail Limited by Sears plc having taken place and admission of the ordinary shares of 25 pence each in the capital of the Company to the Official List of the London Stock Exchange, the Company is authorised to purchase ordinary shares of 25 pence each in the capital of the Company by way of market purchase (as defined in Section 163(3) of the Act) upon and subject to the following conditions:

- (a) the maximum aggregate number of such shares which may be purchased is 15,272,592;
- (b) the minimum price which may be paid for each such share is 25 pence and the maximum price (exclusive of expenses) which may be paid is not more than 5 per cent. above the average of the middle market quotations taken from the Daily Official List of the London Stock Exchange for the five business days before the date on which each such share is purchased; and
- (c) this authority shall expire at the conclusion of the first annual general meeting of the Company provided that any contract for the purchase of any such shares as aforesaid which was concluded before the expiry of this authority may be executed wholly or partly after this authority expires and that all shares so purchased pursuant to this authority shall be cancelled immediately upon completion of the purchase and the amount of the Company's issued (but not authorised) share capital shall be reduced by the nominal amount of the shares so purchased.

9. **IT WAS RESOLVED THAT**, conditional on the redemption of the redeemable preference shares of £1.00 each in the capital of the Company currently in issue and the subsequent conversion of those shares into ordinary shares of 25p each ("**Conversion**"), the draft Articles of Association in the form attached to the Notice of

Extraordinary General Meeting of the Company dated 9 June 1998 and initialled by the members of the Company be and simultaneously with, and by virtue of, the Conversion are adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association.

10. **IT WAS RESOLVED THAT** the Memorandum of Association of the Company be and is hereby amended by the following:

- (a) insertion of the following new clause 4 in substitution for and to the exclusion of the existing clause 4:

"4. The Company's objects are:-

- 4.1 To carry on the business of a holding company and to co-ordinate and regulate the activities and businesses of subsidiary and associated companies for the time being and the financing of such companies.
- 4.2 To carry on business as a general commercial company.
- 4.3 To carry on any other business or activity which may seem to the Company capable of being carried on directly or indirectly for the benefit of the Company.
- 4.4 To acquire by any means any real or personal property or rights whatsoever and to use, exploit and develop the same.
- 4.5 To conduct, promote and commission research and development in connection with any activity or proposed activity of the Company, and to apply for and take out, purchase or otherwise acquire any patents, patent rights, inventions, secret processes, designs, copyrights, trade marks, service marks, commercial names and designations, know-how, formulae, licences, concessions and the like (and any interest in any of them) and any exclusive or non-exclusive or limited right to use, and any secret or other information as to, any invention or secret process of any kind; and to use, exercise, develop, and grant licences in respect of, and otherwise turn to account and deal with, the property, rights and information so acquired.
- 4.6 To acquire by any means the whole or any part of the assets, and to undertake the whole or any part of the liabilities, of any person carrying on or proposing to carry on any business or activity which the Company is authorised to carry on or which can be carried on in connection therewith, and to acquire an interest in, amalgamate with or enter into any arrangement for sharing profits, or for co-operation, or for limiting competition, or for mutual assistance with, any such person and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, whether fully or

partly paid up, debentures, or other securities or rights that may be agreed upon.

- 4.7 To subscribe for, underwrite, purchase or otherwise acquire, and to hold, and deal with, any shares, stocks, debentures, bonds, notes and other securities, obligations and other investments of any nature whatsoever and any options or rights in respect of them; and otherwise to invest and deal with the money and assets of the Company.
- 4.8 To lend money and give credit to any person.
- 4.9 To borrow money, obtain credit and raise finance in any manner.
- 4.10 To secure by mortgage, charge, lien, or other form of security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, the performance or discharge by the Company or any other person of any obligation or liability.
- 4.11 To provide any guarantee or indemnity in respect of the performance or discharge of any obligation or liability by, or otherwise for the benefit of, any person.
- 4.12 To draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- 4.13 To apply for, promote and obtain any Act of Parliament, charter, privilege, concession, licence or authorisation of any government, state, department or other authority (international, national, local, municipal or otherwise) for enabling the Company to carry any of its objects into effect or for extending any of the Company's powers or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any actions, steps, proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company or of its members.
- 4.14 To enter into any arrangements with any government, state, department or other authority (international, national, local, municipal or otherwise), or any other person, that may seem conducive to the Company's objects or any of them, and to obtain from any such government, state, department, authority, or person, and to carry out, exercise and exploit, any charter, contract, decree, right, privilege or concession which the Company may think desirable.

4.15 To do all or any of the following, namely -

- (1) to establish, provide, carry on, maintain, manage, support, purchase and contribute (in cash or in kind) to any pension, superannuation, retirement, redundancy, injury, death benefit or insurance funds, trusts, schemes or policies for the benefit of, and to give or procure the giving of pensions, annuities, allowances, gratuities, donations, emoluments, benefits of any description (whether in kind or otherwise), incentives, bonuses, assistance (whether financial or otherwise) and accommodation in such manner and on such terms as the Company thinks fit to, and to make payments for or towards the insurance of -
 - (a) any individuals who are or were at any time in the employment of, or directors or officers of (or held comparable or equivalent office in), or acted as consultants or advisers to or agents for -
 - (i) the Company or any company which is or was its parent company or is or was a subsidiary undertaking of the Company or any such parent company; or
 - (ii) any person to whose business the Company or any subsidiary undertaking of the Company is, in whole or in part, a successor directly or indirectly; or
 - (iii) any person otherwise allied to or associated with the Company;
 - (b) any other individuals whose service has been of benefit to the Company or who the Company considers have a moral claim on the Company; and
 - (c) the spouses, widows, widowers, families and dependants of any such individuals as aforesaid; and
- (2) to establish, provide, carry on, maintain, manage, support and provide financial or other assistance to welfare, sports and social facilities, associations, clubs, funds and institutions which the Company considers likely to benefit or further the interests of any of the aforementioned individuals, spouses, widows, widowers, families and dependants.

- 4.16 To establish, maintain, manage, support and contribute (in cash or in kind) to any schemes or trusts for the acquisition of shares in the Company or its parent 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 parent company or is or was a subsidiary undertaking of the Company or any such parent company, and to lend money to any such individuals to enable them to acquire shares in the Company or in its parent 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.
- 4.17 To subscribe or contribute (in cash or in kind) to, and to promote or sponsor, any charitable, benevolent or useful object of a public character or any object which the Company considers may directly or indirectly further the interests of the Company, its employees or its members.
- 4.18 To pay and discharge all or any expenses, costs and disbursements, to pay commissions and to remunerate any person for services rendered or to be rendered, in connection with the formation, promotion and flotation of the Company and the underwriting or placing or issue at any time of any securities of the Company or of any other person.
- 4.19 To the extent permitted by law, to give any kind of financial assistance, directly or indirectly, for the acquisition of shares in the Company or any parent company of the Company or for the reduction or discharge of any liability incurred for the purpose of such an acquisition.
- 4.20 To issue, allot and grant options over securities of the Company for cash or otherwise or in payment or part payment for any real or personal property or rights therein purchased or otherwise acquired by the Company or any services rendered to, or at the request of, or for the benefit of, the Company or as security for, or indemnity for, or towards satisfaction of, any liability or obligation undertaken or agreed to be undertaken by or for the benefit of the Company, or in consideration of any obligation or liability (even if valued at less than the nominal value of such securities) or for any other purpose.
- 4.21 To procure the Company to be registered or recognised in any part of the world.
- 4.22 To promote any other company or entity for the purpose of acquiring all or any of the property or undertaking any of the liabilities of the Company, or both, or of undertaking any business or activity which may appear likely to assist or benefit the Company, and to place or guarantee the placing of,

underwrite, subscribe for, or otherwise acquire all or any part of the shares, debentures or other securities of any such company or entity as aforesaid.

- 4.23 To dispose by any means of the whole or any part of the assets of the Company or of any interest therein.
- 4.24 To distribute among the members of the Company in kind any assets of the Company.
- 4.25 To do all or any of the above things in any part of the world, and either as principal, agent, trustee, contractor or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise.
- 4.26 To do all such other things as may be deemed, or as the Company considers, incidental or conducive to the attainment of the above objects or any of them.

AND IT IS HEREBY DECLARED that in this clause:-

- (A) unless the context otherwise requires, words in the singular include the plural and vice versa;
- (B) unless the context otherwise requires, a reference to a person includes a reference to a body corporate (including, without prejudice to the generality of that term, any company which is a parent company of the Company, or is a subsidiary undertaking of the Company or any such parent company, or is associated in any way with the Company) and to an unincorporated body of persons;
- (C) a reference to any property, right or asset includes a reference to any interest in it, and a reference to any liability includes a reference to any loss;
- (D) references to "other" and "otherwise" shall not be construed *eiusdem generis* where a wider construction is possible;
- (E) a reference to anything which the Company thinks fit or desirable or considers or which may seem (whether to the Company or at large) expedient, conducive, calculated or capable, or to any similar expression connoting opinion or perception, includes, in relation to any power exercisable by or matter within the responsibility of the directors of the Company, a reference to any such thing which the directors so think or consider or which may so seem to the directors or which is in the opinion or perception of the directors;
- (F) the expressions "subsidiary undertaking" and "parent company" have the same meaning as in section 258 of and Schedule 10A

to the Companies Act 1985 or any statutory modification or re-enactment of it;

(G) nothing in any of the foregoing paragraphs of this clause is to be taken (unless otherwise expressly stated) as requiring or permitting the Company to exercise any power only for the benefit of the Company or only in furtherance of any of its objects;

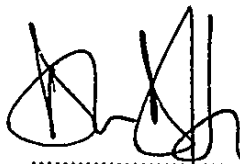
(H) the objects specified in each of the foregoing paragraphs of this clause shall be separate and distinct objects of the Company and accordingly shall not be in any way limited or restricted (except so far as otherwise expressly stated in any paragraph) by reference to or inference from the terms of any other paragraph or the order in which the paragraphs occur or the name of the Company, and none of the paragraphs shall be deemed merely subsidiary or incidental to any other paragraph."; and

(b) conditional on the redemption of the redeemable preference shares of £1.00 each in the capital of the Company currently in issue and the subsequent conversion of the shares into ordinary shares of 25p each ("**Conversion**") insertion of the following new clause 6 in substitution for and to the exclusion of the existing clause 6 simultaneously with, and by virtue of, the Conversion:

"6. The Company's share capital is £200,000,000 divided into 800,000,000 ordinary shares of 25 pence each".

7. These minutes were then read to the meeting and **IT WAS RESOLVED** that these minutes be adopted as a true and accurate record of the meeting.

Confirmed as a true and accurate record


.....
CHAIRMAN