

**CONFORMED COPY**

Dated 23 November 2006

**GUS plc**

and

**HSBC TRUSTEE (C.I.) LIMITED**

**SECOND SUPPLEMENTAL TRUST DEED**

relating to  
£350,000,000  
5.625% Notes due 2013

Linklaters

This Second Supplemental Trust Deed is made on 23 November 2006 between:

- (1) **GUS plc** of One Stanhope Gate, London W1K 1AF (the “**Issuer**”); and
- (2) **HSBC TRUSTEE (C.I.) LIMITED** of 1 Grenville Street, St Helier, Jersey JE4 9PF (the “**Trustee**”, which expression, where the context so admits, includes all persons or companies for the time being the trustee or trustees of this Deed).

**Whereas:**

- (A) This Deed is supplemental to the trust deed dated 23 October 2002 made between the Issuer and the Trustee as modified or supplemented from time to time (the “**Trust Deed**”) constituting the Issuer’s £2,000,000,000 Euro Medium Term Note Programme, under which the Issuer has issued the £350,000,000 5.625 per cent. Notes due 2013 (the “**2013 Notes**”), and to the First Supplemental Trust Deed dated 13 June 2006 made between the Issuer and the Trustee (the “**First Supplemental Trust Deed**”) modifying the Trust Deed and the terms and conditions only in respect of the Issuer’s £600,000,000 4.125 per cent. Notes due 2007. For the avoidance of doubt, the First Supplemental Trust Deed shall not apply to the 2013 Notes.
- (B) The terms and conditions of the 2013 Notes are further supplemented by the pricing supplement dated 12 February 2003 in relation to the 2013 Notes (the “**2013 Pricing Supplement**”), pursuant to Condition 1(b) of the Conditions of the 2013 Notes.
- (C) The holders of the 2013 Notes have, by way of Extraordinary Resolution duly passed as a written resolution of the holders of the 2013 Notes on 23 November 2006 authorised certain amendments to the Conditions of the 2013 Notes, the 2013 Pricing Supplement and the Trust Deed, which shall apply only to the 2013 Notes, and the execution of this Second Supplemental Trust Deed.

Now this Second Supplemental Trust Deed witnesses and it is hereby agreed and declared as follows:

**1 Interpretation**

Except as provided herein, all words and expressions defined in the Trust Deed shall have the same meanings when used in this Second Supplemental Trust Deed and except where the context otherwise requires all references to Clauses shall be to Clauses of the Trust Deed, references to Conditions shall be to the Conditions as scheduled to the Trust Deed and references to the 2013 Pricing Supplement shall be to the 2013 Pricing Supplement.

**2 Modifications**

With effect on and from the date hereof, the provisions of the Trust Deed and the Conditions, as they apply to the 2013 Notes, and the 2013 Pricing Supplement are modified as follows:

- 2.1** Condition 13(c) (*Events of Default - Cross-default of Issuer or Subsidiary*) shall be replaced by the wording set out below:

“(c) *Cross-default of Issuer or Subsidiary:*

- (i) any Indebtedness of the Issuer or any of its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; or
- (ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant

Subsidiary or (provided that no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or

- (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

provided that (1) the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds £20,000,000 (or its equivalent in any other currency or currencies as determined by the Trustee) or (2) the Indebtedness referred to in this paragraph does not become, or is not claimed by any Person entitled to such Indebtedness to become, due and payable as a result of, or on the grounds of the occurrence of, the Demerger; or”;

- 2.2** Condition 13 (*Events of Default*) shall be modified by the insertion of the following paragraph at the end thereof:

“For the avoidance of doubt, the occurrence or the implementation of the Demerger or any steps undertaken in relation to the Demerger (whether for the purpose of giving effect to the Demerger or otherwise) shall not comprise an event contemplated by this Condition 13.”;

- 2.3** Condition 2 (*Interpretation*) shall be modified by the insertion of the following definition in the appropriate alphabetical position:

““*Demerger*” means the demerger of the Argos and Homebase businesses from the Group (and any holding companies of the Issuer), which completed on 10 October 2006;”;

- 2.4** paragraphs 12 (*Put/Call Options*) and 22 (*Put Option*) of the Pricing Supplement shall be modified by, in each case, the deletion of the words “Not Applicable” and the insertion of the following text in paragraph 12 “See paragraph 22.” and the insertion of the following text in paragraph 22:

“*Redemption at the option of Noteholders or Coupon Step-up Rate of Interest upon a Put Event*

A “Put Event” will occur if while any of the Notes remain outstanding:

- (i) a Change of Control Event occurs; and
- (ii) at any time during the Change of Control Period any Rating Agency rates the Notes as non-investment grade (being at or below BB+/Ba1, or their respective equivalents for the time being) or any Rating Agency does not assign a rating to the Notes.

If a Put Event occurs (unless the Issuer has given notice under Condition 10(b)):

- (i) the Issuer shall, within 10 Business Days after the occurrence of such Put Event, give notice (a “Put Event Notice”) to the Noteholders in accordance with Condition 20 (*Notices*) specifying the nature of the Put Event and the procedure for exercising the option contained in this paragraph (in which case the procedure for exercising the option contained in Condition 10(e) shall be disappplied); and
- (ii) the holder of each Note will have the option to require the Issuer to redeem that Note on the Put Date at the Put Amount (each as defined below) or, if such holder does not so require the Issuer, to continue to hold such Note in which case the

holder of such Note shall be paid interest at the Coupon Step-up Rate of Interest (as defined above) in respect of such Note from (and including) the Interest Payment Date next following the Put Date subject as provided in the above definition of Coupon Step-up Rate of Interest.

In this paragraph,

A “Change of Control Event” shall occur if any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers) or any person(s) acting on behalf of any such person(s) (the “Relevant Person”) at any time is/are or become(s) interested (within the meaning of Part VI of the Companies Act 1985) in (a) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or a Holding Company or (b) such number of shares in the capital of the Issuer or a Holding Company as carry more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer or such Holding Company, as the case may be, *provided that* a Change of Control Event shall not occur if all or substantially all of the shareholders of the Relevant Person immediately after the event which would otherwise have constituted a Change of Control Event are the shareholders of the Issuer or any Holding Company in either case immediately prior to the event which would otherwise have constituted a Change of Control Event with the same (or substantially the same) pro rata interests in the share capital of the Relevant Person as such shareholders have or, as the case may be, had, in the share capital of the Issuer or such Holding Company, as the case may be;

“Change of Control Period” means the period:

- (i) commencing on the date that is one Business Day before the earlier of (a) the date of the relevant Change of Control Event and (b) the date of the earliest Relevant Potential Change of Control Announcement (if any); and
- (ii) ending 90 days after the date of the relevant Change of Control Event (or such longer period for which the Notes are under consideration by a Rating Agency for rating or rating review (such consideration having been announced publicly within the period ending 90 days after the date of the relevant Change of Control Event and such period not to exceed 60 days after the public announcement of such consideration));

“Holding Company” means any company of which the Issuer is a Subsidiary;

“Put Amount” means in respect of any Note an amount equal to:

- (a) its principal amount; and
- (b) any interest accrued up to (but excluding) the Put Date;

“Rating Agency” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. and its successors, or Moody’s Investors Service, Inc. and its successors, or any other rating agency of comparable international standing as specified by the Issuer;

“Relevant Potential Change of Control Announcement” means any formal public announcement or statement by or on behalf of the Issuer or any Holding Company, or any actual or potential bidder or any advisor thereto relating to any potential Change of Control Event where, within 180 days of the date of such announcement or statement, a Change of Control Event occurs.

To exercise the option to require redemption of a Note under this paragraph the holder of the Note must deliver such Note on any Business Day falling within the period (the "Put Period") of 45 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "Put Notice") and in which the holder may specify a bank account (in the currency of the Notes) to which payment is to be made under this paragraph. The Note should be delivered together with all Coupons appertaining thereto maturing after the date (the "Put Date") seven days after the expiry of the Put Period, failing which the Paying Agent will require payment of an amount equal to the face value of any such missing Coupon. Any amount so paid will be reimbursed against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 15 (*Replacement of Notes and Coupons*)) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account (in the currency of the Notes) in the Put Notice to which payment is to be made, on the Put Date by transfer to that bank account and, in every other case, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. The Issuer shall redeem the relevant Note on the Put Date at the Put Amount unless previously redeemed or purchased.

A Put Notice, once given, shall be irrevocable. For the purposes of this paragraph, receipts issued pursuant to this paragraph shall be treated as if they were Notes.

Any reference in these Conditions to principal amount shall be deemed to include any Put Amount payable by the Issuer under this Condition.”;

- 2.5** paragraph 16(i) (*Rate of Interest*) of the Pricing Supplement shall be modified by the addition of the following words:

“and “Coupon Step-up Rate of Interest” shall mean 7.625 per cent. per annum payable annually in arrear from (and including) the Interest Payment Date next following the Put Date in respect of each Note which has not been redeemed by exercise of the Put Option pursuant to paragraph 22, provided that in respect of the Interest Payment Date immediately following the Put Date the amount of interest payable in respect of such Note shall be the sum of “A” and “B”, where “A” shall be the amount of interest calculated by multiplying the Rate of Interest applicable to such Note prior to the Put Date by the principal amount of such Note, multiplying the product by the Day Count Fraction in respect of the Calculation Period from and including the preceding Interest Payment Date to but excluding the Put Date, and rounding the resulting figure in accordance with Condition 21 (*Rounding*) and “B” shall be the amount of interest calculated by multiplying the Coupon Step-up Rate of Interest by the principal amount of such Note, multiplying the product by the Day Count Fraction in respect of the Calculation Period from and including the Put Date to but excluding the Interest Payment Date immediately following the Put Date, and rounding the resulting figure in accordance with Condition 21 (*Rounding*)”;

- 2.6** paragraph 16(iii) (*Fixed Coupon Amounts*) of the Pricing Supplement shall be modified by the addition of the following words:

“subject as provided in the final sub-paragraph below of this paragraph 16(iii)”

at the end of the following sub-paragraph:

“The following amounts of interest will be payable on each Interest Payment Date other than the Interest Payment Date falling on 12 December 2003:”

and the addition of the following sub-paragraphs at the end of paragraph 16(iii):

“The following amounts of interest will be payable on each Interest Payment Date commencing from (and including) the Interest Payment Date next following the Interest Payment Date immediately following the Put Date in respect of Notes which have not been redeemed by exercise of the Put Option pursuant to paragraph 22:

£76.25 per Note of £1,000 Specified Denomination;

£762.50 per Note of £10,000 Specified Denomination; and

£7,625.00 per Note of £100,000 Specified Denomination.

For the avoidance of doubt, the amounts of interest specified above will not be payable on the Interest Payment Date immediately following the Put Date in respect of such Notes, which will be calculated as provided in the above definition of Coupon Step-up Rate of Interest.”;

- 2.7** paragraph 16(v) (*Other terms relating to the method of calculating interest for Fixed Rate Notes*) of the Pricing Supplement shall be modified by the deletion of “Not Applicable” and the insertion of the following words:

““Calculation Period” means for the purposes of the calculation of the amount of interest at the Coupon Step-up Rate of Interest in respect of the Interest Payment Date immediately following the Put Date, the calculation period within a Regular Period in which a Put Date occurs.”;

- 2.8** Clause 6.1.4 of the Trust Deed shall be modified by the deletion of the words “audited consolidated balance sheet of the Issuer” and the insertion in their place of the words “audited balance sheet of the Issuer and its Subsidiaries” and the deletion of the words “and upon delivery of such certificate, the Issuer shall procure that the Auditors confirm in writing to the Trustee that the figures used to make such calculation have been correctly extracted from the most recent audited consolidated accounts of the Issuer that are available to the public”;

- 2.9** Clause 6.1.5 of the Trust Deed shall be modified by the deletion of the words “*provided that* at the time of giving such certificate, it shall procure that the Auditors shall confirm in writing to the Trustee that the figures used to make such certification have been correctly extracted from the most recent audited consolidated accounts of the Issuer that are available to the public”;

- 2.10** Clause 10.1.4 of the Trust Deed shall be modified by the deletion of the words “to the extent that the figures used to make such determination are set out in such certificate and have been confirmed in writing to the Trustee by the Auditors as having been correctly extracted from the most recent consolidated accounts of the Issuer (whether audited annual or unaudited semi-annual) that are available to the public”; and

- 2.11** the first paragraph of the definition of “Material Subsidiary” in Condition 2(a) shall be modified by the deletion of the words “consolidated turnover of the Issuer” and the insertion

in their place of the words “turnover of the Issuer and its Subsidiaries” and the deletion of the words “audited consolidated accounts of the Issuer” and the insertion in their place of the words “audited accounts of the Issuer and its Subsidiaries” and the modification of the second paragraph of the definition of “Material Subsidiary” in Condition 2(a) by the deletion of the words “to the extent that the figures used to make such determination are set out in such certificate and have been confirmed in writing to the Trustee by the Auditors (as defined in the Trust Deed) as having been correctly extracted from the most recent consolidated accounts of the Issuer (whether audited annual or unaudited semi-annual) that are available to the public”.

### **3 Confirmation of the Trust Deed**

Save as expressly modified by this Second Supplemental Trust Deed, the Trust Deed shall, in relation to the 2013 Notes, continue in full force and effect and shall henceforth be read and construed as one instrument with this Second Supplemental Trust Deed. The First Supplemental Trust Deed shall not apply to the 2013 Notes.

### **4 Counterparts**

This Second Supplemental Trust Deed may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this Second Supplemental Trust Deed by executing any such counterpart.

### **5 Contracts (Rights of Third Parties) Act 1999**

A person who is not a party to this Second Supplemental Trust Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

### **6 Governing Law**

This Second Supplemental Trust Deed shall be governed by and construed in accordance with English law.

**IN WITNESS** whereof this deed is delivered the day and year first before written.

Executed as a Deed by  
**GUS plc**

By: David Tyler

By: Gordon Bentley

Executed as a Deed by  
**HSBC TRUSTEE (C.I.) LIMITED**

By: Ursula V. Elliott

By: Jacki Braid