

THE COMPANIES ACT 1985 AND 1989

COMPANY LIMITED BY SHARE

SPECIAL RESOLUTIONS

of

IMPERIAL TOBACCO LIMITED

At an Extraordinary General Meeting of the above-named company held at Upton Road, Bristol on Wednesday 15th May 1996 the following resolutions were duly passed as Special Resolutions:-

Special Resolutions

1. That the Articles of Association of the Company be and are hereby amended as follows:-

(A) By the deletion of Article 3 in its entirety and the substitution therefore of the following new Article 3:-

"3. The Ordinary Shares shall carry all rights attaching to ordinary equity shares and without prejudice to and subject to the rights of the Ordinary Shares, the Deferred Shares shall have the following rights:

(1) Income and Capital

(a) Save as provided in paragraph (b) below, the holders of Deferred Shares shall not be entitled to any participation in the profits or the assets of the Company.

(b) The holders of Deferred Shares shall only be entitled to participate in the assets of the Company after the holders of every other class of shares in the capital of the Company shall have received the sum of £100,000,000 in respect of each share (other than Deferred Shares) held by them.

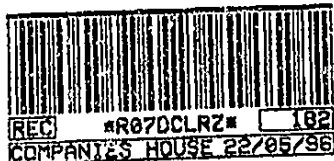
(2) Voting

None of the Deferred Shares shall carry any right to receive notice of or attend and vote at any general meeting of the Company.

- (B) By the insertion of the following new Articles 35 to 38:-

"SHARE WARRANTS TO BEARER

35. (1) Subject to the provisions hereinafter contained the Company may issue Share Warrants in respect of any shares which are fully paid up upon a request in



writing by the person registered as the holder of such shares. The request shall be in such form, and (if required by the Directors) authenticated by such statutory declaration or other evidence as to the identity of the person making the same, as the Directors may from time to time require.

- (2) Before the issue of a Share Warrant, the certificate (if any) (or, if required by the Directors, an indemnity in a form acceptable to the Directors) for the shares intended to be represented by it shall be delivered up to the Directors. Share Warrants shall represent the shares specified therein and the entry in respect of such shares in the Register of Members of the Company shall be deleted on the issue of the Share Warrant.
- (3) Share Warrants shall be issued under the common seal of the Company or, if the Directors so resolve, in such other manner having the same effect as if issued under the common seal of the Company, and shall state that the bearer is entitled to the shares therein specified.
- (4) The bearer for the time being of a Share Warrant shall, subject to these Articles, be deemed to be a member of the Company and shall be entitled to the same rights and privileges as he would have had if his name had been included in the Register of Members as the holder of the shares specified in such Share Warrant.
- (5) The shares represented by any Share Warrant shall be transferred by delivery of the Share Warrant without any written transfer and without registration, and the provisions in these Articles with respect to the transfer and transmission of and to the lien of the Company on shares shall not apply to such shares.
- (6) No person shall as bearer of a Share Warrant be entitled to attend or vote or exercise in respect thereof any of the rights of a member at any General Meeting of the Company or sign any requisition for or give notice of intention to submit a resolution to a Meeting or sign any written resolution of the Company unless three days at least (or such lesser period as the directors may specify) before the day appointed for the Meeting in the first case, and unless before the requisition or notice is left at the registered office in the second case, or unless before he signs the written resolution in the third case, he shall have deposited the Share Warrant in respect of which he claims to act, attend or vote as aforesaid at the registered office for the time being of the Company or such other place as the Directors appoint, together with a statement in writing of his name and address, and unless the Share Warrant shall remain so deposited until after the Meeting or any adjournment

thereof shall have been held or, in the case of a written resolution, the same shall have been signed. Not more than one name shall be received as that of the holder of a Share Warrant.

- (7) There shall be delivered to the person so depositing a Share Warrant a certificate in a form approved by the Directors stating his name and address and specifying the shares represented by the Share Warrant so deposited by him, and such certificate shall entitle him, or his proxy duly appointed, to attend and vote at any General Meeting or to sign any written resolution in the same way as if he were the registered holder of the shares specified in the certificate. Upon delivery up of the said certificate to the Company, the Share Warrant in respect whereof it shall have been given shall be returned.
- (8) No person as bearer of any Share Warrant shall be entitled to exercise any of the rights of a member (save as hereinbefore expressly provided in respect of General Meetings) without producing such Share Warrant and stating his name and address, and (if and when the Directors so require) permitting an endorsement to be made thereon of the fact, date, purpose and consequence of its production.
- (9) The Directors shall provide as from time to time they shall think fit for the issue to the bearers for the time being of Share Warrants coupons payable to bearer specifying the shares represented by the relevant Share Warrant and providing for the payment of dividends upon and in respect of such shares. Every such coupon shall be distinguished by the number of the Share Warrant in respect of which it is issued and by a number showing the place it holds in the series of coupons issued in respect of that Share Warrant.
- (10) Upon any dividend being declared to be payable upon the shares specified in any Share Warrant, the Directors shall give notice to the members in accordance with these Articles, stating the amount per share payable, date of payment, and the serial number of the coupon to be presented and thereupon any person presenting and delivering up a coupon of that serial number at the place, or one of the places, stated in the coupon, or in the said notice, shall be entitled to receive at the expiration of such number of days (not exceeding 14) after so delivering it up as the Directors shall from time to time direct the dividend payable on the shares specified in the Share Warrant to which the said coupon shall belong, according to the notice which shall have been so given.
- (11) The Company shall be entitled to recognise an

absolute right in the bearer for the time being of any coupon of which notice has been given as aforesaid for payment of such amount of dividend on the shares specified therein as shall have been as aforesaid declared payable upon presentation and delivery of the coupon, and the delivery of such coupon shall be a good discharge to the Company accordingly.

- (12) If any Share Warrant or coupon be worn out or defaced, the Directors may, upon the surrender thereof for cancellation, issue a new one in its stead, and if any Share Warrant or coupon be lost or destroyed, the Directors may, upon the loss or destruction being established to their satisfaction, and upon such indemnity being given to the Company as they shall think adequate, issue a new one in its stead. In case of loss or destruction the bearer to whom such new Share Warrant or coupon is issued shall also bear and pay to the Company all expenses incidental to the investigation by the Company of evidence of such loss or destruction and to such indemnity.
 - (13) If the bearer of any Share Warrant shall surrender it together with all coupons belonging thereto for cancellation and shall lodge therewith at the registered office for the time being of the Company a declaration in writing, signed by him, in such form and authenticated in such manner as the Directors may from time to time direct, requesting to be registered as a member in respect of the shares specified in such Share Warrant, and stating in such declaration his name and address, he shall be entitled to have his name entered as a registered member of the Company in respect of the shares specified in the Share Warrant so surrendered, but the Company shall not be responsible for any loss incurred by any person by reason of the Company entering in the Register of Members upon the surrender of a Share Warrant the name of any person not the true and lawful owner of the Share Warrant surrendered.
 - (14) Regulation 29 of Table A shall be read and construed as if the word "registered" appeared before the word "member" in the first line of such Regulation.
 - (15) Regulation 30 of Table A shall be read and construed as if the word "registered" appeared before the word "share" in the first line of such Regulation.
36. A notice may be given by the Company to the holder of a Share Warrant to the address supplied by him by notice in writing to the Company from time to time for the giving of notice to him. Any notice to the Company supplying a new address for the giving of notices by the Company shall be accompanied by the Share Warrant which shall be cancelled and a new Share Warrant shall be issued having endorsed

thereon the address to which future notices by the Company to the holder of the Share Warrant may be given.

37. The Directors may from time to time require any holder of a Share Warrant who gives, or has given, an address at which notices may be served on him, to produce his Share Warrant and to satisfy them that he is, or is still, the holder of the Share Warrant in respect of which he gives or gave the address.
38. Any notice required to be given by the Company to members, or any of them, and not expressly provided for by these Articles, or any notice which cannot be served in the manner so provided, shall be sufficiently given by advertising the same once in the London Gazette".

2. That, conditionally upon and with effect from the issue by the Company of any new ordinary shares of one US Dollar each (as referred to in resolution 4 below) (as evidenced by an appropriate entry on the Company's Register of Members in respect of any such ordinary shares of one US Dollar each), the issued ordinary share capital as at immediately before the passing of this resolution be re-classified as and converted into 1,000,000 Deferred Shares having the rights and obligations attributed to Deferred Shares in the Articles of Association as amended pursuant to resolution 1 above and that the rights and obligations of such ordinary share capital immediately prior to the passing of this resolution be, conditionally upon and with effect as aforesaid, cancelled and extinguished.



R C Hannaford
Secretary