

Registered No. 213393

THE COMPANIES ACTS 1908 to 1917

and

THE COMPANIES ACTS 1948 to 1981

and

THE COMPANIES ACTS 1985 to 1989

COMPANY LIMITED BY SHARES



MEMORANDUM

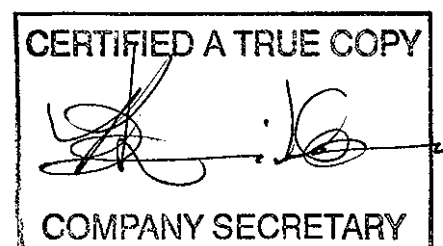
and

ARTICLES OF ASSOCIATION

of

DIAGEO FINANCE plc

Incorporated 23rd April, 1926



Registered No. 213393

THE COMPANIES ACTS 1908 to 1917

and

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THE COMPANIES ACT 1985 to 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(as adopted by special resolution
passed on 24th October, 1995 and
as amended by special resolutions
passed on 8th December, 1995,
27th February, 1996, 1st May, 1996,
18th October, 1996, 20th December, 1996
and 20th February, 1998)

of

DIAGEO FINANCE plc

Incorporated 23rd April, 1926

THE COMPANIES ACTS 1908 to 1917

-and-

THE COMPANIES ACTS 1948 to 1981

-and-

THE COMPANIES ACTS 1985 to 1989

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

DIAGEO FINANCE plc

1. ¹The name of the Company is "THE MAYFAIR HOTEL COMPANY LIMITED."
2. The Company is to be a public company.
3. The registered office of the Company will be situate in England.

¹ Note. By special resolution passed on 21st December 1972 the name of the Company was changed to Grand Metropolitan (Finance) Limited on 26th January 1973.

By a resolution of the Board of Directors passed on 10th August 1981 the name of the Company was changed to Grand Metropolitan (Finance) Public Limited Company.

By a special resolution passed on 16th November 1981 the name of the Company was changed to Grand Metropolitan Finance Public Limited Company on 10th December 1981.

By a special resolution passed on 5th December, 1997 the name of the Company was changed to Diageo Finance plc.

4. ²The objects for which the Company is established are:-
- 4.1 To carry on business as a general commercial company and to carry on any trade or business whatsoever.
- 4.2 To lend money and grant or provide credit and financial accommodation to any person including without limitation by means of the subscription of loan or share capital or otherwise, and to negotiate loans or the subscription of loan or share capital on behalf of any person as aforesaid and to deposit money with any person.
- 4.3 To invest money of the Company in any investments and to hold, sell or otherwise deal with investments or currencies or other financial assets.
- 4.4 To borrow and raise money and accept money on deposit and to secure or discharge any debt or obligation or liability in any manner and in particular (without prejudice to the generality) by mortgages of or charges upon all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by the creation and issue of securities.
- 4.5 To enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality) to guarantee, support or secure, with or without consideration, whether by personal obligation 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 or in any other manner, the performance of any obligations or commitments of, and the repayment or payment of the principal amounts of and any premiums interest dividends and other moneys payable on or in respect of any securities or liabilities of, any person, including (without prejudice to the generality) any company which is for the time being a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company and generally to transact any kind of guarantee business.
- 4.6 To create, make, draw, accept, endorse, execute, issue, discount, buy, sell, negotiate and deal in bills, notes, bills of lading, warrants, coupons, debentures, and other negotiable or transferable instruments.
- 4.7 To enter into, carry on and participate in financial transactions and operations of all kinds including (without limitation) interest rate swaps, options (including traded options), swap option contracts, forward exchange contracts, futures contracts, forward rate agreements, contracts for differences, caps, collars, floors or other financial instruments including hedging agreements of any kind all or any of which may be on a fixed and/or floating rate basis and/or

² These new objects were adopted by a special resolution passed on 24th October 1995.

in respect of Sterling and/or any other currencies or basket of currencies (including but not limited to European Currency Units (as the same may from time to time be designated or constituted)) or commodities of any kind and in the case of such swaps, options, swap option contracts, forward exchange contracts, futures contracts or other financial instruments including hedging agreements of any kind that may be undertaken by the Company on a speculative basis or in connection with the management of financial risks relating to the Company or any other company, firm or person on such terms as may be thought fit and with or without security, and to undertake, carry on and execute all kinds of financial, commercial, trading and other operations.

- 4.8 To amalgamate or enter into partnership or any arrangement for profit sharing or arrangement for limiting competition with, or to co-operate or participate in any way with, or to take over or assume any obligation of, or to assist or subsidise any person.
- 4.9 To acquire any estate or interest in and to take options over, construct, develop or exploit any property, real or personal, and rights of any kind and the whole or any part of the undertaking, assets and liabilities of any person and to act as a holding company.
- 4.10 To provide services of all descriptions.
- 4.11 To sell, exchange, mortgage, charge, let, grant licences, easements, options and other rights over, and in any other manner deal with, or dispose of, all or any part of the undertaking, property and assets (present and future) of the Company for any consideration and in particular (without prejudice to the generality) for any securities or for a share of profit or a royalty or other periodical or deferred payment.
- 4.12 To issue and allot securities of the Company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose, and to give any remuneration or other compensation or reward for services rendered or to be rendered in placing or procuring subscriptions of, or otherwise assisting in the issue of, any securities of the Company or in or about the formation of the Company or the conduct or course of its business.
- 4.13 To establish or promote, or concur or participate in establishing or promoting, any company, fund or trust and to subscribe for, underwrite, purchase or otherwise acquire securities of any company, fund or trust and to act as director of and as secretary, manager, registrar or transfer agent for any other company and to act as trustee of any kind and to undertake and execute any trust and any trust business (including the business of acting as trustee under wills and settlements and as executor and administrator) and any agency business.

- 4.14 To pay all the costs, charges and expenses preliminary or incidental to the promotion, formation, establishment and incorporation of the Company, and to procure the registration, incorporation or recognition of the Company in or under the laws of any place outside England.
- 4.15 To establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and to grant or procure the grant of donations, gratuities, pensions, annuities, allowances, emoluments or other benefits, including benefits on death, to, or purchase and maintain any type of insurance for or for the benefit of, any Directors, officers or employees or former Directors, officers or employees of the Company or any company which at any time is or was a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the Company or whom the Board of Directors of the Company considers have any moral claim on the Company or to their relations, connections or dependants, and to establish or support any funds, trusts, insurances or schemes or any associations, institutions, clubs or schools, or to do any other thing likely to benefit any such persons or otherwise to advance the interests of such persons or the Company or its Members, and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of such persons or the Company or its Members or for any national, charitable, benevolent, educational, social, 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.
- 4.16 To enter into any arrangements with any government or authority or person and to obtain from any government or authority or person any legislation, orders, rights, privileges, franchises, charters, contracts, decrees and concessions and to carry out, exercise or comply with any of the same.
- 4.17 To apply for, promote and obtain any Act of Parliament, charters, privileges, concessions, licences or authorisations of any government, state or municipality, Provisional Order or Licence of the Board of Trade 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.
- 4.18 To cease carrying on or to wind up any business or activity of the Company, and to cancel any registration of and to wind up or procure the dissolution of the Company in any state or territory.

- 4.19 To distribute any of the property of the Company among its creditors and Members or any class of either in cash, specie or kind.
- 4.20 To do all or any of the above things or matters in any part of the world and either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.
- 4.21 To carry on any other activity and do anything of any nature which in the opinion of the Board of Directors of the Company is or may be capable of being conveniently carried on or done in connection with the above, or likely directly or indirectly to enhance the value of or render more profitable all or any part of the Company's undertaking property or assets or otherwise to advance the interests of the Company or of its Members.
- 4.22 To do any other thing which is or may be incidental or conducive in the opinion of the Board of Directors of the Company to the attainment of the above objects or any of them.

In this clause "company", except where used in reference to the Company, shall include any partnership or other body of persons, whether incorporated or not incorporated, and whether formed, incorporated, domiciled or resident in the United Kingdom or elsewhere, "person" shall include any company as well as any other legal or natural person, "securities" shall include any fully, partly or nil paid or no par value share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation, "and" and "or" shall mean "and/or" where the context so permits, "other" and "otherwise" shall not be construed ejusdem generis where a wider construction is possible, and the objects specified in the different paragraphs of this clause shall not, except where the context expressly requires, be in any way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company or the nature of any trade or business carried on by the Company, or by the fact that at any time the Company is not carrying on any trade or business but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of those paragraphs defined the objects of a separate distinct and independent company.

- 5. The liability of the Members is limited.
- 6. ¹ The share capital of the Company is £405,000, divided into 400,000 Non-Cumulative 7% Preference Shares of £1 each and 100,000 Ordinary Shares

¹ Note 1

(1) By special resolutions passed on 19th January 1928 and confirmed on 6th February 1928:-

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- (i) the share capital was reduced from £405,000 to £100,000 divided into 95,000 7% Non-Cumulative Preference Shares of £1 each and 100,000 Ordinary Shares of 1s (5p) each, and
 - (ii) the share capital was increased to £405,000 by the creation of 305,000 new Non-Cumulative 7% Preference Shares of £1 each upon such reduction becoming effective.

The reduction became effective on 14th April 1928.

(2) By special resolutions passed on 18th May 1973:-

- (i) the share capital was reduced from £405,000 to £5,000 by cancelling the 400,000 Non-Cumulative 7% Preference Shares of £1 each which had not been taken or agreed to be taken by any person;
- (ii) the share capital was increased to £405,000 by the creation of 8,000,000 Ordinary Shares of 5p each, and
- (iii) the share capital was further increased to £500,000 by the creation of 1,900,000 Ordinary Shares of 5p each.

(3) By an ordinary resolution passed on 14th September 1978 the share capital was increased to £5,000,000 by the creation of 90,000,000 ordinary shares of 5p each.

(4) By an ordinary resolution passed on 19 February 1993 the share capital was increased to £255,000,000 by the creation of an additional 5,000,000,000 ordinary shares of 5p each.

(5) By an ordinary resolution passed on 24th October 1995 the share capital was increased to £655,000,000 by the creation of an additional 8,000,000,000 ordinary shares of 5p each.

(6) By an ordinary resolution passed on 8th December 1995 the share capital was increased to £1,760,000,000 by the creation of 50,000,000 'A' cumulative redeemable preference shares of £1 each and 1,055,000,000 'B' cumulative redeemable preference shares of £1 each. (Redeemed on 30th October, 1996.)

(7) By an ordinary resolution passed on 27th February 1996 the share capital was increased to £2,760,000,000 by the creation of 1,000,000,000 'C' cumulative redeemable preference shares of £1 each.

(8) By an ordinary resolution passed on 1st May 1996 the share capital was increased to £3,660,000,000 by the creation of 900,000,000 'D' cumulative redeemable preference shares of £1 each. (Redeemed on 30th October, 1996.)

(9) By an ordinary resolution passed on 18th October 1996 the share capital was increased to £5,665,000,000 by the creation of 2,005,000,000 'E' cumulative redeemable preference shares of £1 each.

of 1s (5p) each, with such rights as are defined by the Articles of Association registered herewith, subject however to the right and power to modify, vary or deal with the same in accordance with Clause 65² of the said Articles of Association and upon any increase of capital the Company is to be at liberty to issue any shares with any preferential, deferred, qualified or special rights, privileges or conditions attached thereto, but so nevertheless that the rights attached to the shares in the initial capital shall not be prejudiced or affected except in accordance with Clause 65 aforesaid.

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
GUY PAYAN DAWNAY 3 Queen Street, Mayfair W.1 Major General (ret) in H.M. Army	One hundred Ordinary Shares
FRANCIS WILLIAM TOWLE 3 Clarence Terrace, N.W.1. Managing Director Gordon Hotels Ltd.	One hundred Ordinary Shares
CYRIL ATKINSON 74 Oakwood Court, W.14 Kings Counsel	One hundred Ordinary Shares
GILBERT GOODMAN 42 Pembroke Road, Kensington, W.8 Actuary	One hundred Ordinary Shares
ERNEST BEVINGTON 116 Crawley Gardens, N.10 Chartered Surveyor	One hundred Ordinary Shares

- (10) By an ordinary resolution passed on 20th February, 1998 1,055,000,000 unissued shares of £1 each were converted into 1,055,000,000 'F' cumulative redeemable preference shares of £1 each.

² Note 2

Article 33 of the Articles of Association of the Company is in identical terms with Clause 65 referred to in Clause 6 above.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of Shares taken by each Subscriber
PERCY CHARLES CRUMP 142 Holborn Bars, E.C.1 Actuary	One Ordinary Share
WALTER VENABLES Beccles, Grand Avenue, Worthing. Chartered Accountant	One Ordinary Share

DATED the 20th day of April 1926

WITNESS to the above signatures of Guy Payan Dawnay, Francis William Towle,
Cyril Atkinson and Walter Venables:

Frank Wright
5 Bishopsgate, London EC2
Clerk to Markby Stewart & Wadesons
Solicitors

WITNESS to the signatures of Gilbert Goodman, Ernest Bevington and Percy Charles
Crump

D.E. Caffyn
142 Holborn Bars, E.C.1.

Insurance Official

THE COMPANIES ACTS 1908 to 1917

-and-

THE COMPANIES ACTS 1948 to 1981

-and-

THE COMPANIES ACTS 1985 to 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(Adopted by Special Resolution passed on
24th October, 1995 and as
amended by special resolutions passed on
8th December, 1995, 27th February, 1996, 1st May, 1996,
18th October, 1996, 20th December, 1996
and 20th February, 1998)

of

DIAGEO FINANCE plc

PRELIMINARY

1. In these Articles "Table A" means Table A scheduled to the Companies (Tables A to F) Regulations 1985 as amended prior to the date of adoption of these Articles. The regulations contained in Table A shall, except where they are excluded or modified by these Articles, apply to the Company and, together with these Articles, shall constitute the articles of the Company. No other regulations set out in any statute concerning companies, or in any statutory instrument or other subordinate legislation made under any statute, shall apply as the regulations or articles of the Company.

INTERPRETATION

2. Words and expressions which bear particular meanings in Table A shall bear the same meanings in these Articles. References in these Articles to writing include references to any method of representing or reproducing words in a legible and non-transitory form. Headings are for convenience only and shall not affect construction.

SHARE CAPITAL

3. The capital of the Company is divided into 13,100,000,000 Ordinary Shares of 5p each, 1,000,000,000 'C' cumulative redeemable preference shares of £1 each (the "C' Preference Shares"), 2,005,000,000 'E' cumulative redeemable preference shares of £1 each (the "E' Preference Shares") and 1,055,000,000 'F' cumulative redeemable preference shares of £1 each (the "F' Preference Shares") and 950,000,000 unissued shares of £1 each, the 'C' Preference Shares, 'E' Preference Shares and the 'F' Preference Shares having attached thereto the rights and being subject to the limitations and restrictions set out below.
- 3A. This Article 3A was deleted by Special Resolution on 20th February, 1998.
- 3B. This Article 3B was deleted by Special Resolution on 20th February, 1998.
- 3C. The 'C' Preference Shares shall have the rights and be subject to the limitations and restrictions set out below and shall have such other rights and be subject to such other limitations and restrictions (not being inconsistent with the rights or limitations and restrictions set out in this Article 3C) as the Directors may determine prior to allotment:-

(a) Income

- (i) Out of profits available for distribution and resolved to be distributed, the holders of the 'C' Preference Shares shall be entitled, in priority to the transfer of any sum to reserves and to any payment of dividend to the holders of any other class of shares or stock (other than the holders of the 'E' Preference Shares and the 'F' Preference Shares with which shares the 'C' Preference Shares shall rank *pari passu*), to be paid a cumulative preferential dividend, paying in Sterling, in respect of the Dividend Period at the Dividend Rate on the nominal value thereof, such dividend to be payable on each Dividend Payment Date.
- (ii) If the Dividend Payment Date is not a Business Day, then payment of the dividend otherwise payable on the Dividend Payment Date will be made on the following Business Day.

- (iii) Dividends payable on the 'C' Preference Shares shall accrue at the Dividend Rate on a daily basis and will be calculated on the basis of a 365 day year and the actual number of days elapsed in the Dividend Period.
- (iv) Each dividend on the 'C' Preference Shares shall ipso facto and without any resolution of the Directors or of the Company in General Meeting become a debt due from and immediately payable by the Company to the holders of the 'C' Preference Shares registered in the books of the Company on the relevant Dividend Payment Date.
- (v) As used in this Article 3C, except to the extent that the context requires otherwise:-

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are generally open for business in London;

"Dividend Period" means each of the following periods consecutively:-

- (1) from the Subscription Date inclusive to 30th April, 1996 exclusive;
- (2) from 30th April, 1996 inclusive to 31st July, 1996 exclusive;
- (3) from 31st July, 1996 to 31st October, 1996 exclusive;
- (4) from 31st October, 1996 inclusive to 31st January, 1997 exclusive;
- (5) from 31st January, 1997 inclusive to 30th April, 1997 exclusive
- (6) from 30th April, 1997 inclusive to 31st July, 1997 exclusive;
- (7) from 31st July, 1997 inclusive to 31st October, 1997 exclusive;
- (8) from 31st October, 1997 inclusive to 30th January, 1998 exclusive; and
- (9) from 30th January, 1998 inclusive to 20th February, 1998 exclusive.

"Dividend Payment Date" means the last day of each Dividend Period;

"Dividend Rate" means 5 per cent per annum;

"Subscription Date" means the date of subscription of the 'C' Preference Shares.

(b) Capital

- (i) On a return of capital on a winding up, the holders of the 'C' Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the 'E' Preference Shares and the 'F' Preference Shares with which shares the 'C' Preference Shares shall rank pari passu), to receive an amount in respect of each 'C' Preference Share equal to the nominal amount paid up on such 'C' Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the date of the commencement of the winding up.
- (ii) On a return of capital (otherwise than on a winding up or on a redemption or purchase by the Company of any of its own shares of any class), the holders of the 'C' Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the 'E' Preference Shares and the 'F' Preference Shares with which shares the 'C' Preference Shares shall rank pari passu), to receive an amount in respect of each 'C' Preference Share equal to the nominal amount paid up on such 'C' Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to the date of the return of capital.

(c) Voting and General Meetings

The holders of the 'C' Preference Shares shall, by virtue of and in respect of their holdings of 'C' Preference Shares, have the right to receive notice of and attend every General Meeting of the Company but, without prejudice to the rights of the holders of the 'C' Preference Shares pursuant to sections 125 to 129 of the Companies Act 1985 or Article 3C(f), shall not have the right to speak and vote at a General Meeting of the Company.

(d) Limitations

No 'C' Preference Share shall:-

- (i) confer any right to participate in the profits or assets of the Company other than as set out in paragraphs (a) and (b) above;
- (ii) confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for shares in the Company; or
- (iii) confer any right to receive any shares credited as paid up wholly or in part by way of a capitalisation of profits or reserves.

(e) Redemption

(i) Subject to the Companies Act 1985 (as amended):-

- (A) the Company may redeem all or any of the 'C' Preference Shares on the giving of not less than two Business Days (as defined in Article 3C(a)(v)) notice in writing to the holder(s) of the 'C' Preference Shares to be redeemed such notice to specify the number of such holder's 'C' Preference Shares to be redeemed and the date on which such redemption is to take effect;
- (B) any holder of 'C' Preference Shares may require the Company to redeem all or any of the 'C' Preference Shares held by him by giving not less than thirty Business Days (as defined in Article 3(C)(a)(v)) notice in writing to the Company, such notice to specify the number of such holder's 'C' Preference Shares to be redeemed and the date on which such redemption is to take effect; and
- (C) the Company shall redeem all the 'C' Preference Shares, if not redeemed pursuant to sub-paragraph (i)(A) or (B) above, on 20th February, 1998 (the date on which the redemption of any Preference Shares is to take effect in accordance with either sub-paragraph (A) or (B) above or this sub-paragraph (C) being referred to in this Article 3C as the "Redemption Date").

- (ii) There shall be paid by 12 noon on the relevant Redemption Date on each 'C' Preference Share to be redeemed under sub-paragraph (i) above the amount paid up thereon, together with a sum equal to all arrears and accruals (if any) of the preferential dividend thereon irrespective of whether or not such dividend has been declared or earned or has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the relevant Redemption Date.

- (iii) As from the relevant Redemption Date the preferential dividend shall cease to accrue on the 'C' Preference Shares to be redeemed on that date except in the case of any of such 'C' Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the redemption monies shall be refused, in which case the preferential dividend shall be deemed to have continued and shall accordingly continue to accrue at the Dividend Rate on the basis of a 365 day year from the relevant Redemption Date down to and including the actual date of payment of such redemption monies. No 'C' Preference Share shall be treated as having been redeemed until the monies and all arrears or deficiencies or accruals of the preferential dividend in respect thereof have been paid.
- (iv) If any holder of any of the 'C' Preference Shares to be redeemed shall fail or refuse to deliver up on the relevant Redemption Date the certificate or certificates held by him in respect of such 'C' Preference Shares or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the Company's bankers (designated for the benefit of such holder) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant 'C' Preference Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the Company in connection therewith.
- (v) The receipt of the registered holder for the time being of any 'C' 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."

(f) Further Issues and Variation of Rights

The rights attached to the 'C' Preference Shares may be varied with the consent in writing of the holder or holders of all the 'C' Preference Shares but not otherwise.

If at any time there are 'C' Preference Shares in issue, no additional 'C' Preference Shares may be issued except pro rata to the then existing holders thereof or with the consent in writing of all such holders.

3D. This Article 3D was deleted by Special Resolution on 20th February, 1998.

3E. The 'E' Preference Shares shall have the rights and be subject to the limitations and restrictions set out below and shall have such other rights and be subject to such other limitations and restrictions not being inconsistent with the rights or limitations and restrictions set out in this Article 3E as the Directors may determine prior to allotment:-

(a) Income

- (i) Out of profits available for distribution and resolved to be distributed, the holders of the 'E' Preference Shares shall be entitled, in priority to the transfer of any sum to reserves and to any payment of dividend to the holders of any other class of shares or stock (other than the holders of the 'C' Preference Shares and the 'F' Preference Shares, with which shares the 'E' Preference Shares shall rank *pari passu*), to be paid a cumulative preferential dividend, payable in Sterling, in respect of each Dividend Period at the Dividend Rate on the nominal value thereof, such dividend to be payable on the last day of the Dividend Period.
- (ii) Dividends payable on the 'E' Preference Shares shall accrue at the Dividend Rate on a daily basis and, in respect of any Dividend Period shorter than a year, will be calculated on the basis of a 365 day year and the actual number of days elapsed in such Dividend Period.
- (iii) Each dividend on the 'E' Preference Shares shall *ipso facto* and without any resolution of the Directors or of the Company in General Meeting become a debt due from and immediately payable by the Company to the holders of the 'E' Preference Shares registered in the books of the Company on the relevant Dividend Payment Date.
- (iv) As used in this Article 3E, except to the extent that the context requires otherwise:-

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are generally open for business in London;

"Dividend Payment Date" means the 18th day of a calendar month and, in addition, 30th September, 1997 or such other date or dates as the Directors may from time to time determine; provided always that if a Dividend Payment Date would otherwise fall on a day which is not a Business Day, such Dividend Payment Date shall be the first following day which is a Business Day;

"Dividend Period" means the period commencing on the day immediately following one Dividend Payment Date and ending on the immediately following Dividend Payment Date, in both cases inclusive, provided that the first Dividend Period shall commence on the day after the Subscription Date;

"Dividend Rate" means 5.8 per cent per annum;

"Subscription Date" means the date of subscription of the 'E' Preference Shares"; and

(b) Capital

- (i) On a return of capital on a winding up, the holders of the 'E' Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the 'C' Preference Shares and the 'F' Preference Shares, with which shares the 'E' Preference Shares shall rank *pari passu*), to receive an amount in respect of each 'E' Preference Share equal to the nominal amount paid up on such 'E' Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the date of the commencement of the winding up.
- (ii) On a return of capital (otherwise than on a winding up or on a redemption or purchase by the Company of any of its own shares of any class), the holders of the 'E' Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the 'C' Preference Shares and the 'F' Preference Shares with which shares the 'E' Preference Shares shall rank *pari passu*), to receive an amount in respect of each 'E' Preference Share equal to the nominal amount paid up on such 'E' Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to the date of the return of capital.

(c) Voting and General Meetings

The holders of the 'E' Preference Shares shall, by virtue of and in respect of their holdings of 'E' Preference Shares, have the right to receive notice of and attend every General Meeting of the Company but, without prejudice to the rights of the holders of the 'E' Preference Shares pursuant to sections 125 to 129 of the Companies Act 1985 or Article 3E(f), shall not have the right to speak or vote at a General Meeting of the Company.

(d) Limitations

No 'E' Preference Share shall:-

- (i) confer any right to participate in the profits or assets of the Company other than as set out in paragraphs (a) and (b) above;
- (ii) confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for shares in the Company; or
- (iii) confer any right to receive any shares credited as paid up wholly or in part by way of a capitalisation of profits or reserves.

(e) Redemption

- (i) Subject to the Companies Act 1985 (as amended):-

- (A) the Company may redeem all or any of the 'E' Preference Shares on the giving of not less than two Business Days (as defined in Article 3E(a)(iv)) notice in writing to the holder(s) of the 'E' Preference Shares to be redeemed, such notice to specify the number of 'E' Preference Shares to be redeemed and the date on which such redemption is to take effect;
- (B) any holder of 'E' Preference Shares may require the Company to redeem all or any of the 'E' Preference Shares held by him by giving not less than thirty Business Days (as defined in Article 3E(a)(iv)) notice in writing to the Company, such notice to specify the number of such holder's 'E' Preference Shares to be redeemed and the date on which such redemption is to take effect; and
- (C) the Company shall redeem all the 'E' Preference Shares, if not redeemed pursuant to sub-paragraph (i)(A) or (B) above, on 31st October, 2001 (the date on which the redemption of any Preference Shares is to take effect in accordance with either sub-paragraph (A) or (B) above or this sub-paragraph (C) being referred to in this Article 3E as the "Redemption Date").

- (ii) There shall be paid by 12 noon on the relevant Redemption Date on each 'E' Preference Share to be redeemed under sub-paragraph (i) above the amount paid up thereon, together with a sum equal to all arrears and accruals (if any) of the preferential dividend thereon irrespective of whether or not such dividend has been declared or earned or has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the relevant Redemption Date.

- (iii) As from the relevant Redemption Date the preferential dividend shall cease to accrue on the 'E' Preference Shares to be redeemed on that date except in the case of any of such 'E' Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the redemption monies shall be refused, in which case the preferential dividend shall be deemed to have continued and shall accordingly continue to accrue at the Dividend Rate on the basis of a 365 day year from the relevant Redemption Date down to and including the actual date of payment of such redemption monies. No 'E' Preference Share shall be treated as having been redeemed until the monies and all arrears or deficiencies or accruals of the preferential dividend in respect thereof have been paid.
- (iv) If any holder of any of the 'E' Preference Shares to be redeemed shall fail or refuse to deliver up on the relevant Redemption Date the certificate or certificates held by him in respect of such 'E' Preference Shares or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the Company's bankers (designated for the benefit of such holder) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant 'E' Preference Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the Company in connection therewith.
- (v) The receipt of the registered holder for the time being of any 'E' 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.

(f) Further Issues and Variation of Rights

The rights attached to the 'E' Preference Shares may be varied with the consent in writing of the holder or holders of all the 'E' Preference Shares but not otherwise.

If at any time there are 'E' Preference Shares in issue, no additional 'E' Preference Shares may be issued except pro rata to the then existing holders thereof or with the consent in writing of all such holders.

- 3F. The 'F' Preference Shares shall have the rights and be subject to the limitations and restrictions set out below and shall have such other rights and be subject to such other limitations and restrictions not being inconsistent with the rights or limitations and restrictions set out in this Article 3F as the Directors may determine prior to allotment:-

(a) Income

- (i) Out of profits available for distribution and resolved to be distributed, the holders of the 'F' Preference Shares shall be entitled, in priority to the transfer of any sum to reserves and to any payment of dividend to the holders of any other class of shares or stock (other than the holders of the 'C' Preference Shares and the 'E' Preference Shares, with which shares the 'F' Preference shares shall rank *pari passu*), to be paid a cumulative preferential dividend, payable in Sterling, in respect of each Dividend Period at the Dividend Rate on the nominal value thereof, such dividend to be payable on the last day of the Dividend Period.
- (ii) Dividends payable on the 'F' Preference Shares shall accrue at the Dividend Rate on a daily basis and, in respect of any Dividend Period shorter than a year, will be calculated on the basis of a 365 day year and the actual number of days elapsed in such Dividend Period.
- (iii) Each dividend on the 'F' Preference Shares shall ipso facto and without any resolution of the Directors or of the Company in General Meeting become a debt due from and immediately payable by the Company to the holders of the 'F' Preference Shares registered in the books of the Company on the relevant Dividend Payment Date.
- (iv) As used in this Article 3F, except to the extent that the context requires otherwise:-

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are generally open for business in London;

"Dividend Payment Date" means the 18th day of a calendar month or such other date or dates as the Directors may from time to time determine; provided always that if a Dividend Payment Date would otherwise fall on a day which is not a Business Day, such Dividend Payment Date shall be the first following day which is a Business Day;

"Dividend Period" means the period commencing on the day immediately following one Dividend Payment Date and ending

on the immediately following Dividend Payment Date, in both cases inclusive, provided that the first Dividend Period shall commence on the day after the Subscription Date;

“Dividend Rate” means 5.0 per cent per annum; and

“Subscription Date” means the date of subscription of the ‘F’ Preference Shares; and

(b) Capital

- (i) On a return of capital on a winding up, the holders of the ‘F’ Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the ‘C’ Preference Shares and the ‘E’ Preference Shares, with which shares the ‘F’ Preference shares shall rank *pari passu*), to receive an amount in respect of each ‘F’ Preference Share equal to the nominal amount paid up on such ‘F’ Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the date of the commencement of the winding up.
- (ii) On a return of capital (otherwise than on a winding up or on a redemption or purchase by the Company of any of its own shares of any class), the holders of the ‘F’ Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the ‘C’ Preference Shares and the ‘E’ Preference Shares with which shares the ‘F’ Preference Shares shall rank *pari passu*), to receive an amount in respect of each ‘F’ Preference Share equal to the nominal amount paid up on such ‘F’ Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to the date of the return of capital.

(c) Voting and General Meetings

The holders of the ‘F’ Preference Shares shall, by virtue of and in respect of their holdings of ‘F’ Preference Shares, have the right to receive notice of and attend every General Meeting of the Company but, without prejudice to the rights of the holders of the ‘F’ Preference Shares pursuant to sections 125 to 129 of the Companies Act 1985 or Article 3F(f), shall not have the right to speak or vote at a General Meeting or the Company.

(d) Limitations

No 'F' Preference Share shall:-

- (i) confer any right to participate in the profits or assets of the Company other than as set out in paragraphs (a) and (b) above;
- (ii) confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for shares in the Company; or
- (iii) confer any right to receive any shares credited as paid up wholly or in part by way of a capitalisation of profits or reserves.

(e) Redemption

- (i) Subject to the Companies Act 1985 (as amended):-

- (A) the Company may redeem all or any of the 'F' Preference Shares on the giving of not less than two Business Days (as defined in Article 3F(a)(iv)) notice in writing to the holder or holders of the 'F' Preference Shares to be redeemed, such notice to specify the number of 'F' Preference Shares to be redeemed and the date on which such redemption is to take effect;
- (B) any holder of 'F' Preference Shares may require the Company to redeem all or any of the 'F' Preference Shares held by him by giving not less than thirty Business Days (as defined in Article 3F(a)(iv)) notice in writing to the Company, such notice to specify the number of such holder's 'F' Preference Shares to be redeemed and the date on which such redemption is to take effect; and
- (C) the Company shall redeem all the 'F' Preference Shares, if not redeemed pursuant to sub-paragraph (i)(A) or (B) above, on 31st October, 2001 (the date on which the redemption of any Preference Shares is to take effect in accordance with either sub-paragraph (A) or (B) above or this sub-paragraph (C) being referred to in this Article 3F as the "Redemption Date").

- (ii) There shall be paid by 12 noon on the relevant Redemption Date on each 'F' Preference Share to be redeemed under sub-paragraph (i) above the amount paid up thereon, together with a sum equal to all arrears and accruals (if any) of the preferential dividend thereon, irrespective of whether or not such dividend has been declared or earned or has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the relevant Redemption Date.

- (iii) As from the relevant Redemption Date the preferential dividend shall cease to accrue on the 'F' Preference Shares to be redeemed on that date except in the case of any of such 'F' Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the redemption monies shall be refused, in which case the preferential dividend shall be deemed to have continued and shall accordingly continue to accrue at the Dividend Rate on the basis of a 365 day year from the relevant Redemption Date down to and including the actual date of payment of such redemption monies. No 'F' Preference Share shall be treated as having been redeemed until the monies and all arrears or deficiencies or accruals of the preferential dividend in respect thereof have been paid.
- (iv) If any holder of any of the 'F' Preference Shares to be redeemed shall fail or refuse to deliver up on the relevant Redemption Date the certificate or certificates held by him in respect of such 'F' Preference Shares or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the Company's bankers (designated for the benefit of such holder) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant 'F' Preference Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the Company in connection therewith.
- (v) The receipt of the registered holder for the time being of any 'F' 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.

(f) Further Issues and Variation of Rights

The rights attached to the 'F' Preference Shares may be varied with the consent in writing of the holder or holders of all the 'F' Preference Shares but not otherwise.

If at any time there are 'F' Preference Shares in issue, no additional 'F' Preference Shares may be issued except pro rata to the then existing holders thereof or with the consent in writing of all such holders.

RIGHTS ATTACHED TO SHARES

4. Subject to the provisions of the Act and to any rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by Ordinary Resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Directors may decide. Regulation 2 of Table A shall not apply.

EXECUTION OF SHARE CERTIFICATES

5. Every share certificate shall be executed under a seal or in such other manner as the Board having regard to the terms of issue and any listing requirements may authorise, and shall specify the number and class of the shares to which it relates and the amount or respective amounts paid up on the shares. The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical means or may be printed on them or that the certificates need not be signed by any person.

UNISSUED SHARES

6. Subject to the provisions of the Act and to these Articles, any unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons at such times and for such consideration and upon such terms and conditions as the Directors may determine.

INITIAL AUTHORITY TO ISSUE RELEVANT SECURITIES

7. Subject to any direction to the contrary which may be given by the Company in General Meeting, the Directors are unconditionally authorised to exercise all powers of the Company to allot relevant securities. The maximum nominal amount of relevant securities that may be allotted under this authority shall be the nominal amount of the unissued share capital at the date of adoption of this Article or such other amount as may from time to time be authorised by the Company in General Meeting. The authority conferred on the Directors by this Article shall remain in force for a period of five years from the date of adoption of this Article but may be revoked, varied or renewed from time to time by the Company in General Meeting in accordance with the Act.

TRANSFER OF SHARES

8. The Directors may, in their absolute discretion and without giving any reason for so doing, decline to register any transfer of any share, whether or not it is a fully paid share. Regulation 24 of Table A shall be modified accordingly.

NOTICE OF GENERAL MEETINGS

9. Notice of every General Meeting shall be given to all Members other than any who, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors or, if more than one, each of them. The last sentence of regulation 38 of Table A shall not apply.

PROCEEDINGS AT GENERAL MEETINGS

10. For all purposes of these Articles, a General Meeting of the Company or of the holders of any class of its shares shall be valid and effective for all purposes if one person being a duly authorised representative of two or more corporations each of which is a member entitled to vote upon the business to be transacted is present. Regulation 40 of Table A shall be modified accordingly.

VOTES OF MEMBERS

11. At a General Meeting, but subject to any rights or restrictions attached to any shares, on a show of hands every Member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and every proxy for any Member (regardless of the number or the holdings of the Members for whom he is a proxy) shall have one vote, and on a poll every Member who is present in person or by a duly authorised representative or by proxy shall have one vote for every share of which he is the holder. Regulation 54 of Table A shall not apply.

MEMBERS MAY VOTE WHEN MONEY PAYABLE BY THEM

12. Regulation 57 of Table A shall not apply.

DELIVERY OF PROXIES

13. The instrument appointing a proxy and (if required by the Directors) any authority under which it is executed or a copy of the authority, certified notarially or in some other manner approved by the Directors, may be delivered to the office (or to such other place or to such person as may be specified or agreed by the Directors) by such time as the Directors may specify before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to act or, in case of a poll taken subsequently to the date of the meeting or adjourned meeting, before the time appointed for the taking of the poll. An instrument of proxy which is not so delivered shall be invalid. The Directors may at their discretion treat a faxed or other machine made copy of an instrument appointing a proxy as such an instrument for the purpose of this Article. Regulation 62 of Table A shall not apply.

ALTERNATE DIRECTORS

14. Any Director (other than an alternate Director) may appoint any other Director or any other person who is willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him. Regulation 65 of Table A shall not apply.
15. An alternate Director shall be entitled to receive remuneration from the Company for his services as an alternate Director. 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. Regulation 66 of Table A shall be modified accordingly.

POWER TO PROVIDE FOR EMPLOYEES

16. The Directors may by resolution exercise any power conferred by the Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

POWER TO RECEIVE UNCALLED MONEYS

17. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and remaining unpaid on any shares held by him.

DELEGATION OF DIRECTORS' POWERS

18. The Directors may delegate any of their powers, authorities and discretions (with power to sub-delegate) to committees consisting of such person or persons (whether Directors or not) as they think fit. Regulation 72 of Table A shall be modified accordingly and references in Table A to a committee of Directors or to a Director as a member of such a committee shall include a committee established under this Article or such person or persons.

APPOINTMENT AND REMOVAL OF DIRECTORS BY MAJORITY SHAREHOLDERS

19. Any Member holding, or any Members holding in aggregate, a majority in nominal value of such of the issued share capital for the time being of the Company as carries the right of attending and voting at General Meetings of the Company may by memorandum in writing signed by or on behalf of him or them and delivered to the office or tendered at a meeting of the Directors or at a General Meeting of the Company at any time and from time to time appoint any person, to be a Director (either to fill a vacancy or as an additional Director) or remove any Director from office (no matter how he was appointed).

APPOINTMENT OF DIRECTORS BY BOARD

20. Without prejudice to the powers conferred by any other Article, any person may be appointed a Director by the Directors either to fill a vacancy or as an additional Director.

NO AGE LIMIT OR SHARE QUALIFICATION

21. No Director shall be required to retire or vacate his office, and no person shall be ineligible for appointment as a Director, by reason of his having attained any particular age. No shareholding qualification for Directors shall be required.

EXCLUSION OF ROTATION REQUIREMENTS AND OTHER PROVISIONS

22. Regulations 73 to 77 and 79 to 80 (inclusive) and the last sentence of regulation 84 of Table A shall not apply.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

23. The office of a Director shall be vacated not only upon the happening of any of the events mentioned in regulation 81 of Table A but also if he is removed from office pursuant to these Articles. Regulation 81 of Table A shall be modified accordingly.

DIRECTORS' GRATUITIES AND PENSIONS

24. The Directors may exercise all the powers of the Company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any Director or former Director or the relations, connections or dependants of any Director or former Director who holds or has held any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or with a predecessor in business of the Company or of any such body corporate and may contribute to any fund and pay premiums for the purchase or provision of any such benefit. No Director or former Director shall be accountable to the Company or the Members for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company. Regulation 87 of Table A shall not apply.

NOTICE OF BOARD MEETINGS

25. Notice of a meeting of the Directors shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose, or by any other means authorised in writing by the Director concerned. A Director absent or intending to be absent from the United Kingdom may request the Directors that notices of meetings of the Directors shall during his absence be sent in writing to him at an address or to a

fax or telex number given by him to the Company for this purpose, but if no request is made to the Directors it shall not be necessary to give notice of a meeting of the Directors to any Director who is for the time being absent from the United Kingdom. A Director may waive notice of any meeting either prospectively or retrospectively. Regulation 88 of Table A shall be modified accordingly.

PARTICIPATION IN BOARD MEETINGS BY TELEPHONE

26. All or any of the Members of the Board or any committee of the Board may participate in a meeting of the Board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.

DIRECTORS MAY VOTE WHEN INTERESTED

27. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with the Act. Subject where applicable to such disclosure, a Director shall be entitled to vote in respect of any contract or proposed contract in which he is interested (or upon any matter arising thereout) and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present. Regulations 94 and 95 of Table A shall not apply.

OFFICIAL SEAL

28. The Company may exercise all the powers conferred by the Act with regard to having any official seal and such powers shall be vested in the Directors. Subject to the provisions of the Act, any instrument to which an official seal is affixed shall be signed by such persons, if any, as the Directors may from time to time determine.

REGISTERS

29. Subject to the provisions of the Act, the Company may keep an overseas or local or other register in any place, and the Board may make and vary such regulations as it may think fit respecting the keeping of the register.

NOTICES

30. Any notice or other document may be served on or delivered to any Member by the Company either personally, or by sending it by post addressed to the Member at his registered address or by fax or telex to a number provided by the

Member for this purpose, or by leaving it at his registered address addressed to the Member, or by any other means authorised in writing by the Member concerned. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Regulation 112 of Table A shall not apply.

TIME OF SERVICE

31. Any notice or other document, if sent by the Company by post, shall be deemed to have been served or delivered twenty four hours after posting and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document left by the Company at a registered address otherwise than by post, or sent by fax or telex or other instantaneous means of transmission, shall be deemed to have been served or delivered when it was so left or sent. Regulation 115 of Table A shall not apply.

CAPITALISATION OF PROFITS

32. In addition to the circumstances set out in regulation 110(a) of Table A the Directors may with the authority of an Ordinary Resolution of the Company, subject as provided in regulations 110(b), (c) and (d) resolve to capitalise any sum carried to a reserve as a result of the sale or revaluation of the assets of the Company (other than goodwill) or any part thereof. Regulation 110(a) of Table A shall be supplemented accordingly.

MEETINGS OF CLASSES OF MEMBERS

33. Whenever the capital of the Company is divided into shares of different classes, the holders of any class of shares may at any time and from time to time, and whether before or during liquidation, by an Extraordinary Resolution passed at a meeting of such holders, 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 preference or priority, or of any accrued dividend, or the reduction for any time or permanently of the dividends payable thereon, or to the amalgamation into one class of the shares of any two or more classes, or to the division of shares of one or more class or classes into shares of different classes, or any alterations in these Articles varying or taking away any rights or privileges attached to shares of the class, or to any scheme for the reduction of the Company's capital affecting the shares of the class in a manner not authorised by these Articles, or to any scheme for the distribution (though not in accordance with legal rights) of assets in money or in kind in or before liquidation, or to any contract for the sale of the whole or any part of the Company's property or business determining the way (though not in accordance with legal rights) in which as between the several classes of Shareholders the purchase consideration shall be distributed, and generally consent to any alteration, contract, abrogation of rights and privileges, compromise or arrangement which the persons voting thereon could if *sui juris*

and holding all the shares of the class consent to or enter into, and such resolution shall be binding upon all the holders of shares of the class.

34. Any meeting for the purpose of the last preceding Article shall be convened and conducted in all respects as nearly as possible in the same way as an Extraordinary General Meeting of the Company, provided that no Member, not being a Director, shall be entitled to notice thereof or to attend thereat, unless he be a holder of shares of the class intended to be affected by the resolution, and that no vote shall be given except in respect of a share of that class, and that the quorum at any such meeting shall be Members holding or representing by proxy at least one-tenth of the issued shares of that class, and that at any such meeting a poll may be demanded in writing by any Member present in person or by proxy and entitled to vote at the meeting.

[COAT OF ARMS]

CERTIFICATE OF INCORPORATION

ON CHANGE OF NAME

No. 213393

I hereby certify that

GRAND METROPOLITAN (FINANCE) PUBLIC LIMITED COMPANY

having by special resolution and with the approval of the Secretary of State changed its name, is now incorporated under the name of

GRAND METROPOLITAN FINANCE PUBLIC LIMITED COMPANY

Given under my hand at Cardiff the 10TH DECEMBER 1981

Registrar of Companies

[COAT OF ARMS]

CERTIFICATE OF INCORPORATION
ON RE-REGISTRATION AS A PUBLIC COMPANY

No. 213393

I hereby certify that

GRAND METROPOLITAN (FINANCE) PUBLIC LIMITED COMPANY

has this day been re-registered under the Companies Acts 1948 to 1980 as a public company, and that the company is limited.

Dated at Cardiff the 2ND NOVEMBER 1981

Assistant Registrar of Companies

[COAT OF ARMS]

CERTIFICATE OF INCORPORATION

ON CHANGE OF NAME

No. 213393

The Registrar of Companies for England and Wales hereby certifies that

GRAND METROPOLITAN FINANCE P.L.C.

having by special resolution changed its name, is now incorporated under the name of

DIAGEO FINANCE PLC

Given at Companies House, London, the 16th December 1997

L. CONNELLY
For The Registrar of Companies

Company No: 213393

THE COMPANIES ACT 1985 AND 1989

COMPANY LIMITED BY SHARES

RESOLUTIONS

OF

GRAND METROPOLITAN FINANCE PUBLIC LIMITED COMPANY

At an Extraordinary General Meeting of the above-named Company, duly convened and held at 20 St. James's Square, London SW1Y 4RR on 24th October, 1995 resolutions 1 and 2 were duly passed as ORDINARY RESOLUTIONS and resolutions 3 and 4 were passed as SPECIAL RESOLUTIONS:-

1. That the authorised share capital of the Company be increased from £255,000,000 to £655,000,000 by the creation of 8,000,000,000 additional Ordinary shares of 5p each.
2. That the directors be hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £400,000,000 during the period from (and including) the date of the passing of this resolution up to (and including) 30 September, 1996 after which date such authority will expire, 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 offer or agreement as if the authority conferred thereby had not expired.
3. That the objects of the Company be altered by the deletion of the existing clause 4 of the Company's memorandum of association and the substitution therefor of the following new Clause 4:-
 - "4. The objects for which the Company is established are:-
 - (1) To carry on business as a general commercial company and to carry on any trade or business whatsoever.

- (2) To lend money and grant or provide credit and financial accommodation to any person including without limitation by means of the subscription of loan or share capital or otherwise, and to negotiate loans or the subscription of loan or share capital on behalf of any person as aforesaid and to deposit money with any person.
- (3) To invest money of the Company in any investments and to hold, sell or otherwise deal with investments or currencies or other financial assets.
- (4) To borrow and raise money and accept money on deposit and to secure or discharge any debt or obligation or liability in any manner and in particular (without prejudice to the generality) by mortgages of or charges upon all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by the creation and issue of securities.
- (5) To enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality) to guarantee, support or secure, with or without consideration, whether by personal obligation 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 or in any other manner, the performance of any obligations or commitments of, and the repayment or payment of the principal amounts of and any premiums interest dividends and other moneys payable on or in respect of any securities or liabilities of, any person, including (without prejudice to the generality) any company which is for the time being a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company and generally to transact any kind of guarantee business.
- (6) To create, make, draw, accept, endorse, execute, issue, discount, buy, sell, negotiate and deal in bills, notes, bills of lading, warrants, coupons, debentures, and other negotiable or transferable instruments.
- (7) To enter into, carry on and participate in financial transactions and operations of all kinds including (without limitation) interest rate swaps, options (including traded options), swap option contracts, forward exchange contracts, futures contracts, forward rate agreements, contracts for differences, caps, collars, floors or other financial instruments including hedging agreements of any kind all or any of which may be on a fixed and/or floating rate basis and/or in respect of Sterling and/or any other currencies or basket of currencies (including but not limited to European

Currency Units (as the same may from time to time be designated or constituted)) or commodities of any kind and in the case of such swaps, options, swap option contracts, forward exchange contracts, futures contracts or other financial instruments including hedging agreements of any kind that may be undertaken by the Company on a speculative basis or in connection with the management of financial risks relating to the Company or any other company, firm or person on such terms as may be thought fit and with or without security, and to undertake, carry on and execute all kinds of financial, commercial, trading and other operations.

- (8) To amalgamate or enter into partnership or any arrangement for profit sharing or arrangement for limiting competition with, or to co-operate or participate in any way with, or to take over or assume any obligation of, or to assist or subsidise any person.
- (9) To acquire any estate or interest in and to take options over, construct, develop or exploit any property, real or personal, and rights of any kind and the whole or any part of the undertaking, assets and liabilities of any person and to act as a holding company.
- (10) To provide services of all descriptions.
- (11) To sell, exchange, mortgage, charge, let, grant licences, easements, options and other rights over, and in any other manner deal with, or dispose of, all or any part of the undertaking, property and assets (present and future) of the Company for any consideration and in particular (without prejudice to the generality) for any securities or for a share of profit or a royalty or other periodical or deferred payment.
- (12) To issue and allot securities of the Company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose, and to give any remuneration or other compensation or reward for services rendered or to be rendered in placing or procuring subscriptions of, or otherwise assisting in the issue of, any securities of the Company or in or about the formation of the Company or the conduct or course of its business.
- (13) To establish or promote, or concur or participate in establishing or promoting, any company, fund or trust and to subscribe for, underwrite, purchase or otherwise acquire securities of any company, fund or trust and to act as director of and as secretary,

manager, registrar or transfer agent for any other company and to act as trustee of any kind and to undertake and execute any trust and any trust business (including the business of acting as trustee under wills and settlements and as executor and administrator) and any agency business.

- (14) To pay all the costs, charges and expenses preliminary or incidental to the promotion, formation, establishment and incorporation of the Company, and to procure the registration, incorporation or recognition of the Company in or under the laws of any place outside England.
- (15) To establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and to grant or procure the grant of donations, gratuities, pensions, annuities, allowances, emoluments or other benefits, including benefits on death, to, or purchase and maintain any type of insurance for or for the benefit of, any Directors, officers or employees or former Directors, officers or employees of the Company or any company which at any time is or was a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the Company or whom the Board of Directors of the Company considers have any moral claim on the Company or to their relations, connections or dependants, and to establish or support any funds, trusts, insurances or schemes or any associations, institutions, clubs or schools, or to do any other thing likely to benefit any such persons or otherwise to advance the interests of such persons or the Company or its Members, and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of such persons or the Company or its Members or for any national, charitable, benevolent, educational, social, 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.
- (16) To enter into any arrangements with any government or authority or person and to obtain from any government or authority or person any legislation, orders, rights, privileges, franchises, charters, contracts, decrees and concessions and to carry out, exercise or comply with any of the same.
- (17) To apply for, promote and obtain any Act of Parliament, charters, privileges, concessions, licences or authorisations of any government, state or municipality, Provisional Order or Licence

of the Board of Trade 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.

- (18) To cease carrying on or to wind up any business or activity of the Company, and to cancel any registration of and to wind up or procure the dissolution of the Company in any state or territory.
- (19) To distribute any of the property of the Company among its creditors and Members or any class of either in cash, specie or kind.
- (20) To do all or any of the above things or matters in any part of the world and either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.
- (21) To carry on any other activity and do anything of any nature which in the opinion of the Board of Directors of the Company is or may be capable of being conveniently carried on or done in connection with the above, or likely directly or indirectly to enhance the value of or render more profitable all or any part of the Company's undertaking property or assets or otherwise to advance the interests of the Company or of its Members.
- (22) To do any other thing which is or may be incidental or conducive in the opinion of the Board of Directors of the Company to the attainment of the above objects or any of them.

In this clause "company", except where used in reference to the Company, shall include any partnership or other body of persons, whether incorporated or not incorporated, and whether formed, incorporated, domiciled or resident in the United Kingdom or elsewhere, "person" shall include any company as well as any other legal or natural person, "securities" shall include any fully, partly or nil paid or no par value share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation, "and" and "or" shall mean "and/or" where the context so permits, "other" and "otherwise" shall not be construed ejusdem generis where a wider construction is possible, and the objects specified in the different paragraphs of this clause shall not, except where the context expressly requires, be in any way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company or the nature of any trade or business carried on by the Company, or by the fact that at any time the Company is not

carrying on any trade or business but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of those paragraphs defined the objects of a separate distinct and independent company.”

4. That the regulations contained in the document produced to the Meeting and for the purpose of identification signed by the Chairman thereof be and they are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association thereof.

Company No: 213393

THE COMPANIES ACT 1985 (AS AMENDED)

COMPANY LIMITED BY SHARES

RESOLUTIONS

OF

GRAND METROPOLITAN FINANCE PUBLIC LIMITED COMPANY

At an Extraordinary General Meeting of the above-named Company duly convened and held at 20 St. James's Square, London SW1Y 4RR on 8th December, 1995, resolutions 1 and 2 were duly passed as ORDINARY RESOLUTIONS and resolutions 3 and 4 were duly passed as SPECIAL RESOLUTIONS:

1. The authorised share capital of the Company be increased from £655,000,000 to £1,760,000,000 by the creation of 50,000,000 'A' cumulative redeemable preference shares of £1 each and 1,055,000,000 'B' cumulative redeemable preference shares of £1 each.
2. In addition, and without prejudice to any and all previous authorities to allot relevant securities given to the Directors, the Directors be generally and unconditionally authorised pursuant to and in accordance with section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £1,105,000,000 and this authority shall expire on 30th November, 2001;
3. The Articles of Association of the Company be amended by the insertion of the following paragraph to replace Article 3:-
 3. The capital of the Company is divided into 13,100,000,000 Ordinary Shares of 5p each, 50,000,000 'A' cumulative redeemable preference shares of £1 each (the " 'A' Preference Shares") and 1,055,000,000 'B' cumulative redeemable preference shares of £1 each (the " 'B' Preference Shares"), the 'A' Preference Shares and 'B' Preference Shares having attached thereto the rights and being subject to the limitations and restrictions set out below.
4. The Articles of Association of the Company be amended by the insertion of the following as new Articles 3A and 3B after Article 3:-

3A. The 'A' Preference Shares shall have the rights and be subject to the limitations and restrictions set out below and shall have such other rights and be subject to such other limitations and restrictions (not being inconsistent with the rights or limitations and restrictions set out in this Article 3A) as the Directors may determine prior to allotment:-

(a) Income

- (i) Out of profits available for distribution and resolved to be distributed, the holders of the 'A' Preference Shares shall be entitled, in priority to the transfer of any sum to reserves and to any payment of dividend to the holders of any other class of shares or stock (other than the holders of the 'B' Preference Shares, with which shares the 'A' Preference Shares shall rank *pari passu*), to be paid a cumulative preferential dividend, paying in Sterling, in respect of the Dividend Period at the Dividend Rate on the nominal value thereof, such dividend to be payable on the Redemption Date.
- (ii) If the Redemption Date is not a Business Day, then payment of the dividend otherwise payable on the Redemption Date will be made on the following Business Day.
- (iii) Dividends payable on the 'A' Preference Shares shall accrue at the Dividend Rate on a daily basis and will be calculated on the basis of a 365 day year and the actual number of days elapsed in the Dividend Period.
- (iv) Each dividend on the 'A' Preference Shares shall *ipso facto* and without any resolution of the Directors or of the Company in General Meeting become a debt due from and immediately payable by the Company to the holders of the 'A' Preference Shares registered in the books of the Company on the Redemption Date. If and to the extent that any debt so constituted is not paid in full on the Redemption Date the unpaid amount thereof shall carry interest at the rate per annum equal to the sum of one per cent and LIBOR applicable from time to time in respect of the period from the Redemption Date to the date of actual payment compounded with quarterly rests. Such interest shall be due and payable on demand by the holders of the 'A' Preference Shares and shall rank as to priority as though it were the actual dividend concerned.
- (v) As used in this Article 3A, except to the extent that the context requires otherwise:-

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are generally open for business in London;

"Dividend Period" means the period beginning on the Subscription Date and ending on 27th September, 1996;

"Dividend Rate" means 4.75 per cent per annum;

"LIBOR" means in relation to any period for which any sum is overdue, the British Bankers Association settlement rate for a three month period for deposits in sterling at or about 11.00 a.m. on the first day of such period, as shown on Telerate page 3750 on the Telerate Service that day; and

"Redemption Date" means 27th September, 1996;

"Subscription Date" means the date of subscription of the 'A' Preference Shares.

(b) Capital

- (i) On a return of capital on a winding up, the holders of the 'A' Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the 'B' Preference Shares, with which shares the 'A' Preference Shares shall rank *pari passu*), to receive an amount in respect of each 'A' Preference Share equal to the nominal amount paid up on such 'A' Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the date of the commencement of the winding up.
- (ii) On a return of capital (otherwise than on a winding up or on a redemption or purchase by the Company of any of its own shares of any class), the holders of the 'A' Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the 'B' Preference Shares with which shares the 'A' Preference Shares shall rank *pari passu*), to receive an amount in respect of each 'A' Preference Share equal to the nominal amount paid up on such 'A' Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the

Dividend Rate on the basis of a 365 day year up to the date of the return of capital.

(c) Voting and General Meetings

The holders of the 'A' Preference Shares shall, by virtue of and in respect of their holdings of 'A' Preference Shares, have the right to receive notice of and attend every General Meeting of the Company but, without prejudice to the rights of the holders of the 'A' Preference Shares pursuant to sections 125 to 129 of the Companies Act 1985 or Article 3A(f), shall not have the right to speak and vote at a General Meeting of the Company.

(d) Limitations

No 'A' Preference Share shall:-

- (i) confer any right to participate in the profits or assets of the Company other than as set out in paragraphs (a) and (b) above;
- (ii) confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for shares in the Company; or
- (iii) confer any right to receive any shares credited as paid up wholly or in part by way of a capitalisation of profits or reserves.

(e) Redemption

- (i) Subject to the Companies Act 1985 (as amended) the Company shall redeem all the 'A' Preference Shares on the Redemption Date.
- (ii) There shall be paid on each 'A' Preference Share redeemed under sub-paragraph (i) above the amount paid up thereon, together with a sum equal to all arrears and accruals (if any) of the preferential dividend thereon to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the Redemption Date.
- (iii) As from the Redemption Date the preferential dividend shall cease to accrue on the 'A' Preference Shares except in the case of any 'A' Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the redemption monies shall be refused, in which case the preferential dividend shall be deemed to have continued and shall accordingly continue to accrue

at the Dividend Rate on the basis of a 365 day year from the Redemption Date down to and including the actual date of payment of such redemption monies. 'A' Preference Shares shall not be treated as having been redeemed until the monies and all arrears or deficiencies or accruals of the preferential dividend have been paid.

- (iv) If any holder of any of the 'A' Preference Shares to be redeemed shall fail or refuse to deliver up the certificate or certificates held at the Redemption Date or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the Company's bankers (designated for the benefit of such holder) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant 'A' Preference Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the Company in connection therewith.
- (v) The receipt of the registered holder for the time being of any 'A' 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.

(f) Further Issues and Variation of Rights

The rights attached to the 'A' Preference Shares may be varied with the consent in writing of the holder or holders of all the 'A' Preference Shares but not otherwise.

If at any time there are 'A' Preference Shares in issue, no additional 'A' Preference Shares may be issued except pro rata to the then existing holders thereof or with the consent in writing of all such holders.

- 3B. The 'B' Preference Shares shall have the rights and be subject to the limitations and restrictions set out below and shall have such other rights and be subject to such other limitations and restrictions (not being inconsistent with the rights or limitations and restrictions set out in this Article 3B) the Directors may determine prior to allotment:-

(a) Income

- (i) Out of profits available for distribution and resolved to be distributed, the holders of the 'B' Preference Shares shall be entitled, in priority to the transfer of any sum to reserves and to any payment of dividend to the holders of any other class of shares or stock (other than the holders of the 'A' Preference Shares, with which shares the 'B' Preference Shares shall rank *pari passu*), to be paid a cumulative preferential dividend, paying in Sterling, in respect of the Dividend Period at the Dividend Rate on the nominal value thereof, such dividend to be payable on the Redemption Date.
- (ii) If the Redemption Date is not a Business Day, then payment of the dividend otherwise payable on the Redemption Date will be made on the following Business Day.
- (iii) Dividends payable on the 'B' Preference Shares shall accrue at the Dividend Rate on a daily basis and will be calculated on the basis of a 365 day year and the actual number of days elapsed in the Dividend Period.
- (iv) Each dividend on the 'B' Preference Shares shall *ipso facto* and without any resolution of the Directors or of the Company in General Meeting become a debt due from and immediately payable by the Company to the holders of the 'B' Preference Shares registered in the books of the Company on the Redemption Date. If and to the extent that any debt so constituted is not paid in full on the Redemption Date the unpaid amount thereof shall carry interest at the rate per annum equal to the sum of one per cent and LIBOR applicable from time to time in respect of the period from the Redemption Date to the date of actual payment compounded with quarterly rests. Such interest shall be due and payable on demand by the holders of the 'B' Preference Shares and shall rank as to priority as though it were the actual dividend concerned.
- (v) As used in this Article 3B, except to the extent that the context requires otherwise:-

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are generally open for business in London;

"Dividend Period" means the period beginning on the Subscription Date and ending on 30th September, 1996;

"Dividend Rate" means 4.75 per cent per annum;

"LIBOR" means in relation to any period for which any sum is overdue, the British Bankers Association settlement rate for a three month period for deposits in sterling at or about 11.00 a.m. on the first day of such period, as shown on Telerate page 3750 on the Telerate Service that day; and

"Redemption Date" means 30th September, 1996;

"Subscription Date" means the date of subscription of the 'B' Preference Shares.

(b) Capital

- (i) On a return of capital on a winding up, the holders of the 'B' Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the 'A' Preference Shares, with which shares the 'B' Preference Shares shall rank *pari passu*), to receive an amount in respect of each 'B' Preference Share equal to the nominal amount paid up on such 'B' Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the date of the commencement of the winding up.
- (ii) On a return of capital (otherwise than on a winding up or on a redemption or purchase by the Company of any of its own shares of any class), the holders of the 'B' Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the 'A' Preference Shares with which shares the 'B' Preference Shares shall rank *pari passu*), to receive an amount in respect of each 'B' Preference Share equal to the nominal amount paid up on such 'B' Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to the date of the return of capital.

(c) Voting and General Meetings

The holders of the 'B' Preference Shares shall, by virtue of and in respect of their holdings of 'B' Preference Shares, have the right

to receive notice of and attend every General Meeting of the Company but, without prejudice to the rights of the holders of the 'B' Preference Shares pursuant to sections 125 to 129 of the Companies Act 1985 or Article 3A(f), shall not have the right to speak and vote at a General Meeting of the Company.

(d) Limitations

No 'B' Preference Share shall:-

- (i) confer any right to participate in the profits or assets of the Company other than as set out in paragraphs (a) and (b) above;
- (ii) confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for shares in the Company; or
- (iii) confer any right to receive any shares credited as paid up wholly or in part by way of a capitalisation of profits or reserves.

(e) Redemption

- (i) Subject to the Companies Act 1985 (as amended) the Company shall redeem all the 'B' Preference Shares on the Redemption Date.
- (ii) There shall be paid on each 'B' Preference Share redeemed under sub-paragraph (i) above the amount paid up thereon, together with a sum equal to all arrears and accruals (if any) of the preferential dividend thereon to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the Redemption Date.
- (iii) As from the Redemption Date the preferential dividend shall cease to accrue on the 'B' Preference Shares except in the case of any 'B' Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the redemption monies shall be refused, in which case the preferential dividend shall be deemed to have continued and shall accordingly continue to accrue at the Dividend Rate on the basis of a 365 day year from the Redemption Date down to and including the actual date of payment of such redemption monies. 'B' Preference Shares shall not be treated as having been redeemed until the monies and all arrears or deficiencies or accruals of the preferential dividend have been paid.

- (iv) If any holder of any of the 'B' Preference Shares to be redeemed shall fail or refuse to deliver up the certificate or certificates held at the Redemption Date or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the Company's bankers (designated for the benefit of such holder) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant 'B' Preference Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the Company in connection therewith.
- (v) The receipt of the registered holder for the time being of any 'B' 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.

(f) Further Issues and Variation of Rights

The rights attached to the 'B' Preference Shares may be varied with the consent in writing of the holder or holders of all the 'B' Preference Shares but not otherwise.

If at any time there are 'B' Preference Shares in issue, no additional 'B' Preference Shares may be issued except pro rata to the then existing holders thereof or with the consent in writing of all such holders."

(Signed) G.M.N. Corbett

Chairman of the Meeting

Company No: 213393

THE COMPANIES ACT 1985 (AS AMENDED)

COMPANY LIMITED BY SHARES

RESOLUTIONS

OF

GRAND METROPOLITAN FINANCE PUBLIC LIMITED COMPANY

At an Extraordinary General Meeting of the above-named Company duly convened and held at 20 St. James's Square, London SW1Y 4RR on 27th February, 1996, resolutions 1 and 2 were duly passed as ORDINARY RESOLUTIONS and resolutions 3, 4 and 5 were duly passed as SPECIAL RESOLUTIONS:

1. That the authorised share capital of the Company be increased from £1,760,000,000 to £2,760,000,000 by the creation of 1,000,000,000 'C' cumulative redeemable preference shares of £1 each.
2. That in addition, and without prejudice to any and all previous authorities to allot relevant securities given to the Directors, the Directors be generally and unconditionally authorised pursuant to and in accordance with section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £1,000,000,000 and this authority shall expire on 31st March, 1996;
3. That the Articles of Association of the Company be amended by the insertion of the following Article to replace Article 3:-
 3. The capital of the Company is divided into 13,100,000,000 Ordinary Shares of 5p each, 50,000,000 'A' cumulative redeemable preference shares of £1 each (the "A' Preference Shares"), 1,055,000,000 'B' cumulative redeemable preference shares of £1 each (the "B' Preference Shares") and 1,000,000,000 'C' cumulative redeemable preference shares of £1 each (the "C' Preference Shares"), the 'A' Preference Shares, 'B' Preference Shares and 'C' Preference Shares having attached thereto the rights and being subject to the limitations and restrictions set out below.
4. That the Articles of Association of the Company be amended by the insertion of the following as a new Article 3C after Article 3B:-

"3C. The 'C' Preference Shares shall have the rights and be subject to the limitations and restrictions set out below and shall have such other rights and be subject to such other limitations and restrictions (not being inconsistent with the rights or limitations and restrictions set out in this Article 3C) as the Directors may determine prior to allotment:-

(a) Income

- (i) Out of profits available for distribution and resolved to be distributed, the holders of the 'C' Preference Shares shall be entitled, in priority to the transfer of any sum to reserves and to any payment of dividend to the holders of any other class of shares or stock (other than the holders of the 'A' Preference Shares and the 'B' Preference Shares, with which shares the 'C' Preference Shares shall rank *pari passu*), to be paid a cumulative preferential dividend, paying in Sterling, in respect of the Dividend Period at the Dividend Rate on the nominal value thereof, such dividend to be payable on each Dividend Payment Date.
- (ii) If the Dividend Payment Date is not a Business Day, then payment of the dividend otherwise payable on the Dividend Payment Date will be made on the following Business Day.
- (iii) Dividends payable on the 'C' Preference Shares shall accrue at the Dividend Rate on a daily basis and will be calculated on the basis of a 365 day year and the actual number of days elapsed in the Dividend Period.
- (iv) Each dividend on the 'C' Preference Shares shall *ipso facto* and without any resolution of the Directors or of the Company in General Meeting become a debt due from and immediately payable by the Company to the holders of the 'C' Preference Shares registered in the books of the Company on the relevant Dividend Payment Date.
- (v) As used in this Article 3C, except to the extent that the context requires otherwise:-

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are generally open for business in London;

"Dividend Period" means each of the following periods consecutively:-

- (1) from the Subscription Date inclusive to 30th April, 1996 exclusive;

- (2) from 30th April, 1996 inclusive to 31st July, 1996 exclusive;
- (3) from 31st July, 1996 to 31st October, 1996 exclusive;
- (4) from 31st October, 1996 inclusive to 31st January, 1997 exclusive;
- (5) from 31st January, 1997 inclusive to 30th April, 1997 exclusive
- (6) from 30th April, 1997 inclusive to 31st July, 1997 exclusive;
- (7) from 31st July, 1997 inclusive to 31st October, 1997 exclusive;
- (8) from 31st October, 1997 inclusive to 30th January, 1998 exclusive; and
- (9) from 30th January, 1998 inclusive to the Redemption Date exclusive.

"Dividend Payment Date" means the last day of each Dividend Period;

"Dividend Rate" means 5 per cent per annum;

"Redemption Date" means 20th February, 1998;

"Subscription Date" means the date of subscription of the 'C' Preference Shares.

(b) Capital

- (i) On a return of capital on a winding up, the holders of the 'C' Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the 'A' Preference Shares and the 'B' Preference Shares, with which shares the 'C' Preference Shares shall rank *pari passu*), to receive an amount in respect of each 'C' Preference Share equal to the nominal amount paid up on such 'C' Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the date of the commencement of the winding up.

- (ii) On a return of capital (otherwise than on a winding up or on a redemption or purchase by the Company of any of its own shares of any class), the holders of the 'C' Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the 'A' Preference Shares and the 'B' Preference Shares with which shares the 'C' Preference Shares shall rank pari passu), to receive an amount in respect of each 'C' Preference Share equal to the nominal amount paid up on such 'C' Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to the date of the return of capital.

(c) Voting and General Meetings

The holders of the 'C' Preference Shares shall, by virtue of and in respect of their holdings of 'C' Preference Shares, have the right to receive notice of and attend every General Meeting of the Company but, without prejudice to the rights of the holders of the 'C' Preference Shares pursuant to sections 125 to 129 of the Companies Act 1985 or Article 3C(f), shall not have the right to speak and vote at a General Meeting of the Company.

(d) Limitations

No 'C' Preference Share shall:-

- (i) confer any right to participate in the profits or assets of the Company other than as set out in paragraphs (a) and (b) above;
- (ii) confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for shares in the Company; or
- (iii) confer any right to receive any shares credited as paid up wholly or in part by way of a capitalisation of profits or reserves.

(e) Redemption

- (i) Subject to the Companies Act 1985 (as amended) the Company shall redeem all the 'C' Preference Shares on the Redemption Date.
- (ii) There shall be paid on each 'C' Preference Share redeemed under sub-paragraph (i) above the amount

paid up thereon, together with a sum equal to all arrears and accruals (if any) of the preferential dividend thereon to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the Redemption Date.

- (iii) As from the Redemption Date the preferential dividend shall cease to accrue on the 'C' Preference Shares except in the case of any 'C' Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the redemption monies shall be refused, in which case the preferential dividend shall be deemed to have continued and shall accordingly continue to accrue at the Dividend Rate on the basis of a 365 day year from the Redemption Date down to and including the actual date of payment of such redemption monies. 'C' Preference Shares shall not be treated as having been redeemed until the monies and all arrears or deficiencies or accruals of the preferential dividend have been paid.
- (iv) If any holder of any of the 'C' Preference Shares to be redeemed shall fail or refuse to deliver up the certificate or certificates held at the Redemption Date or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the Company's bankers (designated for the benefit of such holder) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant 'C' Preference Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the Company in connection therewith.
- (v) The receipt of the registered holder for the time being of any 'C' 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.

(f) Further Issues and Variation of Rights

The rights attached to the 'C' Preference Shares may be varied with the consent in writing of the holder or holders of all the 'C' Preference Shares but not otherwise.

If at any time there are 'C' Preference Shares in issue, no additional 'C' Preference Shares may be issued except pro rata to the then existing holders thereof or with the consent in writing of all such holders."

5. The Articles of Association of the Company be amended by the insertion of the words "and the 'C' Preference Shares" as follows:
 - (a) after the words "'B' Preference Shares" in Article 3A(a)(i);
 - (b) after the words "'B' Preference Shares" in Article 3A(b)(i);
 - (c) after the words "'B' Preference Shares" in Article 3A(b)(ii);
 - (d) after the words "'A' Preference Shares" in Article 3B(a)(i);
 - (e) after the words "'A' Preference Shares" in Article 3B(b)(i); and
 - (f) after the words "'A' Preference Shares" in Article 3B(b)(ii).

(Signed) P.K. Bentley

Chairman of the Meeting

Filed with the Registrar of Companies on 1st March, 1996.

Company No: 213393

THE COMPANIES ACT 1985 (AS AMENDED)

COMPANY LIMITED BY SHARES

RESOLUTIONS

OF

GRAND METROPOLITAN FINANCE PUBLIC LIMITED COMPANY

At an Extraordinary General Meeting of the above-named Company duly convened and held at 20 St. James's Square, London SW1Y 4RR on 1st May, 1996, resolutions 1 and 2 were duly passed as ORDINARY RESOLUTIONS and resolutions 3, 4, 5 and 6 were duly passed as SPECIAL RESOLUTIONS:

1. That the authorised share capital of the Company be increased from £2,760,000,000 to £3,660,000,000 by the creation of 900,000,000 'D' cumulative redeemable preference shares of £1 each.
2. That in addition, and without prejudice to any and all previous authorities to allot relevant securities given to the Directors, the Directors be generally and unconditionally authorised pursuant to and in accordance with section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £900,000,000 and this authority shall expire on 30th April, 2001;
3. That the Articles of Association of the Company be amended by the insertion of the following Article to replace Article 3:-
 - "3. The capital of the Company is divided into 13,100,000,000 Ordinary Shares of 5p each, 50,000,000 'A' cumulative redeemable preference shares of £1 each (the "A' Preference Shares"), 1,055,000,000 'B' cumulative redeemable preference shares of £1 each (the "B' Preference Shares, 1,000,000,000 'C' cumulative redeemable preference shares of £1 each (the "C' Preference Shares"), and 900,000,000 'D' cumulative redeemable preference shares of £1 each (the "D' Preference Shares"), the 'A' Preference Shares, 'B' Preference Shares, 'C' Preference Shares and 'D' Preference Shares having attached thereto the rights and being subject to the limitations and restrictions set out below."

4. That the Articles of Association of the Company be amended as follows:-

- (i) by the deletion of Article 3A(a) and the substitution therefor of the following:-

“(a) Income

- (i) Out of profits available for distribution and resolved to be distributed, the holders of the ‘A’ Preference Shares shall be entitled, in priority to the transfer of any sum to reserves and to any payment of dividend to the holders of any other class of shares or stock (other than the holders of the ‘B’ Preference Shares, the ‘C’ Preference Shares and the ‘D’ Preference Shares, with which shares the ‘A’ Preference Shares shall rank *pari passu*), to be paid a cumulative preferential dividend, payable in Sterling, in respect of each Dividend Period at the Dividend Rate on the nominal value thereof, such dividend to be payable on the Dividend Payment Date.
- (ii) If the Dividend Payment Date is not a Business Day, then payment of the dividend otherwise payable on the Dividend Payment Date will be made on the following Business Day.
- (iii) Dividends payable on the ‘A’ Preference Shares shall accrue at the Dividend Rate on a daily basis and will be calculated on the basis of a 365 day year and the actual number of days elapsed in the Dividend Period.
- (iv) Each dividend on the ‘A’ Preference Shares shall *ipso facto* and without any resolution of the Directors or of the Company in General Meeting become a debt due from and immediately payable by the Company to the holders of the ‘A’ Preference Shares registered in the books of the Company on the Dividend Payment Date.
- (v) As used in this Article 3A, except to the extent that the context requires otherwise:-

“Business Day” means a day (other than a Saturday or Sunday) on which commercial banks are generally open for business in London;

“Dividend Payment Date” means the last day of a Dividend Period;

“Dividend Period” means each of the following periods consecutively:-

- (i) from the Subscription Date inclusive to 27th September, 1996 exclusive;
- (ii) from 27th September, 1996 inclusive to 30th October, 1996 exclusive.

“Dividend Rate” means 4.75 per cent per annum;

“Subscription Date” means the date of subscription of the ‘A’ Preference Shares”; and

- (ii) by the deletion of Article 3A(e) and the substitution therefor of the following:-

“(e) Redemption

- (i) Subject to the Companies Act 1985 (as amended):-

(A) the Company may redeem all the ‘A’ Preference Shares on the giving of not less than two Business Days (as defined in Article 3A(a)(v)) notice in writing to the holder(s) of all the ‘A’ Preference Shares (the date on which such redemption takes effect being referred to in this Article 3A as the “Early Redemption Date”); and

(B) the Company shall redeem all the ‘A’ Preference Shares, if not redeemed pursuant to sub-paragraph (i)(A) above, on 30th October, 1996 (the “Final Redemption Date”) (either of the Early Redemption Date and the Final Redemption Date being referred to herein as the “Redemption Date”).

- (ii) There shall be paid by 12 noon on the relevant Redemption Date on each ‘A’ Preference Share redeemed under sub-paragraph (i) above the amount paid up thereon, together with a sum equal to all arrears and accruals (if any) of the preferential dividend thereon irrespective of whether or not such dividend has been declared or earned or has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the relevant Redemption Date.

- (iii) As from the Redemption Date the preferential dividend shall cease to accrue on the ‘A’ Preference Shares except in the case of any ‘A’ Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the redemption monies shall be refused, in which case the preferential dividend shall be deemed to have continued and shall accordingly continue to accrue at the Dividend Rate on the basis of a 365 day year from the Redemption Date down to and including the actual date of payment of such redemption monies.

'A' Preference Shares shall not be treated as having been redeemed until the monies and all arrears or deficiencies or accruals of the preferential dividend have been paid.

- (iv) If any holder of any of the 'A' Preference Shares to be redeemed shall fail or refuse to deliver up the certificate or certificates held at the Redemption Date or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the Company's bankers (designated for the benefit of such holder) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant 'A' Preference Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the Company in connection therewith.
- (v) The receipt of the registered holder for the time being of any 'A' 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."; and
- (iii) by the deletion of Article 3B(a) and the substitution therefor of the following:-
 - “(a) Income
 - (i) Out of profits available for distribution and resolved to be distributed, the holders of the 'B' Preference Shares shall be entitled, in priority to the transfer of any sum to reserves and to any payment of dividend to the holders of any other class of shares or stock (other than the holders of the 'A' Preference Shares, the 'C' Preference Shares and the 'D' Preference Shares, with which shares the 'B' Preference Shares shall rank *pari passu*), to be paid a cumulative preferential dividend, payable in Sterling, in respect of each Dividend Period at the Dividend Rate on the nominal value thereof, such dividend to be payable on the Dividend Payment Date.
 - (ii) If the Dividend Payment Date is not a Business Day, then payment of the dividend otherwise payable on the Dividend Payment Date will be made on the following Business Day.

- (iii) Dividends payable on the 'B' Preference Shares shall accrue at the Dividend Rate on a daily basis and will be calculated on the basis of a 365 day year and the actual number of days elapsed in the Dividend Period.
- (iv) Each dividend on the 'B' Preference Shares shall ipso facto and without any resolution of the Directors or of the Company in General Meeting become a debt due from and immediately payable by the Company to the holders of the 'B' Preference Shares registered in the books of the Company on the Dividend Payment Date.
- (v) As used in this Article 3B, except to the extent that the context requires otherwise:-

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are generally open for business in London;

"Dividend Payment Date" means the last day of each Dividend Period,

"Dividend Period" means each of the following periods consecutively:-

- (i) from the Subscription Date inclusive to 30th September, 1996 exclusive;
- (ii) from 30th September, 1996 inclusive to 30th October, 1996 exclusive.

"Dividend Rate" means 4.75 per cent per annum;

"Subscription Date" means the date of subscription of the 'B' Preference Shares."; and

- (iv) by the deletion of Article 3B(e) and the substitution therefor of the following:-

"(e) Redemption

- (i) Subject to the Companies Act 1985 (as amended):-
 - (A) the Company may redeem all the 'B' Preference Shares on the giving of not less than two Business Days (as defined in Article 3B(a)(v)) notice in writing to the holder(s) of all the 'B' Preference Shares (the date on which such redemption takes

effect being referred to in this Article 3B as the "Early Redemption Date"); and

- (B) the Company shall redeem all the 'B' Preference Shares, if not redeemed pursuant to sub-paragraph (i)(A) above, on 30th October, 1996 (the "Final Redemption Date") (either of the Early Redemption Date and the Final Redemption Date being referred to herein as the "Redemption Date").
- (ii) There shall be paid by 12 noon on the relevant Redemption Date on each 'B' Preference Share redeemed under sub-paragraph (i) above the amount paid up thereon, together with a sum equal to all arrears and accruals (if any) of the preferential dividend thereon irrespective of whether or not such dividend has been declared or earned or has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the relevant Redemption Date.
- (iii) As from the Redemption Date the preferential dividend shall cease to accrue on the 'B' Preference Shares except in the case of any 'B' Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the redemption monies shall be refused, in which case the preferential dividend shall be deemed to have continued and shall accordingly continue to accrue at the Dividend Rate on the basis of a 365 day year from the Redemption Date down to and including the actual date of payment of such redemption monies. 'B' Preference Shares shall not be treated as having been redeemed until the monies and all arrears or deficiencies or accruals of the preferential dividend have been paid.
- (iv) If any holder of any of the 'B' Preference Shares to be redeemed shall fail or refuse to deliver up the certificate or certificates held at the Redemption Date or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the Company's bankers (designated for the benefit of such holder) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant 'B' Preference Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The

Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the Company in connection therewith.

- (v) The receipt of the registered holder for the time being of any 'B' 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."; and
- (v) by the deletion of the words "the Redemption Date" in Article 3C(a)(v)(9) and the substitution therefor of "20th February, 1998"; and
- (vi) by the deletion of the words "'Redemption Date' means 20th February, 1998;" in Article 3C(a)(v); and
- (vii) by the deletion of Article 3C(e) and the substitution therefor of the following:-

"(e) Redemption

- (i) Subject to the Companies Act 1985 (as amended):-
 - (A) the Company may redeem all the 'C' Preference Shares on the giving of not less than two Business Days (as defined in Article 3C(a)(v)) notice in writing to the holder(s) of all the 'C' Preference Shares (the date on which such redemption takes effect being referred to in this Article 3C as the "Early Redemption Date"); and
 - (B) the Company shall redeem all the 'C' Preference Shares, if not redeemed pursuant to sub-paragraph (i)(A) above, on 20th February, 1998 (the "Final Redemption Date") (either of the Early Redemption Date and the Final Redemption Date being referred to herein as the "Redemption Date").
- (ii) There shall be paid by 12 noon on the relevant Redemption Date on each 'C' Preference Share redeemed under sub-paragraph (i) above the amount paid up thereon, together with a sum equal to all arrears and accruals (if any) of the preferential dividend thereon irrespective of whether or not such dividend has been declared or earned or has become due and payable, to be

calculated at the Dividend Rate on the basis of a 365 day year up to and including the relevant Redemption Date.

- (iii) As from the Redemption Date the preferential dividend shall cease to accrue on the 'C' Preference Shares except in the case of any 'C' Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the redemption monies shall be refused, in which case the preferential dividend shall be deemed to have continued and shall accordingly continue to accrue at the Dividend Rate on the basis of a 365 day year from the Redemption Date down to and including the actual date of payment of such redemption monies. 'C' Preference Shares shall not be treated as having been redeemed until the monies and all arrears or deficiencies or accruals of the preferential dividend have been paid.
- (iv) If any holder of any of the 'C' Preference Shares to be redeemed shall fail or refuse to deliver up the certificate or certificates held at the Redemption Date or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the Company's bankers (designated for the benefit of such holder) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant 'C' Preference Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the Company in connection therewith.
- (v) The receipt of the registered holder for the time being of any 'C' 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."

5. That the Articles of Association of the Company be amended by the insertion of the following as a new Article 3D after Article 3C:-

"3D. The 'D' Preference Shares shall have the rights and be subject to the limitations and restrictions set out below and shall have such other rights and be subject to such other limitations and restrictions (not being

inconsistent with the rights or limitations and restrictions set out in this Article 3D) as the Directors may determine prior to allotment:-

(a) Income

- (i) Out of profits available for distribution and resolved to be distributed, the holders of the 'D' Preference Shares shall be entitled, in priority to the transfer of any sum to reserves and to any payment of dividend to the holders of any other class of shares or stock (other than the holders of the 'A' Preference Shares, 'B' Preference Shares and the 'C' Preference Shares with which shares the 'D' Preference Shares shall rank *pari passu*), to be paid a cumulative preferential dividend, payable in Sterling, in respect of each Dividend Period at the Dividend Rate on the nominal value thereof, such dividend to be payable on the Dividend Payment Date.
- (ii) If the Dividend Payment Date is not a Business Day, then payment of the dividend otherwise payable on the Dividend Payment Date will be made on the following Business Day.
- (iii) Dividends payable on the 'D' Preference Shares shall accrue at the Dividend Rate on a daily basis and will be calculated on the basis of a 365 day year and the actual number of days elapsed in the Dividend Period.
- (iv) Each dividend on the 'D' Preference Shares shall *ipso facto* and without any resolution of the Directors or of the Company in General Meeting become a debt due from and immediately payable by the Company to the holders of the 'D' Preference Shares registered in the books of the Company on the relevant Dividend Payment Date.
- (v) As used in this Article 3D, except to the extent that the context requires otherwise:-

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are generally open for business in London;

"Dividend Payment Date" means the last day of each Dividend Period;

"Dividend Period" means each of the following periods consecutively:-

- (i) from the Subscription Date inclusive to 30th September, 1996 exclusive;
- (ii) from 30th September, 1996 inclusive to 30th October, 1996 exclusive.

“Dividend Rate” means 4.55 per cent per annum;

“Subscription Date” means the date of subscription of the ‘D’ Preference Shares.

(b) Capital

- (i) On a return of capital on a winding up, the holders of the ‘D’ Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the ‘A’ Preference Shares ‘B’ Preference Shares and the ‘C’ Preference Shares, with which shares the ‘D’ Preference Shares shall rank pari passu), to receive an amount in respect of each ‘D’ Preference Share equal to the nominal amount paid up on such ‘D’ Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the date of the commencement of the winding up.
- (ii) On a return of capital (otherwise than on a winding up or on a redemption or purchase by the Company of any of its own shares of any class), the holders of the ‘D’ Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the ‘A’ Preference Shares, ‘B’ Preference Shares and the ‘C’ Preference Shares with which shares the ‘D’ Preference Shares shall rank pari passu), to receive an amount in respect of each ‘D’ Preference Share equal to the nominal amount paid up on such ‘D’ Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to the date of the return of capital.

(c) Voting and General Meetings

The holders of the ‘D’ Preference Shares shall, by virtue of and in respect of their holdings of ‘D’ Preference Shares, have the right to receive notice of and attend every General Meeting of the

Company but, without prejudice to the rights of the holders of the 'D' Preference Shares pursuant to sections 125 to 129 of the Companies Act 1985 or Article 3D(f), shall not have the right to speak and vote at a General Meeting of the Company.

(d) Limitations

No 'D' Preference Share shall:-

- (i) confer any right to participate in the profits or assets of the Company other than as set out in paragraphs (a) and (b) above;
- (ii) confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for shares in the Company; or
- (iii) confer any right to receive any shares credited as paid up wholly or in part by way of a capitalisation of profits or reserves.

(e) Redemption

- (i) Subject to the Companies Act 1985 (as amended):-
 - (A) the Company may redeem all the 'D' Preference Shares on the giving of not less than two Business Days (as defined in Article 3D(a)(v)) notice in writing to the holder(s) of all the 'D' Preference Shares (the date on which such redemption takes effect being referred to in this Article 3D as the "Early Redemption Date"); and
 - (B) the Company shall redeem all the 'D' Preference Shares, if not redeemed pursuant to sub-paragraph (i)(A) above, on 30th October, 1996 (the "Final Redemption Date") (either of the Early Redemption Date and the Final Redemption Date being referred to herein as the "Redemption Date").
- (ii) There shall be paid by 12 noon on the relevant Redemption Date on each 'D' Preference Share redeemed under sub-paragraph (i) above the amount paid up thereon, together with a sum equal to all arrears and accruals (if any) of the preferential dividend thereon irrespective of whether or not such dividend has been declared or earned or has become due and payable, to be

calculated at the Dividend Rate on the basis of a 365 day year up to and including the relevant Redemption Date.

- (iii) As from the Redemption Date the preferential dividend shall cease to accrue on the 'D' Preference Shares except in the case of any 'D' Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the redemption monies shall be refused, in which case the preferential dividend shall be deemed to have continued and shall accordingly continue to accrue at the Dividend Rate on the basis of a 365 day year from the Redemption Date down to and including the actual date of payment of such redemption monies. 'D' Preference Shares shall not be treated as having been redeemed until the monies and all arrears or deficiencies or accruals of the preferential dividend have been paid.
- (iv) If any holder of any of the 'D' Preference Shares to be redeemed shall fail or refuse to deliver up the certificate or certificates held at the Redemption Date or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the Company's bankers (designated for the benefit of such holder) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant 'D' Preference Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the Company in connection therewith.
- (v) The receipt of the registered holder for the time being of any 'D' 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.
- (f) Further Issues and Variation of Rights

The rights attached to the 'D' Preference Shares may be varied with the consent in writing of the holder or holders of all the 'D' Preference Shares but not otherwise.

If at any time there are 'D' Preference Shares in issue, no additional 'D' Preference Shares may be issued except pro rata to the then existing holders thereof or with the consent in writing of all such holders."

6. The Articles of Association of the Company be amended by the insertion of the words "and the 'D' Preference Shares" as follows:

- (a) after the words "'C' Preference Shares" in Article 3A(b)(i);
- (b) after the words "'C' Preference Shares" in Article 3A(b)(ii);
- (c) after the words "'C' Preference Shares" in Article 3B(b)(i);
- (d) after the words "'C' Preference Shares" in Article 3B(b)(ii);
- (e) after the words "'B' Preference Shares" in Article 3C(a)(i);
- (f) after the words "'B' Preference Shares" in Article 3C(b)(i);
- (g) after the words "'B' Preference Shares" in Article 3C(b)(ii);

G.M.N. Corbett

.....

Chairman of the Meeting

Filed with the Registrar of Companies on 13th May, 1996.

Company No: 213393

THE COMPANIES ACT 1985 (AS AMENDED)

COMPANY LIMITED BY SHARES

RESOLUTIONS

OF

GRAND METROPOLITAN FINANCE PUBLIC LIMITED COMPANY

At an Extraordinary General Meeting of the above-named Company duly convened and held at 8 Henrietta Place, London W1M 9AG on 18th October, 1996, resolutions 1 and 2 were duly passed as ORDINARY RESOLUTIONS and resolutions 3, 4, 5 and 6 were duly passed as SPECIAL RESOLUTIONS:

1. That the authorised share capital of the Company be increased from £3,660,000,000 to £5,665,000,000 by the creation of 2,005,000,000 'E' cumulative redeemable preference shares of £1 each.
2. That in addition, and without prejudice to any and all previous authorities to allot relevant securities given to the Directors, the Directors be generally and unconditionally authorised pursuant to and in accordance with section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £2,005,000,000 and this authority shall expire on 16th October, 2001;
3. That the Articles of Association of the Company be amended by the insertion of the following Article to replace Article 3:-

“3. The capital of the Company is divided into 13,100,000,000 Ordinary Shares of 5p each, 50,000,000 'A' cumulative redeemable preference shares of £1 each (the “A' Preference Shares”), 1,055,000,000 'B' cumulative redeemable preference shares of £1 each (the “B' Preference Shares”), 1,000,000,000 'C' cumulative redeemable preference shares of £1 each (the “C' Preference Shares”), 900,000,000 'D' cumulative redeemable preference shares of £1 each (the “D' Preference Shares”) and 2,005,000,000 'E' cumulative redeemable preference shares of £1 each (the “E' Preference Shares”), the 'A' Preference Shares, 'B' Preference Shares, 'C' Preference Shares, 'D' Preference Shares and 'E' Preference Shares having attached thereto the rights and being subject to the limitations and restrictions set out below.”

4. That Article 3C of the Company's Articles of Association be amended by the deletion of Article 3C(e) and the substitution therefor of the following:-

“(e) Redemption

- (i) Subject to the Companies Act 1985 (as amended):-
- (A) the Company may redeem all or any of the 'C' Preference Shares on the giving of not less than two Business Days (as defined in Article 3C(a)(v)) notice in writing to the holder(s) of the 'C' Preference Shares to be redeemed such notice to specify the number of such holder's 'C' Preference Shares to be redeemed and the date on which such redemption is to take effect;
 - (B) any holder of 'C' Preference Shares may require the Company to redeem all or any of the 'C' Preference Shares held by him by giving not less than thirty Business Days (as defined in Article 3(C)(a)(v)) notice in writing to the Company, such notice to specify the number of such holder's 'C' Preference Shares to be redeemed and the date on which such redemption is to take effect; and
 - (C) the Company shall redeem all the 'C' Preference Shares, if not redeemed pursuant to sub-paragraph (i)(A) or (B) above, on 20th February, 1998 (the date on which the redemption of any Preference Shares is to take effect in accordance with either sub-paragraph (A) or (B) above or this sub-paragraph (C) being referred to in this Article 3C as the "Redemption Date").
- (ii) There shall be paid by 12 noon on the relevant Redemption Date on each 'C' Preference Share to be redeemed under sub-paragraph (i) above the amount paid up thereon, together with a sum equal to all arrears and accruals (if any) of the preferential dividend thereon irrespective of whether or not such dividend has been declared or earned or has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the relevant Redemption Date.
- (iii) As from the relevant Redemption Date the preferential dividend shall cease to accrue on the 'C' Preference Shares to be redeemed on that date except in the case of any of such 'C' Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the redemption monies shall be refused, in which case the preferential dividend shall be deemed to have continued and shall accordingly continue to accrue at the Dividend Rate on the basis of a 365 day year from the relevant Redemption Date down to and including the actual

date of payment of such redemption monies. No 'C' Preference Share shall be treated as having been redeemed until the monies and all arrears or deficiencies or accruals of the preferential dividend in respect thereof have been paid.

- (iv) If any holder of any of the 'C' Preference Shares to be redeemed shall fail or refuse to deliver up on the relevant Redemption Date the certificate or certificates held by him in respect of such 'C' Preference Shares or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the Company's bankers (designated for the benefit of such holder) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant 'C' Preference Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the Company in connection therewith.
- (v) The receipt of the registered holder for the time being of any 'C' 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."

5. That the Articles of Association of the Company be amended by the insertion of the following as a new Article 3E after Article 3D:-

"3E. The 'E' Preference Shares shall have the rights and be subject to the limitations and restrictions set out below and shall have such other rights and be subject to such other limitations and restrictions not being inconsistent with the rights or limitations and restrictions set out in this Article 3E as the Directors may determine prior to allotment:-

(a) Income

- (i) Out of profits available for distribution and resolved to be distributed, the holders of the 'E' Preference Shares shall be entitled, in priority to the transfer of any sum to reserves and to any payment of dividend to the holders of any other class of shares or stock (other than the holders of the 'A' Preference Shares, the 'B' Preference Shares, the 'C' Preference Shares and the 'D' Preference Shares, with which shares the 'E' Preference Shares shall rank *pari passu*), to be paid a cumulative preferential dividend, payable in Sterling, in respect of each

Dividend Period at the Dividend Rate on the nominal value thereof, such dividend to be payable on the last day of the Dividend Period.

- (ii) Dividends payable on the 'E' Preference Shares shall accrue at the Dividend Rate on a daily basis and, in respect of any Dividend Period shorter than a year, will be calculated on the basis of a 365 day year and the actual number of days elapsed in such Dividend Period.
- (iii) Each dividend on the 'E' Preference Shares shall ipso facto and without any resolution of the Directors or of the Company in General Meeting become a debt due from and immediately payable by the Company to the holders of the 'E' Preference Shares registered in the books of the Company on the relevant Dividend Payment Date.
- (iv) As used in this Article 3E, except to the extent that the context requires otherwise:-

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are generally open for business in London;

"Dividend Payment Date" means the 18th day of a calendar month and, in addition, 30th September, 1997 or such other date or dates as the Directors may from time to time determine; provided always that if a Dividend Payment Date would otherwise fall on a day which is not a Business Day, such Dividend Payment Date shall be the first following day which is a Business Day;

"Dividend Period" means the period commencing on the day immediately following one Dividend Payment Date and ending on the immediately following Dividend Payment Date, provided that the first Dividend Period shall commence on the Subscription Date;

"Dividend Rate" means 5.8 per cent per annum;

"Subscription Date" means the date of subscription of the 'E' Preference Shares"; and

(b) Capital

- (i) On a return of capital on a winding up, the holders of the 'E' Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the 'A' Preference Shares 'B' Preference Shares, the 'C' Preference

Shares and the 'D' Preference Shares, with which shares the 'E' Preference Shares shall rank *pari passu*), to receive an amount in respect of each 'E' Preference Share equal to the nominal amount paid up on such 'E' Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the date of the commencement of the winding up.

- (ii) On a return of capital (otherwise than on a winding up or on a redemption or purchase by the Company of any of its own shares of any class), the holders of the 'E' Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the 'A' Preference Shares, 'B' Preference Shares, the 'C' Preference Shares and the 'D' Preference Shares with which shares the 'E' Preference Shares shall rank *pari passu*), to receive an amount in respect of each 'E' Preference Share equal to the nominal amount paid up on such 'E' Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to the date of the return of capital.

(c) Voting and General Meetings

The holders of the 'E' Preference Shares shall, by virtue of and in respect of their holdings of 'E' Preference Shares, have the right to receive notice of and attend every General Meeting of the Company but, without prejudice to the rights of the holders of the 'D' Preference Shares pursuant to sections 125 to 129 of the Companies Act 1985 or Article 3E(f), shall not have the right to speak or vote at a General Meeting of the Company.

(d) Limitations

No 'E' Preference Share shall:-

- (i) confer any right to participate in the profits or assets of the Company other than as set out in paragraphs (a) and (b) above;
- (ii) confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for shares in the Company; or
- (iii) confer any right to receive any shares credited as paid up wholly or in part by way of a capitalisation of profits or reserves.

(e) Redemption

- (i) Subject to the Companies Act 1985 (as amended):-
 - (A) the Company may redeem all or any of the 'E' Preference Shares on the giving of not less than two Business Days (as defined in Article 3E(a)(v)) notice in writing to the holder(s) of the 'E' Preference Shares to be redeemed, such notice to specify the number of 'E' Preference Shares to be redeemed and the date on which such redemption is to take effect;
 - (B) any holder of 'E' Preference Shares may require the Company to redeem all or any of the 'E' Preference Shares held by him by giving not less than thirty Business Days (as defined in Article 3E(a)(v)) notice in writing to the Company, such notice to specify the number of such holder's 'E' Preference Shares to be redeemed and the date on which such redemption is to take effect; and
 - (C) the Company shall redeem all the 'E' Preference Shares, if not redeemed pursuant to sub-paragraph (i)(A) or (B) above, on 31st October, 2001 (the date on which the redemption of any Preference Shares is to take effect in accordance with either sub-paragraph (A) or (B) above or this sub-paragraph (C) being referred to in this Article 3E as the "Redemption Date").
- (ii) There shall be paid by 12 noon on the relevant Redemption Date on each 'E' Preference Share to be redeemed under sub-paragraph (i) above the amount paid up thereon, together with a sum equal to all arrears and accruals (if any) of the preferential dividend thereon irrespective of whether or not such dividend has been declared or earned or has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the relevant Redemption Date.
- (iii) As from the relevant Redemption Date the preferential dividend shall cease to accrue on the 'E' Preference Shares to be redeemed on that date except in the case of any of such 'E' Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the redemption monies shall be refused, in which case the preferential dividend shall be deemed to have continued and shall accordingly continue to accrue at the Dividend Rate on the basis of a 365 day year from the relevant Redemption Date down to and including the actual date of payment of such redemption monies. No 'E' Preference Share shall be treated as having been redeemed until the monies

and all arrears or deficiencies or accruals of the preferential dividend in respect thereof have been paid.

- (iv) If any holder of any of the 'E' Preference Shares to be redeemed shall fail or refuse to deliver up on the relevant Redemption Date the certificate or certificates held by him in respect of such 'E' Preference Shares or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the Company's bankers (designated for the benefit of such holder) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant 'E' Preference Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the Company in connection therewith.
- (v) The receipt of the registered holder for the time being of any 'E' 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.

(f) Further Issues and Variation of Rights

The rights attached to the 'E' Preference Shares may be varied with the consent in writing of the holder or holders of all the 'E' Preference Shares but not otherwise.

If at any time there are 'E' Preference Shares in issue, no additional 'E' Preference Shares may be issued except pro rata to the then existing holders thereof or with the consent in writing of all such holders."

6. That the Articles of Association of the Company be amended as follows:

- (a) by the deletion of the words "and the 'D' Preference Shares" in the sixth line of Article 3A(a)(i), in the fifth line of Article 3A(b)(i) and in the sixth and seventh lines of Article 3A(b)(ii), and the substitution therefor of the words ", the 'D' Preference Shares and the 'E' Preference Shares";
- (b) by the deletion of the words "and the 'D' Preference Shares" in the sixth line of Article 3B(a)(i), in the fourth and fifth lines of Article 3B(b)(i) and in the sixth line of Article 3B(b)(ii) and the substitution therefor of the words ", the 'D' Preference Shares and the 'E' Preference Shares";

- (c) by the deletion of the words “and the ‘D’ Preference Shares” in the sixth and seventh lines of Article 3C(a)(i), in the fourth and fifth lines of Article 3C(b)(i) and the sixth line of Article 3C(b)(ii) and the substitution therefor of the words “, the ‘D’ Preference Shares and the ‘E’ Preference Shares”; and
- (d) by the deletion of the words “and the ‘C’ Preference Shares” in the sixth line of Article 3D(a)(i), in the fourth and fifth lines of Article 3D(b)(i) and in the sixth line of Article 3D(b)(ii) and the substitution therefor of the words “the ‘C’ Preference Shares and the ‘E’ Preference Shares”.

GERALD CORBETT

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Chairman of the Meeting

Company No: 213393

THE COMPANIES ACT 1985 (AS AMENDED)

COMPANY LIMITED BY SHARES

RESOLUTIONS

OF

GRAND METROPOLITAN FINANCE PUBLIC LIMITED COMPANY

At an Extraordinary General Meeting of the above-named Company duly convened and held at 8 Henrietta Place, London W1M 9AG on 20th December, 1996, resolution 1 was duly passed as a special resolution:

1. That the Articles of Association of the Company be amended as follows:-
 - (i) by the insertion of the words "in both cases inclusive," after the words "on the immediately following Dividend Payment Date," in the third line of the definition of "Dividend Period" in Article 3E(a)(iv); and
 - (ii) by the insertion of the words "day after the" after the words "shall commence on the" in the fourth line of the definition of "Dividend Period" in Article 3E(a)(iv).

G.M.N. Corbett

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Chairman of the Meeting

Company No: 213393

COMPANIES ACT 1985 AND 1989

SPECIAL RESOLUTION OF
GRAND METROPOLITAN FINANCE PUBLIC LIMITED COMPANY
PASSED ON 5 DECEMBER 1997

At an Extraordinary General Meeting of Grand Metropolitan Finance Public Limited Company, duly convened and held on 5 December 1997 at 8 Henrietta Place, London W1M 9AG the following resolution was duly passed as a Special Resolution:-

THAT the name of the Company be changed to "Diageo Finance plc".

R.K. Bentley
Chairman

Company No: 213393

THE COMPANIES ACT 1985 (AS AMENDED)

COMPANY LIMITED BY SHARES

RESOLUTIONS

OF

DIAGEO FINANCE PLC

At an Extraordinary General Meeting of the Company duly convened and held at 8 Henrietta Place, London W1M 9AG on 20th February, 1998, resolutions 1 and 2 were duly passed as ORDINARY RESOLUTIONS and resolutions 3, 4, and 5 were duly passed as SPECIAL RESOLUTIONS:

ORDINARY RESOLUTIONS

1. That 1,055,000,000 unissued shares of the Company be converted into 1,055,000,000 5.0% 'F' cumulative redeemable preference shares of £1 each.
2. That in addition, and without prejudice to any and all previous authorities to allot relevant securities given to the Directors, the Directors be generally and unconditionally authorised, pursuant to and in accordance with section 80 of the Companies Act 1985, to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £1,000,000,000 and this authority shall expire on 19th February, 2003;

SPECIAL RESOLUTIONS

3. That the articles of association of the Company be amended by the insertion of the following Article to replace Article 3:-
 - "3. The capital of the Company is divided into 13,100,000,000 Ordinary Shares of 5p each, 1,000,000,000 'C' cumulative redeemable preference shares of £1 each (the "'C' Preference Shares"), 2,005,000,000 'E' cumulative redeemable preference shares of £1 each (the "'E' Preference Shares") and 1,055,000,000 'F' cumulative redeemable preference shares of £1 each (the "'F' Preference Shares") and 950,000,000 unissued shares of £1 each, the 'C' Preference Shares, 'E' Preference Shares and the 'F' Preference Shares having attached thereto the rights and being subject to the limitations and restrictions set out below."

4. That the articles of association of the Company be amended by the insertion of the following as a new Article 3F after Article 3E:-

“3F. The ‘F’ Preference Shares shall have the rights and be subject to the limitations and restrictions set out below and shall have such other rights and be subject to such other limitations and restrictions not being inconsistent with the rights or limitations and restrictions set out in this Article 3F as the Directors may determine prior to allotment:-

(a) Income

- (i) Out of profits available for distribution and resolved to be distributed, the holders of the ‘F’ Preference Shares shall be entitled, in priority to the transfer of any sum to reserves and to any payment of dividend to the holders of any other class of shares or stock (other than the holders of the ‘C’ Preference Shares and the ‘E’ Preference Shares, with which shares the ‘F’ Preference Shares shall rank *pari passu*), to be paid a cumulative preferential dividend, payable in Sterling, in respect of each Dividend Period at the Dividend Rate on the nominal value thereof, such dividend to be payable on the last day of the Dividend Period.
- (ii) Dividends payable on the ‘F’ Preference Shares shall accrue at the Dividend Rate on a daily basis and, in respect of any Dividend Period shorter than a year, will be calculated on the basis of a 365 day year and the actual number of days elapsed in such Dividend Period.
- (iii) Each dividend on the ‘F’ Preference Shares shall *ipso facto* and without any resolution of the Directors or of the Company in General Meeting become a debt due from and immediately payable by the Company to the holders of the ‘F’ Preference Shares registered in the books of the Company on the relevant Dividend Payment Date.
- (iv) As used in this Article 3F, except to the extent that the context requires otherwise:-

“Business Day” means a day (other than a Saturday or Sunday) on which commercial banks are generally open for business in London;

“Dividend Payment Date” means the 18th day of a calendar month or such other date or dates as the Directors may from time to time determine; provided always that if a Dividend Payment Date would otherwise fall on a day which is not a Business Day, such Dividend Payment Date shall be the first following day which is a Business Day;

“Dividend Period” means the period commencing on the day immediately following one Dividend Payment Date and ending on the immediately following Dividend Payment Date, in both cases inclusive, provided that the first Dividend Period shall commence on the day after the Subscription Date;

“Dividend Rate” means 5.0 per cent per annum; and

“Subscription Date” means the date of subscription of the ‘F’ Preference Shares”; and

(b) Capital

- (i) On a return of capital on a winding up, the holders of the ‘F’ Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the ‘C’ Preference Shares and the ‘E’ Preference Shares, with which shares the ‘F’ Preference Shares shall rank *pari passu*), to receive an amount in respect of each ‘F’ Preference Share equal to the nominal amount paid up on such ‘F’ Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the date of the commencement of the winding up.
- (ii) On a return of capital (otherwise than on a winding up or on a redemption or purchase by the Company of any of its own shares of any class), the holders of the ‘F’ Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the ‘C’ Preference Shares and the ‘E’ Preference Shares with which shares the ‘F’ Preference Shares shall rank *pari passu*), to receive an amount in respect of each ‘F’ Preference Share equal to the nominal amount paid up on such ‘F’ Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to the date of the return of capital.

(c) Voting and General Meetings

The holders of the ‘F’ Preference Shares shall, by virtue of and in respect of their holdings of ‘F’ Preference Shares, have the right to receive notice of and attend every General Meeting of the Company but, without prejudice to the rights of the holders of the ‘F’ Preference Shares pursuant to sections 125 to 129 of the Companies Act 1985 or Article 3F(f), shall not have the right to speak or vote at a General Meeting of the Company.

(d) Limitations

No 'F' Preference Share shall:-

- (i) confer any right to participate in the profits or assets of the Company other than as set out in paragraphs (a) and (b) above;
- (ii) confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for shares in the Company; or
- (iii) confer any right to receive any shares credited as paid up wholly or in part by way of a capitalisation of profits or reserves.

(e) Redemption

(i) Subject to the Companies Act 1985 (as amended):-

- (A) the Company may redeem all or any of the 'F' Preference Shares on the giving of not less than two Business Days (as defined in Article 3F(a)(iv)) notice in writing to the holder or holders of the 'F' Preference Shares to be redeemed, such notice to specify the number of 'F' Preference Shares to be redeemed and the date on which such redemption is to take effect;
 - (B) any holder of 'F' Preference Shares may require the Company to redeem all or any of the 'F' Preference Shares held by him by giving not less than thirty Business Days (as defined in Article 3F(a)(iv)) notice in writing to the Company, such notice to specify the number of such holder's 'F' Preference Shares to be redeemed and the date on which such redemption is to take effect; and
 - (C) the Company shall redeem all the 'F' Preference Shares, if not redeemed pursuant to sub-paragraph (i)(A) or (B) above, on 31st October, 2001 (the date on which the redemption of any Preference Shares is to take effect in accordance with either sub-paragraph (A) or (B) above or this sub-paragraph (C) being referred to in this Article 3F as the "Redemption Date").
- (ii) There shall be paid by 12 noon on the relevant Redemption Date on each 'F' Preference Share to be redeemed under sub-paragraph (i) above the amount paid up thereon, together with a sum equal to all arrears and accruals (if any) of the preferential dividend thereon, irrespective of whether or not such dividend has been declared or earned or has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the relevant Redemption Date.

- (iii) As from the relevant Redemption Date the preferential dividend shall cease to accrue on the 'F' Preference Shares to be redeemed on that date except in the case of any of such 'F' Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the redemption monies shall be refused, in which case the preferential dividend shall be deemed to have continued and shall accordingly continue to accrue at the Dividend Rate on the basis of a 365 day year from the relevant Redemption Date down to and including the actual date of payment of such redemption monies. No 'F' Preference Share shall be treated as having been redeemed until the monies and all arrears or deficiencies or accruals of the preferential dividend in respect thereof have been paid.
- (iv) If any holder of any of the 'F' Preference Shares to be redeemed shall fail or refuse to deliver up on the relevant Redemption Date the certificate or certificates held by him in respect of such 'F' Preference Shares or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the Company's bankers (designated for the benefit of such holder) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant 'F' Preference Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the Company in connection therewith.
- (v) The receipt of the registered holder for the time being of any 'F' 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.

(f) Further Issues and Variation of Rights

The rights attached to the 'F' Preference Shares may be varied with the consent in writing of the holder or holders of all the 'F' Preference Shares but not otherwise.

If at any time there are 'F' Preference Shares in issue, no additional 'F' Preference Shares may be issued except pro rata to the then existing holders thereof or with the consent in writing of all such holders."

5. That the articles of association of the Company be amended as follows:
- (a) by the deletion of the entirety of Article 3A and the substitution therefor of the words "This Article 3A was deleted by Special Resolution on 20th February, 1998";
 - (b) by the deletion of the entirety of Article 3B and the substitution therefor of the words "This Article 3B was deleted by Special Resolution on 20th February, 1998";
 - (c) by the deletion of the words "the 'A' Preference Shares and the 'B' Preference Shares, the 'D' Preference Shares and the 'E' Preference Shares" in the fifth, sixth and seventh lines of Article 3C(a)(i), in the fourth and fifth lines of Article 3C(b)(i) and in the fifth, sixth and seventh lines of Article 3C(b)(ii) and the substitution therefor of the words "the 'E' Preference Shares and the 'F' Preference Shares";
 - (d) by the deletion of the entirety of Article 3D and the substitution therefor of the words "This Article 3D was deleted by Special Resolution on 20th February, 1998";
 - (e) by the deletion of the words "the 'A' Preference Shares and the 'B' Preference Shares, the 'C' Preference Shares and the 'D' Preference Shares" in the fifth, sixth and seventh lines of Article 3E(a)(i), in the fourth and fifth lines of Article 3E(b)(i) and in the fifth, sixth and seventh lines of Article 3E(b)(ii) and the substitution therefor of the words "the 'C' Preference Shares and the 'F' Preference Shares";
 - (f) by the deletion of the letter "D" in the fourth line of Article 3E(c) and the substitution therefor of the letter "E";
 - (g) by the deletion of the number "(v)" in the third line of Article 3E(e)(i)(A) and in the fourth line of Article 3E(e)(i)(B) and the substitution therefor of the number "(iv)";

Sir George Bull

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Chairman of the Meeting