

Company No: 213393

THE COMPANIES ACT 1985 (AS AMENDED)

COMPANY LIMITED BY SHARES

RESOLUTIONS

OF

DIAGEO FINANCE PLC

At an Extraordinary General Meeting of the Company duly convened and held at 8 Henrietta Place, London W1M 9AG on 20th February, 1998, resolutions 1 and 2 were duly passed as ORDINARY RESOLUTIONS and resolutions 3, 4, and 5 were duly passed as SPECIAL RESOLUTIONS:

ORDINARY RESOLUTIONS

1. That 1,055,000,000 unissued shares of the Company be converted into 1,055,000,000 5.0% 'F' cumulative redeemable preference shares of £1 each.
2. That in addition, and without prejudice to any and all previous authorities to allot relevant securities given to the Directors, the Directors be generally and unconditionally authorised, pursuant to and in accordance with section 80 of the Companies Act 1985, to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £1,000,000,000 and this authority shall expire on 19th February, 2003;

SPECIAL RESOLUTIONS

3. That the articles of association of the Company be amended by the insertion of the following Article to replace Article 3:-

"3. The capital of the Company is divided into 13,100,000,000 Ordinary Shares of 5p each, 1,000,000,000 'C' cumulative redeemable preference shares of £1 each (the "C' Preference Shares"), 2,005,000,000 'E' cumulative redeemable preference shares of £1 each (the "E' Preference Shares") and 1,055,000,000 'F' cumulative redeemable preference shares of £1 each (the "F' Preference Shares") and 950,000,000 unissued shares of £1 each, the 'C' Preference Shares, 'E' Preference Shares and the 'F' Preference Shares having attached thereto the rights and being subject to the limitations and restrictions set out below."

4. That the articles of association of the Company be amended by the insertion of the following as a new Article 3F after Article 3E:-

"3F. The 'F' Preference Shares shall have the rights and be subject to the limitations and restrictions set out below and shall have such other rights and be subject to such other limitations and restrictions not being inconsistent with the rights or limitations and restrictions set out in this Article 3F as the Directors may determine prior to allotment:-

(a) Income

- (i) Out of profits available for distribution and resolved to be distributed, the holders of the 'F' Preference Shares shall be entitled, in priority to the transfer of any sum to reserves and to any payment of dividend to the holders of any other class of shares or stock (other than the holders of the 'C' Preference Shares and the 'E' Preference Shares, with which shares the 'F' Preference Shares shall rank *pari passu*), to be paid a cumulative preferential dividend, payable in Sterling, in respect of each Dividend Period at the Dividend Rate on the nominal value thereof, such dividend to be payable on the last day of the Dividend Period.
- (ii) Dividends payable on the 'F' Preference Shares shall accrue at the Dividend Rate on a daily basis and, in respect of any Dividend Period shorter than a year, will be calculated on the basis of a 365 day year and the actual number of days elapsed in such Dividend Period.
- (iii) Each dividend on the 'F' Preference Shares shall *ipso facto* and without any resolution of the Directors or of the Company in General Meeting become a debt due from and immediately payable by the Company to the holders of the 'F' Preference Shares registered in the books of the Company on the relevant Dividend Payment Date.
- (iv) As used in this Article 3F, except to the extent that the context requires otherwise:-

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are generally open for business in London;

"Dividend Payment Date" means the 18th day of a calendar month or such other date or dates as the Directors may from time to time determine; provided always that if a Dividend Payment Date would otherwise fall on a day which is not a Business Day, such Dividend Payment Date shall be the first following day which is a Business Day;

"Dividend Period" means the period commencing on the day immediately following one Dividend Payment Date and ending on the immediately following Dividend Payment Date, in both cases inclusive, provided that the first Dividend Period shall commence on the day after the Subscription Date;

"Dividend Rate" means 5.0 per cent per annum; and

"Subscription Date" means the date of subscription of the 'F' Preference Shares"; and

(b) Capital

- (i) On a return of capital on a winding up, the holders of the 'F' Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the 'C' Preference Shares and the 'E' Preference Shares, with which shares the 'F' Preference Shares shall rank *pari passu*), to receive an amount in respect of each 'F' Preference Share equal to the nominal amount paid up on such 'F' Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the date of the commencement of the winding up.
- (ii) On a return of capital (otherwise than on a winding up or on a redemption or purchase by the Company of any of its own shares of any class), the holders of the 'F' Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares (other than the holders of the 'C' Preference Shares and the 'E' Preference Shares with which shares the 'F' Preference Shares shall rank *pari passu*), to receive an amount in respect of each 'F' Preference Share equal to the nominal amount paid up on such 'F' Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to the date of the return of capital.

(c) Voting and General Meetings

The holders of the 'F' Preference Shares shall, by virtue of and in respect of their holdings of 'F' Preference Shares, have the right to receive notice of and attend every General Meeting of the Company but, without prejudice to the rights of the holders of the 'F' Preference Shares pursuant to sections 125 to 129 of the Companies Act 1985 or Article 3F(f), shall not have the right to speak or vote at a General Meeting of the Company.

(d) Limitations

No 'F' Preference Share shall:-

- (i) confer any right to participate in the profits or assets of the Company other than as set out in paragraphs (a) and (b) above;
- (ii) confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for shares in the Company; or
- (iii) confer any right to receive any shares credited as paid up wholly or in part by way of a capitalisation of profits or reserves.

(e) Redemption

(i) Subject to the Companies Act 1985 (as amended):-

- (A) the Company may redeem all or any of the 'F' Preference Shares on the giving of not less than two Business Days (as defined in Article 3F(a)(iv)) notice in writing to the holder or holders of the 'F' Preference Shares to be redeemed, such notice to specify the number of 'F' Preference Shares to be redeemed and the date on which such redemption is to take effect;
 - (B) any holder of 'F' Preference Shares may require the Company to redeem all or any of the 'F' Preference Shares held by him by giving not less than thirty Business Days (as defined in Article 3F(a)(iv)) notice in writing to the Company, such notice to specify the number of such holder's 'F' Preference Shares to be redeemed and the date on which such redemption is to take effect; and
 - (C) the Company shall redeem all the 'F' Preference Shares, if not redeemed pursuant to sub-paragraph (i)(A) or (B) above, on 31st October, 2001 (the date on which the redemption of any Preference Shares is to take effect in accordance with either sub-paragraph (A) or (B) above or this sub-paragraph (C) being referred to in this Article 3F as the "Redemption Date").
- (ii) There shall be paid by 12 noon on the relevant Redemption Date on each 'F' Preference Share to be redeemed under sub-paragraph (i) above the amount paid up thereon, together with a sum equal to all arrears and accruals (if any) of the preferential dividend thereon, irrespective of whether or not such dividend has been declared or earned or has become due and payable, to be calculated at the Dividend Rate on the basis of a 365 day year up to and including the relevant Redemption Date.

- (iii) As from the relevant Redemption Date the preferential dividend shall cease to accrue on the 'F' Preference Shares to be redeemed on that date except in the case of any of such 'F' Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the redemption monies shall be refused, in which case the preferential dividend shall be deemed to have continued and shall accordingly continue to accrue at the Dividend Rate on the basis of a 365 day year from the relevant Redemption Date down to and including the actual date of payment of such redemption monies. No 'F' Preference Share shall be treated as having been redeemed until the monies and all arrears or deficiencies or accruals of the preferential dividend in respect thereof have been paid.
- (iv) If any holder of any of the 'F' Preference Shares to be redeemed shall fail or refuse to deliver up on the relevant Redemption Date the certificate or certificates held by him in respect of such 'F' Preference Shares or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the Company's bankers (designated for the benefit of such holder) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant 'F' Preference Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the Company in connection therewith.
- (v) The receipt of the registered holder for the time being of any 'F' Preference Shares or in the case of joint registered holders the receipt of any of them for the monies payable on redemption thereof shall constitute an absolute discharge to the Company in respect thereof.

(f) Further Issues and Variation of Rights

The rights attached to the 'F' Preference Shares may be varied with the consent in writing of the holder or holders of all the 'F' Preference Shares but not otherwise.

If at any time there are 'F' Preference Shares in issue, no additional 'F' Preference Shares may be issued except pro rata to the then existing holders thereof or with the consent in writing of all such holders."

5. That the articles of association of the Company be amended as follows:
- (a) by the deletion of the entirety of Article 3A and the substitution therefor of the words "This Article 3A was deleted by Special Resolution on 20th February, 1998";
 - (b) by the deletion of the entirety of Article 3B and the substitution therefor of the words "This Article 3B was deleted by Special Resolution on 20th February, 1998";
 - (c) by the deletion of the words "the 'A' Preference Shares and the 'B' Preference Shares, the 'D' Preference Shares and the 'E' Preference Shares" in the fifth, sixth and seventh lines of Article 3C(a)(i), in the fourth and fifth lines of Article 3C(b)(i) and in the fifth, sixth and seventh lines of Article 3C(b)(ii) and the substitution therefor of the words "the 'E' Preference Shares and the 'F' Preference Shares";
 - (d) by the deletion of the entirety of Article 3D and the substitution therefor of the words "This Article 3D was deleted by Special Resolution on 20th February, 1998";
 - (e) by the deletion of the words "the 'A' Preference Shares and the 'B' Preference Shares, the 'C' Preference Shares and the 'D' Preference Shares" in the fifth, sixth and seventh lines of Article 3E(a)(i), in the fourth and fifth lines of Article 3E(b)(i) and in the fifth, sixth and seventh lines of Article 3E(b)(ii) and the substitution therefor of the words "the 'C' Preference Shares and the 'F' Preference Shares";
 - (f) by the deletion of the letter "D" in the fourth line of Article 3E(c) and the substitution therefor of the letter "E";
 - (g) by the deletion of the number "(v)" in the third line of Article 3E(e)(i)(A) and in the fourth line of Article 3E(e)(i)(B) and the substitution therefor of the number "(iv)";

Sir George Bull

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Chairman of the Meeting