

Company Number: 00741598

THE COMPANIES ACTS 1985 AND 2006

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS

OF

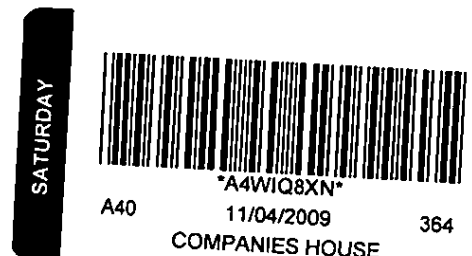
IBM UNITED KINGDOM LIMITED

Passed 30 December 2008

By written resolution of the sole member entitled to attend and vote at general meetings of the company, made pursuant to the Company's Articles of Association on 30 December 2008, the following Resolutions were passed as SPECIAL RESOLUTIONS:

SPECIAL RESOLUTIONS

1. **THAT** five of the authorised but unissued ordinary shares of £1.00 each in the capital of the Company be immediately reclassified as a new class of preference shares of £1.00 each, having the rights and being subject to the restrictions and obligations set out in the articles of association to be adopted by the resolution set out in paragraph 2, and which shares the Company proposes to allot to IBM Global Financing UK Company;
2. **THAT** the Articles of Association of the Company be amended by the deletion of Articles 5 - 13 in their entirety and the substitution thereof of the following new Articles which shall be numbered 5 - 10 and the remaining Articles be renumbered accordingly:



"II. SHARE CAPITAL AND VARIATION OF RIGHTS

5. *Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine.*

6. *Subject to the provisions of the Statutes:*

- (i) any shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company before the issue of the shares may by special resolution determine;*
- (ii) the Company may purchase its own shares (including redeemable and non-redeemable shares) and if it is a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares.*

7. *Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.*

8. *In this Article 8:*

"Ordinary Shares" means the ordinary shares of £1 each in the capital of the Company;

"Preference Shares" means the cumulative redeemable preference shares of £1 each in the capital of the Company;

"Preference Dividend" means the Preference Dividend as defined below;

"Profits" means those profits which are available for distribution by the Company, in accordance with the Act;

The rights attaching to any Preference Shares issued by the Company shall be as follows:

(A) Dividends and Capital

1. *In respect of any financial year of the Company, the Board of Directors shall, before declaring a dividend in respect of any other class of share, consider whether or not any Preference Dividend shall be paid. In the absence of a resolution of the Board of Directors formulating any such decision, no Preference dividend shall be payable on the Preference shares of the Company.*

2. *If the Board of Directors of the Company shall (in their absolute discretion) decide that a Preference dividend shall be declared and paid in respect of any financial year of the Company, the holders of the Preference Shares shall be entitled to receive, in priority to the holders of all other classes of share a fixed cumulative preferential dividend ("the Preference Dividend") at a rate of 8.5 per cent per annum (net) of the nominal value of each Preference Share plus the Issue Share Premium amount paid on the Preference Shares on the issue date of the Preference Shares.*

For the avoidance of doubt, the Preference Dividend in respect of each such share shall be deemed to accrue on a daily basis.

3. *Each holder of Preference Shares shall be entitled in priority to the holders of any other class of share to receive out of the assets of the Company available for distribution amongst the members, in a winding up of the Company or other return of capital by the Company, an amount in respect of each " Preference Share held equal to the nominal value thereof together in each case with all arrears of the Preference Dividend which shall have been declared by the directors, but with no further right to participate in the profits or assets of the Company.*

(B) Redemption of Preference Shares

1. *Subject to the provisions of the Act the Company shall have the right at any time after 1 January 2009 to redeem all or any of the Preference Shares for the time being outstanding and fully paid upon giving to the holders of such of the Preference Shares as are to be redeemed not less than three months' notice in writing.*
2. *Any notice of redemption shall specify the particular Preference Shares to be redeemed, the date fixed for redemption ("the Redemption Date") and the place at which the certificates for such shares are to be presented for redemption. Upon the Redemption Date each of the holders of the shares concerned shall be bound to deliver to the Company at such place the certificates for such of the shares concerned as are held by him in order that the same may be cancelled. Upon such delivery the Company shall pay to the holder the amount due in respect of such redemption as set out in paragraph 3 below against the delivery of a proper receipt. If any certificate so delivered to the Company includes any Preference Shares not falling to be redeemed on the relevant Redemption Date a fresh certificate for such Preference Shares shall be issued to the holder delivering such certificate to the Company as soon as practicable and in any event within 14 days.*
3. *There shall be paid on the redemption of each Preference Share an amount equal to its fair market value together with all arrears Preference Dividend payable.*

(C) Voting

The holders of the Preference Shares shall have no right to receive notice of General Meetings of the Company and no right to attend or vote thereat unless the business of the meeting includes a resolution for the liquidation of the Company, a reduction of the capital of the Company or a resolution adversely altering or abrogating any of the special rights and privileges attaching to the Preference Shares in which event the holders of Preference Shares shall be entitled to vote on a poll in respect of any such resolution only.

9. *Every person whose name is entered as a Member in the Register of Members shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for one or more of his shares. Every certificate shall be under the Seal and shall specify the number and class of the shares to which it relates and the amount paid up thereon.*

10. *If a share certificate be defaced, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company as the Directors think fit."*

3. **THAT** the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 as amended (the "Act") to exercise all the powers of the Company to allot relevant securities within the meaning of section 80 (2) of the Act as amended up to an aggregate nominal amount of £1,000,000,000. This authority shall expire on the fifth anniversary of the passing of this resolution. This authority shall be in substitution for and shall replace any existing authority pursuant to the said section 80 to the extent not utilised at the date this resolution is passed;
4. **THAT** section 89 (1) of the Act as amended relating to pre-emption should not apply to any allotment of shares in the capital of the Company;

Signature) To be signed by the
.....) Chairman, a Director, or the
.....) Secretary of the Company

Note - Where the Resolution would, had it not been agreed to by all members, have been passed as a Special, Extraordinary or Elective Resolution, it must be filed, within 15 days after the date thereof.