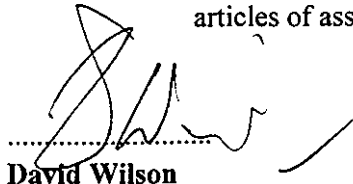


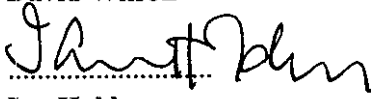
**DEBENHAMS DIRECT LIMITED**  
**WRITTEN RESOLUTION**

We, the undersigned, being all the members of the Company who (at the date hereof) would have been entitled to vote upon the resolution set out below if it had been proposed at a general meeting at which we were present, hereby agree:-

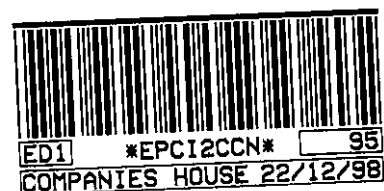
- (a) pursuant to regulation 53 of Table A (adopted by article 1.2 of the Company's articles of association) to the resolution set out below which would otherwise be required to be passed as a special resolution; and
- (b) to every variation or abrogation of the rights attaching to any class of shares of which we are a holder involved in or requisite to give effect to such resolutions.

**THAT:** new articles of association, in the form attached, be adopted as the articles of association of the Company in substitution for and to the exclusion of all previous articles of association.

  
.....  
David Wilson

  
.....  
Ian Holden

Date: 9 December 1998



No. 3665770

**THE COMPANIES ACTS 1985 to 1989**

---

**PRIVATE COMPANY HAVING A SHARE CAPITAL**

---

**ARTICLES OF ASSOCIATION**

- of -

**DEBENHAMS DIRECT LIMITED**

(adopted by special resolution passed on 9 December 1998)

---

**ASHURST MORRIS CRISP**

Broadwalk House  
5 Appold Street  
London EC2A 2HA

Tel: 0171-638-1111  
Fax: 0171-972 7990

*JAP/D19200126*

**THE COMPANIES ACTS 1985 to 1989**

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**PRIVATE COMPANY HAVING A SHARE CAPITAL**

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**ARTICLES OF ASSOCIATION**

- of -

**DEBENHAMS DIRECT LIMITED**

(adopted by special resolution passed on 9 December 1998)

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**PRELIMINARY**

1. In these Articles, any reference to:-

**"A' shares"** means the ordinary shares of 1 pence each designated 'A' ordinary shares in the capital of the Company;

**"Act"** means the Companies Act 1985, including any statutory modification or re-enactment thereof for the time being in force;

**"B' shares"** means the ordinary shares of 1 pence each designated 'B' ordinary shares in the capital of the Company;

**"Regulation"** means the appropriate regulation from Table A;

**"shares"** means the 'A' ordinary shares and the 'B' ordinary shares;

**"Table A"** means Table A set out in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052).

2. The Company is a private company. The Regulations contained in Table A, save insofar as they are excluded or varied hereby, and the Articles hereinafter contained shall constitute the regulations of the Company. Regulations 2, 3, 24, 40, 50, 54, 64 to 69 (inclusive), 72 to 81 (inclusive), 89 to 91 (inclusive), 101 and 118 of Table A shall not apply to the Company.

## SHARES

- 3.1 All shares of the Company shall be under the control of the directors who may (subject to section 80 of the Act and to these Articles) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.
- 3.2 The directors may allot any relevant securities (as defined by section 80(2) of the Act) of the Company to a nominal amount of £1000 (being the amount of the existing authorised share capital of the Company at the date of the adoption of these Articles) in accordance with the provisions of these Articles.
- 3.3 The general authority conferred by Article 3.1 shall extend to all relevant securities of the Company from time to time unissued during the currency of such authority. The said general authority shall expire on the fifth anniversary of the date of the adoption of these Articles unless varied or revoked or renewed by the Company in general meeting.
- 3.4 The directors shall be entitled under the general authority conferred by Article 3.1 to make at any time before the expiry of such authority any offer or agreement which will or may require relevant securities to be allotted after the expiry of such authority.
- 3.5 Subject always to the provisions of Article 5, sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to any allotment of shares in the Company.
- 4.1 The share capital of the Company at the date of the adoption of these Articles is £1000 divided into 50,001 "A" ordinary shares and 49,999 "B" ordinary shares.
- 4.2 The "A" ordinary shares and the "B" ordinary shares shall be separate classes of shares but save as herein expressly provided shall rank pari passu in all respects.
- 5.1 Save as the holders of the "A" ordinary shares and the holders of the "B" ordinary shares shall otherwise agree in writing all new shares created upon any increase of capital and any issue of unissued shares shall consist of equal numbers of "A" ordinary shares and "B" ordinary shares.
- 5.2 Upon any issue of shares the directors may only offer the "A" ordinary shares to be issued to the holders for the time being of the existing issued "A" ordinary shares and the "B" Ordinary Shares to be issued to the holders for the time being of the existing issued "B" Ordinary Shares.
6. The lien conferred by Regulation 8 shall attach to fully paid shares and to all shares registered in the name of any person indebted or under liability to the Company whether he is the sole registered holder thereof or one of two or more joint holders.

## RESOLUTIONS

7. Any such resolution in writing as is referred to in Regulation 53 may consist of several documents in the like form each signed by one or more of the members (or their duly authorised representatives) referred to in that Regulation.

## **TRANSFERS**

- 8.1 No transfers of shares shall be effected without the consent of all the members for the time being.
- 8.2 The directors shall register a transfer pursuant to the written agreement of all the members for the time being.
- 8.3 Subject to the provisions of Article 8.2 the directors may in their absolute discretion and without assigning any reason therefor decline to register any transfer of any share.

## **PROCEEDINGS AT GENERAL MEETINGS**

- 9. No business shall be transacted at any general meeting unless a quorum is present at the commencement and throughout the whole of the meeting. Two members present (of whom one shall be or represent a holder of "A" ordinary shares and one shall be or represent a holder of "B" ordinary shares) shall be a quorum for all purposes.
- 10. In Regulation 41 the following words are to be added at the end: "and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall stand dissolved".
- 11. It shall not be necessary to give any notice of an adjourned meeting and Regulation 45 shall be construed accordingly.
- 12. A poll may be demanded by any member present in person or by proxy and Regulation 46 shall be modified accordingly.
- 13.1 On a show of hands every member who is present in person, by representative appointed pursuant to section 375 of the Act or by proxy shall have one vote and on a poll every such member shall have one vote for every such share of which he is the holder provided that:-
  - (a) no "A" ordinary shares shall confer any right to vote upon a resolution for the removal from office of a "B" director;
  - (b) no "B" ordinary shares shall confer any right to vote upon a resolution for the removal from office of an "A" director;
  - (c) if at any meeting any holder of any "A" ordinary shares is not present in person or by proxy the votes exercisable on a poll in respect of the "A" ordinary shares held by members present in person or by proxy shall be pro tanto increased so that such "A" ordinary shares together entitle such members to the same aggregate number of votes as could be the case in respect of all the "A" ordinary shares if all the holders thereof were present; and
  - (d) the provisions of Article 13.1(c) shall apply to the votes exercisable on a poll in respect of "B" ordinary shares except that references to "A" ordinary shares shall be construed as references to "B" ordinary shares.

- 13.2 The chairman of a general meeting shall not be entitled to a second or casting vote.

## **DIRECTORS**

14. The number of directors shall be not less than two.
- 15.1 The holders of a majority of the "A" ordinary shares for the time being issued shall be entitled by notice in writing signed by them and left at or sent by registered post to the registered office for the time being of the Company to appoint two directors and by like notice to remove any director so appointed and at any time and from time to time by like notice to appoint any other person to be a director in the place of the director so removed or in the place of any director vacating office in any way and originally so appointed by them. Any director so appointed shall be an "A" director. The holders of a majority of the "B" ordinary shares for the time being issued shall be entitled by notice in writing signed by them and left at the registered office for the time being of the Company to appoint two directors and by like notice to remove any director so appointed and at any time and from time to time by like notice to appoint any other person to be a director in the place of the director so removed or in the place of any director vacating office in any way and originally so appointed by them. Any director so appointed shall be a "B" director. Any notice given pursuant to this paragraph of this Article shall take effect immediately upon delivery to the registered office of the Company.
- 15.2 Every director appointed pursuant to this Article shall hold office until he is either removed or dies or vacates office pursuant to Article 19 and (subject to the provisions of section 303 of the Act) neither the Company in general meeting nor the directors shall have power to fill any such vacancy but the provisions of this Article may be relaxed or varied to any extent by agreement in writing between the holders of a majority of the "A" ordinary shares for the time being issued and the holders of a majority of the "B" ordinary shares for the time being issued.
- 15.3 Any director appointed pursuant to this Article shall be at liberty from time to time to make such disclosures to the shareholder (and where such shareholder is a corporation to its holding company or any of the subsidiary companies of such holding company) appointing him as to the business and affairs of the Company as he shall in his absolute discretion determine.
16. A director need not hold any shares of the Company to qualify him as a director but he shall be entitled to receive notice of and attend at all general meetings of the Company and at all separate general meetings of the holders of any class of shares in the capital of the Company.
17. The directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party.
18. A director entitled to vote may vote as a director in regard to any contract or arrangement in which he is interested, or upon any matter arising thereout, and if he does so vote his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration and Regulation 94 shall be modified accordingly.

19. The office of director shall be vacated if the director:-
- 19.1 becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - 19.2 becomes prohibited from being a director by reason of any order made under the provisions of the Company Directors Disqualification Act 1986; or
  - 19.3 in the opinion of all his co-directors becomes incapable by reason of mental disorder of discharging his duties as director; or
  - 19.4 resigns his office by notice in writing to the Company; or
  - 19.5 is removed from office under Article 15.
- 20.1 Any director may by writing under his hand appoint any other person to be his alternate and every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of the directors and, in the absence from the board of the director appointing him, to attend and vote at meetings of the directors and to exercise all the powers, rights, duties and authorities of the director appointing him. A director may at any time revoke the appointment of an alternate appointed by him, and subject to such approval as aforesaid appoint another person in his place, and if a director shall die or cease to hold the office of director the appointment of his alternate shall thereupon cease and determine. An alternate director shall not be counted in reckoning the maximum number of directors allowed by the articles of association for the time being. A director acting as alternate shall have an additional vote at meetings of directors for each director for whom he acts as alternate but he shall count as only one for the purpose of determining whether a quorum be present.
- 20.2 Every person acting as an alternate director shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the director appointing him
21. The quorum necessary for the transaction of the business of the directors shall be two directors comprising one "A" director and one "B" director present at the commencement and throughout the whole of the meeting. A meeting of the directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the directors. If a quorum is not present within half an hour of the time fixed for the meeting the meeting shall stand adjourned until the same day in the next week at the same time and place.
22. Any such resolution in writing as is referred to in Regulation 93 may consist of several documents in the like form each signed or approved by letter facsimile transmission telex or cable by one or more of the directors for the time being entitled to vote at a meeting of the directors and Regulation 93 shall be modified accordingly.

23. The first chairman of the board shall be nominated by the holders of a majority of the "A" ordinary shares and such nominee shall remain as chairman until 31 December 1999. Thereafter the chairman of the Company shall be nominated on an annual basis by the holders of a majority of the "B" ordinary shares and the "A" ordinary shares in turn such nominee to be chairman until 31 December of the year in which he was appointed.
24. The directors may delegate any of their powers to committees upon which both the "A" directors and "B" directors shall be represented. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed by the directors. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or without exclusion of their own powers and may be revoked or altered.
25. The meetings and proceedings of any committee of the directors formed pursuant to Article 24 shall be governed by the provisions of these Articles regulating the meetings and proceedings of the directors, so far as the same are applicable and are not superseded by any regulations made by the directors pursuant to Article 24.
26. Any director or alternate director or member of a committee of the directors may participate in a meeting of the directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting.
27. The directors may from time to time appoint one or more of their body to hold any executive office in the management of the business of the Company including the office of chief executive or managing or joint managing or deputy or assistant managing director as the directors may decide for such fixed term or without limitation as to period and on such terms as they think fit and a director appointed to any executive office shall (without prejudice to any claim for damages for breach of any service contract between him and the Company) if he ceases to hold the office of director from any cause ipso facto and immediately cease to hold such executive office.
28. Questions arising at any meeting of directors shall be determined by a majority of votes, whether such majority shall consist of a whole or a fraction of a vote. For this purpose fractions of a vote shall be taken into account and in the case of an equality of votes the chairman of the board of directors shall not have a second or casting vote. Regulation 88 shall be modified accordingly. On each occasion of the directors exercising their votes the "A" directors shall have two (2) votes and the "B" directors shall have two (2) votes such votes to be divided equally between such "A" directors and "B" directors respectively as are present and voting at the board meeting.
29. The following proviso shall be added to paragraph (b) of Regulation 110: "provided that the resulting shares distributed to the holders of the "A" ordinary shares shall be "A" ordinary shares and those distributed to the holders of the "B" ordinary shares shall be "B" ordinary shares and provided further that all new shares shall be issued in accordance with Article 5".



## **CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS**

30. Any one of the directors or the secretary for the time being of any corporation which is a member of the Company, or any other person appointed by resolution of the directors or other governing body of such corporation, may (subject to the articles of association of that corporation) act as its representative at any meeting of the Company or any class of members of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.
31. Any one of the directors or the secretary for the time being of the Company or any other person appointed by resolution of the directors or other governing body of the Company may act as its representative at any meeting of any corporation of which the Company is a member or of any class of members of such corporation and the person so authorised shall be entitled to exercise the same powers on behalf of the Company as the Company could exercise if it were an individual member of that corporation.

## **THE SEAL**

32. If the Company has a seal it shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or a second director. The obligation under Regulation 6 relating to the sealing of share certificates shall apply only if the Company has a seal.

## **INDEMNITY**

- 33.1 Every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal or in connection with any application under section 144 or section 727 of the Act, in which relief is granted to him by the court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. This Article shall only have effect in so far as its provisions are not avoided by section 310 of the Act.
- 33.2 The directors shall have the power to purchase and maintain for any director, officer or auditor of the Company insurance against any such liability as is referred to in section 310(1) of the Act.