

Dated 15 December 2011

IMPERIAL TOBACCO LIMITED

AMENDED AND RESTATED DEED OF GUARANTEE

issued by
Imperial Tobacco Limited
in respect of
Imperial Tobacco Finance PLC
€15,000,000,000
Debt Issuance Programme
Irrevocably and unconditionally guaranteed by
IMPERIAL TOBACCO GROUP PLC
arranged by
BARCLAYS BANK PLC

Linklaters
Ref: EXM/RR/NMP/VGS
Linklaters LLP

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This Amended and Restated Deed of Guarantee is issued on 15 December 2011 by Imperial Tobacco Limited (“**ITL**”) in favour of the Trustee, the Issuing and Paying Agent, the Noteholders and, if different, the Couponholders.

Whereas:

- (A) ITL has agreed to guarantee the payment of all sums expressed to be payable from time to time by Imperial Tobacco Finance PLC (the “**Issuer**”) in respect of Relevant Notes and/or Notes issued by the Issuer from time to time under the Issuer’s debt issuance programme.
- (B) This Guarantee amends and restates the deed of guarantee dated 17 December 2009 issued by ITL in favour of the Trustee, the Issuing and Paying Agent, the Noteholders and, if different, the Couponholders.

Now this Guarantee witnesses as follows:

1 Interpretation

- 1.1 Definitions:** In this Guarantee all capitalised terms shall (unless otherwise defined herein) have the meanings given to them in the Trust Deed and the following expressions shall have the following meanings:

“**Consent**” includes any authorisation, approval, consent, licence, exemption, filing, registration, notarisation or other matter, official, corporate or otherwise;

“**Group**” means Imperial Tobacco and its subsidiaries and affiliates taken as a whole;

“**Imperial Tobacco**” means Imperial Tobacco Group PLC;

“**Law**” includes any law, judicial order or treaty or any regulation, rule or official directive and “**unlawful**” is to be construed accordingly;

“**Noteholder**” means any holder of Notes and/or Relevant Notes, as the case may be, and

“**Couponholder**” means any holder of coupons relating to such Notes or Relevant Notes, as the case may be;

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**Relevant Notes**” means euro medium term notes issued by the Issuer prior to the date hereof under the Issuer’s debt issuance programme and outstanding as at the date hereof and, to the extent applicable, any coupons, talons or receipts relating to such Notes;

“**Relevant Trust Deed**” means the relevant trust deed constituting any Relevant Notes;

“**this Guarantee**” means this Amended and Restated Deed of Guarantee; and

“**Trust Deed**” means the trust deed constituting the Notes amended and restated on the date hereof and made between the Issuer and the Trustee, as the same may be amended, supplemented, restated and/or modified from time to time.

- 1.2 Clauses:** Any reference in this Guarantee to a Clause is, unless otherwise stated, to a Clause hereof.

- 1.3 Headings:** Headings and sub-headings are for ease of reference only and shall not affect the construction of this Guarantee.

2 Guarantee and Indemnity

- 2.1 Guarantee:** ITL hereby unconditionally and irrevocably guarantees to the Trustee (for the benefit of the Trustee, the Issuing and Paying Agent, the Noteholders and the Couponholders) the due and punctual payment of all sums expressed to be payable from time to time by the Issuer under the Agency Agreement, the Trust Deed, any Relevant Trust Deed and, if different, in respect of the Notes, the Relevant Notes, the Receipts or the Coupons (if any) as and when the same become due and payable and accordingly undertakes to pay to or to the order of the Trustee (for the Trustee and on behalf of the Issuing and Paying Agent, the Noteholders and the Couponholders) forthwith in the manner and currency prescribed by the Agency Agreement, the Trust Deed, any Relevant Trust Deed, the Notes, the Relevant Notes, the Receipts or the Coupons (as the case may be) for payments by the Issuer, any and every sum or sums which the Issuer is at any time liable to pay under the terms of the Agency Agreement, the Trust Deed, any Relevant Trust Deed or (if different) in respect of the Notes, the Relevant Notes, the Receipts or Coupons (if any) and which the Issuer has failed to pay.
- 2.2 ITL as Principal Debtor:** As between ITL, Imperial Tobacco, the Issuing and Paying Agent, the Trustee, the Noteholders and the Couponholders but without affecting the Issuer's obligations, ITL shall be liable under this Clause as if it were the sole principal debtor and not merely a surety. Accordingly, it shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor (including (1) any time, indulgence, waiver or consent at any time given to the Issuer, Imperial Tobacco or any other person, (2) any amendment to any other provisions of this Guarantee, the Agency Agreement, the Trust Deed, the Relevant Trust Deed or to the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer, Imperial Tobacco or any other person for payment, (4) the enforcement or absence of enforcement of this Guarantee, the Agency Agreement, the Trust Deed, the Relevant Trust Deed, the Notes, the Relevant Notes, the Receipts or the Coupons or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer, Imperial Tobacco or any other person or (7) the illegality, invalidity or unenforceability of or any defect in any provision of this Guarantee, the Agency Agreement, the Trust Deed, the Relevant Trust Deed, the Notes, the Relevant Notes, the Receipts or the Coupons or any of the Issuer's obligations or Imperial Tobacco's obligations under any of them).
- 2.3 ITL's Obligations Continuing:** ITL's obligations under this Guarantee are and shall remain in full force and effect by way of continuing security until no sum remains payable under this Guarantee, the Agency Agreement, the Trust Deed, the Relevant Trust Deed, the Notes, the Relevant Notes, the Receipts or the Coupons. Furthermore, these obligations of ITL are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from ITL or otherwise and may be enforced without first having recourse to the Issuer, Imperial Tobacco, any other person, any security or any other guarantee or indemnity. ITL irrevocably waives all notices and demands of any kind.
- 2.4 Exercise of ITL's Rights:** So long as any sum remains payable under this Guarantee, the Agency Agreement, the Trust Deed, the Relevant Trust Deed, the Notes, the Relevant Notes, the Receipts or the Coupons:

- 2.4.1** any right of ITL, by reason of the performance of any of its obligations under this Clause, to be indemnified by the Issuer or to take the benefit of or to enforce any security or other guarantee or indemnity shall be exercised and enforced by ITL only in such manner and on such terms as the Trustee may require or approve; and
- 2.4.2** any amount received or recovered by ITL (1) as a result of any exercise of any such right or (2) in the dissolution, amalgamation, reconstruction or reorganisation of the Issuer shall be held in trust for the Trustee and immediately paid to the Trustee and the Trustee shall hold it on the trusts set out in Clause 7.2.1 hereof.
- 2.5** **Suspense Accounts:** Any amount received or recovered by the Trustee (otherwise than as a result of a payment by the Issuer to the Trustee in accordance with Clause 2 of the Trust Deed or the Relevant Trust Deed) in respect of any sum payable by the Issuer under the Agency Agreement, the Trust Deed, the Relevant Trust Deed, the Notes, the Relevant Notes, the Receipts or the Coupons may be placed in a suspense account and kept there for so long as the Trustee thinks fit.
- 2.6** **Avoidance of Payments:** ITL shall on demand indemnify the Trustee, the Issuing and Paying Agent, each Noteholder and each Couponholder against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer or Imperial Tobacco under the Agency Agreement, the Trust Deed, the Relevant Trust Deed, any Note, any Relevant Note or the Receipts or Coupons relating to such Note and shall in any event pay to it on demand the amount as refunded by it.
- 2.7** **Debts of Issuer:** If any moneys become payable by ITL under this Guarantee, ITL acknowledges that the Issuer shall not (except in the event of the liquidation of the Issuer) so long as any such moneys remain unpaid, pay any moneys for the time being due from such Issuer to ITL.
- 2.8** **Indemnity:** As separate, independent and alternative stipulations, ITL unconditionally and irrevocably agrees (1) that if any sum that, although expressed to be payable by the Issuer under the Agency Agreement, the Trust Deed, the Relevant Trust Deed, the Notes, the Relevant Notes or the Receipts or Coupons, is for any reason (whether or not now existing and whether or not now known or becoming known to the relevant Issuer, ITL, the Trustee, the Issuing and Paying Agent or any Noteholder or Couponholder) not recoverable from ITL on the basis of a guarantee it shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Trustee on demand and (2) as a primary obligation to indemnify the Trustee, the Issuing and Paying Agent, each Noteholder and each Couponholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Agency Agreement, the Trust Deed, the Relevant Trust Deed, the Notes, the Relevant Notes or the Receipts or Coupons not being paid on the date and otherwise in the manner specified in the Agency Agreement, the Trust Deed or the Relevant Trust Deed or any payment obligation of the Issuer under the Agency Agreement, the Trust Deed, the Relevant Trust Deed, the Notes, the Relevant Notes, the Receipts or the Coupons being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Trustee, the Issuing and Paying Agent, any Noteholder or any Couponholder), the amount of that loss being the amount expressed to be payable by the relevant Issuer in respect of the relevant sum.

2.9 Costs: All costs, charges, liabilities and expenses properly incurred and payments made by the Trustee in the lawful exercise of its powers under this Guarantee shall be payable by ITL within 14 days of demand. Such costs, charges, liabilities and expenses shall:

2.9.1 in the case of payments made by the Trustee before such demand, carry interest from the date of the demand at the rate of 2 per cent. per annum over the base rate of HSBC Bank plc on the date on which the Trustee made such payments; and

2.9.2 in other cases, carry interest at such rate from 30 days after the date of the demand or (where the demand specifies that payment is to be made on an earlier date) from such earlier date.

3 Enforcement by Trustee

3.1 Enforcement by Trustee: Subject to Clause 3.2 and 3.5 at any time after the Notes or the Relevant Notes shall have become due and repayable the Trustee may at its discretion or on the instructions of the Noteholders under Clauses 7 and 8 of the Trust Deed or the Relevant Trust Deed (as applicable) and without further notice (but subject always to being indemnified to its satisfaction as therein provided) take such proceedings as it may think fit against ITL to enforce the provisions of this Guarantee.

3.2 Authority to Enforce: The provisions as to enforcement of the Notes or the Relevant Notes contained in Clauses 7 and 8 of the Trust Deed or the Relevant Trust Deed (as applicable) shall apply to this Guarantee as if this Guarantee were referred to therein and references to the Guarantor in Clauses 7 and 8 of the Trust Deed shall mean ITL for the purposes of this Guarantee.

3.3 Only Trustee to Enforce: Only the Trustee may enforce the provisions of this Guarantee. Neither the Issuing and Paying Agent nor any Noteholder or Couponholder shall be entitled to proceed directly against ITL to enforce performance of any of the provisions of this Guarantee unless the Trustee, having become bound to take proceedings in accordance with the provisions of Clauses 7 and 8 of the Trust Deed or the Relevant Trust Deed (as applicable), fails to do so within a reasonable period and such failure shall be continuing.

3.4 Enforcement on behalf of the Issuing and Paying Agent: At any time after there has been, a default under the terms of the Agency Agreement the Trustee may, after receipt of written notice from the Issuing and Paying Agent, at its discretion take such proceedings as it may think fit against ITL to enforce the rights of the Issuing and Paying Agent under the provisions of this Guarantee.

3.5 Trustee Not Bound to Act: The Trustee shall not be bound to take any step or action in connection with this Guarantee or the obligations arising pursuant thereto, including, without prejudice to the generality of the foregoing, forming an opinion or employing any financial adviser, where it is not satisfied that it is indemnified and/or secured against all its liabilities and costs incurred in connection with such step or action and may demand prior to taking any such step or action that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify it and on such demand being made the Issuer shall be obliged to make payment of such sums in full

4 Consents

ITL shall promptly:

(1) obtain;

- (2) renew;
- (3) supply certified copies to the Trustee of; and
- (4) comply with the terms of,

any Consent required under any Law to enable it to perform its obligations under, or for the validity or enforceability of, this Guarantee.

5 Taxation

All payments under this Guarantee shall be made without set-off or counterclaim and free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by any country or any political subdivision or authority thereof or therein having power to tax, unless such withholding or deduction is required by Law in the United Kingdom. In that event, ITL shall pay such additional amounts as will result in the receipt by the Trustee of such amounts as would have been received by it if no such withholding or deduction had been required.

6 Currency Indemnity

If, under any applicable Law, whether as a result of a judgment against either the Issuer or ITL or the liquidation of the Issuer or ITL or for any other reason, any payment under or in connection with this Guarantee is made or is recovered in a currency other than sterling then, to the extent that the payment to the Trustee (when converted into sterling at the rate of exchange on the date of payment, or in the case of a liquidation, the latest date for the determination of the liabilities permitted by the applicable Law) falls short of the amount due and unpaid in respect of a Note, Relevant Note or Coupon or (if different) under the terms of the Trust Deed, the Relevant Trust Deed or the Agency Agreement, ITL shall, as a separate and independent obligation, fully indemnify the Trustee.

7 Preservation of Rights

7.1 Enforcement: At any time after the Notes, Relevant Notes or Coupons shall have become due and payable, the Trustee may (subject to Clause 3 of this Guarantee and Clauses 7 and 8 of the Trust Deed or the Relevant Trust Deed (as applicable)) make any arrangement or compromise with the Issuer (without prejudice to the rights and obligations of the Issuer and ITL *inter se*) or with ITL in relation to this Guarantee which the Trustee in its absolute discretion considers expedient in the interests of the Noteholders and the Couponholders.

7.2 Application of moneys received by the Trustee

7.2.1 Declaration of Trust: All moneys received by the Trustee in respect of amounts payable under this Guarantee shall, despite any appropriation of all or part of them by the Issuer, ITL or Imperial Tobacco, be held by the Trustee on trust to apply them (subject to Clauses 2.5 and 7.2.2):

first, in payment of all costs, charges, expenses and liabilities reasonably incurred by the Trustee (including any remuneration payable to it) in carrying out its functions under this Guarantee, the Trust Deed or the Relevant Trust Deed, as the case may be

secondly, in payment of any amounts owing in respect of the Trust Deed, the Relevant Trust Deed, the Notes, the Relevant Notes, the Receipts or the Coupons *pari passu* and rateably

thirdly, in payment of any amounts owing in respect of the Agency Agreement and

fourthly, in payment of any balance to ITL for itself.

If the Trustee holds any moneys in respect of Notes, Relevant Notes, Receipts or Coupons that have become void or in respect of which claims have become prescribed, the Trustee shall hold them on these trusts.

7.2.2 Accumulation: If the amount of the moneys at any time available for payment in respect of the Notes under Clause 7.2.1 is less than 10 per cent of the nominal amount of the Notes or the Relevant Notes (as the case may be) then outstanding, the Trustee may, at its discretion, invest such moneys. The Trustee may retain such investments and accumulate the resulting income until the investments and the accumulations, together with any other funds for the time being under its control and available for such payment, amount to at least 10 per cent of the nominal amount of the Notes or the Relevant Notes (as the case may be) then outstanding and then such investments, accumulations and funds (after deduction of, or provision for, any applicable taxes) shall be applied as specified in Clause 7.2.1.

7.2.3 Investment: Moneys held by the Trustee may be invested in its name or under its control in any investments or other assets anywhere whether or not they produce income or deposited in its name or under its control at such bank or other financial institution in such currency as the Trustee may, in its absolute discretion, think fit. If that bank or institution is the Trustee or a subsidiary, holding or associated company of the Trustee, it need only account for an amount of interest equal to the largest amount of interest payable by it on such a deposit to an independent customer. The Trustee may at any time vary or transpose any such investments or assets or convert any moneys so deposited into any other currency, and shall not be responsible for any resulting loss, whether by depreciation in value, change in exchange rates or otherwise.

7.2.4 Appropriation of Moneys: If, when the Trustee receives moneys under this Guarantee, amounts are also due but unpaid under another obligation owed by the Issuer for which it is Trustee (including other Series of Notes constituted by the Trust Deed or Relevant Notes constituted by the Relevant Trust Deed), the Trustee shall apportion such moneys rateably between this trust and such other trust or trusts unless that other obligation is subordinated to the Notes or, as the case may be, the Relevant Notes.

7.3 Regulated Activities: Notwithstanding anything in this Guarantee to the contrary, the Trustee shall not do, or be authorised or required to do, anything which might constitute a regulated activity for the purpose of the FSMA, unless it is authorised under the FSMA to do so. The Trustee shall have the discretion at any time (i) to delegate any of the functions which fall to be performed by an authorised person under the FSMA to any agent or person which has the necessary authorisations and licences and (ii) to apply for authorisation under the FSMA and perform any or all such functions itself if, in its absolute discretion, it considers it necessary, desirable or appropriate to do so.

7.4 Additional Security: This Guarantee is in addition to, and is not in any way prejudiced by, any other security, guarantee or indemnity now or hereafter held by the Trustee, the Issuing and Paying Agent, any Noteholder or any Couponholder as security for the obligations of the Issuer under the Agency Agreement, the Trust Deed, the Relevant Trust Deed, the Notes, the Relevant Notes or, as the case may be, the Coupons.

7.5 Pari passu: ITL undertakes that its obligations under this Guarantee will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of ITL, save for such obligations as may be preferred by law.

8 Deposit of Guarantee

An original of this Guarantee shall be deposited with and held by or to the order of the Trustee at such place as it shall determine until the date which is the earlier of two years after that on which:

- (1) all the obligations of the Issuer under or in respect of the Notes, the Relevant Notes and/or the Coupons or under the Trust Deed, the Relevant Trust Deed or the Agency Agreement have been discharged in full; and
- (2) this Guarantee has terminated pursuant to Clause 10.1.

ITL hereby acknowledges the right of the Trustee, the Issuing and Paying Agent and of every Noteholder and Couponholder to the production of this Guarantee.

9 Stamp Duties

ITL shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Guarantee, and shall indemnify the Trustee, the Issuing and Paying Agent and each Noteholder and Couponholder against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result of or arising out of or in relation to any failure to pay or any delay in paying any of the same.

10 Termination

10.1 ITL may terminate this Guarantee by notice in writing to the Trustee and, in such case, ITL shall be discharged and released from all obligations and liabilities under this Guarantee, if either:

- 10.1.1** the Trustee has received prior confirmation in writing from each of Moody's Investors Service, Inc. ("**Moody's**") and Standard & Poor's Rating Group, a division of the McGraw-Hill Companies, Inc. ("**Standard & Poor's**") and any other credit rating agency which ascribes a solicited long-term credit rating to Notes issued under the Programme and/or Relevant Notes that such Notes and Relevant Notes (as the case may be) will carry the same rating as the long-term corporate credit rating ascribed to the Group, without the benefit of this Guarantee or any other guarantee, indemnity or similar arrangement of ITL or any other entity other than the Guarantor; or
- 10.1.2** the Trustee has received (1) prior confirmation in writing from the Issuer and Imperial Tobacco that despite all reasonable efforts by the Issuer to secure credit ratings from Moody's and Standard & Poor's (or any successors thereto) for Notes issued under the Programme and Relevant Notes, no such credit rating can be

obtained by the Issuer and (2) either (a) prior confirmation in writing from the Issuer and Imperial Tobacco that no other credit rating agency ascribes a solicited long-term credit rating to Notes issued under the Programme and/or Relevant Notes, or (b) prior confirmation in writing on the terms set out in 10.1.1 above from any credit rating agency which does ascribe a solicited long-term credit rating to Notes issued under the Programme and/or Relevant Notes.

- 10.2** ITL undertakes promptly to notify the Noteholders of the termination of this Guarantee in accordance with the Conditions of the Notes.

11 Amendments

- 11.1** Subject to Clause 11.2, any provision of this Guarantee may be amended or waived with the agreement of ITL and the Trustee. The Trustee may effect, on behalf of the Issuing and Paying Agent, the Noteholders and the Couponholders, any amendment which it has agreed with ITL.

- 11.2** An amendment or waiver which relates to:

- (1) the amounts guaranteed under this Guarantee; or
- (2) the term of this Guarantee

may not be effected without the sanction of an Extraordinary Resolution.

12 Benefit of Guarantee

- 12.1 Deed:** This Guarantee shall take effect as a deed for the benefit of the Trustee, the Issuing and Paying Agent, the Noteholders and the Couponholders from time to time.

- 12.2 Benefit:** The obligations expressed to be assumed by ITL in this Guarantee shall enure for the benefit of the Trustee, the Issuing and Paying Agent and each Noteholder and Couponholder and its (and any subsequent) successors and assigns. Pursuant to the provisions of Clause 3.3 the Trustee shall enforce such obligations against ITL on behalf of itself, the Issuing and Paying Agent, the Noteholders and the Couponholders.

- 12.3 No assignment:** ITL may not assign or transfer all or any of its rights, benefits or obligations under this Guarantee.

13 Partial Invalidity

If at any time any provision of this Guarantee is or becomes illegal, invalid or unenforceable in any respect under the Laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Guarantee nor the legality, validity or enforceability of such provision under the Laws of any other jurisdiction shall in any way be affected or impaired thereby.

14 Notices

- 14.1 Method:** Each communication under this Guarantee shall be made by fax or otherwise in writing. Each communication or document to be delivered to ITL under this Guarantee shall be sent to it at:

Imperial Tobacco Limited
Upton Road
Bristol BS99 7UJ

Telephone: +44 117 963 6636
Fax: +44 117 966 7957
Attention: Group Treasury / John Jones / Stephen Brown

or to such other address or fax number or for the attention of such other Person or department as ITL has notified to the Trustee.

14.2 Deemed Receipt: Any communication from any party to any other under this Guarantee shall be effective, (if by fax) when good receipt is confirmed by the recipient following enquiry by the sender and (if in writing) when delivered, except that a communication received outside normal business hours shall be deemed to be received on the next business day in the city in which the recipient is located.

15 Contracts (Rights of Third Parties) Act 1999:

Subject to Clauses 3 and 12 hereof, no person shall have any right to enforce any term of this Guarantee under the Contracts (Rights of Third Parties) Act 1999.

16 Governing Law

This Guarantee and any non-contractual obligations arising out of or in connection with it is governed by, and shall be construed in accordance with, English law.

This deed is delivered on the date stated at the beginning.

IMPERIAL TOBACCO LIMITED

acting by:

**EXECUTED as a DEED by as attorney for BNY
MELLON CORPORATE TRUSTEE SERVICES
LIMITED**

Attorney name:

Witnessed by:

Witness Name:

Witness Address: