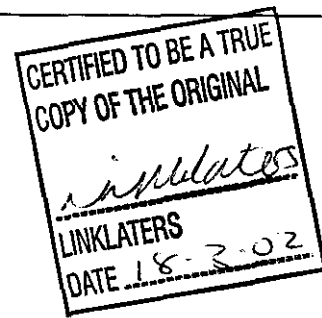


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LINKLATORS
& ALLIANCE

Dated ~~27~~ February 2002



ALLIED DOMECQ PLC

and

BEDMINSTER (JERSEY) LIMITED

and

CAZENOVE & CO. LTD

and

SALOMON BROTHERS INTERNATIONAL LIMITED

SHARE SUBSCRIPTION AND TRANSFER AGREEMENT



LINKLATERS
One Silk Street
London
EC2Y 8HQ

Telephone: (44-20) 7456 2000
Facsimile: (44-20) 7456 2222

Ref: JJAB

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This Share Subscription and Transfer Agreement is made on 17 February 2002 among

- (1) **ALLIED DOMECQ PLC**, a company incorporated with limited liability in England and Wales whose registered office is at The Pavilions, Bridgwater Road, Bedminster Down, Bristol BS13 8AR ("**Allied**");
- (2) **BEDMINSTER (JERSEY) LIMITED** ("**Bedminster**") a company incorporated with limited liability in Jersey whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX, Channel Islands; and
- (3) **CAZENOVE & CO. LTD**, a company incorporated with limited liability in England and Wales whose registered office is at 12 Tokenhouse Yard, London EC2R 7AN ("**Cazenove**"); and
- (4) **SALOMON BROTHERS INTERNATIONAL LIMITED**, a company incorporated with limited liability in England and Wales whose registered office is at Victoria Plaza, 111 Buckingham Palace Road, London SW1W 0SB ("**Salomons**")

It is agreed as follows:

1 Definitions

1.1 In this Agreement:

"**Acquisitions**" means the acquisition by an Allied Group Company of the business and assets relating to the Malibu and Mumm Cuvée Napa brands;

"**Acquisition Agreements**" has the same meaning as in the Placement Agreement;

"**Admission**" has the same meaning as in the Placement Agreement;

"**agreed form**" means in the form initialled for identification by or on behalf of the parties hereto;

"**Business Day**" means a day on which commercial banks and foreign exchange markets are open in London;

"**Closing Time**" has the same meaning as in the Placement Agreement;

"**Encumbrance**" means any mortgage, charge, security interest, lien, pledge, claim or equity or similar rights;

"**FSMA**" means the Financial Services and Markets Act 2000;

"**Initial Subscription Price**" means £0.01 per Preference Share;

"**Memorandum and Articles**" means the Memorandum and Articles of Association of Bedminster, a copy of which has been delivered by Bedminster to the Subscribers;

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

"**Placement Agreement**" means the Private Placement Agreement dated the date hereof between Allied and Cazenove and Salomon Brothers U.K. Equity Limited relating to the issue and placing of up to 52,000,000 ordinary shares of Allied, substantially in the form initialled for identification by or on behalf of the parties hereto;

"**Placing**" has the same meaning as in the Placement Agreement;

"**Placing Shares**" has the same meaning as in the Placement Agreement;



"Preference Shares" means the non-exchangeable Fixed Rate Preference Shares of £0.01 par value each in the capital of Bedminster;

"Preference Share Terms" means the Preference Share Terms in the form of Schedule 1 to this Agreement to be executed by Allied, Bedminster and the Subscribers at or about the time the Terms of Sale are executed;

"Purchase Price" means the aggregate Subscription Price in respect of the relevant Preference Shares;

"Put and Call Option Agreement" means the letter agreement dated the date hereof between Allied and the Subscribers giving the Subscribers an option to put the Preference Shares and Ordinary Shares back to Allied and Allied an option to call the same;

"Share Premium Amount" means the Subscription Price per Preference Share less the Initial Subscription Price;

"Subscribers" means Salomons and Cazenove, and **"Subscriber"** means any one of them;

"Subscription Date" means the date on which the Subscribers are to subscribe the Preference Shares pursuant to this Agreement, as set out in the Preference Share Terms;

"Subscription Price" means the amount set out in the Preference Share Terms, being an amount equal to the Placing Price as defined in Clause 1.3 of the Placement Agreement, less commissions payable in accordance with the terms of the Placement Agreement;

"Subsidiary" has the same meaning as in the Placement Agreement;

"Terms of Sale" has the same meaning as in the Placement Agreement;

"Transaction Documents" means this Agreement and the Put Option Agreement;

References herein to this "Agreement" shall, where the context so permits, be construed as a reference to this Agreement and the Preference Share Terms.

2 Subscription of Preference Shares

2.1 Subject to the execution of the Preference Share Terms and to the provisions thereof and this Agreement, each Subscriber severally agrees to subscribe and pay at the Initial Subscription Price for, and Bedminster shall allot and issue to each of the Subscribers, that number of Preference Shares set out against the name of each Subscriber in the Preference Share Terms on the Subscription Date.

2.2 Subject to the execution of the Preference Share Terms and to the provisions thereof and this Agreement, on such Subscription Date:

2.2.1 each Subscriber shall, by not later than 10.00 a.m. (London time) (or as agreed between the parties), pay to Bedminster the Initial Subscription Price in respect of the Preference Shares to be subscribed by it; and

2.2.2 against such payment and the undertaking in Clause 2.3, Bedminster shall allot and issue to the Subscribers at a premium per share equal to the Share Premium Amount to be paid by the Subscribers subject to and as provided in Clause 2.3 the number of Preference Shares set out against the name of each Subscriber in the Preference Share Terms and deliver to each Subscriber a certificate in respect of such Preference Shares executed by or on behalf of Bedminster in accordance

with, and otherwise in compliance with, applicable Jersey laws and its Memorandum and Articles of Association and enter the name of each Subscriber in the register of members of Bedminster in respect of the Preference Shares allotted and issued to them.

- 2.3** Subject to and conditional on the Placement Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms, in consideration for Bedminster's agreement to allot and issue the Preference Shares pursuant to Clause 2.2.2 above, each Subscriber shall, by 10.00 a.m. (London time) (or as agreed between the parties) on the date of Admission, pay to Bedminster the Share Premium Amount in respect of the Preference Shares subscribed by it pursuant to Clause 2.1.

3 Purchase of Preference Shares by Allied

- 3.1** Subject to and conditional on the Placement Agreement having become unconditional in all respects and not having been terminated in accordance with its terms, each Subscriber shall, on the date of Admission, transfer to Allied the legal and beneficial interest in (i) the Preference Shares (fully paid up as to the Initial Subscription Amount and the Share Premium Amount) and (ii) the Ordinary Shares (fully paid up as to their nominal value) held by it, in consideration for the allotment by Allied of the Placing Shares to Placees as set out in the Placement Agreement.
- 3.2** The obligations of each Subscriber to sell and transfer the Preference Shares and Ordinary Shares pursuant to Clause 3.1 or the Put and Call Option Agreement shall be satisfied by the execution outside the United Kingdom of and the delivery to Bedminster on behalf of Allied, or as it may direct, of a duly executed instrument of transfer together with the relevant certificates (if issued to the Subscribers) in respect of the relevant Preference Shares and Ordinary Shares.
- 3.3** Subject to performance by the Subscribers of their obligations under Clauses 3.1 and 3.2, Bedminster shall hold a board meeting in the United Kingdom at which it shall be resolved that the transfers of the Preference Shares and the Ordinary Shares be approved and that Allied be registered as the holder of the Preference Shares and Ordinary Shares in the register of members.
- 3.4** Each Subscriber agrees to execute prior to the Closing Time a power of attorney (dated the date of Admission) in order to grant authority to an appropriate person within Maurant & Co Limited to do and perform all acts or things and to execute complete and deliver all such documents (including any stock transfer forms) as are necessary to transfer all or any of the relevant Preference Shares or Ordinary Shares to Allied in accordance with this Agreement or the Put and Call Option Agreement.

4 Undertakings

- 4.1** Each Subscriber undertakes that, other than pursuant to its obligations under the Transaction Documents to sell and transfer the Preference Shares and Ordinary Shares, it will not assign, charge, encumber, transfer, sell or otherwise dispose or deal with the Preference Shares subscribed by it or the Ordinary Shares held by it or all or part of any of its right, title or interest in and to such Preference Shares or Ordinary Shares.
- 4.2** Each Subscriber undertakes that, provided neither Bedminster nor Allied is in breach of its obligations under this Agreement, it will not exercise any voting rights in respect of the Preference Shares subscribed by it or the Ordinary Shares held by it or that, at the option of Allied, and subject to Allied providing to a Subscriber such indemnity in respect thereof

as such Subscriber may reasonably require, it will exercise such voting rights as may be directed by Allied.

- 4.3 Until the date upon which the Subscribers no longer hold any interest in Bedminster's share capital, Allied undertakes to the Subscribers that the Company will not undertake any activities other than those (i) contemplated hereunder; (ii) of a purely administrative nature, or (iii) with the consent of both Subscribers.

5 Payments

All payments under this Agreement shall be made by not later than 10.00 a.m. (London time) (or as agreed between the parties) on the relevant due date for payment in pounds sterling in immediately available funds to such account with such bank in London as shall have been notified by the payee to the payer.

6 Conditions Precedent

- 6.1 Any obligations of each of the Subscribers and Allied under this Agreement not required to be performed upon the date of this Agreement shall be conditional upon the execution (at the discretion of each of them) of the Preference Share Terms.
- 6.2 If the foregoing condition in Clause 6.1 is not satisfied on or prior to the Closing Time in connection with the obligations of the parties to be performed by that time, this Agreement shall terminate and the parties hereto shall be released and discharged from their respective obligations hereunder, save for the obligations of Allied pursuant to Clauses 3.2, 8 and 9 and the obligations of each Subscriber pursuant to Clauses 3.2 and 3.4 (in so far as such obligations relate to the transfer (including place of transfer) of the Ordinary Shares and Preference Shares pursuant to the Put and Call Option Agreement).

7 Representations and Warranties

- 7.1 Allied and Bedminster, jointly and severally represent and warrant to each of the Subscribers, both as at the date hereof and further represent and warrant that the representations and warranties below shall be true and accurate and not misleading at, and fulfilled down to, the Closing Time as if they had been given on the Closing Time that:
- 7.1.1 Bedminster is a private limited company incorporated under the laws of the Island of Jersey and since incorporation it has been in continuous existence and has not traded or carried on any business or activity save for any activities required in order to give effect to the terms of this Agreement;
 - 7.1.2 the creation and issue of the Preference Shares by Bedminster and the execution by Bedminster of this Agreement have been duly authorised by all corporate or other action required by Jersey law;
 - 7.1.3 this Agreement constitutes a valid and legally binding obligation of Bedminster subject to laws affecting the rights of creditors generally;
 - 7.1.4 the Preference Shares, when allotted, issued and subscribed as provided in this Agreement, will have been duly and validly allotted and issued;
 - 7.1.5 the allotment and issue of the Preference Shares by Bedminster and the execution by Bedminster of this Agreement and the performance by Bedminster of its obligations under this Agreement:

- (i) does not and will not conflict with, or result in a breach of, any of the terms or provisions of, the Memorandum and Articles of Association or any existing law, rule or regulation applying to or affecting Bedminster or any of its property or any judgment, order or decree of any government, governmental body or court having jurisdiction over the same; and
 - (ii) does not and will not infringe the terms of, or constitute a default under, any trust deed, agreement or other instrument or obligation to which Bedminster is a party or by which Bedminster or any part of its undertakings, assets, property or revenues is bound;
- 7.1.6 all consents, approvals, authorisations or other orders of all regulatory authorities in Jersey (if any) required for or in connection with the execution of this Agreement and the allotment and issue of the Preference Shares and the due performance by Bedminster of its obligations under this Agreement have been obtained and are in full force and effect;
- 7.1.7 the Preference Shares upon allotment, issue and payment of the Subscription Price therefor as provided in this Agreement and the Put and Call Option will be fully paid, rank pari passu amongst themselves, and free from any pre-emption rights or Encumbrance;
- 7.1.8 subject to completion of the Acquisition Agreements taking place on the terms set out therein, the Purchase Price will be applied directly or indirectly in or towards the financing or refinancing of the Acquisitions;
- 7.1.9 Bedminster is at the date of this Agreement resident in the UK and nowhere else for tax purposes; and
- 7.1.10 Bedminster has not done or been party to the doing of any act which is unlawful for the purposes of section 765 of the Income and Corporation Taxes Act 1988.
- 7.2 Allied represents and warrants to each of the Subscribers, both as at the date hereof and further represent and warrant that the representations and warranties below shall be true and accurate and not misleading at, and fulfilled down to, the Closing Time as if they had been given on the Closing Time, that:
 - 7.2.1 Allied is incorporated under the laws of England and Wales;
 - 7.2.2 the execution by Allied of this Agreement has been duly authorised by all corporate or other action required by English law;
 - 7.2.3 this Agreement constitutes a valid and legally binding obligation of Allied;
 - 7.2.4 the execution by Allied of this Agreement and the performance by Allied of its obligations under this Agreement:
 - (i) do not and will not conflict with, or result in a breach of, any of the terms or provisions of, the Memorandum and Articles of Association of Allied or any existing law, rules or regulation applying to or affecting Allied or any of its property or any judgment, order or decree of any government, governmental body or court having jurisdiction over the same; and
 - (ii) do not and will not infringe the terms of, or constitute a default under, any trust deed, agreement or other instrument or obligation to which Allied is a

party or by which Allied or any part of its undertakings, assets property or revenues is bound.

- 7.2.5 all consents, approvals, authorisations or other orders of all regulatory authorities in the United Kingdom (if any) required for or in connection with the execution of this Agreement and the due performance by Allied of its obligations under this Agreement have been obtained and are in full force and effect.

8 Costs and Expenses

- 8.1 Whether or not the Preference Shares are issued and allotted to the Subscribers, Allied shall pay:
- 8.1.1 to each Subscriber on demand all reasonable costs and expenses (including legal fees) incurred by them in connection with the preparation, negotiation and entry into of this Agreement;
 - 8.1.2 to each Subscriber on demand all reasonable costs and expenses (including legal fees) incurred by it in connection with the enforcement of, or preservation of any rights under, this Agreement;
 - 8.1.3 on demand, all capital, stamp duty, stamp duty reserve, documentary, registration and such other or like duties or taxes (including any duties or taxes imposed on or payable by the Subscribers and including any interest, fines or penalties thereto) imposed or payable in the United Kingdom or the Island of Jersey on or in connection with the execution, performance or enforcement of this Agreement and the issue, allotment of and/or subscription for the Preference Shares by the Subscribers pursuant to Clause 2 or the sale and transfer of the Preference Shares and Ordinary Shares by the Subscribers pursuant to Clause 3, and shall indemnify the Subscribers against any liability arising on it by reason of any delay or omission by Bedminster or Allied in paying the same.
- 8.2 If the Subscribers or any of them account for any such capital, stamp duty, stamp duty reserve tax, documentary, registration or other such tax referred to in Clause 8.1.3 (and any interest, fines or penalties in relation thereto), Allied shall reimburse each relevant Subscriber on demand for the amount so accounted for by the Subscriber (together with an amount equal to any reasonable costs incurred by the relevant Subscriber in connection therewith).
- 8.3 Any payments to be made by Bedminster or Allied to the Subscribers or either of them under this Agreement shall be made without withholding or deduction for or on account of any present or future taxes, duties or governmental charges whatsoever unless either of them is compelled by law to deduct or withhold such taxes, duties or charges. In that event, either company shall pay such additional amounts as may be necessary in order that the net amounts received after such withholding or deduction shall equal the amounts that would have been received if no withholding or deduction had been made provided that if any Subscriber obtains or is entitled to obtain a net reduction in its liability to taxation as a result of any withholding or deduction, that Subscriber shall, to the extent it is satisfied (acting in good faith) it can do so without prejudice to the retention of any credit, refund or similar benefit it receives, reimburse to the relevant company such parts of such additional amount paid to it as it certifies to the relevant company will leave it (after such reimbursement) in no better and no worse position than it would have been in if the relevant company had not been required to make such deduction or withholding.

8.4 Allied undertakes to indemnify each Subscriber for any taxation liability of Bedminster for which that Subscriber becomes secondarily or indirectly liable.

8.5 All costs and expenses payable pursuant to Clause 8.1 shall be paid together with irrecoverable Value Added Tax (if any) thereon. (Any VAT which is irrecoverable by the Subscribers by repayment or credit shall be certified by the Subscriber as such, that certificate to be conclusive save in the case of manifest error.)

9 Indemnification

9.1 Allied (the "**indemnifying party**") agrees that, subject to Clause 9.2, it shall indemnify each of the Subscribers (which, for the purposes of this Clause 9, shall include its Subsidiaries and affiliates, any holding companies and the Subsidiaries of such holding companies, each person, if any, who controls it and each of their respective partners, directors, officers, employees and agents, (each, an "**indemnified party**") (i) for and against all claims, actions, proceedings, investigations, demands, judgments and awards (together, "**Claims**" and each a "**Claim**") which may be instituted, made, threatened or alleged against or otherwise involve any of them and (ii) for and against all losses (which shall include for the avoidance of doubt, taxation), liabilities, damages, costs, charges and expenses together with an amount equal to any irrecoverable value added tax, turnover or similar tax thereon if applicable (together, "**Losses**" and each a "**Loss**"), which may be suffered or incurred by it, in each case in connection with or arising directly or indirectly out of the services rendered or duties properly performed by the Subscribers under this Agreement (including, without limitation any Loss or Claim arising out of or in relation to any breach of the representations, warranties, undertakings or any other obligation of Allied contained in this Agreement) and all Losses which either of the Subscribers may incur in investigating, preparing, disputing or defending, or providing evidence in connection with, any Claim (whether or not the Subscriber is an actual or potential party to such Claim) or in establishing any Claim or mitigating any Loss on its part or otherwise enforcing its rights under this Clause 9 which shall be additional and without prejudice to any rights which either of the Subscribers may have at common law or otherwise.

9.2 A Subscriber shall not be entitled to be indemnified in respect of any Claims or Losses to the extent that they have arisen as a result of the negligence, bad faith or wilful default of that Subscriber or the giving or implementation of an indemnity in respect thereof is prohibited by law.

9.3 If either of the Subscribers becomes aware of any Claim relevant for the purposes of Clause 9.1 or any matter which may give rise to a Claim, they shall promptly notify Allied thereof giving particulars of the Claim provided that failure by such Subscriber to notify Allied shall not relieve Allied from the obligation to indemnify without prejudice to Allied's ability to claim to the extent that Allied suffers any Loss (or any existing Loss is increased) as a result of such failure. Subject to being indemnified and secured to its reasonable satisfaction by Allied against any additional or increased Losses it may suffer or incur as a result of so doing, and subject to the requirements (if any) of the Subscriber's insurers and subject, where appropriate, to Allied entering into confidentiality obligations satisfactory to the Subscriber in its reasonable opinion, the Subscriber shall thereafter consult with Allied regarding its conduct of the Claim and provide Allied with such information and copies of such documents relating to the Claim as Allied may reasonably request, provided that the Subscriber shall not, subject to Clause 9.8, be under any obligation to take into account any requirements of Allied in connection with such conduct nor to provide Allied with a copy of any document which is or may be privileged in the context of the Claim. Nothing in this

Clause 9.3 shall require an indemnified party to make available to any adviser or to provide Allied with a copy of any document or any information or answer any request for information in connection with an indemnified party's tax affairs (i) without the written agreement of Allied to treat such information in strict confidence and not to disclose it to any person (except if required by law) or use it for any purpose other than, in either case, defending any claim under this Clause 9 without the written consent of the relevant indemnified party and where the information is made available to Allied's advisers it is on the basis of the written agreements of the advisers to treat the relevant information in strict confidence and not to disclose it or use it for any purpose other than, in either case, directly assisting Allied in defending any claim under this Clause 9 or (ii) which an indemnified party considers, in its reasonable opinion, to be held by it subject to a duty of confidentiality or to be privileged whether in the context of any litigation connected with the subject matter of this Agreement or otherwise.

- 9.4 No claim shall be made against a Subscriber by Allied to recover any Losses suffered or incurred by Allied in connection with or arising out of the services rendered or duties performed by the Subscriber hereunder unless and to the extent that they have arisen as a result of the negligence, bad faith or wilful default of that Subscriber.
- 9.5 If it is found in the conduct of any Claim that any Losses suffered or incurred by a Subscriber have resulted from its negligence, bad faith or wilful default in performing its services in accordance with the terms of this Agreement, the Subscriber will repay to Allied any such amount previously received by it under this indemnity that is attributable to any Claims or Losses arising out of or resulting from, or otherwise suffered or incurred in relation to, its negligence, bad faith or wilful default.
- 9.6 If a Subscriber receives from any third party a sum in respect of any Loss for which it has already received indemnification from Allied, that Subscriber will repay to Allied such amount as will leave the Subscriber in the same net position as it would have been in had it not received such a sum from such third party.
- 9.7 If any action, claim or demand shall be brought or alleged against an indemnified party in respect of which indemnity is to be sought against the indemnifying party under this Clause 9, the indemnified party shall promptly notify the indemnifying party, in writing, and the indemnifying party shall have the option to assume the defence thereof, with counsel to the reasonable satisfaction of the indemnified party (who shall not, except with the consent of the indemnified party, also be counsel to the indemnified party), provided that if such counsel is not reasonably satisfactory to the indemnified party, the indemnified party shall assume the defence of such action, claim or demand. If the indemnifying party elects to assume the defence thereof and retains such legal advisers, the indemnified party shall bear the fees and expenses of any additional legal advisers retained by it. If the indemnifying party does not elect to assume the defence thereof or fails to employ legal advisers to the reasonable satisfaction of the indemnified party to represent the indemnified party within a reasonable period of time after notice of commencement of the action, it will reimburse the indemnified party for the fees and expenses of any legal advisers retained by the indemnified party. After timely notice from the indemnifying party to the indemnified party of its election so to assume the defence thereof, the indemnifying party will not be liable to the indemnified party under this Clause 9 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defence thereof other than reasonable costs of investigation.

- 9.8 The indemnified party will not settle, compromise or agree any action, claim or demand out of court without the prior written consent of the indemnifying party.
- 9.9 If any sum payable under this Clause 9 shall be subject to a charge to taxation in the hands of either of the Subscribers or the relevant indemnified party, then (to the extent that the Claim or Loss in respect of which the sum is payable is not allowable to the relevant Subscriber or the relevant indemnified party as a deduction for tax purposes) the sum payable shall be increased to such sum as will ensure that after payment of such taxation the relevant Subscriber or the relevant indemnified party shall be left with a sum equal to the sum that it would have received in the absence of such charge to taxation.
- 9.10 Nothing in this Clause 9 operates to exclude or restrict any duty or liability of the Subscribers under the FSMA or under the regulatory system (as defined for the purposes of the rules and regulations made by the Financial Services Authority under the FSMA (the "Rules")), to an extent greater than permitted by the Rules.

10 Counterparts

This Agreement may be signed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this Agreement by signing any such counterpart.

11 Time

Time shall be of the essence of this Agreement.

12 Assignment and Transfers

No party may assign or transfer all or part of its rights or obligations under this Agreement.

13 Further Assurance

At any time after the date of this Agreement each party agrees that it shall, promptly upon being required to do so by any other party hereto, do or procure that there shall be done all such acts and things and execute or procure the execution of all such documents and instruments as such party may from time to time reasonably require (before or after the Closing Time) in order to give full effect to this Agreement.

14 Communications

- 14.1 All notices or communication shall be sent (i) if to Cazenove, to it at:

Cazenove & Co. Ltd
12 Tokenhouse Yard
London EC2R 7AN
Attention: James Mitford,
Fax: 0207 825 9493;

or (ii) if to Salomons, to it at:

Victoria Plaza
111 Buckingham Palace Road
London SW1W 0SB
Attention: General Counsel's Office
Fax: 0207 500 1023

or (iii) in the case of notices to Bedminster or to Allied, to Allied at:

The Pavilions
Bridgwater Road
Bedminster Down
BS13 8AR
Attention: Company Secretary
Fax: 0117 978 5284

14.2 Effectiveness: Any such communication shall take effect, in the case of a letter, at the time of delivery, in the case of fax, at the time of despatch or, in the case of telephone, when made.

14.3 Confirmations: Any communication not by letter shall be confirmed by letter but failure to send or receive the letter of confirmation shall not invalidate the original communication.

15 Contracts (Rights of Third Parties) Act 1999

15.1 Each indemnified party will have the right under the Contracts (Rights of Third Parties) Act 1999 (the "**Act**") (which will apply to Clause 9 of this Agreement) to enforce its rights against Allied under this Agreement, provided that, save to the extent notified to Allied in writing by a Subscriber in relation to an indemnified party connected to it, such Subscriber will have sole conduct of any action on behalf of each such indemnified party connected to it. Notwithstanding the foregoing provisions of this Clause, this Agreement may be varied in any way and at any time by the parties to this Agreement without the consent of any person other than Allied, the Subscribers and Bedminster.

15.2 Save as aforesaid, a person who is not a party to this Agreement has no right under the Act to enforce any term of this Agreement.

16 Liability

16.1 Each of the Subscriber's liability under this Agreement shall be several and not joint or joint and several. For the avoidance of doubt, neither Subscriber shall be responsible for the obligations of the other Subscriber.

17 Governing Law and Jurisdiction

17.1 This Agreement shall be governed by and construed in accordance with English law.

17.2 The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceeding arising out of or in connection with this Agreement ("**Proceedings**") may be brought in such courts. Bedminster irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the Subscribers and shall not limit the right of the Subscribers to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

17.3 Bedminster irrevocably appoints Allied at its registered office from time to time to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to Allied (whether or not it is forwarded to and received by Bedminster).

Schedule 1

Preference Share Terms

Further to the Subscription and Transfer Agreement dated [•] February 2002 between Allied Domecq PLC, Bedminster (Jersey) Limited, Cazenove & Co. Ltd and Salomon Brothers International Limited (the "**Subscription and Transfer Agreement**"), the following terms are agreed:

Bedminster (Jersey) Limited Preference Shares **Subscriber**

Cazenove & Co. Ltd •

Salomon Brothers International •
Limited

Subscription Date: •

Subscription Price: £[]

Allied Domecq PLC, Bedminster (Jersey) Limited, Salomon Brothers International Limited and Cazenove & Co. Ltd confirm the provisions of the Subscription and Transfer Agreement and acknowledge that these Preference Share Terms form part of and shall be read in conjunction with the Subscription and Transfer Agreement.

Terms defined in the Subscription and Transfer Agreement have the same meanings herein.

These Preference Share Terms shall be deemed to have been entered into as at the time of the Further Press Announcement on [•].

ALLIED DOMECC PLC

By:

Title:

BEDMINSTER (JERSEY) LIMITED

By:

Title:

CAZENOVE & CO. LTD

By:

Title:


SALOMON BROTHERS INTERNATIONAL LIMITED

By:

Title:

This Agreement has been entered into on the date stated above.

ALLIED DOMECQ PLC

By: 

Title: GROUP FINANCE DIRECTOR

BEDMINSTER (JERSEY) LIMITED

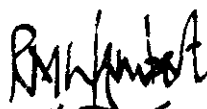
By: 

Title: DIRECTOR

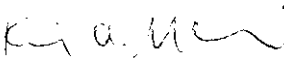
CAZENOVE & CO. LTD

By:

Title:


Managing Director - Corporate Finance

SALOMON BROTHERS INTERNATIONAL LIMITED

By: 

Title: Vice President