

TERMS OF REFERENCE OF DISCLOSURE COMMITTEE

MEMBERSHIP AND COMPOSITION

Membership

Group CFO
Group General Counsel
Group Head of Finance and Performance
Group Company Secretary
Group Investor Relations Director

Chairman

Group CFO

Quorum

A minimum of two members

Secretary

Deputy or Senior Assistant Company Secretary

Restricted Disclosure Committee

Any two of the Group CEO, Group CFO and Group General Counsel shall be entitled to make decisions regarding the identification, treatment and disclosure of inside information and the Group CEO, Group CFO and Group General Counsel or any two of them (as applicable) may form the Disclosure Committee for that purpose (the **Restricted Disclosure Committee**). A record shall be made of any decision of the Group CEO, Group CFO or Group General Counsel (as the case may be).

ROLE

In accordance with the EU Market Abuse Regulation (**MAR**), the UKLA's Listing Rules (**LRs**) and Disclosure Guidance and Transparency Rules (**DTRs**), the Company is required to disclose in the prescribed manner, as soon as possible, any inside information directly concerning the Company or its shares or other financial instruments, unless an exemption from disclosure is available. For this purpose, "inside information" is information which:

- is of a precise nature;
- has not been made public;
- relates, directly or indirectly to an issuer or certain publicly traded securities; and
- if made public, would be likely to have a significant effect on the price of those securities or certain related investments.

The Company is also subject to requirements relating to denying access to inside information and keeping insider lists.

In addition, the Company has a range of other announcement obligations under the MAR, LRs and DTRs, including in relation to:

- Dealings by directors and other persons discharging managerial responsibility;
- Transactions;
- Board changes; and
- Financial reporting.

The LRs and delegated acts under MAR also require that the Company must take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations.

The role of the Disclosure Committee is to support the Tesco PLC Board of Directors in overseeing the Company's compliance with these obligations.

RESPONSIBILITIES

The Committee has been established to:

- (i) draw up and maintain procedures, systems and controls for the identification, treatment and disclosure of inside information and for complying with other disclosure obligations falling on the Company under the LRs, DTRs and MAR (**Disclosure Procedures**);
- (ii) implement the Disclosure Procedures, including where appropriate arranging for the dissemination of guidelines and training;
- (iii) keep the adequacy of the Disclosure Procedures under review;
- (iv) monitor compliance with the Disclosure Procedures;
- (v) determine whether information that is submitted to it requires disclosure and determine any other issue relating to the application of the Disclosure Procedures that is required to be submitted to it for determination; and
- (vi) ensure that regulatory announcements, shareholder circulars, prospectuses and other documents issued by the Company under any legal or regulatory requirement are scrutinised in order to ensure that they comply with applicable requirements.

The duties of the Committee will include, without limitation:

- overseeing the implementation and operation of appropriate procedures for the verification of financial statements, annual reports, circulars and other relevant documents which are to be publicly disclosed;
- assessing and deciding whether information amounts to inside information for the purposes of MAR, the LRs and the DTRs;
- reviewing the form and content of financial statements, annual reports, circulars and other relevant documents which are to be publicly disclosed, to ensure that they are true, accurate and complete and to make recommendations to the Audit Committee on whether the annual report and financial statements are fair, balanced and understandable;

- ensuring that a record is maintained of the Company's disclosures;
- maintaining a record of matters considered for disclosure but not disclosed;
- assessing whether it is permissible to delay disclosure of inside information;
- maintaining a record of any decision to delay disclosure of inside information;
- assessing whether inside information may be disclosed selectively to third parties when it is permissible to delay disclosure;
- maintaining a record of its meetings;
- preparing and monitoring leak announcements;
- assessing relevant and substantive market rumours or speculation concerning the Group and making recommendations as to what response, if any, should be made;
- monitoring analysts' expectations as to the Group's performance and recommending any necessary corrective action;
- monitoring the Group's performance against its own forecasts;
- supervising the verification process for regulatory announcements in accordance with the Disclosure Procedures;
- recommending appropriate employee training in respect of the handling of inside information and the Group's Disclosure Policy; and
- periodically reviewing the Company's Disclosure Policy and recommending changes to the Policy to the Board.

PROCEDURES

The Committee will meet at such times and in such manner (including by telephone) as shall be necessary or appropriate, as determined by the Chairman of the Committee or, in his absence, by any other member of the Committee. In addition, the Committee shall periodically review the operation, adequacy and effectiveness of the Disclosure Procedures and its own procedures.

EXTERNAL ADVICE

The Committee is authorised to take external professional advice as necessary and, in particular, will consult with the Company's corporate brokers and legal advisers when appropriate to assess whether information is inside information.

ACCESS TO RECORDS AND PERSONNEL

The Committee shall have full access to the Company's records and personnel.

REPORTING

Minutes of all meetings of the Committee shall be circulated to all members of the Committee or, as appropriate, the Restricted Disclosure Committee.

The Committee shall report to the Audit Committee, where requested, on its review of the Company's annual reports and financial statements, interim results and other relevant documents and provide advice on whether the annual report and financial

statements, taken as a whole, are fair, balanced and understandable and whether they provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Committee shall submit the results of its periodic review of the operation, adequacy and effectiveness of the Disclosure Procedures and its own procedures to the Board.

Adopted 3 July 2016