

No. 208652

THE COMPANIES ACT 1955 to 1967

COMPANIES LIMITED BY SHARES



**Articles of Association**  
**of**  
**International Distillers and Vintners**  
**Limited**

*Incorporated the 5th day of May, 1952*

*New Articles of Association adopted by Special Resolution passed  
19th December, 1968*

SLAUGHTER AND MAY,

35, BARRICKALL STREET,

**MEMORANDUM AND ARTICLES OF ASSOCIATION  
OF  
INTERNATIONAL DISTILLERS AND VINTNERS LIMITED**

**CONTENTS**

	PAGE NO.	ARTICLE NO.
Certificate of Incorporation ... ..	i	
Memorandum of Association ... ..	v	
1. Name of Company ... ..	v	
2. Registered Office of Company ... ..	v	
3. Objects of Company ... ..	v	
4. Liability of Members ... ..	viii	
5. Share Capital of Company ... ..	viii	
Subscribers to Memorandum ... ..	ix	
Articles of Association ... ..	1	
Exclusion of Table A ... ..	1	1
Interpretation ... ..	1	
Words and Meanings in these Articles ... ..		2
Words and Expressions defined in the Act ... ..		3
Business ... ..	2	
Place of Registered Office ... ..		4
May be undertaken by the Board ... ..		5
Company prohibited from purchasing its shares ... ..		6
Share Capital ... ..	3	
Division at date of adoption of these Articles ... ..		7
Rights of holders of 6% Cum. Red. Pref. Shares ... ..		8
Rights of holders of 6% Cum. Second Pref. Shares ... ..		9
Issues of shares with special rights ... ..		10
Terms of issue of preference shares ... ..		11
Modification of Rights ... ..	8	
Variation of rights attached to any class of shares ... ..		12
Special rights and creation of further shares ... ..		13
Shares ... ..	9	
Unissued, at disposal of Board ... ..		14
Power of Company to pay commission and brokerage ... ..		15

	PAGE NO.	ARTICLE NO.
Power of Company to pay interest on share capital ... ..		16
Recognition of persons holding shares upon trust ... ..		17
Share Certificates ... ..	9	
Entitlement of registered member ...		18
Replacement of defaced, lost or destroyed certificates ... ..		19
Issued under Seal ... ..		20
Lien ... ..	10	
Shares not fully paid, Company has first lien on ... ..		21
Power of Company to sell shares under lien ... ..		22
Application of proceeds of sale ... ..		23
Calls on Shares ... ..	11	
Moneys unpaid on Shares ... ..		24
May be paid by instalments ... ..		25
Joint and several liability for ... ..		26
Interest payable on calls not paid ... ..		27
Any sums payable, deemed to be calls ... ..		28
Amounts and times of payment ... ..		29
Receipt of advance payments ... ..		30
Transfer of Shares ... ..	12	
Right of member to transfer ... ..		31
Signing of instrument of ... ..		32
Power of Board to decline to register ... ..		33 & 34
Right of transferee to notice of refusal ... ..		35
Transmission of Shares ... ..	13	
Deceased member, recognition of executor ... ..		36
Board may register person entitled ... ..		37
Person entitled shall notify Company in writing ... ..		38
Rights of person entitled ... ..		39
Forfeiture of Shares ... ..	14	
Board may require payment of call on shares ... ..		40
Notice of payment ... ..		41
Board may forfeit on non-compliance with notice ... ..		42
Former member, right to notice of forfeiture ... ..		43
Forfeited shares, deemed to be property of Company ... ..		44
Former member, continuing liability for moneys payable ... ..		45

	PAGE NO.	ARTICLE NO.
Statutory declaration, conclusive evidence of forfeiture ... ..		46
Increase of Capital ... ..	15	
Company may, by ordinary resolution increase ... ..		47
New shares may be offered to holders of same class ... ..		48
New shares, subject to provisions of these Articles ... ..		49
Alterations of Capital ... ..	15	
Powers of Company to alter capital ...		50
General Meetings ... ..	16	
Annual general meetings ... ..		51
Extraordinary general meetings ... ..		52
Convening and requisition of extraordinary meetings ... ..		53
Notice of General Meetings ... ..	17	
Notices for general meetings and special resolutions ... ..		54
Entitlement of member to appoint a proxy		55
Accidental omission to give notice ...		56
Proceedings at General Meetings ... ..	18	
Special business ... ..		57
Quorum of two required for any general meeting ... ..		58
Absence of quorum ... ..		59
Chairman of Board shall preside ... ..		60
Absence of Chairman ... ..		61
Adjournment of meetings ... ..		62
Voting by show of hands unless poll demanded ... ..		63
Error in counting of votes ... ..		64
Result of poll deemed to be resolution of a meeting ... ..		65
Chairman's casting vote on equality of votes ... ..		66
Poll on election of Chairman or adjournment ... ..		67
Votes of Members ... ..	20	
By show of hands and on a poll ... ..		68
Voting in the case of joint shareholding ...		69
Authorised representative of a corporation		70
Voting by member incapable of managing his affairs ... ..		71
Voting and moneys due on shares ...		72

	PAGE NO.	ARTICLE NO.
Objection to qualification of a voter ...		73
Votes may be given personally or by proxy		74
Instrument of proxy shall be in writing ...		75
Proxy need not be a member of the Company ... ..		76
Instrument shall be deposited at the office		77
Form of instrument of proxy ... ..		78
Validity of vote given by proxy on death of donor ... ..		79
Directors ... ..	22	
Shall not be less than three ... ..		80
Each director shall hold shares in the Company ... ..		81
Each director shall have power to appoint an Alternate ... ..		82
Remuneration of Directors and Chairman		83
Directors entitled to expenses of attending meetings ... ..		84
Directors entitled to extra remuneration for special services ... ..		85
May be directors or officers of other companies ... ..		86
May hold any office of profit under the Company ... ..		87 (a)
Shall declare interest on contracts with the Company ... ..		87 (b)
Shall not vote on any contract in which he is interested ... ..		87 (c)
May be counted in quorum on appointment to an office ... ..		87 (d)
May act in professional capacity ... ..		87 (e)
Shall vacate office in certain events ...		88
Watney Mann Ltd., representation on Board ... ..		89
Powers and Duties of Board ... ..	27	
Business of the Company shall be managed by the Board ... ..		90
Local Boards or Agencies ... ..		91
Board may by power of attorney appoint an attorney ... ..		92
May exercise power to have an Official Seal ... ..		93
May exercise power to have a Dominion Register ... ..		94
Negotiable and transferable instruments ...		95
Shall cause minutes to be kept ... ..		96

	PAGE NO.	ARTICLE NO.
Shall cause register of Directors' Interests to be kept ... ..		97
Borrowing Powers ... ..	28	
Board may exercise all the powers of the Company ... ..		98
Pensions and Allowances ... ..	29	
Board may pay pensions to directors ...		99
Executive Directors ... ..	29	
Board may appoint ... ..		100
Remuneration of ... ..		101
Board may entrust its powers to ... ..		102
Retirement of the Board by Rotation ...	30	
One third of directors to retire annually ...		103
Those longest in office shall retire first ...		104
A retiring director shall be eligible for re-election ... ..		105
Company may fill vacancy ... ..		106
Company may elect any person to be a director ... ..		107
Each director shall be appointed by separate resolution ... ..		108
Persons eligible for election as a director ...		109
Board shall have power to appoint a director ... ..		110
Company may remove a director ... ..		111
Proceedings of the Board ... ..	31	
May meet for despatch of business ... ..		112
Quorum of two necessary for transaction of business ... ..		113
Directors may act if below minimum number ... ..		114
Board shall elect a Chairman ... ..		115
Meeting shall be competent if quorum present ... ..		116
Board may delegate powers to Committees		117
Regulations governing committee meetings		118
Resolution signed by all directors ... ..		119
After discovery of defect in appointment ...		120
Secretary shall be appointed by Board ...		121
Divisional, Assistant, Associate or Local Directors ... ..	33	
Board may appoint and remove ... ..		122
The Seal ... ..	34	
Board shall ensure safe-custody and authorise use of ... ..		123

	PAGE NO.	ARTICLE NO.
Dividends ... ..	34	
Company may declare ... ..		124
Shall be declared and paid on amounts paid up on shares ... ..		125
Board may declare and pay interim ...		126
Board may deduct sums due and payable from ... ..		127
Shall not bear interest against the Company		128
Payable in cash, may be paid by cheque or warrant ... ..		129
Unclaimed, may be forfeited after twelve years ... ..		130
General meeting may direct distribution of specific assets ... ..		131
Reserves ... ..	36	
Board may set aside reserves out of profits ... ..		132
Board shall transfer share premiums to reserve ... ..		133
Capitalisation of Profits and Reserves ...	36	
Company may capitalise any reserve ...		134
Board may settle any difficulty regarding		135
Accounts ... ..	37	
Board shall cause true accounts to be kept		136
Books of account shall be kept at the Office		137
To be laid before Company in general meeting ... ..		138
To be sent to every member and holder of debentures ... ..		139
Audit ... ..	38	
Auditors shall be appointed ... ..		140
Service and Delivery of Documents ...	38	
Notices to members ... ..		141
Notices ... ..	38	
Shall be given to the first-named joint holder ... ..		142
Members entitled to notice ... ..		143
Deemed duly served notwithstanding death of member ... ..		144
Winding Up ... ..	39	
Liquidator may divide assets between contributories ... ..		145
Indemnity ... ..	39	
Directors, Managers, Officers and Auditors		146

No. 507652



## Certificate of Incorporation

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**I hereby Certify,** that UNITED WINE TRADERS LIMITED is this day Incorporated under the Companies Act, 1948, and that the Company is LIMITED.

GIVEN under my hand at London this Fifth day of May, One thousand nine hundred and fifty-two.

J. D. TODD,  
*Registrar of Companies.*





## THE COMPANIES ACTS 1948 TO 1967

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*I hereby certify* that INTERNATIONAL DISTILLERS AND VINTNERS LIMITED formerly called UNITED WINE TRADERS LIMITED which name was changed by special resolution and with the approval of the Board of Trade on the 14th May, 1962, was incorporated, under the Companies Act, 1948, as a limited company on the 5th May, 1952.

GIVEN under my hand at London the 27th November, 1968.

No. 507652

A. E. WHITBY,  
*Assistant Registrar of Companies.*

## THE COMPANIES ACTS 1948 to 1967

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*COMPANY LIMITED BY SHARES*

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**Memorandum of Association**

OF

**International Distillers and Vintners  
Limited**

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1. The name of the Company is "INTERNATIONAL DISTILLERS  
AND VINTNERS LIMITED".

2. The Registered Office of the Company will be situate in  
England.

3. The objects for which the Company is established are:—

(1) To carry on the businesses of wine and spirit merchants  
(wholesale and retail), brewers and maltsters in all  
branches, agents, brokers, spirit blenders, distillers, hop  
merchants and growers, malt factors, corn merchants,  
importers, exporters, bonded store and warehouse pro-  
prietors and keepers, coopers, bottlers, bottle makers,  
manufacturers of and dealers in aerated and mineral  
waters and other drinks, licensed victuallers, hotel keepers,  
beerhouse keepers, caterers, restaurant keepers, lodging-  
house keepers, ice manufacturers and merchants, tobac-  
conists, farmers, dairymen, yeast dealers, grain sellers and  
driers, timber merchants, finings manufacturers and  
isinglass merchants.

(2) To carry on any other business or activity and do any-  
thing of any nature which may seem to the Company  
capable of being conveniently carried on or done in con-  
nection with the above, or calculated directly or indirectly  
to enhance the value of or render more profitable any of  
the Company's business or property.

- (3) To acquire by purchase, exchange, subscription or otherwise howsoever and to hold the whole or any portion of the share or loan capital or the assets or undertaking of any company, association, firm or person for the time being engaged concerned or interested in any of the trades or businesses which this Company is authorised to carry on and generally to exercise the rights enjoy the privileges and fulfil the obligations of the holders of share or loan capital in any such company, association or firm.
- (4) To subscribe for, underwrite, purchase or otherwise acquire hold and dispose of shares, stock, securities and evidences of indebtedness or of the right to participate in profits or assets or other similar documents issued by any Government, authority, corporation or body or by any company or body of persons and any options or rights in respect thereof.
- (5) To acquire for any estate or interest and to take options over, construct and develop any property, real or personal, or rights of any kind which may appear to be necessary or convenient for any business of the Company including shares and other interests in any company the objects of which include the carrying on of any business or activity within the objects of this Company.
- (6) To enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality of the foregoing) to guarantee the payment of any principal moneys, premiums, interest and other moneys secured by or payable under any obligations or securities and the payment of dividends and premiums on, and the repayment of the capital of, stocks and shares of all kinds and descriptions.
- (7) To lend money to, or grant or provide credit or financial accommodation to any person or company in any case in which such grant or provision is considered likely directly or indirectly to further any of the objects of the Company or the interests of its Members.
- (8) To invest any moneys of the Company not immediately required for the purposes of the business of the Company in such investments (other than shares in the Company or its holding company, if any) and in such manner as may from time to time be determined, and to hold, sell or otherwise deal with such investments.

- (9) To amalgamate with or enter into partnership or any joint purse or profit-sharing arrangement with, or to co-operate or participate in any way with, or assist or subsidise any company or person carrying on or proposing to carry on any business within the objects of the Company.
- (10) To borrow and raise money and secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit, and in particular by mortgages of or charges upon the undertaking and all or any of the real and personal property (present and future), and the uncalled capital of the Company or by the creation and issue of debentures, debenture stock or other obligations or securities of any description.
- (11) To sell, exchange, mortgage, let on rent, share of profit, royalty or otherwise, grant licences, easements, options, servitudes and other rights over and in any other manner deal with or dispose of the undertaking, property, assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit, and in particular for stocks, shares, debentures or other obligations or securities, whether fully or partly paid up, of any other company.
- (12) To give any remuneration or other compensation or reward for services rendered or to be rendered in placing or procuring subscription of, or otherwise assisting in the issue of, any shares, debentures or other securities of the Company or in or about the formation of the Company or the conduct of its business.
- (13) To establish or promote, or concur or participate in establishing or promoting any company the establishment or promotion of which shall be considered desirable in the interests of the Company and to subscribe for, underwrite, purchase or otherwise acquire the shares, stocks and securities of any such company, or of any company carrying on or proposing to carry on any business or activity within the objects of the Company.
- (14) To procure the registration or incorporation of the Company in or under the laws of any place outside England.
- (15) To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object, or for any exhibition, or for any purpose which may be considered likely directly or indirectly to further the objects of the Company or the interests of its Members.

- (16) To grant pensions or gratuities to any directors officers or employees or ex-directors ex-officers or ex-employees of the Company, or of its predecessors in business or of its holding company or subsidiary companies (if any), or to the relations, connections or dependents of any such persons, and to establish or support any associations, institutions, clubs, building and housing schemes, funds and trusts which may be considered calculated to benefit any such persons or otherwise advance the interests of the Company or of its Members.
- (17) To act as secretaries, managers, registrars or transfer agents for any other company.
- (18) To distribute any of the property of the Company among its Members in specie or kind.
- (19) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.

And it is hereby declared that the word "company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in the United Kingdom or elsewhere, and that the objects specified in the different paragraphs of this clause shall not, except where the context expressly so requires, be in anywise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

4. The liability of the Members is limited.

5. The share capital of the Company is £100, divided into 1,000 Ordinary shares of 2s. each, and the Company shall have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights, privileges, restrictions or conditions.

Note:- At 25th November 1971, the authorised share capital of the Company was £33,091,500 divided into 91,500 6 per cent Cumulative Redeemable Preference Shares of £1 each 1,000,000 6 per cent cumulative Second Preference Shares of £1 each and 128,000,000 Ordinary Shares of 25p each.

Altered in compliance with Section 9 of the European Communities Act 1972.

Signed for and on behalf of International Distillers and Vintners Ltd.

*[Signature]*  
Secretary

WE, the several persons whose names and addresses are subscribed are desirous of being formed into a Company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company, set opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS.	Number of Shares taken by each Subscriber.
<p>D. WISDOM,</p> <p>18, Austin Friars,</p> <p>London, E.C.2.</p> <p><i>Solicitor.</i></p>	<p>One</p>
<p>R. G. NORTON,</p> <p>18, Austin Friars,</p> <p>London, E.C.2.</p> <p><i>Solicitor.</i></p>	<p>One</p>

DATED the 29th day of April, 1952.

WITNESS to the above signatures:—

A. W. MALLINSON,

18, Austin Friars,

London, E.C.2.

*Solicitor.*

# INTERNATIONAL DISTILLERS AND VINTNERS LIMITED

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AT the ANNUAL GENERAL MEETING of the Company duly convened and held on 19th December, 1968 the following Resolution was duly passed as a SPECIAL RESOLUTION : —

## RESOLUTION

THAT the regulations contained in the printed document submitted to the Meeting and for the purposes of identification subscribed by the Chairman thereof be and the same are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles thereof.

H. C. B. BERENS.

*Chairman.*

# INTERNATIONAL DISTILLERS AND VINTNERS LIMITED

At an EXTRAORDINARY GENERAL MEETING of the above-named Company duly convened and held at 1 York Gate, London, N.W.1, on Thursday the 23rd day of January, 1969 the following Resolutions were duly passed as ORDINARY RESOLUTIONS:—

## RESOLUTIONS

1. That the capital of the Company be increased to £28,091,500 by the creation of 52,000,000 Ordinary Shares of 25p each.
2. That upon the recommendation of the Board it is desirable to capitalise the sum of £13,010,738 10s. (being part of the amount standing to the credit of Share Premium Account) and accordingly that such sum be set free for distribution among the holders of Ordinary Shares on the register at the close of business on 6th January, 1969 in the proportion of 25p for every Ordinary Share then held and that such sum be applied in paying up in full 52,042,954 unissued Ordinary Shares of 25p each in the capital of the Company to be allotted and distributed credited as fully paid among such shareholders in the proportion aforesaid.

F. E. LEE,

Secretary.

Altered in compliance with Section 9 of the European Communities Act 1972.

Signed for and on behalf of *International Distillers and Vintners Ltd.*

*28th August 1973*

*W. M. Henderson*  
Secretary



THE COMPANIES ACTS 1948 TO 1967

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*COMPANY LIMITED BY SHARES*

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**Resolution**

OF

**INTERNATIONAL DISTILLERS  
AND VINTNERS LIMITED**

---

*(Passed on the 16th day of December, 1970)*

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At the ANNUAL GENERAL MEETING of the above-named Company duly convened and held on the 16th day of December, 1970 the following Resolution was duly passed as a SPECIAL RESOLUTION : ---

**RESOLUTION**

THAT on 15th February, 1971 (or such other day as may be 'the appointed day' within the meaning of the Decimal Currency Act 1967 or any statutory modification thereof) each Ordinary Share of 5s. of the Company be by virtue of this Resolution sub-divided into 5 Ordinary Shares of 5p each and forthwith thereafter every 5 Ordinary Shares of 5p each be consolidated into 1 Ordinary Share of 25p.

AND THAT on the said day the Articles of Association of the Company be altered so that for all references therein to 5s. there shall be substituted references to 25p.

F. E. LEE,  
*Secretary.*

# INTERNATIONAL DISTILLERS AND VINTNERS LIMITED

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At an EXTRAORDINARY GENERAL MEETING of the above-named Company duly convened and held at The Churchill, 30 Portman Square, London, on the 25th day of November, 1971, the following Resolution was duly passed as an ORDINARY RESOLUTION:—

## RESOLUTION

THAT the share capital of the Company be increased from £28,091,500 to £33,091,500 by the creation of 20,000,000 Ordinary Shares of 25p each.

H. C. B. BERENS,

*Chairman.*

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COMPANY LIMITED BY SHARES

---

**Resolution**

OF

**INTERNATIONAL DISTILLERS  
AND VINTNERS LIMITED**

---

*(Passed on the 16th day of December, 1970)*

---

At the ANNUAL GENERAL MEETING of the above-named Company duly convened and held on the 16th day of December, 1970 the following Resolution was duly passed as a SPECIAL RESOLUTION : —

**RESOLUTION**

THAT on 15th February, 1971 (or such other day as may be 'the appointed day' within the meaning of the Decimal Currency Act 1967 or any statutory modification thereof) each Ordinary Share of 5s. of the Company be by virtue of this Resolution sub-divided into 5 Ordinary Shares of 5p each and forthwith thereafter every 5 Ordinary Shares of 5p each be consolidated into 1 Ordinary Share of 25p.

AND THAT on the said day the Articles of Association of the Company be altered so that for all references therein to 5s. there shall be substituted references to 25p.

F. E. LEE,  
*Secretary.*

The Companies Acts 1948 - 1967

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Company limited by shares

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Resolution

of

INTERNATIONAL DISTILLERS AND VINTNERS LIMITED

---

(Passed 10th September 1974)

At an Extraordinary General Meeting duly convened and held on 10th September, 1974, the following Resolution was duly passed as a SPECIAL RESOLUTION:

RESOLUTION

THAT the Articles of Association be amended by the deletion of paragraph (ii) of Article 98 and the substitution therefor of the following:-

(ii) The Board shall however restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries with a view to securing that the aggregate amount for the time being remaining outstanding of moneys borrowed or secured by the Company and of moneys borrowed or secured by any subsidiary of the Company incorporated in the United Kingdom (exclusive of moneys outstanding in respect of borrowings by the Company from any such subsidiary or by any such subsidiary from other such subsidiaries or from the Company) shall not at any time, without the

sanction of an Ordinary Resolution of the Company and the consent or sanction of the holders of the 6 per cent. Cumulative Second Preference Shares given in accordance with Article 12, exceed a sum equal to one and a half times the aggregate of (1) the amount paid up on the share capital of the Company and (2) the amount standing to the credit of the reserves (including share premium account and balances of profit and loss accounts but excluding amounts set aside for future taxation assessable by reference to profits down to the date of the relevant balance sheets and after deducting any balances standing to the debit of profit and loss accounts) of the Company and its subsidiaries all as shown in a consolidation of the latest audited balance sheets of the Company and its subsidiaries but (a) adjusted in respect of any variation in the paid up share capital and share premium account of the Company since the date of that balance sheet, (b) excluding amounts attributable to outside shareholders, and (c) deducting goodwill. Provided that no such sanction shall be required for the borrowing of any sum of money intended to be applied in the repayment (with or without premium) of any moneys then already borrowed and outstanding notwithstanding that the same may result in the said limit being exceeded and for the purpose of the said limit the issue of Debentures shall be deemed to constitute borrowing notwithstanding that the same may be issued in whole or in part for a consideration other than cash.

D. M. HENDERSON  
Secretary

THE COMPANIES ACTS 1948-1961-1976-1980

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COMPANY LIMITED BY SHARES

---

## **Resolution**

OF

# **INTERNATIONAL DISTILLERS AND VINTNERS LIMITED**

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*(Passed on the 28th day of August, 1981)*

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At an EXTRAORDINARY GENERAL MEETING duly convened and held on 28th August, 1981, the following Resolution was duly passed as a SPECIAL RESOLUTION:—

### RESOLUTION

THAT, relative to the requirements of the Companies Act 1980, this company shall not re-register as a public company and in consequence thereof will apply to the Registrar of Companies forthwith for the status of a private company and for the issue of a new certificate showing this as having been granted.

D. M. HENDERSON,

*Secretary.*

THE COMPANIES ACTS 1948 to 1967

COMPANY LIMITED BY SHARES

NEW

Articles of Association

OF

International Distillers and Vintners  
Limited

*(Adopted by Special Resolution passed 19th December 1968)*

TABLE A

1. The regulations in Table A in the First Schedule to the Companies Act, 1948 shall not apply to the Company.

INTERPRETATION

2. In these Articles if not inconsistent with the subject or context:—

The words standing in the first column of the following Table shall bear the meanings set opposite to them respectively in the second column thereof.

WORDS	MEANINGS
The Act ... ..	The Companies Act, 1948.
The 1967 Act ... ..	The Companies Act 1967.
These Articles ... ..	These Articles of Association as now framed or as from time to time altered by special resolution.
The Office ... ..	The Registered Office of the Company.
The Seal ... ..	The Common Seal of the Company.
The United Kingdom	Great Britain and Northern Ireland.

WORDS	MEANINGS
The Board ...	The Board of Directors of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present.
Executive Director	A Director of the Company appointed to be the holder of an executive office pursuant to Article 100.
The Register ...	The Register of Members of the Company.
Paid up ... ..	Paid up or credited as paid up.

Words importing the singular number only shall include the plural number and vice versa;

Words importing the masculine gender only shall include the feminine gender;

Words importing persons shall include corporations;

Expressions referring to writing shall be construed as including references to typewriting, printing, lithography, photography and other modes of representing or reproducing words in a visible form;

The expressions "debenture" and "debenture holder" shall include debenture stock and debenture stockholder respectively;

The expression "the Secretary" shall include a temporary or assistant or deputy Secretary and any person appointed by the Board to perform any of the duties of the Secretary;

The expression "dividend" shall include bonus;

Reference to any provision of the Act or of the 1967 Act shall be construed as a reference to such provision as modified or re-enacted by any Statute for the time being in force.

3. Subject as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

## BUSINESS

4. The Office shall be at such place in England as the Board shall from time to time appoint.



5. Any branch or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Board at such time or times as it shall think fit, and further may be suffered by it to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with the same.

6. No part of the funds of the Company shall be employed in the subscription or purchase of or in loans upon the security of the Company's shares, or those of its holding company (if any), and the Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with any purchase or subscription by any person of shares in the Company or in its holding company (if any) nor make, or guarantee or provide any security in connection with a loan to any Director of the Company or of its holding company (if any), but nothing in this Article shall prohibit transactions authorised by sections 54 or 190 (as amended) of the Act.

#### SHARE CAPITAL

7. The share capital of the Company at the date of adoption of these Articles is £15,091,500 divided into 91,500 6 per cent. Cumulative Redeemable Preference Shares of £1 each, 1,000,000 6 per cent. Cumulative Second Preference Shares of £1 each and 56,000,000 Ordinary Shares of 25p each.

*[Signature]*  
N.B. - See footnote on page viii.

8. (1) The said 6 per cent. Cumulative Redeemable Preference Shares shall confer on the holders thereof the right to be paid out of the profits of the Company available for dividend and resolved to be distributed in respect of any financial year or other period for which the Company's Accounts are made up a fixed cumulative preferential dividend at the rate of 6 per cent. per annum on the capital for the time being paid up or credited as paid up thereon and the right in a winding up or other return of capital (except as provided in paragraph (2) of this Article) to repayment of the capital paid up or credited as paid up thereon together with a sum equal to any arrears or accruals of the said fixed dividend (in the case of a winding up whether earned or declared or not) calculated down to the date of repayment and together also with a premium of 2s. per share prior to the 1st April, 1962, and with a premium of 1s. per share on or after the 1st April, 1962, in priority to any payment to the holders of any other class of shares but shall confer no further right to participate in the profits or assets of the Company.

Altered in compliance with Section 9 of the European Communities Act 1972.

Signed for and on behalf of *International Distillers and Vintners Ltd*

... 24/8/1973

*[Signature]*  
... Secretary

(2) The said 6 per cent. Cumulative Redeemable Preference Shares shall, subject to the provisions of section 58 of the Act, be redeemed in accordance with the following provisions, that is to say:—

- (a) The Company may, out of profits which would otherwise have been available for dividend or out of the proceeds of a new issue (and provided that the said preferential dividend is not in arrear at the date of the giving by the Company of notice to redeem), redeem all or any of the said shares for the time being outstanding and fully paid at 22s. per share on or at any time and from time to time after the 1st April, 1957, and prior to the 1st April, 1962, or at 21s. per share on or at any time and from time to time after the 1st April, 1962, upon giving not less than three months' notice in writing to the holders of such shares of its intention in that behalf, and at the expiration of such notice the shares in respect of which such notice shall have been given shall be redeemed.
- (b) If the Company should at any time determine to redeem a part only of the said shares for the time being outstanding and fully paid then in order to ascertain the particular shares to be redeemed on that occasion the Company shall cause a drawing to be made at the Office or at such other place as the Board may decide in the presence of a Notary Public of London. For the purpose of such drawing the shares for the time being outstanding shall be divided as nearly as may be into batches amounting to the nominal value of £100 each and every such batch (whether comprising one or several holdings or parts of holdings) shall be represented by a lot bearing a denoting number and at the time appointed for each drawing lots shall be chosen by chance until the number of shares represented by the lots the numbers of which shall have been so chosen shall be not less than the number of shares then to be redeemed.
- (c) Forthwith after each such drawing the Company shall give to the holders of the shares so to be redeemed as aforesaid notice in writing of the Company's intention to redeem the shares held by them respectively which shall have been so drawn.
- (d) Notice of intention to redeem a share shall specify the time and place for the redemption thereof and for delivery to the Company of the certificate relating thereto. At the time and place so fixed the holder of such share shall be bound to deliver to the Company the certificate thereof in

order that the same may be cancelled, together with a proper receipt for the redemption moneys payable in respect thereof, and upon such delivery the Company shall pay to the holder the amount payable to him in respect of such redemption and such payment shall be made through a Bank if the Company shall think fit. Provided that if any certificate so delivered to the Company includes any shares not redeemable on the occasion on which it is to be so delivered a fresh certificate for such shares shall be issued to the holder delivering such certificate to the Company.

- (e) There shall be paid on any shares redeemed otherwise than by purchase, all dividends accrued in respect of the same down to the date fixed for the redemption thereof and the dividends thereon shall cease to accrue from that date unless upon delivery of the certificate of such shares and a proper receipt as aforesaid payment of the redemption moneys shall be refused.
- (f) The Company further reserves the right to redeem the said shares or any of them by purchase in the market out of profits of the Company which would otherwise have been available for dividend on or at any time and from time to time after the 1st April, 1957, and prior to the 1st April, 1962, at or below 22s. per share (exclusive of stamps, commission and other expenses of purchase) and on or at any time and from time to time after the 1st April, 1962, at or below 21s. per share (exclusive as aforesaid) Provided always that the said preferential dividend is not in arrear at the date of purchase.
- (g) Subject to the provisions of section 58 of the Act, any shares not previously redeemed will be redeemed at 21s. per share on the 31st March, 1982, or so soon thereafter as the Company shall be able to comply with the provisions of the Act and the provisions hereinbefore contained relating to such redemption.

(3) The holders of the said 6 per cent. Cumulative Redeemable Preference Shares shall have no right as such to receive notice of or to attend or vote at any general meeting of the Company unless either (a) at the date of the notice convening the meeting the dividend on such shares or any part thereof is six months in arrear (for which purpose such dividend shall be deemed to be payable half-yearly on 1st January and 1st July in every year) or (b) the business of the meeting includes the consideration of a resolution for winding up or reducing the capital of

the Company or any resolution directly and adversely altering or abrogating any of the special rights and privileges attached to the said Preference Shares.

(4) No further shares ranking either as to dividend or as to capital *pari passu* or in priority to the said 6 per cent. Cumulative Redeemable Preference Shares shall be created or issued except with the consent or sanction of the holders of the said Preference Shares given in the manner hereinafter provided.

9. The said 6 per cent. Cumulative Second Preference Shares of £1 each shall, subject always to the rights of the holders of the existing 6 per cent. Cumulative Redeemable Preference Shares of £1 each, carry the rights and privileges and be subject to the restrictions and provisions hereinafter set out:—

(a) The 6 per cent. Cumulative Second Preference Shares (hereinafter referred to as "the Second Preference Shares") shall confer on the holders thereof the right to be paid out of the profits of the Company available for dividend and resolved to be distributed in respect of any financial year or other period a fixed cumulative preferential dividend at the rate of 6 per cent. per annum on the capital for the time being paid up or credited as paid up thereon in priority to any payment to the holders of any other class of shares and the right in a winding up or on a reduction of capital involving repayment to repayment of the capital paid up or credited as paid up thereon, together with a sum equal to any arrears or accruals of the said fixed dividend calculated down to the date of repayment (and in the case of a winding up whether earned or declared or not, and together also with such premium as is hereinafter defined in priority to any payment to the holders of any other class of shares but shall confer no further right to participate in the profits or assets of the Company.

(b) The premium referred to in paragraph (a) above shall be a sum equal to the average premium of any share par as certified by the Auditors of the Company for the time being by reference to recorded dealings at which the Second Preference Shares shall have been dealt in on The Stock Exchange, London, during the six months preceding the relevant date which shall mean in the case of a return of assets on liquidation the date three days prior to the commencement of the winding up and in any other case the date three days prior to the date of the resolution of the Company which gives rise to the repayment of capital.

(c) The holders of the Second Preference Shares shall have no right as such to receive notice of or to attend or vote at any general meeting of the Company unless either:—

(i) on the date of the notice convening the meeting the dividend on such shares or any part thereof is six months in arrear (for which purpose such dividend shall be deemed to be payable half-yearly on 30th June and 31st December in every year) or

(ii) the business of the meeting includes the consideration of a resolution for sanctioning the sale of the undertaking of or altering the objects of the Company or reducing the capital or any resolution directly and adversely altering or abrogating any of the special rights attached to the Second Preference Shares.

Subject as aforesaid at general meetings on a poll the Second Preference Shares shall confer a right to one vote for every 5s. nominal amount of capital.

(d) The Company shall be entitled to issue from time to time and at any time further shares ranking *pari passu* with the Second Preference Shares and identical in all respects therewith or carrying a different rate or different rates of dividend or the right in a winding up or on a reduction of capital involving repayment to a different premium or different premiums (if any) and such further shares may also be redeemable; provided that except with the consent or sanction of the holders of the Second Preference Shares and such further shares (if any) given in accordance with Article 12 of the Company's Articles of Association, the aggregate nominal amount for the time being issued of the Second Preference Shares and such further shares shall not at any time exceed £1,000,000 or an amount equal to the nominal amount of the issued and paid up share capital of the Company for the time being ranking after the Second Preference Shares and such further shares whichever shall be the larger.

(e) Except with the consent or sanction of the holders of the Second Preference Shares given in accordance with Article 12 of the Company's Articles of Association no shares shall be issued ranking as to dividend or as to capital in priority thereto nor shall any further redeemable Preference Shares be issued credited as fully paid by way of capitalisation of reserves.

- (f) The Company shall exercise all voting and other rights or powers of control exercisable by it in relation to its subsidiaries (if any) with a view to securing that, except with the prior consent or sanction of the holders of the Second Preference Shares given in accordance with Article 12 of the Company's Articles of Association, no subsidiary of the Company shall issue any shares ranking as to dividend or as to capital in priority to the ordinary shares except to the Company or another subsidiary.

10. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred or other special rights or such restrictions whether in regard to dividend, voting, return of capital or otherwise as the Company may, at the time of creation thereof determine or failing such determination, as the Board may determine.

11. Subject to the provisions of section 58 of the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are to be liable, to be redeemed on such terms and in such manner as the Company may by special resolution determine.

#### MODIFICATION OF RIGHTS

12. Subject to the provisions of section 72 of the Act, the rights attached to any class of shares in the capital of the Company (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one third of the issued shares of the class, that any holder of shares of the class present in person or by proxy may demand a poll and that if at any adjourned meeting of such holders a quorum as above defined is not present, those of such holders who are present in person or by proxy shall be a quorum.

13. Subject to the provisions of these Articles, the special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

## SHARES

14. Subject to the provisions of these Articles, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine, but so that no shares shall be issued at a discount except in accordance with section 57 of the Act.

15. The Company may exercise the powers of paying commission conferred by section 53 of the Act, provided that the rate or amount of the commission paid or agreed to be paid and the number of shares which persons have agreed for a commission to subscribe absolutely shall be disclosed in the manner required by the said section and that such commission shall not exceed 10 per cent. of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent. of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

16. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may, subject to the conditions and restrictions mentioned in section 65 of the Act, pay interest on so much of such share capital as is for the time being paid up and may charge the same to capital as part of the construction of the works or buildings or the provision of the plant.

17. Except as ordered by a Court of competent jurisdiction or as by law required, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

## SHARE CERTIFICATES

18. Every person whose name is entered as a Member in the Register shall be entitled, without payment, to receive within two months after allotment or lodgment of transfer (or within such other period as

the conditions of issue shall provide) one certificate for all his shares of any one class, or several certificates each for one or more of his shares of such class upon payment of such sum, not exceeding two shillings and sixpence, for every certificate after the first as the Board shall from time to time determine. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. Where a member has transferred part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge.

19. If a share certificate be defaced, lost or destroyed it may be replaced on such terms (if any) as to evidence and indemnity and payment of the costs and out-of-pocket expenses of the Company of investigating such evidence as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

20. All forms of certificate for shares or debentures or representing any other form of security (other than letters of allotment, scrip certificates and other like documents) shall be issued under the Seal.

#### LIEN

21. The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share, and the Company shall also have a first and paramount lien and charge on every share (other than a fully paid share) standing registered in the name of a Member (whether alone or jointly with others) for all the debts and liabilities of such Member or his estate to the Company, and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such Member, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person whether a Member of the Company or not. The Company's lien on a share shall extend to all dividends payable thereon. But the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

22. The Company may sell, in such manner as the Board may think fit, any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and



giving notice of the intention to sell in default shall have been given to the holder for the time being of the share or to the person entitled by reason of his death or bankruptcy to the share.

23. The net proceeds of sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale. For giving effect to any such sale the Board may authorise some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

### CALLS ON SHARES

24. The Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no such call shall exceed one-fourth of the nominal amount of the shares or be payable at less than one month from the date fixed for payment of the last preceding call, and each Member shall (subject to the Company giving to him at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.

25. A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

26. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

27. If a sum called in respect of a share be not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 10 per cent. per annum, as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.

28. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date, whether on account of the

nominal amount of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

29. The Board may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

30. The Board may, if it thinks fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate, not exceeding (unless the Company in general meeting shall otherwise direct) 9 per cent. per annum as may be agreed upon between the Board and the Member paying such sum in advance.

### TRANSFER OF SHARES

31. Subject to such of the restrictions of these Articles as may be applicable, any Member may transfer all or any of the shares by transfer in writing in the usual common form or in any other form which the Board may approve.

32. The instrument of transfer of a share shall be signed by or on behalf of the transferor and (except in the case of a fully-paid share) by or on behalf of the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer, when registered, shall be retained by the Company.

33. The Board may, in its absolute discretion and without assigning any reason therefor, decline to register any transfer of shares (other than fully paid shares). The Board may also decline to register any transfer of shares on which the Company has a lien.

34. The Board may also decline to register any transfer unless:—

- (a) the instrument of transfer, duly stamped, is lodged with the Company accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

- (b) the instrument of transfer is in respect of only one class of shares.

35. If the Board refuses to register a transfer it shall within two months after the date on which the instrument of transfer was lodged, send to the transferee notice of refusal.

### TRANSMISSION OF SHARES

36. In case of the death of a Member the survivor or survivors, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole holder, shall be the only persons recognised by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him with other persons.

37. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member or in consequence of a Member becoming a patient within the meaning of the Mental Health Act, 1959, may upon such evidence being produced as may from time to time be required by the Board and subject as hereinafter provided either be registered himself as holder of the share or elect to have some person nominated by him registered as the transferee thereof.

38. If the person so becoming entitled elects to be registered himself he shall deliver or send to the Company a notice in writing signed by him, stating that he so elects. If he shall elect to have his nominee registered he shall testify his election by signing a transfer of such share in favour of his nominee. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member or the circumstances of the application of the Mental Health Act, 1959, had not occurred and the notice or transfer were a transfer signed by such Member.

39. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member or in consequence of a Member becoming a patient within the meaning of the Mental Health Act, 1959, shall be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Member until he shall have become registered as the

holder thereof, provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

### FORFEITURE OF SHARES

40. If a Member shall fail to pay any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter, during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest and expenses which may have accrued.

41. The notice shall name a further day (not being less than fourteen days from the date of the notice) on or before which and the place where the payment required by the notice is to be made and shall state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which such call was made or instalment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references herein to forfeiture shall include surrender.

42. If the requirements of any such notice as aforesaid shall not be complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments, interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

43. When any share has been forfeited, notice of the forfeiture shall forthwith be given to the person who was before forfeiture the holder of the share or the person who was before forfeiture entitled to the share by reason of the death or bankruptcy of the holder (as the case may be), but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.

44. A forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Board may think fit.

45. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but shall notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at such rate as the Board may determine, not exceeding 10 per cent. per annum, from the date of forfeiture until payment.

46. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on the sale, re-allotment or disposition thereof and the Board may authorise some person to transfer the share to the person to whom the same is sold or disposed of, and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

#### INCREASE OF CAPITAL

47. The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

48. The Company may, by the resolution increasing the capital, direct that the new shares or any of them shall be offered in the first instance either at par or at a premium or (subject to the provisions of section 57 of the Act) at a discount to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or may make any other provisions as to the issue of the new shares. In default of any such direction or so far as the same shall not extend, the provisions of Article 14 shall apply to such shares.

49. The new shares shall be subject to all the provisions of these Articles with reference to the payment of calls, liens, transfers, transmission, forfeiture and otherwise.

#### ALTERATIONS OF CAPITAL

50. The Company may from time to time by ordinary resolution:—

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- (b) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of section 61 (1) (d) of the Act) and so that the resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of the shares may have any such preferred or other special rights over, or may have such qualified or deferred rights or be subject to any such restrictions as compared with, the other or others as the Company has power to attach to unissued or new shares;
- (c) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

and may also by special resolution:—

- (d) reduce its share capital or any capital redemption reserve fund or any share premium account in any manner and with and subject to any incident authorised and consent required by law.

## GENERAL MEETINGS

51. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall appoint.

52. All general meetings other than annual general meetings shall be called extraordinary general meetings.

53. The Board may, whenever it thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by section 132 of the Act. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two Members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

## NOTICE OF GENERAL MEETINGS

54. An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and a meeting other than an annual general meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting, and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special or extraordinary resolution shall specify the intention to propose the resolution as a special or extraordinary resolution as the case may be. Notice of every general meeting shall be given in manner hereinafter mentioned to such persons as are, in accordance with the provisions of these Articles, entitled to receive such notices from the Company, and also to the Auditors for the time being of the Company.

Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:—

- (a) in the case of a meeting called as an annual general meeting, by all Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

55. In every notice calling a meeting there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him and that a proxy need not also be a Member.

56. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

## PROCEEDINGS AT GENERAL MEETINGS

57. All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting with the exception of the declaration and sanctioning of dividends, the consideration of the accounts and balance sheet and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation or otherwise and the fixing of the remuneration of the Auditors and any additional remuneration of the Directors.

58. No business shall be transacted at any general meeting unless a quorum be present when the meeting proceeds to business. Save as otherwise provided by these Articles, two Members present in person and entitled to vote shall be a quorum for all purposes. A corporation being a Member shall be deemed for the purpose of this Article to be personally present if represented by proxy or in accordance with the provisions of section 139 of the Act.

59. If within half an hour from the time appointed for the meeting a quorum be not present the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time or place as the chairman of the meeting may determine, and the provisions of Article 62 shall apply. If at such adjourned meeting a quorum as above defined be not present within fifteen minutes from the time appointed for holding the meeting the Members present in person or by proxy shall be a quorum.

60. The Chairman (if any) of the Board or, in his absence, the deputy-Chairman (if any) shall preside as chairman at every general meeting of the Company.

61. If there be no such Chairman or deputy-Chairman, or if at any meeting neither of them be present within fifteen minutes after the time appointed for holding the meeting, or if neither of them be willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only be present he shall preside as chairman if willing to act. If no Director be present, or if all the Directors present decline to take the chair, the Members present in person shall elect one of their number to be chairman.

62. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the



adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

63. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll be demanded by:—

- (a) the chairman; or
- (b) at least three Members present in person or by proxy and entitled to vote; or
- (c) any Member or Members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) any Member or Members present in person or by proxy and holding shares conferring a right to vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll be so demanded and the demand be not withdrawn a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost, and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such a resolution.

64. If any votes shall be counted which ought not to have been counted or might have been rejected or if any votes shall not be counted which ought to have been counted the error shall not vitiate the resolution unless it be pointed out at the same meeting and not in that case unless it shall, in the opinion of the chairman of the meeting be of sufficient magnitude to vitiate the resolution.

65. If a poll be duly demanded, the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

66. In case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to a second or casting vote.

67. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place and in such manner as the chairman shall direct. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded, and it may be withdrawn at any time before the next business is proceeded with.

### VOTES OF MEMBERS

68. Subject as hereinbefore provided in regard to the 6 per cent. Cumulative Preference Shares of £1 each and the 6 per cent. Cumulative Second Preference Shares of £1 each and subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every Member who (being an individual) is present in person or (being a corporation) is present by a representative duly authorised under section 139 of the Act shall have one vote, and on a poll every Member who is present in person or by proxy shall have one vote for every 5 shillings nominal amount of share capital of which he is the holder.

69. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

70. In accordance with section 139 of the Act, a corporation being a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any general meeting of the Company or of any class of members of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

71. A Member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his committee, *curator bonis* or other person in the nature of a committee or *curator bonis* appointed by such Court, and such committee, *curator bonis* or other person may vote on a poll by proxy.

72. No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

73. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

74. On a poll votes may be given either personally or by proxy.

75. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor be a corporation, either under its common seal or under the hand of an officer or attorney so authorised.

76. A proxy need not be a Member of the Company. Any Member may appoint more than one proxy to attend on the same occasion.

77. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Office (or at such other place in the United Kingdom as may be specified in the notice convening the meeting) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution.

78. Instruments of proxy shall be in the form or to the effect following or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting:—

INTERNATIONAL DISTILLERS AND VINTNERS LIMITED

I/We, being a Member/Members of the above-named Company,  
hereby appoint

of

or failing him

of

as my/our proxy to vote for me/us and on my/our behalf at the  
annual (or extraordinary or adjourned, as the case may be)  
general meeting of the Company to be held on the                      day  
of                      , 19                      , and at any adjournment thereof.

DATED this            day of            , 19    .

Name (in full):—

Address:

**Signature:**

Where it is desired to afford Members the opportunity of instructing their proxies to vote for or against the resolutions to be submitted to the meeting, the words following or words to the same effect shall be appended to the instrument of proxy:—

I/We desire to vote \*in favour of  
the resolution(s).  
against

\*NOTE.—Unless otherwise directed, the proxy will vote as he thinks fit or abstain from voting.

79. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office (or such other place as is mentioned in Article 77) one hour at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

## DIRECTORS

80. Unless and until otherwise determined by an Ordinary Resolution of the Company, the Directors shall be not less than three.

~~81. Each and every Director of the Company shall be required to hold shares of any class of nominal value in the aggregate of £100 in the least. A Director may act before acquiring his qualification shares but shall in any case acquire the same within 2 months of his appointment and if he shall fail so to do he shall forthwith be deemed to have vacated his office as a Director.~~

82. Each Director shall have the power to appoint either another Director or any person approved for that purpose by a resolution of the Board to act as alternate Director in his place during his absence and may at his discretion remove such alternate Director. A person so appointed shall (except as regards qualification shares, power to appoint an alternate and remuneration) be subject in all respects to the terms

and conditions existing with reference to the other Directors of the Company, and each alternate Director, while so acting, shall exercise and discharge all the functions, powers and duties as a Director of his appointor in such appointor's absence. Any Director acting as alternate shall have an additional vote for each Director for whom he acts as alternate. An alternate Director shall *ipso facto* cease to be an alternate Director if his appointor ceases for any reason to be a Director provided that, if at any meeting any Director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force as though he had not retired. Any appointment or removal of an alternate Director shall be effected by instrument in writing delivered at the Office and signed by the appointor.

83. Each of the Directors other than the Chairman of the Board shall be entitled to remuneration at the rate of £250 per annum and the Chairman shall be entitled to remuneration at the rate of £550 per annum. Such remuneration shall accrue *de die in diem*. The Directors shall also be entitled to such remuneration by way of further Directors' fees as shall from time to time be determined by the Company in general meeting and such remuneration shall be divided among the Directors as the Board shall by resolution determine or, failing such determination, equally except that in such event any Director holding office for less than a year shall only rank in such division in proportion to the period during which he has held office during such year.

84. The Directors (including alternate Directors) shall also be entitled to be paid their reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings or otherwise incurred while engaged on the business of the Company.

85. Any Director who, by request, performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

86. A Director of the Company may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested, and (subject to any agreement to the contrary) no such Director shall be accountable for any remuneration or other benefits received by him as a director or officer of or from his interest in such other company. The Board may also exercise the voting power conferred by shares in any other

company held or owned by the Company in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the members of the Board or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be or be about to become a director or officer of such other company and as such, or in any other manner, is or may be interested in the exercise of such voting rights in manner aforesaid.

87. (a) A Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director upon such terms as the Board may determine, and may receive such remuneration therefor as the Board may think fit in addition to any other remuneration hereunder. Subject to the next paragraph of this Article, no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

(b) A Director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if his interest then exists, or in any other case at the first meeting of the Board after he becomes so interested. A general notice to the Board given by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in all transactions with such company or firm shall be sufficient declaration of interest under this Article, and after such general notice it shall not be necessary to give any special notice relating to any subsequent transaction with such company or firm, provided that either the notice is given at a meeting of the Board or the Director giving the same takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given. After such general notice has been given it shall not be necessary for the Director giving the same to give any further notice relating to any subsequent transaction with such company or firm provided that a Director interested in any contract with the Company

or any arrangement to which the Company is a party shall give notice to the Board of such matters in relation to his interests as are required to be stated in the Directors' Report pursuant to section 16 of the 1967 Act.

(c) A Director shall not vote (nor be counted in the quorum) in respect of any contract or arrangement in which he is interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any of the following matters, namely:—

- (i) any contract or arrangement for giving to such Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company;
- (ii) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company which the Director has himself guaranteed or secured in whole or in part;
- (iii) any contract or arrangement with the Director to subscribe for or underwrite shares, debentures or other securities of the Company;
- (iv) any contract or arrangement with a corporation in which the Director is interested only by reason of his being an officer, creditor or member of such corporation or beneficially interested in shares, debentures or other securities of that corporation;
- (v) any exercise of the powers conferred on the Board by Article 29.

The provisions of this paragraph may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular contract or arrangement by ordinary resolution of the Company.

(d) A Director, notwithstanding his interest, may be counted in the quorum present for the purpose of considering the appointment of himself or of any other Director to hold any office or place of profit under the Company as aforesaid or of arranging the terms of any such appointment and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.

(e) Any Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

88. Without prejudice to the provisions for retirement by rotation or otherwise hereinafter contained, the office of a Director shall be vacated in any of the events following, namely:—

- (a) if he resigns his office by writing under his hand left at the Office;
- (b) if, being a Patient within the meaning of the Mental Health Act, 1959, an order is made in respect of his property or any part thereof under the provisions of section 102 of that Act, or he becomes bankrupt or compounds with his creditors;
- (c) if, without leave, he is absent, otherwise than on the business of the Company, from meetings of the Board for six consecutive months, and the Board resolves that his office be vacated;
- (d) if he is prohibited from being a Director by reason of any order made under section 188 of the Act;
- (e) if he is removed from office pursuant to Article 111;
- (f) if he ceases to be a Director by virtue of section 185 of the Act or be removed;
- (g) if he ceases to hold the qualification shares required by Article 81.

~~89. So long as Watney Mann Limited and its subsidiaries for the time being are collectively the registered holders of not less than one quarter of the issued Ordinary share capital for the time being of the Company, Watney Mann Limited shall be entitled from time to time and at any time by memorandum in writing delivered at or sent to the Office to appoint up to three Directors of the Company and to remove any Director so appointed and to appoint others either to fill casual vacancies or in place of any Directors so removed. Watney Mann Limited shall give notice in writing to the Company of any changes in the aggregate amount of such holding by delivering it at or sending it to the Office. Any person so appointed shall not be liable to retirement by rotation under the provisions of Article 103. The Company shall be entitled and bound to accept a certificate signed by the Auditors for the time being of Watney Mann Limited as to whether any particular body corporate is at the date of this certificate or was on any date or dates specified therein a subsidiary of Watney Mann Limited as conclusive evidence of the fact and all Members shall be deemed to have joined the Company on this footing.~~



## POWERS AND DUTIES OF THE BOARD

90. The business of the Company shall be managed by the Board, which may exercise all such powers of the Company as are not by the Act or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act and of these Articles and to such regulations, being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

91. The Board may establish any local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Board, with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

92. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

93. The Company may exercise the powers conferred by section 35 of the Act with regard to having an Official Seal for use abroad, and such powers shall be vested in the Board.

94. The Company may exercise the powers conferred by sections 119 to 122 of the Act with regard to the keeping of a Dominion

Register, and the Board may (subject to the provisions of those sections) make and vary such regulations as it may think fit respecting the keeping of any such Register.

95. All cheques, promissory notes, drafts, bills of exchange and other negotiable and transferable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

96. The Board shall cause minutes to be made in books provided for the purpose:—

- (a) of all appointments of officers made by the Board;
- (b) of the names of the Directors present at each meeting of the Board or committees of the Board;
- (c) of all resolutions and proceedings at all meetings of the Company and of the Board and of any committee of the Board.

97. The Board shall cause to be kept the register of the Directors' interests required by section 29 of the 1967 Act and shall render the same available for inspection during the period and by the persons prescribed, and produce the same at every annual general meeting as required by that section.

### BORROWING POWERS

98. (i) The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property or uncalled capital or any part thereof and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(ii) The Board shall however restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries with a view to securing that the aggregate amount for the time being remaining outstanding of moneys borrowed or secured by the Company and of moneys borrowed or secured by any subsidiary of the Company incorporated in the United Kingdom (exclusive of moneys outstanding in respect of borrowings by the Company from any such subsidiary or by any such subsidiary from other such subsidiaries or from the Company) shall not at any time, without the

sanction of an Ordinary Resolution of the Company and the consent or sanction of the holders of the 6 per cent. Cumulative Second Preference Shares given in accordance with Article 12, exceed a sum equal to one and a half times the aggregate of (1) the amount paid up on the share capital of the Company and (2) the amount standing to the credit of the reserves (including share premium account and balances of profit and loss accounts but excluding amounts set aside for future taxation assessable by reference to profits down to the date of the relevant balance sheets and after deducting any balances standing to the debit of profit and loss accounts) of the Company and its subsidiaries all as shown in a consolidation of the latest audited balance sheets of the Company and its subsidiaries but (a) adjusted in respect of any variation in the paid up share capital and share premium account of the Company since the date of that balance sheet, (b) excluding amounts attributable to outside shareholders, and (c) deducting goodwill. Provided that no such sanction shall be required for the borrowing of any sum of money intended to be applied in the repayment (with or without premium) of any moneys then already borrowed and outstanding notwithstanding that the same may result in the said limit being exceeded and for the purpose of the said limit the issue of Debentures shall be deemed to constitute borrowing notwithstanding that the same may be issued in whole or in part for a consideration other than cash.

#### PENSIONS AND ALLOWANCES

99. The Board may pay and agree to pay pensions or other retirement, superannuation, death or disability benefits or allowances to or to any person in respect of any Director or former Director who may hold or may have held any executive office or employment under the Company or any subsidiary of the Company or its holding company (if any) and for the purpose of providing any such pensions or other benefits or allowances may contribute to any scheme or fund and may make payments towards insurances or trusts in respect of such persons.

#### EXECUTIVE DIRECTORS

100. The Board may from time to time appoint one or more of its body to be the holder of any executive office (including but not limited to the office of Managing Director, Joint Managing Director or Assistant Managing Director) for such period and upon such terms as it thinks fit and, subject to the provisions of any agreement entered into in any particular case, may revoke such appointment. The appointment of any Director to any executive office as aforesaid shall be subject to termination if he cease from any cause to be a Director but without prejudice to any claim he may have for damage for breach of any contract of service between him and the Company.

sanction of an Ordinary Resolution of the Company and the consent or sanction of the holders of the 6 per cent. Cumulative Second Preference Shares given in accordance with Article 12, exceed a sum equal to one and a half times the aggregate of (1) the amount



(iii) Notwithstanding the foregoing, no lender or other person dealing with the Company shall be concerned to see or enquire whether this limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or the security given that such limit had been or was thereby exceeded.

#### PENSIONS AND ALLOWANCES

99. The Board may pay and agree to pay pensions or other retirement, superannuation, death or disability benefits or allowances to or to any person in respect of any Director or former Director who may hold or may have held any executive office or employment under the Company or any subsidiary of the Company or its holding company (if any) and for the purpose of providing any such pensions or other benefits or allowances may contribute to any scheme or fund and may make payments towards insurances or trusts in respect of such persons.

#### EXECUTIVE DIRECTORS

100. The Board may from time to time appoint one or more of its body to be the holder of any executive office (including but not limited to the office of Managing Director, Joint Managing Director or Assistant Managing Director) for such period and upon such terms as it thinks fit and, subject to the provisions of any agreement entered into in any particular case, may revoke such appointment. The appointment of any Director to any executive office as aforesaid shall be subject to termination if he cease from any cause to be a Director but without prejudice to any claim he may have for damage for breach of any contract of service between him and the Company.

101. An Executive Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a Director.

102. The Board may entrust to and confer upon an Executive Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with or to the exclusion of its own powers, and may from time to time (subject to the terms of any agreement entered into in any particular case) revoke, withdraw, alter or vary all or any of such powers.

### RETIREMENT OF THE BOARD BY RESOLUTION

103. The holder or holders of a majority in nominal value of such part of the issued share capital of the Company as confers the right for the time being to attend and vote at general meetings of the Company may at any time or from time to time by memorandum in writing signed by or on behalf of him or them and left at or sent to the Registered Office of the Company remove any Director from office or appoint any person to be a Director.

~~104. Directors to retire on each occasion shall be those who have been longest in office since their last election, but as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.~~

105. A retiring Director shall, subject to the provisions of section 185 of the Act, be eligible for re-election.

106. Subject to the provisions of Article 108, the Company at the meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto and in default the retiring Director shall, if willing to continue to act, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.

107. Subject as aforesaid the Company may also in general meeting elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles.

~~108. Except as otherwise authorised by section 183 of the Act, the election or appointment of any person proposed as a Director shall be effected by a separate resolution, and a single resolution purporting to elect or appoint two or more persons to be Directors shall be ineffective and void.~~

109. No person, other than a Director retiring at the meeting, shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless, not less than seven and not more than twenty-one clear days before the day appointed for the meeting, there shall have been given to the Secretary notice in writing by some Member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

110. Without prejudice to the power of the Company in general meeting in pursuance of any of the provisions of these Articles to appoint any person to be a Director, the Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

111. The Company may by extraordinary resolution, or (subject to the provisions of section 184 of the Act) by ordinary resolution of which special notice has been given in accordance with section 142 of the Act remove any Director before the expiration of his period of office and may (subject to Article 109 or to the said provisions as the case may be) by an ordinary resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the ~~Director in whose place he is appointed was last elected a Director.~~

### PROCEEDINGS OF THE BOARD

112. The Board may meet together for the despatch of business adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may and the Secretary on the requisition of a Director shall at any time summon a Board meeting. It shall not be

necessary to give notice of a Board meeting to any Director for the time being absent from the United Kingdom but such notice shall be given to any alternate Director who may be appointed in the place of the Director so absent.

113. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed at any other number shall be two.

114. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number be reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors may act for the purpose of filling up vacancies in their body or of summoning general meetings of the Company but not for any other purpose, and may act for either of the purposes aforesaid whether or not their number be reduced below the number fixed by or in accordance with these Articles as the quorum.

115. The Board shall elect a Chairman and may elect a deputy-Chairman of the Board and determine the period for which they are respectively to hold office. If no such Chairman or deputy-Chairman be elected, or if at any meeting neither the Chairman nor the deputy-Chairman be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.

116. A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Board.

117. The Board may delegate any of its powers to committees, whether consisting of a member or members of its body or not, as it thinks fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

118. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article.

119. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board (including any alternate Director appointed in the place of a Director for the time being absent from the United Kingdom) or by all the members of a committee for the time being shall be as valid and effectual as a

resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee concerned.

120. All acts done by any Board or by any committee or by any person acting as a Director or member of a committee, notwithstanding it be afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them had vacated office, shall be as valid as if every such person had been duly appointed and had continued to be a Director or a member of such committee.

### SECRETARY

121. (a) The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Secretary so appointed may be removed by the Board.

(b) A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

### DIVISIONAL, ASSISTANT, ASSOCIATE OR LOCAL DIRECTORS

122. (a) The Board may from time to time appoint any officer or employee of the Company or of any subsidiary company to be a Divisional Director, an Assistant Director, Associate Director or Local Director of the Company. Any person so appointed may describe himself as a Divisional Director, Assistant Director, Associate Director or Local Director, coupled with such other description (if any) as may be determined by the Board but he shall not be a Director of the Company for any of the purposes of these Articles nor require any share qualification, nor have any of the powers of or be subject to any of the duties of a Director, save as in this Article provided.

(b) A Divisional, Assistant, Associate or Local Director shall not have any right of access to books of the Company except with the sanction of the Board, and in calculating the number to form a quorum at any meeting of the Board, the Divisional, Assistant, Associate or Local Directors present shall not be counted. Divisional, Assistant, Associate or Local Directors shall not be entitled to receive notice of or attend at Board Meetings unless invited so to do by the Board.



(c) The Board may from time to time entrust to and confer upon a Divisional, Assistant, Associate or Local Director all or any of the powers of the Board (excepting the power to make calls, forfeit or accept surrender of shares or borrow money) as may be thought fit, but the exercise of all powers so conferred may at any time be withdrawn, revoked or varied.

(d) The appointment of a person to be a Divisional, Assistant, Associate or Local Director shall not (save as otherwise agreed between him and the Company) affect the terms and conditions of his employment with his employers, whether as regards duties, remuneration, pension or otherwise, and his office as a Divisional, Assistant, Associate or Local Director shall be vacated in the event of his ceasing to be in the employ of the Company or of any of its subsidiary companies, or in the event of his being removed from office by the Board.

(e) The appointment and removal of a Divisional, Assistant, Associate or Local Director shall be determined by the Board with full power to make such arrangements as the Board may think fit ; and the Board shall have the right to enter into any contract or arrangement on behalf of the Company and transact any business of any description without the knowledge and/or approval of the Divisional, Assistant, Associate or Local Directors, excepting that no act shall be done that would impose any personal liability on any or all of the Divisional, Assistant, Associate or Local Directors except with his or their knowledge and consent.

### THE SEAL

123. The Board shall provide for the safe custody of the Seal which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf, and every instrument to which the Seal shall be affixed shall be signed by one or more Directors and the Secretary Provided that the Board may either generally or in any specific case resolve that such signature or any of them may be affixed to certificates for shares or debentures or representing any other form of security by some means other than autographic to be specified in such resolution or that such certificates need not be signed by any person.

### DIVIDENDS

124. The Company in general meeting may from time to time declare dividends to be paid to the Members according to their rights

and interests in the profits, but no dividend shall be declared in excess of the amount recommended by the Board.

125. All dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. All dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid ; but, if any share be issued on terms providing that it shall rank for dividend as from a particular date or for all or a proportion of the dividends declared after a particular date, such share shall rank for dividend accordingly.

126. The Board may from time to time declare and pay to the Members such interim dividends as appear to the Board to be justified by the position of the Company; the Board may also declare and pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates, whenever such position in the opinion of the Board, justifies that course.

127. The Board may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

128. No dividend shall bear interest against the Company.

129. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first on the Register in respect of the shares or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct be made payable to the order of the registered holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable in respect of the shares held by such joint holders.

130. The payment by the Board of any unclaimed dividend, interest or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

131. Any general meeting declaring a dividend may, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and the Board shall give effect to such direction, and where any difficulty arises in regard to such distribution the Board may settle it as it thinks expedient, and in particular may fix the value for distribution of any such specific assets and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to secure equality of distribution.

### RESERVES

132. The Board may before recommending any dividend set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company or its holding company, if any) as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to divide.

133. The Board shall transfer to a share premium account as required by section 56 of the Act sums equal to the amount or value of any premiums at which shares of the Company may be issued and, subject to the provisions of the said section, the provisions of these Articles relating to reserves shall be applicable to the sums for the time being standing to the credit of the share premium account.

### CAPITALISATION OF PROFITS AND RESERVES

134. The Company in general meeting may upon the recommendation of the Board at any time and from time to time pass a resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve fund and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled to such profits if distributed by way of dividend and in the same proportions on the footing that the same be not paid in cash but be applied either in or towards paying up the amount for the time being unpaid on any shares in the Company held by such Members respectively or in the payment up in full of unissued shares, debentures or other obligations of the

Company to be allotted and distributed credited as fully paid among such Members or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article only be applied in the paying up of unissued shares to be issued to Members credited as fully paid.

135. Where any difficulty arises in regard to any distribution under the last preceding Article the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract requisite or convenient for giving effect thereto and such appointment shall be effective and binding upon the Members.

### ACCOUNTS

136. The Board shall cause true accounts complying with section 147 of the Act to be kept: —

- (a) of the sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure take place; and
- (b) of all sales and purchases of goods by the Company; and
- (c) of the assets and liabilities of the Company.

137. The books of account shall be kept at the Office or, subject to section 147 (3) of the Act, at such other place or places as the Board may think fit and shall always be open to the inspection of the Directors. No Member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law and authorised by the Board.

138. The Board shall from time to time, in accordance with sections 148, 150 and 157 of the Act and the provisions of the 1967 Act, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections and those Acts.

139. A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting and of the

Directors' and Auditors' reports shall, not less than twenty-one days before the date of the meeting, be sent to every Member and to every holder of debentures of the Company. Provided that this Article shall not require copies of such documents to be sent to any person to whom, by virtue of paragraph (b) of the proviso to sub-section (1) of section 158 of the Act, the Company is not required to send the same, nor to any person of whose address the Company is not aware nor to more than one of the joint holders of any shares or debentures. Whenever permission to deal in and quotation for any of the Company's shares or debentures have been granted by the Council of The Stock Exchange, London, or by any other Stock Exchange in the United Kingdom, four copies of each of such documents shall at the same time be forwarded to the Secretary of the Quotations Department, The Stock Exchange, London, and to the Secretary of such other Stock Exchange as aforesaid.

### AUDIT

140. Auditors shall be appointed and their duties regulated in accordance with sections 159 to 162 of the Act and section 14 of the 1967 Act.

### SERVICE OR DELIVERY OF DOCUMENTS

141. Any notice or document (including a share certificate) to which any Member is entitled under these Articles may be served on or delivered to such Member by the Company either personally or by sending it through the post in a prepaid cover addressed to such Member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom as supplied by him to the Company as his address for the service of notices. Where a notice or other document as aforesaid is served or sent by post, service or delivery shall be deemed to be effected at the expiration of 24 hours after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed stamped and posted. Any notice given of a general meeting under Article 54 shall be exclusive of the day on which it is served and of the day for which it is given.

### NOTICES

142. In the case of joint holders of a share, all notices shall, unless such holders otherwise in writing direct, be given to that one of the joint holders whose name stands first in the Register, and notice so given shall be sufficient notice to all the joint holders.

143. Any Member described in the Register by an address not within the United Kingdom who shall, from time to time, give to the Company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address, but save as aforesaid no Member, other than a Member described in the Register by an address within the United Kingdom, shall be entitled to receive any notice from the Company.

144. Any notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service of the notice or document, have been removed from the Register as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

#### WINDING-UP

145. If the Company shall be wound up the Liquidator may, with the sanction of an Extraordinary Resolution of the contributories, divide among the contributories in specie or kind the whole or any part of the assets of the Company and may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the Liquidator, with the like sanction, shall think fit.

#### INDEMNITY

146. Every Director, Executive Director, Manager, Officer and Auditor of the Company shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, Executive Director, Manager, Officer or Auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under section 448 of the Act in which relief is granted to him by the Court.