

THE COMPANIES ACTS 1948 TO 1981

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PUBLIC COMPANY LIMITED BY SHARES

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MEMORANDUM OF ASSOCIATION

OF

HARRODS HOLDINGS PLC

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1. <sup>1</sup>The name of the Company is Harrods Holdings plc
2. The registered office of the Company will be situate in England.
3. The Company is to be a public company.
4. The objects for which the Company is established are:-
  - (A) To carry on the business of an investment company and for that purpose to acquire and hold either in the name of the Company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any company wherever incorporated or carrying on business and debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority, supreme, dependent, municipal, local or otherwise in any part of the world.
  - (B) <sup>2</sup>To acquire any shares, stock, debentures, debenture stock, bonds, notes, obligations, or securities by original subscription, contract, tender, purchase, exchange,

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<sup>1</sup> The name of the Company was changed from Precis (317) Limited to Alfayed Investment and Trust (UK) Limited by Special Resolution passed on 19th November 1984.

The Company was re-registered as a public company on 20th March 1985.

The name of the Company was changed from Alfayed Investment and Trust (UK) plc to House of Fraser Holdings Plc by Special Resolution passed on 9th December 1985.

The name of the Company was changed from House of Fraser Holdings Plc to Harrods Investments plc by Special Resolution passed on 17th January 1994.

The name of the Company was changed from Harrods Investments plc to Harrods Holdings plc by Special Resolution passed on 25th July 1996.

underwriting, participation in syndicates or otherwise, and whether or not fully paid up, and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit.

- (C) To exercise and enforce all rights and powers conferred by or incident to the ownership of any shares, stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof and to provide managerial and other executive supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.
- (D) To acquire by any means any real or personal property or rights whatsoever.
- (E) To carry on any other business which may seem to the Company capable of being conducted directly or indirectly for the benefit of the Company.
- (F) To make experiments in connection with any business or proposed business of the Company, and to apply for or otherwise acquire in any part of the world any patents, patent rights, brevets d'invention, licences, protections and concessions which may appear likely to be advantageous or useful to the Company, and to use and manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon and testing and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
- (G) 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 which the Company is authorised to carry on or which can be carried on in connection therewith, or to acquire an interest in, amalgamate 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.
- (H) To acquire and hold shares or other interests in or securities of any other company and otherwise invest and deal with the moneys of the Company.
- (I) To lend money or give credit to such persons on such terms as may seem expedient.
- (J) To borrow money and to secure by mortgage, charge or lien upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, the discharge by the Company or any other person of any obligation or liability.
- (K) To guarantee the performance of any obligation by any person whatsoever.
- (L) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.

- (M) To apply for, promote and obtain any Act of Parliament, charters, privileges, concessions, licences or authorisations of any government, state, municipality, or other authority 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.
- (N) To enter into any arrangement with any governments or authorities (supreme, municipal, local or otherwise), or any corporation, companies, or persons that may seem conducive to the Company's objects or any of them, and to obtain from any such government, authority, corporation, company or person any charters, contracts, decrees, rights, privileges and concessions which the Company may think desirable, and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions.
- (O) To establish and maintain, or procure the establishment and maintenance of, any pension or superannation funds (whether contributory or otherwise) for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances and emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associated with the Company, or any such subsidiary or of any of the predecessors of the Company or any such other company as aforesaid, or who may be or have been Directors or officers of the Company, or of any such other company as aforesaid, and the wives, widows, families and dependants of any such persons, and to establish, subsidise and subscribe to any institutions, associations, societies, trusts, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of, the Company or of any other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.
- (P) To procure the Company to be registered or recognised in any part of the world.
- (Q) To promote any other company for the purpose of acquiring all or any of the property and/or undertaking any of the liabilities of the Company, or of undertaking any business or operations 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 of any part of the shares, debentures or other securities of any such company as aforesaid.
- (R) To dispose by any means of the whole or any part of the assets of the Company.
- (S) 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.
- (T) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that the word "company" in this clause, except where used in reference to the Company, shall be deemed to include an partnership or other body of persons, whether corporate or unincorporate, and whether domiciled in the United Kingdom or elsewhere, and the objects specified in each of the paragraphs of this clause shall be regarded as independent objects, and accordingly shall in nowise be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph or the name of the Company.

5. The liability of the Members is limited.
6. The share capital of the Company is £50,000,002 divided into 50,000,000 shares of £1 each, one "A" special rights redeemable preference share of £1 and one "B" special rights redeemable preference share of £1.<sup>3</sup>

WE, the several persons whose names and addresses 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	Number of shares taken by each Subscriber
Bernd Ratzke 12 Regency Drive West Byfleet Surrey KT14 6EN	One
Solicitor	
Leon Neal 34 Hill Crest Tunbridge Wells Kent	One
Accountant	

Dated the 20th day of August 1984

<sup>3</sup> The share capital of the Company was increased from £100 to £1,000,000 on 5th December 1984 by the creation of 999,900 shares of £1 each.

The share capital of the Company was increased from £1,000,000 to £50,000,000 on 30th April 1985 by the creation of 49,000,000 shares of £1 each.

The share capital of the Company was increased from £50,000,000 to £50,000,002 on 4th March 1997 by the creation of one "A" special rights redeemable preference share of £1 and one "B" special rights redeemable preference share of £1.

Witness to the above Signatures:- Zena Robinson  
19 Perpins Road  
Eltham  
SE9 2LF  
  
Secretary

**THE COMPANIES ACTS 1948 TO 1981**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION OF**  
**HARRODS HOLDINGS PLC**  
**(FORMERLY HARRODS INVESTMENTS PLC)**

**(As amended by special resolution passed on 4th March 1997)**

1. The regulations set out in Part I of Table A in the First Schedule to the Companies Act 1948 as amended (hereinafter called "Table A") shall apply to this Company save in so far as they are varied or excluded by or are inconsistent with these articles.
- 1A. In these articles, except where the context otherwise requires, words denoting the singular number only shall include the plural number also and vice versa, words denoting a particular gender shall include either gender and words denoting a person shall include any body of persons, either corporate or unincorporate.
- 1B. In these articles, reference to shares shall include securities of any nature.
2. Regulations 24, 75, 77, 89 to 97 (inclusive) and 106 of Table A shall not apply to the Company.
3. The Company is a public company.
4. Subject to the provisions of the Companies Acts 1948 to 1981:-
  - (A) the unissued shares for the time being in the capital of the Company shall be at the disposal of the directors, who may allot, grant options over or otherwise dispose of the same to such persons and on such terms as they think fit;
  - (B) shares may be issued on the terms that they are, or are to be liable, to be redeemed at the option of the Company or the holder on such terms and in such manner as the Company may before the issue of the shares by special resolution determine;
  - (C) the Company may purchase in any manner the Board considers appropriate any of its own shares (including any redeemable shares).
5. Subject to the provisions of these articles the Company may allot any equity securities (as defined in section 17 of the Companies Act 1980) as if that section did not apply to the allotment, and references in this article to the allotment of equity securities include references to the grant of a right to subscribe for or to convert any securities into relevant shares (as so defined) in the Company.
6. The directors may in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share, whether or not fully paid.
7. A resolution in writing signed by all the members for the time being entitled to vote shall be as effective for all purposes as an ordinary resolution duly passed at a general

meeting of the Company duly convened and held, and may consist of several documents in the like form each signed by one or more member.

8. Unless and until otherwise determined by the Company in general meeting the directors shall not be less than two in number.
9. A member or members holding a majority in nominal value of the issued ordinary shares for the time being in the Company shall have power from time to time and at any time to appoint any person or persons as a director or directors, either as an addition to the existing directors or to fill any vacancy, and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members making the same, or in the case of a member being a company signed by one of its directors on its behalf, and shall take effect upon lodgment at the registered office of the Company.
10. The directors shall have power at any time, and from time to time, to appoint any person or persons to be a director or directors, either to fill a casual vacancy or as an addition to the existing directors.
11. The Company may at any time and from time to time by ordinary resolution appoint any person or persons to be a director or directors, either to fill a casual vacancy or as an addition to the existing directors, and without prejudice to the provisions of the Act may at any time remove a director from office, provided that any such removal shall be without prejudice to any claim such director may have for breach of any contract of service between him and the Company.
12. No person shall be disqualified from being or becoming a director by reason of his attaining or having attained the age of 70 or any other age.
13. The proviso to regulation 79 of Table A shall not apply to the Company.
14. Each director shall have the power from time to time to appoint, with the approval of the board of directors, any person to act as an alternate director in his place at all meetings, in all proceedings in which, and on all occasions when he shall not himself act, and on such appointment being made the alternate director shall except as to remuneration be subject in all respects to the terms and conditions existing with reference to the other directors of the Company. An alternate director shall be an officer of the Company and shall alone be responsible for his own acts and defaults; he shall not be deemed to be an agent of the director appointing him, and the director so appointing shall not be responsible for the acts and defaults of an alternate director so appointed. An alternate director shall ipso facto vacate office if and when the director so nominating him vacates office as a director or removes the nominee from office. Every such nomination and removal under this article shall be effected in writing under the hand of the director making the same and shall take effect on delivery to the registered office of the Company. The remuneration of an alternate director shall be payable out of the remuneration payable to the director appointing him, and shall consist of such part (if any) of the last-mentioned remuneration as shall be agreed between the alternate director and the director appointing him.
15. A director and an alternate director shall not require a share qualification, but nevertheless shall be entitled to attend and speak at any general meeting of the

Company, and at any separate meeting of the holders of any class of shares in the Company.

16. A director (including an alternate director) who has duly declared his interest therein 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 shall so vote his vote shall be counted, and he shall be counted in the quorum when any such contract or arrangement is under consideration, and paragraphs (2) and (4) of regulation 84 of Table A shall not apply to the Company.
17. 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" at the end of regulation 86 in Table A shall not apply to the Company.
18. A resolution in writing signed by all the directors (other than a director for the time being absent from the United Kingdom and not represented by an alternate director) shall be as effective for all purposes as a resolution passed at a meeting of the directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the directors, but so that the expression "director" in this article shall not include an alternate director unless he has been appointed by a director who is for the time being absent from the United Kingdom.
19. In regulation 136 in Table A there shall be added immediately after the words "any application under section 448 of the Act" the words "or under section 36 of the Companies Act 1980".
20.
  - (A) The Directors shall provide for the safe custody of the Common Seal of the Company ("the Seal") and any official seal kept by the Company by virtue of section 2 of The Stock Exchange (Completion of Bargains) Act 1976 ("the Securities Seal") and neither shall be used without the authority of the directors of the committee authorised by the directors in their behalf.
  - (B) Every instrument to which the seal shall be affixed shall be signed by one director and the secretary or by two directors, save that as regards any certificates of shares or debentures or other securities of the Company the directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature.
  - (C) The Securities Seal shall be used only for sealing securities issued by the Company on documents creating or evidencing the securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.
  - (D) The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad and such power shall be vested in the directors. \*

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\* Article 20 was inserted by a special resolution passed on 15th April, 1985.



- 21.1 In this Article, "'A' Special Share " means the 'A' special rights redeemable preference share of £1.00 in the capital of the Company and "'B' Special Share" means the 'B' special rights redeemable preference share of £1.00 in the capital of the Company, each being a "Special Share" and the holder of either being the "'A' Special Shareholder " or the "'B' Special Shareholder" (as appropriate) and a "Special Shareholder".
- 21.2 A Special Share may only be issued to, held by and transferred to a Relevant Trustee or a person wholly owned, directly or indirectly, by a Relevant Trustee. "Relevant Trustee" means the trustee(s) for the time being of an Approved Trust, acting in such capacity. "Approved Trust" means a trust approved by the Board of Directors as the original holder (through its trustees or a person wholly owned, directly or indirectly, by them) of a Special Share. No restrictions relating to the transfer of any share (including any right of the directors to refuse to register any transfer) set out in these Articles of Association, other than the restrictions set out in this Article 21, shall apply to any transfer of any Special Share.
- 21.3 The Company shall only create or issue one 'A' Special Share and one 'B' Special Share.
- 21.4 Notwithstanding any provision in these Articles to the contrary, the rights attaching to the 'A' Special Share and the rights attaching to the 'B' Special Share shall include the right to approve or disapprove of each of the following matters:-
- (a) the amendment removal or alteration of the effect of (which for the avoidance of doubt, shall be taken to include the ratification of any breach of) this Article 21;
  - (b) any disposal or transfer of any shares in the Company or of any interest in any such shares, other than a disposal or transfer to a Permitted Person in circumstances where the whole of the beneficial interest so disposed of or transferred is acquired by such person. A "Permitted Person" means Alfayed Investment and Trust Pvt L.P. (an exempted limited partnership formed under the laws of Bermuda) ("AIT") or any company or body corporate which is wholly owned by AIT or any wholly owned subsidiary of such a company or body corporate and which has itself issued to the Relevant Trustee of each Approved Trust a special rights share having substantially the same rights as the rights under these Articles attaching to the 'A' Special Share and the 'B' Special Share;
  - (c) any issue of any shares in the Company, other than an issue to a Permitted Person in circumstances where the whole of the beneficial interest in the Shares will be vested in such person;
  - (d) a proposal for the voluntary winding-up or dissolution of the Company;
  - (e) a proposal for a voluntary arrangement of the Company pursuant to Section 1 of the Insolvency Act 1986;
  - (f) any disposal by the Company of any shares in the capital of any Relevant Subsidiary, or of any interest in any such shares, or the entering into of any

agreement or arrangement by the Company which at any time requires or would on satisfaction of any condition require the disposal by it of any such shares or any such interest, save in any such case for a disposal to a Permitted Person acquiring the whole of the beneficial interest so disposed of. "Relevant Subsidiary" means any person which is wholly owned by AIT or by a subsidiary of such a person and which owns or carries on the Harrods Business, or any substantial part of such business or which owns, directly or indirectly (including through any other person) any shares in any company which owns or carries on such business or any substantial part of it. "Harrods Business" means the business of owning and operating the Harrods department store in Knightsbridge, London, SW1;

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

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

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

Dated the 20th day of August 1984