



C O M P A N I E S   H O U S E

BR2

This form should be completed in black.

**Return by an overseas company subject to branch registration of an alteration to constitutional documents**

(Pursuant to Schedule 21A, paragraph 7(1) of the Companies Act 1985.)

Company number

FC 012321

Company name

BT HOLDINGS (EUROPE) LIMITED

Branch number

BR 001042

Branch Name

**CONSTITUTIONAL DOCUMENTS**

On 09/01/98 an alteration was made to the constitutional document(s) of the company

\* Delete as applicable

A copy of the new instrument is attached

Note:- A company is only required to make a return in respect of a branch where the document altered is included amongst the material registered in respect of that branch.

~~\* A certified translation is also attached~~



Signed

*W. Pellow*  
\* Director / Secretary / Permanent representative

Date

19th August 1998

When completed, this form should be returned to the address overleaf

To whom should Companies House direct any enquiries about the information on this form

Name A. NAUGHTON-DOE, CORPORATE SECRETARIAT

Address BANKERS TRUST INTERNATIONAL PLC

1 APPOLD STREET, BROADGATE, LONDON

EC2A 2HE

Telephone no. 011 982 2057

When completed, this form should be delivered to :-

For branches registered in England and Wales

The Registrar of Companies  
Companies House  
Crown Way  
Cardiff  
CF4 3UZ

For branches registered in Scotland

The Registrar of Companies  
Companies House  
100 - 102 George Street  
Edinburgh  
EH2 3DJ

*State of Delaware*  
*Office of the Secretary of State*

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I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF DESIGNATION OF "BT HOLDINGS (EUROPE) LIMITED", FILED IN THIS OFFICE ON THE NINTH DAY OF JANUARY, A.D. 1998, AT 4:30 O'CLOCK P.M.



A handwritten signature in cursive script, reading "Edward J. Freel", is written over a horizontal line.

*Edward J. Freel, Secretary of State*

2022957 8100

981011876

AUTHENTICATION:

8861129

DATE:

01-12-98

BT HOLDINGS (EUROPE) LIMITED

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CERTIFICATE OF DESIGNATION

Pursuant to Section 151 of the General  
Corporation Law of the State of Delaware

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Money Market Cumulative Preferred™ Stock

BT HOLDINGS (EUROPE) LIMITED, a Delaware corporation (the "Corporation"), DOES HEREBY CERTIFY that the following resolution has been duly adopted by the Board of Directors of the Corporation:

RESOLVED, that pursuant to the authority expressly granted to and vested in the Board of Directors of the Corporation by the provisions of the Certificate of Incorporation of the Corporation, four series within the class of Preferred Stock, par value \$1.00 per share, of the Corporation are hereby created and established, and the amount thereof and the voting powers, designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof are hereby fixed as follows:

Section 1. Designation, Amount and Series.

The four series of Preferred Stock created hereby shall be designated "Money Market Cumulative Preferred™ Stock" ("MMP"®) and shall be issuable in the following series: 760 shares designated as "Money Market Cumulative Preferred™ Stock, Series A"

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™ Trademark of Lehman Brothers Inc.

® Registered trademark of Lehman Brothers Inc.

(the "Series A MMP"), 760 shares designated as "Money Market Cumulative Preferred™ Stock, Series B" (the "Series B MMP"), 760 shares designated as "Money Market Cumulative Preferred™ Stock, Series C" (the "Series C MMP") and 760 shares designated as "Money Market Cumulative Preferred™ Stock, Series D" (the "Series D MMP").

Section 2. Definitions<sup>1</sup> Unless the context or use indicates another or different meaning or intent, the following terms shall have the following meanings, whether used in the singular or plural:

"Affiliate" as to any person shall mean any Person controlled by, in control of, or under common control with, such Person.

"Agent Member" shall mean a member of the Securities Depository that will act on behalf of an Existing Holder of one or more shares of MMP or a Potential Holder that is identified as such in such holder's Purchaser's Letter.

"Applicable Determining Rate" shall mean with respect to a Dividend Period from 49 days to 183 days, the Effective Composite Commercial Paper Rate; with respect to a Dividend Period of 184 days to 364 days, the U.S. Treasury Bill Rate; with respect to a Dividend Period of one year to 10 years, the U.S. Treasury Note Rate; and with respect to a Dividend Period in excess of 10

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<sup>1</sup>Certain additional terms used in this Certificate of Designation are defined in Sections 6, 8 and 10 hereof.

years, the U.S. Treasury Bond Rate.

"Auction" means a periodic implementation of the Auction Procedures.

"Auction Agent" means Bankers Trust Company unless and until another commercial bank, trust company or other financial institution appointed by a resolution of the Board of Directors of the Corporation, or a duly authorized committee thereof, enters into an agreement with the Corporation to follow the Auction Procedures for the purpose of determining the Dividend Rate and to act as transfer agent, registrar, dividend disbursing agent and redemption agent for the MMP.

"Auction Agent Agreement" means the agreement entered into between the Corporation and the Auction Agent which provides, among other things, that the Auction Agent will follow the Auction Procedures for the purpose of determining the Dividend Rate.

"Auction Date" shall mean the Business Day immediately preceding the first day of a Dividend Period.

"Auction Procedures" means the procedures for conducting Auctions set forth in Section 8 of this Certificate of Designation.

"Broker-Dealer" shall mean any broker-dealer, or other entity permitted by law to perform the functions required of a Broker-Dealer in, the Auction Procedures, that is a member of, or a participant in the Securities Depository, and that has been

selected by the Corporation and has entered into a Broker-Dealer Agreement with the Auction Agent that remains effective.

"Broker-Dealer Agreement" shall mean an agreement between the Auction Agent and a Broker-Dealer pursuant to which such Broker-Dealer agrees to follow the Auction Procedures.

"Business Day" means a day on which the New York Stock Exchange, Inc. is open for trading and which is not a Saturday, Sunday or other day on which banks in The City of New York are authorized or obligated by law to close.

"By-Laws" means the By-Laws, as amended and supplemented from time to time, of the Corporation.

"Certificate of Incorporation" means the Certificate of Incorporation, as amended and supplemented from time to time (including this Certificate of Designation), of the Corporation on file with the Secretary of State of the State of Delaware.

"Common Stock" means all classes of the common stock, par value of \$1.00 per share, of the Corporation.

"Corporation" means BT Holdings (Europe) Limited, a Delaware corporation.

"Date of Original Issue" means, with respect to any share of MMP, the date on which the Corporation initially issues such share.

"Dividend Payment Date" shall mean, with respect to shares of MMP, the last day of each Dividend Period applicable thereto, regardless of its length, and in addition, in the case of

Dividend Periods of more than 99 days, the following additional dates: (a) if such Dividend Period is from 100 to 190 days, on the 91st day; (b) if such Dividend Period is from 191 to 281 days, on the 91st and 182nd days; (c) if such Dividend Period is from 282 days to 364 days, on the 91st, 182nd and 273rd days; and (d) if such Dividend Period is one year or longer, on January 15, April 15, July 15 and October 15 of each year; provided that in all such cases, if such date is not a Business Day, the Dividend Payment Date will be the Business Day next succeeding such date.

"Dividend Period" shall mean, as to each share of MMP, each period with respect to which dividends on such share of MMP accumulate and are payable.

"Dividend Rate" shall mean, as to each share of MMP, each rate at which a dividend shall be payable on such share of MMP for any Dividend Period.

"Effective Composite Commercial Paper Rate" shall mean, on any date, (i) the Money Market Yield of the rate on commercial paper issued by issuers whose corporate bonds are rated "Aa" by Moody's or "AA" by Fitch IBCA or the equivalent of such rating by another nationally recognized rating agency, for a maturity that equals the duration of the relevant Dividend Period as such rate is made available on a discount basis or otherwise by the Federal Reserve Bank of New York on such date, or (ii) in the event that the Federal Reserve Bank of New York does not make available such a rate by 2:00 p.m., New York City time, on such date, the Money



Market Yield of the arithmetic mean (average) of the rates on commercial paper of such maturity issued by such issuers, as quoted on a discount basis or otherwise by Lehman Commercial Paper Incorporated, or, in lieu thereof, its affiliates or successors that are commercial paper dealers (the "Commercial Paper Dealers"), to the Auction Agent for the close of business on the Business Day immediately preceding such date. In the event that the Federal Reserve Bank of New York does not make available such a rate and if any Commercial Paper Dealer does not quote a rate required to determine the Effective Composite Commercial Paper Rate, the Effective Composite Commercial Paper Rate shall be determined on the basis of the quotation or quotations furnished by the remaining Commercial Paper Dealers and any Substitute Commercial Paper Dealer or Substitute Commercial Paper Dealers selected by the Corporation to provide such rate or rates not being supplied by any Commercial Paper Dealer or Commercial Paper Dealers. "Substitute Commercial Paper Dealers" shall mean Merrill Lynch, Pierce, Fenner & Smith Incorporated and Goldman, Sachs & Co. or, in lieu thereof, its affiliates or successors that are commercial paper dealers. In the event that no quoted rates are available for a maturity that equals the duration of the relevant Dividend Period, then the rate will be the higher of the quoted rates for the maturity immediately shorter or immediately longer than the duration of the relevant Dividend Period.

"Existing Holder" shall mean, when used with respect to shares of MMP, a Person who has signed a Purchaser's Letter and is listed as the beneficial owner of such shares of MMP in the records of the Auction Agent.

"Fitch IBCA" shall mean Fitch IBCA, Inc. and its successors.

"Holder" means a Person identified as a holder of record of shares of MMP in the Stock Register.

"Initial Dividend Payment Date" means March 2, 1998 for the Series A MMP, March 6, 1998, for the Series B MMP, March 9, 1998, for the Series C MMP and March 11, 1998, for the Series D MMP.

"Initial Dividend Period" means, with respect to each Series of MMP, the initial Dividend Period commencing on the Date of Original Issue and ending on the Initial Dividend Payment Date for such Series of MMP.

"Initial Dividend Rate" means 4.10% per annum for the Series A MMP, 4.10% per annum for the Series B MMP, 4.10% per annum for the Series C MMP and 4.10% per annum for the Series D MMP.

"MMP" means any series of Preferred Stock of the Corporation designated as "Money Market Cumulative Preferred"™ Stock".

"Money Market Yield" shall mean, with respect to any rate that is quoted on a bank discount basis, a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the per annum rate, quoted on a bank discount basis and expressed as a decimal; and "M" refers to the number of

days for which such discount rate is quoted.

"Moody's" shall mean Moody's Investors Service, Inc. and its successors.

"Outstanding" means, as of any date, shares of MMP theretofore issued by the Corporation except, without duplication, (i) any shares of MMP theretofore cancelled or delivered to the Auction Agent for cancellation, (ii) any shares of MMP as to which the Corporation or any Affiliate thereof (including any Affiliate that is a Broker-Dealer) shall be the owner or (iii) any shares of MMP represented by any certificate in lieu of which a new certificate has been executed and delivered by the Corporation.

"Payment Failure" shall mean that the Corporation shall fail to pay, or to provide to the Auction Agent funds sufficient to enable the Auction Agent to pay on the Corporation's behalf, all dividends in respect of any shares of MMP which have accumulated during any Dividend Period applicable to such shares of MMP no later than the third Business Day following the last day of such Dividend Period if such failure shall continue unremedied.

"Person" shall mean and include an individual, a partnership, a corporation, a trust, an unincorporated association, a joint venture or other entity or a government or any agency or political subdivision thereof.

"Potential Holder" shall mean any Person, including any Existing Holder but excluding the Corporation and any Affiliate

of the Corporation, (A) who shall have executed a Purchaser's Letter and (B) who may be interested in acquiring shares of MMP (or, in the case of an Existing Holder, additional shares of MMP).

"Preferred Stock" means the preferred stock of the Corporation, and includes shares of MMP.

"Purchaser's Letter" means a letter addressed to the Corporation, the Auction Agent and a Broker-Dealer in which a Person agrees, among other things, to offer to purchase, purchase, offer to sell and/or sell shares of MMP as set forth in the Auction Procedures.

"Relevant Period" has the meaning set forth in Section 6(b) of this Certificate of Designation.

"Series" means any series of MMP.

"Securities Depository" means The Depository Trust Company or any successor company or other entity selected by the Corporation as securities depository for the shares of MMP that agrees to follow the procedures required to be followed by such securities depository in connection with the shares of MMP.

"Stock Register" means the register of Holders maintained on behalf of the Corporation by the Auction Agent in its capacity as transfer agent and registrar for the MMP.

"Subsequent Dividend Period" shall mean, for each share of MMP, each Dividend Period applicable thereto other than the Initial Dividend Period.

"U.S. Treasury Bill Rate" shall mean, on any date, (i) the yield as calculated by reference to the bid price quotation of the actively traded, current coupon Treasury Bill with a maturity which is equal to or next lower than the length of the related Dividend Period, as such bid price quotation is published on the Business Day immediately preceding such date by the Federal Reserve Bank of New York in its Composite 3:30 P.M. Quotations for U.S. Government Securities report for such Business Day, as reported on Page 5 of the Dow Jones Telerate Service (or such other page as may replace such page on that service or such other service as may be used by the Federal Reserve Bank of New York to disseminate its Composite 3:30 P.M. Quotations for U.S.

Government Securities report), or (ii) if such yield as so calculated is not available, the Alternate Treasury Bill Rate on such date. "Alternate Treasury Bill Rate" on any date means the yield as calculated by reference to the arithmetic mean (average) of the bid price quotations of the actively traded, current coupon Treasury Bill with a maturity which is equal to or next lower than the related Dividend Period, as determined by bid price quotations as of any time on the Business Day immediately preceding such date, obtained by the Auction Agent from at least three recognized U.S. Government securities dealers selected by the Corporation.

"U.S. Treasury Bond Rate" shall mean on any date (i) the yield as calculated by reference to the bid price quotation of

the actively traded, current coupon Treasury Bond with a remaining maturity most nearly comparable to 30 years from such date, as such bid price quotation is published on the Business Day immediately preceding such date by the Federal Reserve Bank of New York in its Composite 3:30 P.M. Quotations for U.S. Government Securities report for such Business Day, as reported on Page 5 of the Dow Jones Telerate Service (or such other page as may replace such page on that service or such other service as may be used by the Federal Reserve Bank of New York to disseminate its Composite 3:30 P.M. Quotations for U.S. Government Securities report), or (ii) if such yield as so calculated is not available, the Alternate Treasury Bond Rate on such date. "Alternate Treasury Bond Rate" on any date means the yield as calculated by reference to the arithmetic mean (average) of the bid price quotations of the actively traded, current coupon Treasury Bond with a remaining maturity most nearly comparable to the related Dividend Period, as determined by bid price quotations as of any time on the Business Day immediately preceding such date, obtained by the Auction Agent from at least three recognized U.S. Government securities dealers selected by the Corporation.

"U.S. Treasury Note Rate" shall mean, on any date, (i) the yield as calculated by reference to the bid price quotation of the actively traded, current coupon Treasury Note with a maturity most nearly comparable to the length of the related Dividend

Period, as such bid price quotation is published on the Business Day immediately preceding such date by the Federal Reserve Bank of New York in its Composite 3:30 P.M. Quotations for U.S. Government Securities report for such Business Day, as reported on Page 5 of the Dow Jones Telerate Service (or such other page as may replace such page on that service or such other service as may be used by the Federal Reserve Bank of New York to disseminate its Composite 3:30 P.M. Quotations for U.S. Government Securities report), or (ii) if such yield as so calculated is not available, the Alternate Treasury Note Rate on such date. "Alternate Treasury Note Rate" on any date means the yield as calculated by reference to the arithmetic mean (average) of the bid price quotations of the actively traded, current coupon Treasury Note with a remaining maturity most nearly comparable to the related Dividend Period, as determined by bid price quotations as of any time on the Business Day immediately preceding such date, obtained by the Auction Agent from at least three recognized U.S. Government securities dealers selected by the Corporation.

Section 3. Dividends. (a) The Holders shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation or a duly authorized committee thereof, out of funds legally available therefor, cumulative dividends each consisting of cash at the applicable Dividend Rate, and no more, payable on the respective dates set forth

below. Dividends on the shares of MMP so declared and payable shall be paid in preference to and in priority over any dividends declared and payable on the Common Stock.

(b) (i) Cash dividends on shares of MMP shall accumulate from the Date of Original Issue and shall be payable, when, as and if declared by the Board of Directors or a duly authorized committee thereof, out of funds legally available therefor, on the last day of each Dividend Period with respect thereto, regardless of its length, and, in addition, in the case of Dividend Periods of more than 99 days, on the following additional dates: (a) if such Dividend Period is from 100 to 190 days, on the 91st day; (b) if such Dividend Period is from 191 to 281 days, on the 91st and 182nd days; (c) if such Dividend Period is from 282 days to 364 days, on the 91st, 182nd and 273rd days; and (d) if such Dividend Period is one year or longer, on January 15, April 15, July 15 and October 15 of each year, provided that in all such cases, if such date is not a Business Day, the Dividend Payment Date will be the Business Day next succeeding such date. Notwithstanding that a particular Dividend Payment Date may not occur on the originally scheduled date because of the foregoing exception, the next succeeding Dividend Payment Date, subject to such exception, shall occur on the day on which it was originally scheduled to occur.

(ii) Each dividend shall be paid to Holders of record as they appear on the Stock Register on the Business Day



preceding the Dividend Payment Date therefor; provided, however, that if the Dividend Rate with respect to shares of MMP is 250% of the Applicable Determining Rate as a result of the occurrence of a Payment Failure, then that dividend will be paid to such Holders as their names appear on the record of stockholders of the Corporation on a date not exceeding 15 days preceding the payment date thereof as may be fixed by the Board of Directors of the Corporation or a duly authorized committee thereof. Dividends in arrears for any past Dividend Period may be declared and paid at any time, without reference to any regular Dividend Payment Date.

(iii) The amount of dividends per share accumulated on each share of MMP during any Dividend Period less than one year shall be computed by multiplying the Dividend Rate for such Dividend Period by a fraction the numerator of which is the actual number of days in such Dividend Period (calculated by counting the first day thereof but excluding the last day thereof) and the denominator of which will be 360 and multiplying \$100,000 by the rate obtained. During any Dividend Period of one year or longer, the amount of dividends accumulated on each share of MMP will be computed on the basis of a year consisting of twelve 30-day months.

(c) (i) During the Initial Dividend Period applicable to each Series of MMP, the Dividend Rate shall be the Initial Dividend Rate for such Series of MMP. Thereafter, subject to

Section 3(c)(ii), the Dividend Rate on the shares of each Series of MMP for each Subsequent Dividend Period shall be the rate per annum that the Auction Agent advises the Corporation has resulted from implementation of the Auction Procedures.

(ii) Notwithstanding the foregoing provisions of this Section 3(c), the application of the Auction Procedures shall be suspended during the continuance of a Payment Failure and during such continuance the Dividend Rate for all shares of MMP shall be 250% of the Applicable Determining Rate for Dividend Periods commencing on and after the last day of the Dividend Period with respect to which such Payment Failure occurred. In no event shall the Dividend Rate for any share of MMP be adjusted prior to the end of a Dividend Period for such share of MMP. The duration of any Dividend Period having a Dividend Rate equal to 250% of the Applicable Determining Rate as a result of a Payment Failure shall be 49 days. If no Payment Failure continues to exist at the end of a Dividend Period, the application of the Auction Procedures shall be resumed.

(iii) Each Subsequent Dividend Period for each Series of MMP will begin on a Dividend Payment Date and will end 49 days thereafter, provided that, subject to the By-Laws, the Corporation may establish the duration of any Subsequent Dividend Period for any Series of MMP by a notice sent by the Corporation to Holders of shares of such Series of MMP, by first-class mail, postage prepaid, to the address of each such Holder appearing in

the Stock Register, not less than seven days nor more than 60 days prior to any Auction Date for such Subsequent Dividend Period, which notice shall specify (A) the Corporation's determination of the length of the next succeeding Dividend Period (which shall be a minimum of 49 days), (B) in the case of any Dividend Period in excess of 99 days in duration, any Dividend Payment Date or Dates other than the last day of such Dividend Period and (C) if the duration specified in such notice is less than or equal to two years, that, until a subsequent notice is sent by the Corporation to Holders, each Subsequent Dividend Period will have the same duration and, if applicable, Dividend Payment Dates specified in (A) and (B) for the next succeeding Dividend Period. In the absence of any such notice with respect to a Subsequent Dividend Period, such period will have the duration specified in the most recent such notice (or, in the absence of any such notice, a duration of 49 days); provided, however, that if the duration specified in the most recent such notice exceeds two years, such period will have a duration of 49 days. In addition, in the event the Corporation has elected a duration of more than 49 days for a Subsequent Dividend Period, it may withdraw such election by giving notice to Holders of shares of such Series of MMP by no later than 3:00 p.m., New York City time, on the Business Day immediately preceding the initial Auction Date with respect to which such notice was delivered, and in such event the notice revising the

duration of such Subsequent Dividend Period shall be of no force and effect. Copies of such notices shall be delivered physically, by telecopier or other written electronic communication to the Auction Agent by the Corporation at the same time they are transmitted to the record holders of shares of MMP. The Auction Agent shall thereupon provide copies of such notices to each Broker-Dealer as soon as practicable after receiving such notice. No defect in the notice or in the mailing thereof shall affect the validity of the change in the Dividend Period. In the event that Sufficient Clearing Bids have not been made, so the Dividend Rate for the next Dividend Period is equal to the Maximum Rate, then the length of the Subsequent Dividend Period will be 49 days (regardless of whether the Corporation has specified a longer Dividend Period), and the Maximum Rate shall be determined based upon the length of such Dividend Period.

(iv) For so long as any share of MMP is Outstanding, the Corporation shall not declare, pay or set apart for payment any dividend or other distribution (other than a dividend or distribution paid in shares of, or options, warrants or rights to subscribe for or purchase, Common Stock or other stock, if any, ranking junior to the shares of MMP as to dividends or upon liquidation) in respect of the Common Stock or any other stock of the Corporation ranking junior to or on a parity with the shares of MMP as to dividends or upon liquidation, or call for redemption, redeem, purchase or otherwise acquire for

consideration any shares of the Common Stock or any other such junior stock (except by conversion into or exchange for stock of the Corporation ranking junior to the shares of MMP as to dividends and upon liquidation) or any other such parity stock (except by conversion into or exchange for stock of the Corporation ranking junior to or on a parity with the shares of MMP as to dividends and upon liquidation), unless full cumulative dividends on shares of MMP due on or prior to the date of the transaction have been declared and paid or shall have been declared and sufficient funds for the payment thereof deposited with the Auction Agent.

(d) No fractional shares of MMP shall be issued.

Section 4. Liquidation Rights. Upon the involuntary or voluntary liquidation, dissolution or winding up of the Corporation, the Holders will have preference and priority over the Common Stock or any other class of stock of the Corporation ranking on liquidation junior to the shares of MMP, for payment out of the assets of the Corporation or proceeds thereof, whether from capital or surplus, of \$100,000 per share of MMP plus all dividends accumulated and unpaid thereon (whether or not declared). If, in the case of any such liquidation, dissolution or winding up of the Corporation the assets of the Corporation or proceeds thereof shall be insufficient to make the full liquidation payment of \$100,000 per share of MMP plus all accumulated and unpaid dividends on the MMP, then those assets

and proceeds will be distributed among the holders of shares of MMP ratably in accordance with the respective amounts which would be payable on such shares of MMP if all amounts thereon were paid in full.

Section 5. Redemption; Gross-up Payments. (a) The shares of MMP are redeemable on any Dividend Payment Date for the shares, at the option of the Corporation, as a whole or in part, out of funds legally available therefor, upon at least 10 but not more than 45 days notice pursuant to a notice of redemption, at a redemption price per share equal to the sum of \$100,000 and an amount equal to all accumulated and unpaid dividends thereon (whether or not earned or declared) to the date that the Corporation pays the full amount payable upon redemption of such shares.

(b) If the aggregate amount of any distributions made during any taxable year with respect to the shares of MMP exceeds the current and accumulated earnings and profits of the Corporation as of the end of such taxable year, as determined for U.S. federal income tax purposes, the Corporation may elect, subject to the By-Laws, to make Gross-up Payments (as defined below) to each Eligible Investor (as defined below) that received during such taxable year one or more distributions which constituted, in whole or in part, a return of capital for U.S. federal income tax purposes (each such distribution, to the extent such distribution constituted a return of capital for U.S.

federal income tax purposes, an "Excess Distribution") in lieu of redeeming all the Outstanding shares of MMP as described in Section 5(a) hereof. If the Corporation elects to make Gross-up Payments, the Corporation shall, within 180 days after the end of such taxable year, provide notice of such election to the Auction Agent. Such notice shall specify the distributions for such taxable year which were Excess Distributions and state that each Eligible Investor will receive a Gross-up Payment. The Auction Agent shall mail a copy of such notice to each Broker-Dealer and each Holder as soon as practicable after its receipt of such notice from the Corporation. An "Eligible Investor" is any entity that, at the time such entity received an Excess Distribution, was (i) a beneficial owner of shares of MMP (ii) subject to U.S. federal income tax, (iii) a corporation for U.S. federal income tax purposes and (iv) entitled to the Dividends Received Deduction under section 243(a)(1) of the Internal Revenue Code of 1986, as amended. The Corporation shall within 30 days after such notice is given to the Auction Agent pay to the Auction Agent (who shall then distribute such payment through the Securities Depository to all Eligible Investors) an amount equal to the aggregate Gross-up Payments to be paid to Eligible Investors with respect to such taxable year. The Company shall notify the Auction Agent, who will notify the Broker-Dealers, if, at the time a Gross-Up Payment is paid, any Existing Holders are not Eligible Investors.

A "Gross-up Payment" means a payment to an Eligible Investor of an amount which, when taken together with the aggregate distributions (whether treated as dividends or return of capital for U.S. federal income tax purposes) paid to such Eligible Investor by the Corporation during any taxable year, would cause such Eligible Investor's net yield in dollars (after taking into effect the U.S. federal income tax consequences of treating the Excess Distributions received by such Eligible Investor as capital gain received upon the taxable sale or exchange of shares of MMP) to be equal to the net yield in dollars which would have been received by such Eligible Investor had none of the distributions paid to such Eligible Investor during such taxable year constituted Excess Distributions. Such Gross-up Payment shall be calculated in the foregoing manner without consideration being given to the time value of money and using the applicable maximum marginal corporate U.S. federal income tax rate for the year in which the Gross-up Payment is paid.

Section 6. Voting Rights. (a) General. Except as otherwise provided herein or as otherwise from time to time required by law, the Holders shall have no voting rights.

(b) Election of Additional Directors. (i) During any period when dividends on the shares of MMP or on any other series of preferred stock ranking on a parity as to dividends with the shares of MMP and upon which like voting rights have been conferred and are then exercisable (the shares of MMP and all



such other shares being referred to as the "Voting Parity Shares") shall be in arrears for at least 180 consecutive days and shall not have been paid in full (a "Relevant Period"), the authorized number of members of the Board of Directors of the Corporation shall automatically be increased by two and the holders of record of the Voting Parity Shares voting as described below will be entitled to fill the vacancies so created by electing two additional directors of the Corporation. The directors so elected shall be residents of the United Kingdom (the "Additional Directors") and will have only the normal powers of members of the Board of Directors of the Corporation.

(ii) As soon as practicable after the commencement of a Relevant Period (or a reinstatement of the voting rights of holders of Voting Parity Shares as provided herein), the Board of Directors of the Corporation will call or cause to be called a special meeting of the holders of record of Voting Parity Shares by mailing or causing to be mailed to such holders of record of Voting Parity Shares a notice of such special meeting to be held not less than 10 and not more than 45 days after the date such notice is given. If the Board of Directors of the Corporation does not call or cause to be called such a special meeting, it may be called by any of such holders of record on like notice. The record date for determining the holders of record of the Voting Parity Shares entitled to notice of and to vote at such special meeting will be the close of business on the Business Day

preceding the day on which such notice is mailed. At any such special meeting, such holders of record of outstanding Voting Parity Shares, by majority vote, voting together as a single class without regard to series (to the exclusion of the holders of Common Stock or any other shares of the Corporation of any class or series other than Voting Parity Shares) will be entitled to elect two directors on the basis of one vote per \$100,000 liquidation preference (excluding amounts in respect of accumulated and unpaid dividends) and not cumulatively. The holder or holders of one-third of the Voting Parity Shares then outstanding present in person or by proxy, will constitute a quorum for the election of the Additional Directors. Notice of all meetings at which Holders of the shares of MMP of any Series shall be entitled to vote will be given to such Holders at their respective addresses as they appear on the Stock Register with respect to the shares of MMP of each Series. At any such meeting or adjournment thereof in the absence of a quorum, subject to the provisions of any applicable law, a majority of the holders of the Voting Parity Shares present in person or by proxy shall have the power to adjourn the meeting for the election of the Additional Directors, without notice, other than an announcement at the meeting, until a quorum is present. If a Relevant Period shall expire (or the voting rights of holders of Voting Parity shares shall be suspended as provided herein) after the notice of a special meeting has been given but before such special meeting

has been held, the Corporation shall, as soon as practicable after such expiration or suspension, mail or cause to be mailed notice of such expiration or suspension to holders of record of Voting Parity Shares that would have been entitled to vote at such special meeting.

(iii) The term of office of all persons who are directors of the Corporation at the time of a special meeting of holders of record of Voting Parity Shares to elect directors shall continue, notwithstanding the election of the Additional Directors at such meeting by such holders. The Additional Directors, together with the incumbent directors elected by holders of the Corporation's Common Stock, shall constitute the duly elected directors of the Corporation.

(iv) So long as a Relevant Period continues, (A) any vacancy in the office of an Additional Director shall be filled (except as provided in the following clause (B)) by the person appointed in an instrument in writing signed by the remaining Additional Director and filed with the Corporation or, in the event there is no remaining Additional Director, by vote of the holders of the outstanding Voting Parity Shares, voting together as a single class without regard to series on the basis of one vote per \$100,000 liquidation preference (excluding amounts in respect of accumulated and unpaid dividends) and not cumulatively, in a meeting of stockholders or at a meeting of holders of Voting Parity Shares called for such purpose, and (B)

in the case of the removal of any Additional Director, the vacancy may be filled by the person elected by the vote of the holders of the outstanding Voting Parity Shares, voting together as a single class without regard to series on the basis of one vote per \$100,000 liquidation preference (excluding amounts in respect of accumulated and unpaid dividends) and not cumulatively, at the same meeting at which such removal shall be voted upon or any subsequent meeting. Each director who shall be elected or appointed by the remaining Additional Director as aforesaid shall be an Additional Director.

(v) Simultaneously with the expiration of a Relevant Period, (A) the term of office of the Additional Directors shall terminate and only the incumbent directors elected by holders of the Common Stock (or by the Board of Directors of the Corporation prior to the beginning of the Relevant Period) shall constitute the duly elected directors of the Corporation, (B) the voting rights of the holders of the Voting Parity Shares to elect Additional Directors shall cease (subject to revesting during any subsequent Relevant Period) and (C) the number of members of the Board of Directors shall be such as may be otherwise provided for in the By-Laws irrespective of any increase made as provided in this Section 6.

(c) Right to Vote with Respect to Certain Other Matters.  
So long as any shares of MMP are outstanding, the Corporation shall not, without the affirmative vote of the holders of at

least 66 2/3% of the shares of MMP and shares of preferred stock of any series outstanding at the time, given in person or by proxy, either in writing or at a meeting (all such shares of MMP and preferred stock voting together as a single class), (i) authorize, create or issue, or increase the authorized or issued amount of any shares of the Corporation of any class ranking, as to dividends or upon the liquidation, dissolution or winding up of the Corporation, prior to the preferred stock, or reclassify any authorized shares of the Corporation into any such shares, or authorize, create or issue any obligation or security convertible into or evidencing the right to purchase any such shares, or (ii) amend, alter or repeal the provisions of the Certificate of Incorporation or the Certificate of Designation for the shares of MMP or any other series of preferred stock, whether by merger, consolidation or otherwise, so as to materially and adversely affect such powers, preferences or special rights; and provided, further, that upon any merger or consolidation of the Corporation (or any successor corporation) with or into another corporation, the shares of MMP and the shares of preferred stock of any other series of the Corporation that may be outstanding from time to time may be junior to any preferred shares of such other corporation as to dividends and upon the liquidation, dissolution or winding up of the surviving corporation, provided that on or prior to the date of effectiveness of such merger or consolidation, the Corporation has given Moody's and Fitch IBCA

written notice of such merger or consolidation and Moody's and Fitch IBCA have confirmed in writing that the then current rating for the shares of MMP and any such other series of preferred stock will not be withdrawn, suspended or downgraded as a result of such merger or consolidation (and in any event such rating will not be less than "a2" from Moody's or "A" from Fitch IBCA).

(d) No Other Rights or Preferences. Unless otherwise required by law, the Holders of shares of MMP shall not have any rights or preferences other than those specifically set forth herein. The Holders of shares of MMP shall have no preemptive rights.

Section 7. Notice. All notices or communications, unless otherwise specified in the By-Laws or this Certificate of Designation, shall be sufficiently given if in writing and delivered in person, mailed by first-class mail, postage prepaid, or transmitted by any standard form of written telecommunication. Notice shall be deemed given on the earlier of the date received or the date seven days after which such notice is mailed.

Section 8. Auction Procedures. (a) Certain definitions. As used in this Section 8, the following terms shall have the following meanings, unless the context otherwise requires:

(i) "MMP" shall mean the shares of MMP being auctioned pursuant to this Section 8.

(ii) "Auction Date" shall mean the first Business Day

immediately preceding the first day of a Dividend Period.

(iii) "Available MMP" shall have the meaning specified in Section 8(d)(i) below.

(iv) "Bid" shall have the meaning specified in Section 8(b)(i) below.

(v) "Bidder" shall have the meaning specified in Section 8(b)(i) below.

(vi) "Hold Order" shall have the meaning specified in Section 8(b)(i) below.

(vii) "Maximum Rate" shall mean, on any date, with respect to shares of MMP, the percentage (determined as set forth below on the prevailing rating of such shares of MMP in effect at the close of business on the Business Day immediately preceding such date) of the Applicable Determining Rate for such shares of MMP on such date, provided that during the continuance of a Payment Failure the applicable percentage shall be 250%:

<u>Prevailing Rating</u>	<u>Percentage</u>
"AA"/"aa" or above	125%
"A"/"a"	200%
"BBB"/"baa"	225%
Below "BBB"/"baa"	250%

For purposes of this definition, the "prevailing rating" of shares of MMP shall be (i) "AA"/"aa" or above, if the shares of MMP have a rating of "aa3" or better by Moody's or "AA-" or better by Fitch IBCA or the equivalent

of both of such ratings by a substitute rating agency or agencies selected as provided below, (ii) if not "AA"/"aa" or above, then "A"/"a" if the shares of MMP have a rating of "a3" or better by Moody's or "A-" or better by Fitch IBCA or the equivalent of both of such ratings by a substitute rating agency or agencies selected as provided below, (iii) if not "AA"/"aa" or above or "A"/"a", then "BBB"/"baa" if the shares of MMP have a rating of "baa3" or better by Moody's or "BBB-" or better by Fitch IBCA or the equivalent of both such ratings by a substitute rating agency or agencies selected as provided below, and (iv) if not "AA"/"aa" or above, "A"/"a" or "BBB"/"baa", then below "BBB"/"baa". The Corporation shall take all reasonable action necessary to enable Moody's and Fitch IBCA to provide a rating for the MMP. If either Moody's or Fitch IBCA fails to make such a rating available, or neither Moody's nor Fitch IBCA shall make such a rating available, the Corporation will select one or two nationally recognized securities rating agencies to act as a substitute rating agency or agencies, as the case may be.

(viii) "Order" shall have the meaning specified in Section 8(b)(i) below.

(ix) "Sell Order" shall have the meaning specified in Section 8(b)(i) below.

(x) "Submission Deadline" shall mean 1:00 P.M., New



York City time, on any Auction Date or such other time on any Auction Date as may be specified by the Auction Agent from time to time as the time by which each Broker-Dealer must submit to the Auction Agent in writing all orders obtained by it for the Auction to be conducted on such Auction Date.

(xi) "Submitted Bid" shall have the meaning specified in Section 8(d)(i) below.

(xii) "Submitted Hold Order" shall have the meaning specified in Section 8(d)(i) below.

(xiii) "Submitted Order" shall have the meaning specified in Section 8(d)(i) below.

(xiv) "Submitted Sell Order" shall have the meaning specified in Section 8(d)(i) below.

(xv) "Sufficient Clearing Bids" shall have the meaning specified in Section 8(d)(i) below.

(xvi) "Winning Bid Rate" shall have the meaning specified in Section 8(d)(i) below.

(b) Orders by Existing Holders and Potential Holders.

(i) On or prior to the Submission Deadline on each Auction Date:

(A) each Existing Holder may submit to a Broker-Dealer information as to:

(1) the number of Outstanding shares, if any, of MMP held by such Existing Holder which such Existing

Holder desires to continue to hold without regard to the rate determined by the Auction Procedures for the next succeeding Dividend Period;

(2) the number of Outstanding shares, if any, of MMP held by such Existing Holder which such Existing Holder desires to continue to hold for the next succeeding Dividend Period if the rate determined by the Auction Procedures shall not be less than the rate specified by such Existing Holder; and/or

(3) the number of Outstanding shares, if any, of MMP held by such Existing Holder which such Existing Holder offers to sell without regard to the rate determined by the Auction Procedures for the next succeeding Dividend Period; and

(B) one or more Broker-Dealers, shall in good faith for the purpose of conducting a competitive Auction in a commercially reasonable manner, contact Potential Holders, including Persons that are not Existing Holders, by telephone or otherwise to determine the number of Outstanding shares, if any, of MMP which each such Potential Holder offers to purchase, provided that the rate determined by the Auction Procedures for the next succeeding Dividend Period shall not be less than the rate specified by such Potential Holder.

For the purposes hereof, the communication to a

Broker-Dealer of information referred to in clause (A) or (B) of this Section 8(b)(i) is hereinafter referred to as an "Order" and collectively as "Orders" and each Existing Holder and each Potential Holder placing an Order is hereinafter referred to as a "Bidder" and collectively as "Bidders"; an Order containing the information referred to in clause (A)(1) of this Section 8(b)(i) is hereinafter referred to as a "Hold Order" and collectively as "Hold Orders"; an Order containing the information referred to in clause (A)(2) or (B) of this Section 8(b)(i) is hereinafter referred to as a "Bid" and collectively as "Bids"; and an Order containing the information referred to in clause (A)(3) of this Section 8(b)(i) is hereinafter referred to as a "Sell Order" and collectively as "Sell Orders."

(ii) (A) A Bid by an Existing Holder shall constitute an irrevocable offer to sell:

(1) the number of Outstanding shares of MMP specified in such Bid if the rate determined by the Auction Procedures on such Auction Date shall be less than the rate specified therein; or

(2) such number or a lesser number of Outstanding shares of MMP to be determined as set forth in Section 8(e)(i)(D) if the rate to be determined by the Auction Procedures on such Auction Date shall be equal to the rate specified therein; or

(3) a lesser number of Outstanding shares of MMP to be

determined as set forth in Section 8(e)(ii)(C) if the rate specified therein shall be higher than the Maximum Rate and Sufficient Clearing Bids do not exist.

(B) A Sell Order by an Existing Holder shall constitute an irrevocable offer to sell:

(1) the number of Outstanding shares of MMP specified in such Sell Order; or

(2) such number or a lesser number of Outstanding shares of MMP to be determined as set forth in Section 8(e)(ii)(C) if Sufficient Clearing Bids do not exist.

(C) A Bid by a Potential Holder shall constitute an irrevocable offer to purchase:

(1) the number of Outstanding shares of MMP specified in such Bid if the rate determined by the Auction Procedures on such Auction Date shall be higher than the rate specified therein; or

(2) such number or a lesser number of Outstanding shares of MMP to be determined as set forth in Section 8(e)(i)(E) if the rate determined by the Auction Procedures on such Auction Date shall be equal to the rate specified therein.

(D) A Bid by a Potential Holder specifying a rate higher than the Maximum Rate will not be considered.

(c) Submission of Orders by Broker-Dealers to Auction Agent.

(i) Each Broker-Dealer shall submit in writing or through the Auction Agent's Auction Processing System to the Auction Agent prior to the Submission Deadline on each Auction Date all Orders obtained by such Broker-Dealer and specifying with respect to each Order:

- (A) the name of the Bidder placing such Order;
- (B) the aggregate number of Outstanding shares of MMP that are the subject of such Order;
- (C) to the extent that such Bidder is an Existing Holder:

- (1) the number of Outstanding shares, if any, of MMP subject to any Hold Order placed by such Existing Holder;

- (2) the number of Outstanding shares, if any, of MMP subject to any Bid placed by such Existing Holder and the rate specified in such Bid; and

- (3) the number of Outstanding shares, if any, of MMP subject to any Sell Order placed by such Existing Holder; and

- (D) to the extent such Bidder is a Potential Holder, the rate specified in such Potential Holder's Bid.

(ii) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction

Agent shall round such rate up to the next highest one-thousandth (.001) of 1%.

(iii) If an Order or Orders covering all of the Outstanding shares of MMP held by an Existing Holder are not submitted to the Auction Agent prior to the Submission Deadline for any reason, including the failure of a Broker-Dealer to contact such Existing Holder or to submit such Existing Holder's Order to the Auction Agent, the Auction Agent shall deem a Hold Order to have been submitted on behalf of such Existing Holder covering the number of Outstanding shares of MMP held by such Existing Holder and not subject to Orders submitted to the Auction Agent, except that a Sell Order will be deemed to have been submitted on behalf of an Existing Holder if an Order is not submitted on behalf of such Existing Holder in the case of an Auction for a Dividend Period which differs in duration by more than seven days from the preceding Dividend Period or an Auction for a Dividend Period of one year or more.

(iv) If one or more Orders on behalf of an Existing Holder covering in the aggregate more than the number of Outstanding shares of MMP held by such Existing Holder are submitted to the Auction Agent, such Orders shall be considered valid as follows and in the following order of priority:

(A) all Hold Orders submitted on behalf of such Existing Holder shall be considered valid, but only up to and including in the aggregate the number of Outstanding

shares of MMP held by such Existing Holder, and, if the number of shares of MMP subject to such Hold Orders exceeds the number of Outstanding shares of MMP held by such Existing Holder, the number of shares of MMP subject to each such Hold Order shall be reduced pro rata to cover the number of Outstanding shares of MMP held by such Existing Holder;

(B) (1) any Bid submitted on behalf of such Existing Holder shall be considered valid up to and including the excess of the number of Outstanding shares of MMP held by such Existing Holder over the number of shares of MMP subject to any Hold Order referred to in subsection (A) above,

(2) subject to Section 8(c)(iv)(B)(1), if more than one Bid with the same rate is submitted on behalf of such Existing Holder and the number of shares of MMP subject to such Bids is greater than such excess, such Bids shall be considered valid up to the amount of such excess, and the number of shares of MMP subject to each Bid with the same rate shall be reduced pro rata to cover the number of shares of MMP equal to such excess,

(3) subject to Section 8(c)(iv)(B)(1), if more than one Bid with different rates is submitted on behalf of such Existing Holder, such Bids shall be considered valid in the ascending order of their respective rates up to the amount

of such excess, and

(4) in any such event the number, if any, of such shares of MMP subject to Bids not valid under Section 8(c)(iv)(B) shall be treated as the subject of a Bid by a Potential Holder; and

(C) all Sell Orders shall be considered valid but only up to and including in the aggregate the excess of the number of Outstanding shares of MMP held by such Existing Holder over the number of shares of MMP subject to Hold Orders referred to in Section 8(c)(iv)(A) and valid Bids referred to in Section 8(c)(iv)(B).

(v) If more than one Bid is submitted on behalf of any Potential Holder, each Bid submitted shall be a separate Bid with the rate and number of shares of MMP therein specified.

(d) Determination of Sufficient Clearing Bids, Winning Bid Rate and Dividend Rate.

(i) Not earlier than the Submission Deadline on each Auction Date, the Auction Agent shall assemble all Orders submitted or deemed submitted to it by the Broker-Dealers (each such Order as submitted or deemed submitted by a Broker-Dealer being hereinafter referred to individually as a "Submitted Hold Order", a "Submitted Bid" or a "Submitted Sell Order", as the case may be, or as a "Submitted Order" and collectively as "Submitted Hold Orders," "Submitted Bids," or "Submitted Sell Orders," as the case may be, or as "Submitted Orders") and shall



determine:

(A) the excess of the total number of Outstanding shares of MMP over the number of Outstanding shares of MMP that are the subject of Submitted Hold Orders (such excess being hereinafter referred to as the "Available MMP");

(B) from the Submitted Orders whether the number of Outstanding shares of MMP that are the subject of Submitted Bids by Potential Holders specifying one or more rates equal to or lower than the Maximum Rate exceeds or is equal to the sum of:

(1) the number of Outstanding shares of MMP that are the subject of Submitted Bids by Existing Holders specifying one or more rates higher than the Maximum Rate, and

(2) the number of Outstanding shares of MMP that are subject to Submitted Sell Orders,  
in the event such excess or such equality exists other than because the number of Outstanding shares of MMP in clauses (1) and (2) above is zero because all of the Outstanding shares of MMP are the subject of Submitted Hold Orders, such Submitted Bids by Potential Holders being hereinafter referred to collectively as "Sufficient Clearing Bids"); and

(C) if Sufficient Clearing Bids exist, the lowest rate specified in the Submitted Bids (the "Winning Bid Rate") which if:

(1) each Submitted Bid from Existing Holders specifying such lowest rate and all other Submitted Bids from Existing Holders specifying lower rates were accepted, thus entitling such Existing Holders to continue to hold the shares of MMP that are the subject of such Submitted Bids, and

(2) each Submitted Bid from Potential Holders specifying such lowest rate and all other Submitted Bids from Potential Holders specifying lower rates were accepted, thus entitling the Potential Holders to purchase the shares of MMP that are the subject of such Submitted Bids,

would result in such Existing Holders described in (1) above continuing to hold an aggregate number of Outstanding shares of MMP which, when added to the number of Outstanding shares of MMP to be purchased by such Potential Holders described in (2) above would equal not less than the Available MMP.

(ii) Promptly after the Auction Agent has made the determinations pursuant to Section 8(d)(i), the Auction Agent shall advise the Corporation of the Applicable Determining Rate and the Maximum Rate and, based on such determinations, the Dividend Rate for the next succeeding Dividend Period as follows:

(A) if Sufficient Clearing Bids exist, that the Dividend Rate for the next succeeding Dividend Period shall be equal to the Winning Bid Rate so determined;

(B) if Sufficient Clearing Bids do not exist (other than because all of the Outstanding shares of MMP are the subject of Submitted Hold Orders), that the Dividend Rate for the next succeeding Dividend Period shall be equal to the Maximum Rate; or

(C) if all of the Outstanding shares of MMP are the subject of Submitted Hold Orders, that the Dividend Rate for the next succeeding Dividend Period shall be equal to 58% of the Applicable Determining Rate.

(e) Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of Shares. Based on the determinations made pursuant to Section 8(d)(i), subject to the Auction Procedures specified in Section 8(f), the Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Auction Agent shall take such other action as set forth below:

(i) If Sufficient Clearing Bids have been made, subject to the provisions of Section 8(e)(iii) and Section 8(e)(iv), Submitted Bids and Submitted Sell Orders shall be accepted or rejected in the following order of priority and all other Submitted Bids shall be rejected:

(A) the Submitted Sell Orders of Existing Holders shall be accepted and the Submitted Bids of each of the Existing Holders specifying any rate that is higher than the Winning Bid Rate shall be rejected, thus requiring each such Existing Holder to sell the Outstanding shares of MMP that

are the subject of such Submitted Bids;

(B) the Submitted Bids of each of the Existing Holders specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus entitling each such Existing Holder to continue to hold the Outstanding shares of MMP that are the subject of such Submitted Bid;

(C) the Submitted Bids of each of the Potential Holders specifying any rate that is lower than the Winning Bid Rate shall be accepted;

(D) the Submitted Bids of each of the Existing Holders specifying a rate that is equal to the Winning Bid Rate shall be accepted, thus entitling each such Existing Holder to continue to hold the Outstanding shares of MMP that are the subject of such Submitted Bids, unless the number of Outstanding shares of MMP subject to all such Submitted Bids shall be greater than the number of Outstanding shares of MMP ("Remaining Shares") equal to the excess of the Available MMP over the number of Outstanding shares of MMP subject to Submitted Bids described in Section 8(e)(i)(B) and Section 8(e)(i)(C), in which event the Submitted Bids of each such Existing Holder shall be rejected, and each such Existing Holder shall be required to sell Outstanding shares of MMP, but only in an amount equal to the difference between (1) the number of Outstanding shares of MMP then held by such Existing Holder subject to such Submitted Bids

and (2) the number of shares of MMP obtained by multiplying the number of Remaining Shares by a fraction the numerator of which shall be the number of Outstanding shares of MMP held by such Existing Holder subject to such Submitted Bids and the denominator of which shall be the sum of the number of Outstanding shares of MMP subject to such Submitted Bids made by all such Existing Holders that specified a rate equal to the Winning Bid Rate; and

(E) the Submitted Bids of each of the Potential Holders specifying a rate that is equal to the Winning Bid Rate shall be accepted but only in an amount equal to the number of Outstanding shares of MMP obtained by multiplying the difference between the Available MMP and the number of Outstanding shares of MMP subject to Submitted Bids described in Section 8(e)(i)(B), Section 8(e)(i)(C) and Section 8(e)(i)(D) by a fraction the numerator of which shall be the number of Outstanding shares of MMP subject to such Submitted Bids and the denominator of which shall be the sum of the number of Outstanding shares of MMP subject to such Submitted Bids made by all such Potential Holders that specified rates equal to the Winning Bid Rate.

(ii) If Sufficient Clearing Bids have not been made (other than because all of the Outstanding shares of MMP are subject to Submitted Hold Orders), subject to the provisions of Section 8(e)(iii) and Section 8(e)(iv), Submitted Orders shall be

accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

(A) the Submitted Bids of each Existing Holder specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus entitling such Existing Holder to continue to hold the Outstanding shares of MMP that are the subject of such Submitted Bids;

(B) the Submitted Bids of each Potential Holder specifying any rate per annum that is equal to or lower than the Maximum Rate shall be accepted; and

(C) the Submitted Bids of each Existing Holder specifying any rate that is higher than the Maximum Rate shall be rejected and the Submitted Sell Orders of each Existing Holder shall be accepted, in both cases only in an amount equal to the difference between (1) the number of Outstanding shares of MMP then held by such Existing Holder subject to such Submitted Bids or Submitted Sell Orders and (2) the number of shares of MMP obtained by multiplying the difference between the Available MMP and the aggregate number of Outstanding shares of MMP subject to Submitted Bids described in Section 8(e)(ii)(A) and Section 8(e)(ii)(B) by a fraction the numerator of which shall be the number of Outstanding shares of MMP held by such Existing Holder subject to such Submitted Bids or Submitted Sell Orders and the denominator of which shall be the number

of Outstanding shares of MMP subject to all such Submitted Bids and Submitted Sell Orders.

(iii) If, as a result of the procedures described in Section 8(e)(i) or Section 8(e)(ii), any Existing Holder would be entitled or required to sell, or any potential Holder would be entitled or required to purchase, a fraction of a share of MMP on any Auction Date, the Auction Agent shall, in such manner as in its sole discretion it shall determine, round up or down the number of shares of MMP to be purchased or sold by any Existing Holder or Potential Holder on such Auction Date so that the number of Outstanding shares of MMP purchased or sold by each Existing Holder or Potential Holder on such Auction Date shall be whole shares of MMP.

(iv) If, as a result of the procedures described in Section 8(e)(i), any Potential Holder would be entitled or required to purchase less than a whole share of MMP on any Auction Date, the Auction Agent shall, in such manner as in its sole discretion it shall determine, allocate shares of MMP for purchase among Potential Holders so that only whole shares of MMP are purchased on such Auction Date by any Potential Holder, even if such allocation results in one or more of such Potential Holders not purchasing any shares of MMP on such Auction Date.

(v) Based on the results of each Auction, the Auction Agent shall determine, with respect to each Broker-Dealer that submitted Bids or Sell Orders on behalf of Existing Holders or

Potential Holders, the aggregate number of Outstanding shares of MMP to be purchased and the aggregate number of the Outstanding shares of MMP to be sold by such Potential Holders and Existing Holders and, to the extent that such aggregate number of Outstanding shares to be purchased and such aggregate number of Outstanding shares to be sold differ, the Auction Agent shall determine to which other Broker-Dealer or Broker-Dealers acting for one or more purchasers such Broker-Dealer shall deliver, or from which other Broker-Dealer or Broker-Dealers acting for one or more sellers such Broker-Dealer shall receive, as the case may be, Outstanding shares of MMP.

(f) Supplemental Auction Procedures to Preserve 97 Holders

If, as a result of allocations of the shares of MMP made by the Auction Agent pursuant to the Auction Procedures described above (the "Initial Allocation"), the number of beneficial owners (as determined pursuant to Section 3(c)(1) of the Investment Company Act of 1940, as amended (the "Investment Company Act")) of shares of MMP (for purposes of this Section 8(f), "shares of MMP" shall include all outstanding shares of Preferred Stock, without regard to series, designated by the Corporation as MMP) would be greater than 97, the Auction Agent will revise such Initial Allocation as follows, in the following order of priority, and such revised allocation will constitute the results of such Auction:

- (i) (A) if one or more Submitted Bids of Potential



Holders specifying the Winning Bid Rate would have been rejected in part in the Initial Allocation, the Auction Agent will revise the Initial Allocation by selecting (at random, if more than one reallocation is possible), (x) such Submitted Bids of Potential Holders that are also Existing Holders and (y) such Submitted Bids of other Potential Holders covering an equal number of shares of MMP, and will accept in whole or in greater part one or more of the Submitted Bids specified in clause (x) and reject in whole or in greater part one or more of the Submitted Bids specified in clause (y) covering, in the aggregate, an equal number of shares of MMP, to the extent necessary to cause the number of beneficial owners of shares of MMP following the Auction to be less than or equal to 97;

(B) if one or more Submitted Bids of Existing Holders specifying the Winning Bid Rate would have been accepted in part in the Initial Allocation, or one or more Submitted Bids of Potential Holders specifying the Winning Bid Rate would have been rejected in part in the Initial Allocation, and the acceptance in whole or in greater part of one or more Submitted Bids of Existing Holders specifying the Winning Bid Rate or the rejection in whole or in greater part of one or more Submitted Bids of Potential Holders specifying the Winning Bid Rate, which would have been rejected or accepted, respectively, would cause the number

of beneficial owners of shares of MMP to be less than or equal to 97, to that extent the Auction Agent will revise the Initial Allocation by selecting (at random, if more than one such reallocation is possible) such Submitted Bids to be accepted or rejected as the case may be;

(C) if the Auction Agent determines that (x) the rejection in whole or in lesser part of one or more Submitted Bids of Existing Holders specifying a rate or rates lower than the Maximum Rate but higher than the rate which would have been the Winning Bid Rate, or the acceptance in whole or in greater part of one or more Submitted Bids of Potential Holders specifying such a rate or rates and (y) the rejection in whole or in greater part of one or more Submitted Bids of Potential Holders specifying a rate or rates equal to or lower than the rate which would have been the Winning Bid Rate, would cause the number of beneficial owners of shares of MMP to be less than or equal to 97, to that extent the Auction Agent shall revise the Initial Allocation by accepting or rejecting (at random, if more than one such reallocation is possible) such Submitted Bids, as the case may be, and the highest rate in such Submitted Bid of any Existing Holder that is so rejected or in any such Submitted Bid of any Potential Holder that is so accepted shall be the Winning Bid Rate; provided that, to the extent practicable, Submitted Bids of

Existing Holders which would have been accepted in the Initial Allocation specifying a lower rate will be rejected, and Submitted Bids of Potential Holders specifying a lower rate will be accepted, before the acceptance or rejection, as the case may be, of any such Submitted Bids specifying a higher rate; and provided further, that subject to the foregoing proviso, to the extent practicable, Submitted Bids of Potential Holders which would have been accepted in the Initial Allocation specifying a higher rate will be rejected before Submitted Bids of Potential Holders which would have been accepted in the Initial Allocation specifying a lower rate, and Submitted Bids of Existing Holders specifying a rate will be rejected before Submitted Bids of Potential Holders specifying the same rate are accepted (subject, in each case, to complying, if possible, with the proviso in the first parenthetical clause of Section 8(f)(i)(C)); or

(ii) if the Auction Agent determines that the application of the foregoing provisions could not result in the number of beneficial owners of shares of MMP being less than or equal to 97, then Sufficient Clearing Bids will be deemed not to exist, the Dividend Rate will be the Maximum Rate for the next succeeding Dividend Period (which shall have a duration of 49 days regardless of whether the Company has specified a longer Dividend Period) and Submitted Sell Orders will be accepted, in the sole discretion of the

Auction Agent, only to the extent that such acceptance would not cause the number of beneficial owners of shares of MMP to exceed 97; provided that, to the extent practicable, Submitted Bids of Potential Holders specifying a lower rate will be accepted before Submitted Bids of Potential Holders specifying a higher rate.

(g) Miscellaneous. (i) The Board of Directors of the Corporation may interpret the provisions of this Section 8 to resolve any inconsistency or ambiguity which may arise or be revealed in connection with the Auction Procedures.

(ii) An Existing Holder (A) may sell, transfer or otherwise dispose of shares of MMP only pursuant to a Bid or Sell Order in accordance with the procedures described in this Section 8 or to or through a Broker-Dealer or other Person, in each case that has delivered a signed copy of a Purchaser's Letter to the Auction Agent, provided that in the case of all transfers other than pursuant to Auctions such Existing Holder, its Broker-Dealer or its Agent Member advises the Auction Agent of such transfer sufficiently prior to such transfer in accordance with the terms of the Purchaser's Letter and does not make such transfer without the prior consent of the Corporation and (B) shall have the ownership of the shares of MMP held by it maintained in book entry form by the Securities Depository in the account of its Agent Member, which in turn will maintain records of such Existing Holder's beneficial ownership.

(iii) If an Existing Holder shall fail to comply with the restrictions contained in such Existing Holder's Purchaser's Letter, or if the representations and warranties contained in an Existing Holder's Purchaser's Letter cease to be accurate, the Corporation may require such Existing Holder to submit a Sell Order with respect to some or all of such Existing Holder's shares of MMP at the next Auction or, if the next Auction is not scheduled to occur within 49 days, to sell all of such Existing Holder's shares of MMP to a Broker-Dealer or another third party; provided, however, that no Broker-Dealer will be required to purchase any such shares of MMP.

(iv) Neither the Corporation nor any of its Affiliates shall submit an Order in any Auction, except as set forth in the next sentence. Any Broker-Dealer that is an Affiliate of the Corporation may submit Orders in Auctions but only if such Orders are not for its own account.

(v) The Auction Agent shall reject any Submitted Order of the Corporation, or an Affiliate, except for Orders of affiliated Broker-Dealers permitted under Section 8(f)(iv).

(vi) From and during the continuance of a Payment Failure, shares of MMP may be registered for transfer or exchange and new certificates issued upon surrender of the older certificates in form deemed by the Auction Agent (or any other transfer agent or registrar appointed by the Corporation) to be properly endorsed for transfer with all necessary endorser's signatures guaranteed

in such manner and form as the Auction Agent (or such other transfer agent or registrar) may require by a guarantor reasonably believed by the Auction Agent (or such transfer agent or registrar) to be responsible, accompanied by such assurances as the Auction Agent (or such other transfer agent or registrar) shall deem necessary or appropriate to evidence the genuineness and effectiveness of each necessary endorsement and satisfactory evidence of compliance with all applicable law relating to the collection of taxes or funds necessary for the payment of such taxes.

Section 9. Securities Depository; Stock Certificates. The Depository Trust Company ("DTC") will act as Securities Depository for the Agent Members. One or more certificates for the shares of each Series of MMP shall be issued to the Securities Depository and registered in the name of Cede & Co. as nominee of the Securities Depository. Each such certificate shall bear a legend to the effect that such certificate is issued subject to the provisions restricting the transfer of shares of MMP contained in this Certificate Designation and each Purchaser's Letter. As long as the Dividend Rate is based upon the results of any Auction, Cede & Co. will be the holder of record of all shares of MMP, and Existing Holders of shares of MMP will not receive certificates representing their ownership interest in such shares of MMP. Upon the occurrence of a Payment Failure, an Existing Holder may obtain one or more

certificates for the shares of MMP owned by it. DTC will maintain lists of its participants and the shares of MMP held by each Agent Member whether as an Existing Holder for its own account or as a nominee for another Existing Holder. Any provision of the by-laws of the Corporation restricting the transfer of shares shall not apply to the shares of MMP.

IN WITNESS WHEREOF, BT HOLDINGS (EUROPE) LIMITED has caused this Certificate to be made under the seal of the Corporation and signed by J.S. Cross, its Vice President, and attested by A. Graham, its Vice President, this 9th day of January, 1998.

BT HOLDINGS (EUROPE) LIMITED

By

Name:

Title:

J.S. Cross

T.S. Cross

DIRECTOR / VICE PRESIDENT

[Corporate Seal]

Attest:

By

Andrew Graham

Name: A Graham

Title: Vice President