

THE FIRST SCHEDULE BEFORE REFERRED TO

THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE

No. 002944 of 1997

CHANCERY DIVISION

COMPANIES COURT

IN THE MATTER of GRAND METROPOLITAN PUBLIC LIMITED COMPANY

and

IN THE MATTER OF THE COMPANIES ACT 1985



SCHEME OF ARRANGEMENT  
(under section 425 of the Companies Act 1985)

between

GRAND METROPOLITAN PUBLIC LIMITED COMPANY

and

THE HOLDERS OF GRANDMET SHARES  
(OTHER THAN GUINNESS-HELD GRANDMET SHARES AND LVMH SHARES)  
(each as hereinafter defined)

and

THE HOLDERS OF LVMH SHARES

Preliminary

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

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|-----------------|--|
| "business day"  | means a day (other than a Saturday or Sunday) on which banks are open for business in London   |
| "Court"         | the High Court of Justice in England and Wales   |
| "Court Meeting" | the meeting of holders of GrandMet Shares (other than holders of Guinness-held GrandMet Shares and LVMH Shares) convened by direction of the Court pursuant to section 425 of the Companies Act 1985, including any adjournment thereof  |
| "CREST"         | the relevant system (as defined in the Uncertificated Securities Regulations 1995 (SI 1995 No. 95/3272)) in respect of which CRESTCo is the Operator (as defined in such regulations), being a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by way of a written instrument |
| "CRESTCo"       | CRESTCo Limited  |

- “Effective Date” the date on which the Scheme becomes effective in accordance with its terms
- “GrandMet” Grand Metropolitan Public Limited Company
- “GrandMet Shares” ordinary shares of 25 pence each in the capital of GrandMet
- “Guinness” Guinness PLC
- “Guinness Shares” ordinary shares of 25 pence each in the capital of Guinness
- “Guinness-held GrandMet Shares” GrandMet Shares held by or on behalf of Guinness or any subsidiary undertaking of Guinness
- “Hearing Date” the date on which the Order is made
- “holder” a registered holder and includes any person(s) entitled by transmission
- “LVMH” LVMH Moët Hennessy Louis Vuitton S.A.
- “LVMH Shares” the 233,000,000 GrandMet Shares held by Barsec Nominees Limited as nominee for LVMH and any other GrandMet Shares held by or on behalf of LVMH or any subsidiary undertaking of LVMH
- “Order” the order of the Court sanctioning the Scheme
- “Relevant Holders” holders of Scheme Shares whose names appear in the register of members of GrandMet at the Scheme Record Time
- “Scheme” this Scheme in its present form or with or subject to any modification, addition or condition approved or imposed by the Court
- “Scheme Record Time” 6.00 p.m. on the business day immediately preceding the Effective Date
- “Scheme Shares” (i) the GrandMet Shares in issue at the date of this document (excluding any Guinness-held GrandMet Shares); and  
(ii) any GrandMet Shares (excluding any Guinness-held GrandMet Shares) issued after the date of this document and prior to the Voting Record Time or issued at or after the Voting Record Time and prior to 6.00 p.m. on the day before the Hearing Date on terms that the original or any subsequent holder thereof shall be bound by the Scheme
- “Shareholder” a holder of Scheme Shares
- “subsidiary undertaking” a subsidiary undertaking as that term is defined in section 258 of the Companies Act 1985
- “Voting Record Time” 6.00 p.m. on the day prior to the day immediately before the Court Meeting at which the Scheme is approved.
- (B) The authorised share capital of GrandMet is £647,764,885 divided into 2,591,059,540 ordinary shares of 25 pence each of which as at 27 October 1997 (the last practicable date before publication of this document) 2,119,044,664 ordinary shares had been issued and were fully paid and the remainder were unissued.
- (C) Guinness was incorporated in England on 21 October 1886 under the Companies Acts 1862 to 1883 as a private company limited by shares. On 1 March 1982 Guinness was re-registered as a public company. The authorised share capital of Guinness is £955,000,000 divided into 3,820,000,000 ordinary shares of 25 pence each of which as at 27 October 1997 (the last practicable date before publication of this document) 1,896,220,698 ordinary shares had been issued and were fully paid and the remainder were unissued. Prior to the Effective Date an extraordinary general meeting of Guinness will be convened and a resolution proposed whereby the authorised share capital of Guinness will be increased to £1,455,000,000 divided into 5,820,000,000 ordinary shares of 25 pence each.
- (D) Guinness holds three GrandMet Shares.

- (E) Guinness has agreed to appear by Counsel on the hearing of the petition to sanction this Scheme and to undertake to the Court to be bound thereby and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.
- (F) LVMH is the beneficial owner of 233,000,000 GrandMet Shares all of which are registered in the name of Barsec Nominees Limited as nominee for LVMH.
- (G) Each of LVMH and Barsec Nominees Limited (in respect of the shares it holds on behalf of LVMH) has agreed to appear by Counsel on the hearing of the petition to sanction this Scheme and to undertake to the Court to be bound thereby and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

## THE SCHEME

### 1 Cancellation of Scheme Shares

- (A) The share capital of GrandMet shall be reduced by the cancellation of the Scheme Shares.
- (B) Forthwith and contingently upon the reduction of capital referred to in sub-clause (A) taking effect:
  - (i) the share capital of GrandMet shall be increased by £499,999,999.25 by the creation of 1,999,999,997 new GrandMet Shares; and
  - (ii) GrandMet shall apply £499,999,999.25 of the reserve arising as a result of such reduction of capital in paying up in full the new GrandMet Shares created pursuant to sub-clause (B)(i) which shall be allotted and issued credited as fully paid to Guinness and/or its nominee(s).

### 2 Consideration for the cancellation of Scheme Shares

In consideration for the cancellation of the Scheme Shares, Guinness shall, subject to Clause 3(D), allot and issue new Guinness Shares credited as fully paid to and amongst the Relevant Holders on the following basis:

for each Scheme Share	one Guinness Share.
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### 3 Allotment and issue of Guinness Shares

- (A) The Guinness Shares to be issued pursuant to Clause 2 shall rank pari passu with all other Guinness Shares in issue on the Effective Date and shall rank for any dividends or distributions made, paid or declared thereon following the Effective Date.
- (B) Immediately after the Scheme becomes effective Guinness shall make all such allotments of and shall issue such Guinness Shares as are required to be issued by it to give effect to this Scheme to the persons respectively entitled thereto, such consideration to be settled as set out in sub-clause (C).
- (C) Settlement of the consideration shall be effected as follows:
  - (i) In respect of a holding of Scheme Shares in uncertificated form at the Scheme Record Time, the Guinness Shares to which the Relevant Holder is entitled shall be issued in uncertificated form. Guinness shall procure that CRESTCo is instructed to credit the appropriate stock account in CREST of the Relevant Holder with such Relevant Holder's entitlement to Guinness Shares. Guinness reserves the right to settle all or any part of the consideration referred to in this paragraph for all or any Relevant Holders in the manner referred to in sub-clause (C)(ii), if, for any reason, it wishes to do so.
  - (ii) In respect of a holding of Scheme Shares in certificated form at the Scheme Record Time, the Guinness Shares to which the Relevant Holder is entitled shall be issued in certificated form and a share certificate for those shares issued, provided that such shares are still held in certificated form immediately prior to the despatch of such certificates, within two months of the Effective Date.
- (D) The provisions of this Clause 3 shall be subject to any prohibition or condition imposed by law. If, in respect of any holder of Scheme Shares with a registered address outside the

United Kingdom, Guinness is advised that the allotment and issue of Guinness Shares pursuant to this Clause 3 would infringe the laws of any jurisdiction outside the United Kingdom or would require Guinness to observe any governmental or other consent or any registration, filing or other formality, Guinness may determine that no Guinness Shares shall be allotted and issued to such holder under this Clause 3 but shall instead be allotted and issued to a nominee appointed by Guinness as trustee for such holder, on terms that the nominee shall, as soon as practicable following the Effective Date, sell the Guinness Shares so allotted and issued at the best price which can reasonably be obtained and shall account by cheque for the net proceeds of such sale (after the deduction of all expenses and commissions, including any value added tax payable thereon) by sending a cheque to the holder of such Scheme Shares in accordance with the provisions of sub-clause (E) of this Clause 3.

- (E) All deliveries of notices, documents of title and cheques required to be made by this Scheme shall be effected by posting the same in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses as appearing in the relevant register of members (or, in the case of joint holders; to the address of that one of the joint holders whose name stands first in the said register of members in respect of the joint holding) immediately prior to the date of their despatch or to such other addresses (if any) as such persons may respectively direct in writing.
- (F) Neither GrandMet nor Guinness shall be responsible for any loss or delay in the transmission of the documents of title or cheques posted in accordance with sub-clause (E) which shall be posted at the risk of the addressee.
- (G) Prior to the issue of new share certificates to holders of Scheme Shares pursuant to Clause 3(C)(ii) such holders wishing to register transfers of the new Guinness Shares issued to them pursuant to this Scheme will be required to produce their existing certificates for Scheme Shares to Guinness' registrar. After the issue of such new certificates every holder of Scheme Shares who has not already produced his/her existing certificates to Guinness' registrar shall be bound on the request of GrandMet to deliver up to GrandMet, or to any person appointed by GrandMet to receive the same, the existing certificate(s) for his/her Scheme Shares, which will have ceased to be of value, for cancellation. In addition, in respect of those Relevant Holders holding their GrandMet Shares in uncertificated form, CRESTCo shall be instructed to cancel such Relevant Holders' entitlement to GrandMet Shares.

#### 4 Payment mandates

Each mandate in force on the Effective Date relating to the payment of dividends on any Scheme Shares and other instructions given to GrandMet by shareholders shall, unless and until revoked, be deemed as from the Effective Date to be an effective mandate or instruction to Guinness in relation to the corresponding Guinness Shares to be allotted and issued pursuant to this Scheme.

#### 5 Operation of this Scheme

- (A) This Scheme shall become effective as soon as an office copy of the Order under section 425 of the Companies Act 1985 and confirming under section 137 of the said Act the reduction of capital provided for by this Scheme shall have been duly delivered by GrandMet to the Registrar of Companies for registration and registered by him.
- (B) Unless this Scheme shall become effective on or before 31 March 1998 or such later date, if any, as GrandMet and Guinness may agree and the Court may allow, this Scheme shall never become effective.
- (C) GrandMet and Guinness may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may approve or impose.

#### 6 Costs

GrandMet is authorised and permitted to pay all the costs and expenses relating to the negotiation, preparation and implementation of this Scheme.

3 November 1997

## THE SECOND SCHEDULE

“The capital of Grand Metropolitan Public Limited Company was by virtue of a Special Resolution and with the sanction of an Order of the High Court of Justice dated the 15th December 1997 reduced from £647,764,885 divided into 2,591,059,540 Ordinary Shares of 25p each to £117,771,533.25 divided into 471,086,133 Ordinary Shares of 25p each

By virtue of a Scheme of Arrangement sanctioned by the said order and of the said Special Resolution the capital of the Company at the date of registration of this Minute is £617,771,532.50 divided into 2,471,086,130 Ordinary Shares of 25p each of which 3 have been issued and are deemed to be fully paid and the remainder are unissued.

No. 002294 of 1997

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

COMPANIES COURT

MR. JUSTICE FERRIS

MONDAY THE 15TH DECEMBER  
1997

DUPLICATE

IN THE MATTER OF GRAND  
METROPOLITAN PUBLIC LIMITED  
COMPANY

-and-

IN THE MATTER OF THE  
COMPANIES ACT 1985

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O R D E R

sanctioning Scheme of  
Arrangement and confirming  
Reduction of Capital

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