Notice of Tesco PLC
Annual General Meeting 2016

11.00 a.m. on Thursday 23 June 2016
ExCeL London, One Western Gateway
Royal Victoria Dock
London E16 1XL

Tesco PLC
Company Number 445790
Registered in England and Wales
Registered Office: Tesco House, Shire Park, Welwyn Garden City AL7 1GA
Shareholder information

Our website (www.tescoplcl.com) contains copies of all corporate reports and other information, including that required by section 311A of the Companies Act 2006, which you can view or download at your convenience.

If you have a specific question, you can write to us at our registered address and we will be pleased to respond.

Equiniti Limited maintains the Company’s share register. If you have any enquiries about the AGM or about your shareholding, you can contact Equiniti Limited:

Tesco Shareholder Helpline:
0371 384 2977†

From outside the UK:
+44 121 415 7053

Lines are open 8.30 a.m. to 5.30 p.m. (UK time), Monday to Friday (public holidays excepted).

† Calls to this number from a landline are charged at national rates. Calls to this number from a mobile device may incur network extras. Equiniti may record calls to both numbers for security purposes and to monitor the quality of its services.
Dear Shareholder,

I take pleasure in sending you the notice of this year’s Annual General Meeting (the “AGM”) for shareholders of Tesco PLC (the “Company” or “Tesco”), which will be held at ExCeL London, One Western Gateway, Royal Victoria Dock, London E16 1XL at 11.00 a.m. on Thursday 23 June 2016 (the “Notice”). The formal business of the AGM is set out on pages 4 to 7 of this document, together with explanatory notes on each resolution to be considered at the AGM.

The AGM is an important opportunity for all shareholders to express their views by asking questions and voting. We recognise that not all shareholders will be able to attend this year’s meeting in person, so, as in previous years, all resolutions will be decided on a poll. We will be using an electronic polling system and details of the procedure can be found on page 10 of this document.

The Board

Simon Patterson, Alison Platt and Lindsey Pownall have each been appointed to the Board since the last AGM. All of our directors will be standing for election or re-election at this year’s AGM.

Decision not to recommend a final dividend

The Board has taken the decision not to recommend the payment of a final dividend for the year ended 27 February 2016 whilst our work continues to protect and strengthen the balance sheet for the longer term interests of the Company and its shareholders. Nonetheless, to ensure that maximum flexibility is available upon the resumption of dividend payments by the Company, the Board has decided to propose resolution 19 at the AGM, which will authorise the directors to offer a scrip dividend alternative to shareholders in the future.

Articles of association

This year, we have taken the opportunity to review the Company’s articles of association, which were last updated in 2010. Resolution 22 proposes a limited number of changes to reflect developments in regulation and market practice, principally in relation to the retirement of directors and untraced shareholders, and some minor changes of a clarifying nature. Details regarding the principal changes being proposed are set out on page 8.

Website


If at any time you would like to change your preference on how you receive documents, please contact our Registrar, Equiniti Limited, whose contact details are set out on page 2 of this document.

The AGM

Your participation in this annual event is important to us. Details of how to get to the venue are set out on page 12 of this document.

Even if you are not able to come to the meeting in person, you can still vote and I would urge you, regardless of the number of shares you own, to complete, sign and return your Proxy Form (enclosed with the Notice) to Equiniti Limited.

Alternatively, shareholders may register their proxy appointment and voting instructions electronically. Please see page 11 of this document and your Proxy Form for details.

Recommendation

Your directors believe that all of the resolutions set out in the Notice are in the best interests of both the Company and its shareholders as a whole. Your directors will be voting in favour of all of the resolutions and unanimously recommend that you do so as well.

I look forward to seeing many of you at our AGM.

John Allan
Chairman
29 April 2016
Notice of meeting

Notice is hereby given that the 2016 Annual General Meeting (the “AGM”) of Tesco PLC (the “Company”) will be held at ExCeL London, One Western Gateway, Royal Victoria Dock, London E16 1XL on Thursday 23 June 2016 at 11.00 a.m. to consider and, if thought fit, pass the following resolutions, which in the case of resolutions 17, 18, 21 and 22 will be proposed as special resolutions, with the remainder being proposed as ordinary resolutions.

Resolutions
An ordinary resolution must receive more than half of the votes cast in order to be passed. Special resolutions require at least three quarters of the votes cast to be in favour.

Reports and Accounts
1. To receive the audited accounts for the financial year ended 27 February 2016, together with the strategic report, directors’ report and auditors’ report on those accounts.
   » The directors are required to present the annual accounts, strategic report, directors’ report and the auditors’ report on the accounts to the meeting.

Directors’ Remuneration Report
2. To receive and to approve the Directors’ Remuneration Report (other than the part containing the Directors’ Remuneration Policy) for the financial year ended 27 February 2016.
   » Shareholders are invited to cast their vote on the Directors’ Remuneration Report (other than the part containing the Directors’ Remuneration Policy), which appears on pages 48 to 70 of the Annual Report and Financial Statements 2016.
   » The vote is advisory in nature and therefore no entitlement to remuneration is conditional on the passing of the resolution.
   » The Directors’ Remuneration Policy was approved by shareholders at the Company’s 2015 AGM and remains unchanged. That authority granted by shareholders will expire at the conclusion of the AGM of the Company in 2018 and the Company will propose a similar resolution at or before the 2018 AGM to the extent that shareholders are not asked to vote on any proposed changes to the current policy in the meantime.

Election and re-election of directors
» Simon Patterson, Alison Platt and Lindsey Pownall have each been appointed as directors since last year’s AGM. In accordance with the Company’s articles of association and the UK Corporate Governance Code, all of the directors will retire at this year’s AGM and resolutions 3 – 13 (inclusive) propose their election and re-election by the Company’s shareholders. Biographical details of all the directors are set out on pages 32 and 33 of the Annual Report and Financial Statements 2016 and pages 30 and 31 of the Strategic report 2016.
» Following an external effectiveness evaluation process as described on page 41 of the Annual Report and Financial Statements 2016, the Board considers each of the directors to be fully effective and committed to his or her role.
3. To elect Simon Patterson as a director.
4. To elect Alison Platt as a director.
5. To elect Lindsey Pownall as a director.
6. To re-elect John Allan as a director.
7. To re-elect Dave Lewis as a director.
8. To re-elect Mark Armour as a director.
9. To re-elect Richard Cousins as a director.
10. To re-elect Byron Grote as a director.
11. To re-elect Mikael Olsson as a director.
12. To re-elect Deanna Oppenheimer as a director.
13. To re-elect Alan Stewart as a director.

Re-appointment of auditors
14. To re-appoint Deloitte LLP as auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
   » At each meeting at which the Company’s accounts are presented to its members, the Company is required to appoint auditors to serve until the next such meeting.

Auditors’ remuneration
15. To authorise the directors to determine the remuneration of the auditors.
   » This resolution gives authority to the directors to determine the auditors’ remuneration.

Authority to allot securities
16. That, in place of the equivalent authority given to the directors at the last Annual General Meeting of the Company (but without prejudice to the continuing authority of the directors to allot equity securities pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made), the directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “Act”) to allot:
   (a) shares in the Company or to grant rights to subscribe for or to convert any securities into shares in the Company up to a maximum aggregate nominal amount of £135,685,327; and, in addition
   (b) equity securities (as defined in section 560 of the Act) of the Company up to an aggregate nominal amount of £135,685,327 in connection with an offer of such securities by way of a rights issue,
   provided that this authority shall expire on the date of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require rights to subscribe for or to convert any securities into shares to be granted or equity securities to be allotted after such expiry and the directors may allot equity securities or grant such rights under any such offer or agreement as if the authority conferred by this resolution had not expired.
   “rights issue” means an offer of equity securities to:
   (i) holders of Ordinary Shares on the register on a record date fixed by the directors in proportion (as nearly as may be practicable) to their existing holdings; and
   (ii) holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,
but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with any treasury shares, fractional entitlements or legal or practical issues arising under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory.

† The purpose of this resolution is to renew the directors’ authority to allot shares.

† Paragraph 16(a) will give the directors a general authority to allot new shares up to a nominal value of £135,685,327, which is equal to approximately one-third of the issued share capital of the Company as at 27 April 2016.

† Paragraph 16(b) will give the directors additional authority to allot relevant securities in connection with a rights issue up to a further one-third of the issued share capital of the Company. The Share Capital Management Guidelines published by The Investment Association consider this to be a routine authority.

† This authority will expire at the conclusion of the AGM of the Company in 2017.

† The Company is proposing this resolution to give the Board flexibility; however, there are no current plans to allot shares (except in connection with the Company’s employee share schemes).

Disapplication of pre-emption rights

17. That, subject to the passing of resolution 16, the directors be empowered pursuant to section 570 of the Companies Act 2006 (the “Act”) to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority given by resolution 16 and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of the Act, in each case as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited:

(a) to the allotment and/or sale of equity securities in connection with an offer of such securities by way of a rights issue (as defined in resolution 16); and

(b) to the allotment and/or sale (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £20,352,799; plus

(c) in addition to the amount in sub-paragraph (b) above, to the allotment and/or sale of equity securities up to an aggregate nominal value of £20,352,799, provided that any allotment and/or sale of equity securities under this paragraph (c) shall only be used in connection with an acquisition or specified capital investment, such authority to expire on the date of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry, and the directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

† This resolution would allow the directors to allot shares for cash and/or sell treasury shares without having to offer such shares to existing shareholders:

(a) in connection with a rights issue (as defined in resolution 16); or

(b) up to a nominal value of £20,352,799, which is approximately 5% of the Company’s issued share capital as at 27 April 2016; plus

(c) in addition to the amount in sub-paragraph (b) above, up to a nominal value of £20,352,799, which is approximately 5% of the Company’s issued share capital as at 27 April 2016 for the purposes of an acquisition or specified capital investment.

† This disapplication authority is in line with the Pre-Emption Group’s Statement of Principles (the “Pre-Emption Principles”). The Pre-Emption Principles were revised in 2015 to allow the authority for an issue of shares otherwise than in connection with a pre-emptive offer to be increased from 5% to 10% of the Company’s issued Ordinary Share capital, provided that the Company confirms that it intends to use the additional 5% authority only in connection with an acquisition or specified capital investment. The directors therefore confirm, in accordance with the Pre-emption Principles that, to the extent that the authority in resolution 17(c) is used for an issue of Ordinary Shares with a nominal value in excess of £20,352,799 (that is approximately 5% of the Company’s issued Ordinary Share capital as at 27 April 2016), they intend that it will only be used in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

† This means that the proportionate interests of existing shareholders could not, without their agreement, be reduced by more than 10% by the issue of new shares for cash.

† There are no current plans to allot shares pursuant to the authority under resolution 17 except in connection with the Company’s employee share schemes, however, your directors wish to ensure that the Company has maximum flexibility in managing the Group’s capital resources. The directors do not intend to issue pursuant to the authority under resolution 17 more than 7.5% of the issued share capital of the Company on a non pre-emptive basis in any rolling three year period without prior consultation with shareholders (save as permitted in connection with an acquisition or specified capital investment as described above).

† The authority sought and the limits set by this resolution will also apply to any sale or transfer of treasury shares. Your directors consider it prudent to have the flexibility to buy back shares into treasury and subsequently to sell or to transfer them, if appropriate. This will enable them to act on short notice in appropriate circumstances if that is in the best interests of the Company.

† This authority will expire at the conclusion of the AGM of the Company in 2017.

† The directors intend to seek renewal of the authority and powers set out in resolutions 16 and 17 at each AGM of the Company.
Purchase of own shares
18. That the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006 (the “Act”)) of Ordinary Shares of 5 pence each in the capital of the Company (“Shares”) on such terms as the directors think fit, provided that:
   (a) the maximum number of Shares which may be purchased is 814,111,964;
   (b) the minimum price, exclusive of any expenses, which may be paid for each Share is 3 pence;
   (c) the maximum price, exclusive of any expenses, which may be paid for each Share is an amount equal to the higher of:
      (i) 105% of the average of the middle market quotations of a Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Share is contracted to be purchased; and
      (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by the Buy-back and Stabilisation Regulations (EC 2273/2003);
   (d) this authority will expire at the close of the next Annual General Meeting of the Company, except in relation to the purchase of Shares under this authority the contracts for which are made before the expiry of this authority and which are executed wholly or partly thereafter.

   » This resolution will authorise the Company to make market purchases of up to 814,111,964 shares, being just under 10% of the Company’s issued share capital as at 27 April 2016, and specifies the minimum and maximum prices at which the Shares may be bought.
   » Renewal of this authority is sought at the AGM each year. This authority will expire at the conclusion of the AGM of the Company in 2017.
   » The directors have no present intention of exercising this authority and would not do so unless the directors believed that the expected effect would be to increase earnings per share and to promote the success of the Company for the benefit of its shareholders as a whole.
   » Any shares purchased would be effected by a purchase in the market and may either be cancelled or held as treasury shares, which may then be cancelled, sold for cash or used to meet the Company’s obligations under its employee share schemes.
   » As at 27 April 2016, the total number of options to subscribe for shares in the Company was 345.2 million (approximately 4.2% of the Company’s issued share capital and approximately 4.7% of the Company’s issued share capital if the full authority proposed by resolution 18 was used and the shares purchased were cancelled).

Scrip dividends
19. That, subject to the passing of resolution 16, the directors be and are hereby authorised for the period of three years from the date of the passing of this resolution to offer to any holder of Ordinary Shares in the Company, the right to elect to receive Ordinary Shares credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the directors) of all or any dividend on such terms as the directors shall determine subject to the terms provided in the articles of association of the Company, from time to time.

   » As explained in the Letter from the Chairman on page 3 of this document, the Board has taken the decision not to recommend a final dividend for the year ended 27 February 2016, however, the Board considers it prudent to ensure that it has maximum flexibility available to it for any future payment of dividends.
   » Under the articles of association of the Company, the Board may, if authorised by an ordinary resolution of the Company, offer any holders of any particular class of shares the right to elect to receive further shares (whether or not of that class), credited as fully paid, instead of cash in respect of all or part of any dividend specified by the ordinary resolution.
   » If a scrip dividend programme is introduced, shareholders who elect to receive further shares instead of cash under the programme would be able to increase their shareholding in the Company without incurring the dealing or stamp duty costs which are payable under the Company’s Dividend Reinvestment Plan. It would also allow the Company greater flexibility in managing its capital resources by retaining cash within the business.
   » Whilst the Board does not intend to introduce a scrip dividend programme at this time, resolution 19 is proposed to provide for flexibility in the future. Prior to introducing any scrip dividend programme, shareholders would be sent full details of the terms and conditions and instructions on how to participate.
   » Resolution 19 is proposed in order to authorise the directors to offer scrip dividends, subject to the passing of resolution 16 (authority to allot shares). In line with investor protection guidelines, and as permitted by the Company’s articles of association, the authority contained in this resolution is sought for three years. Unless circumstances change, the Company intends to seek an extension of this authority before it expires.

Political donations
20. That, in accordance with section 366 of the Companies Act 2006 (the “Act”), the Company and any company which is, or becomes, a subsidiary of the Company at any time during the period for which this resolution has effect be authorised to:
   (a) make donations to political parties and/or independent election candidates not exceeding £100,000;
   (b) make political donations to political organisations, other than political parties, not exceeding £100,000; and
(c) incur political expenditure not exceeding £100,000, as such terms are defined in Part 14 of the Act during the period beginning on the date of the passing of this resolution and ending on the date of the Company’s next Annual General Meeting, provided that the aggregate of all expenditure under paragraphs (a), (b) and (c) shall not exceed £100,000 in total.

- The Act requires companies to obtain shareholders’ authority before they can make donations to EU political organisations or incur EU political expenditure.
- The Company’s policy is that it does not, directly or through any subsidiary, make what are commonly regarded as donations to any political party. The authorities we are requesting from you are not designed to change this.
- However, the Act defines political donations very broadly and, as a result, covers activities that form part of normal relationships and which are accepted as a way of engaging with stakeholders and opinion-formers to ensure that companies’ issues and concerns are considered and addressed. Activities of this nature are not designed to support any political party or to influence public support for a particular party and would not be thought of as political donations in the ordinary sense of those words.
- This resolution is proposed to ensure that the Company and its subsidiaries do not commit any technical breach, but act within the provisions of current UK company law and best practice if carrying out activities of the type covered by the Act.
- In the financial year ended 27 February 2016, the Company and its subsidiaries did not incur any expenditure pursuant to equivalent authorities.

General meetings

21. That a general meeting other than an annual general meeting may be called on not less than 14 clear days’ notice.

- Under the Companies Act 2006, all general meetings must be held on 21 days’ notice unless shareholders approve a shorter notice period subject to a minimum of 14 clear days. AGMs must continue to be held on at least 21 clear days’ notice.
- This resolution seeks to approve an equivalent authority granted to the directors at last year’s AGM to call general meetings (other than an AGM) on 14 clear days’ notice.
- The approval will be effective until the Company’s next AGM, when it is intended that a similar resolution will be proposed.
- In order to allow for the shorter notice period, the Company will continue to make electronic voting available to all shareholders.
- The shorter notice period would not be used as a matter of routine for general meetings, but only where the flexibility is merited by time-sensitive matters and is thought to be to the advantage of shareholders as a whole.

Articles of association

22. That with effect from the end of the meeting the articles of association produced to the meeting and, for the purpose of identification, signed by the Chairman, be adopted as the articles of association of the Company in substitution for and to the exclusion of the Company’s existing articles of association.

- It is proposed to adopt new articles of association (the “New Articles”) principally in order to reflect developments in market practice (including in relation to the retirement of directors and untraced shareholders) and some minor changes of a clarifying nature. The existing articles of association (the “Existing Articles”) were adopted by the Company on 2 July 2010.
- The principal changes being proposed are summarised on page 8.
- A copy of the New Articles (together with a copy marked up to show the changes from the Existing Articles) will be available for inspection at www.tescoplcl.com, the Company’s registered office and the offices of Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HS from the date of this Notice until the close of the AGM. They will be available for inspection during normal business hours, Monday to Friday (public holidays excepted). The documents will also be available for inspection at the place of the AGM from 10.30 a.m. on the day of the AGM until the conclusion of the AGM.

By order of the Board

Paul Moore
Company Secretary
Tesco PLC
Tesco House, Shire Park
Welwyn Garden City AL7 1GA
29 April 2016

Tesco PLC Notice of Annual General Meeting 2016
Summary of the main proposed changes to the current articles of association

A copy of the proposed New Articles and the Existing Articles marked up to show the proposed changes are available for inspection at www.tescoplc.com, the Company’s registered office and the offices of Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HS from the date of this Notice until the close of the AGM. They will be available for inspection during normal business hours, Monday to Friday (public holidays excepted). The documents will also be available for inspection in the ICC Capital Hall, ExCeL from 10.30 a.m. on the day of the AGM until the conclusion of the AGM. We summarise the main changes below.

Retirement of directors

In line with the provisions of the UK Corporate Governance Code, the New Articles provide for automatic retirement of all of the Company’s directors at each AGM. The New Articles also contain (i) necessary related changes (allowing additional appointments or automatic re-election) so that the Company can continue to operate, and comply with its legal and regulatory obligations, in the event that not enough directors are able to act because the resolutions for re-election put to the AGM have not been passed; and (ii) minor consequential changes for drafting, numbering and cross-referencing.

Untraced shareholders

The New Articles will amend the provisions of the Existing Articles relating to shareholders who are considered untraced after a period of twelve years. The New Articles will give the Company more flexibility when we are trying to trace shareholders. They replace the requirement to place notices in newspapers with a requirement for us to take reasonable steps to trace the shareholder and let them know that we intend to sell their shares. This can include engaging an asset reunification company or other tracing agent to search for shareholders who have not kept their details up-to-date, or taking any other steps we consider appropriate. Shareholders whose shares are sold following this process will not be able to claim the proceeds of the sale and the Company can use these funds as the Board thinks fit. The Company intends to use any funds raised in this way for such good causes as the Board may decide. The New Articles also contain related changes in respect of unclaimed dividends or other money payable on the shares of untraced shareholders which are sold.

Appointment of corporate representatives

Where our Existing Articles have not included specific provisions regarding corporate shareholders wishing to appoint a representative or representatives to act on their behalf at general meetings of the Company, the New Articles include provisions to clarify the process of appointing and evidencing the appointment of corporate representatives and the powers that may be exercised by corporate representatives in line with market practice.

Method of payment of dividends

The New Articles include a new provision clarifying that a dividend can be paid, subject to shareholder agreement, by electronic or other similar means. The provision is in line with market practice and will provide the Company with future flexibility to pay dividends to shareholders in a manner most convenient to the shareholder.

Provision of strategic report to shareholders

The New Articles contain a specific provision, in accordance with the terms of sections 426 and 426A of the Companies Act 2006, that a strategic report (together with the necessary supplementary material) may be provided to shareholders instead of a copy of the Company’s annual report and accounts. This replaces the equivalent provision in the Existing Articles which referred to a summary financial statement under the Companies Act 2006 before the legislation was changed to require the provision of a strategic report to shareholders in place of a summary financial statement.

General

Generally, the opportunity has been taken to bring clearer language and clarity into the New Articles where appropriate.
Notes and general information

Notice and admission
This Notice is being sent to all members, to any person nominated by a member of the Company under section 146 of the Companies Act 2006 (the “Act”) to enjoy information rights, to the directors and to the Company’s auditors. Members receiving hard copy documents will find an admission card, a Proxy Form and a reply paid envelope enclosed with this Notice.

You will have the right to attend, to speak and to vote at the AGM if you are on the register of members of the Company as at 6.30 p.m. on 21 June 2016. Changes to the register of members after this time will be disregarded in determining the rights of any person to attend, to speak and to vote at the AGM.

Proxies
Only holders of Ordinary Shares, or their duly appointed representatives, are entitled to attend, to speak and to vote at the meeting. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Your proxy must vote as you instruct and must attend the meeting for your vote to be counted. You can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by you. Details of how to appoint the Chairman or another person as your proxy using the Proxy Form are set out in the notes to the Proxy Form. Appointing a proxy does not preclude you from attending the meeting and voting in person.

Nominated persons
The right to appoint a proxy does not apply to persons whose Ordinary Shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Act (“nominated persons”). Nominated persons may have a right under an agreement with the registered shareholder who holds Ordinary Shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the registered holder of the Ordinary Shares as to the exercise of voting rights.

Corporate representatives
Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that they do not do so in relation to the same shares.

Audit concerns
Shareholders meeting the threshold requirements set out in section 527 of the Act have the right to require the Company to publish a statement on its website in relation to the audit of the Company’s accounts that are to be laid before the meeting or any circumstances connected with an auditor of the Company ceasing to hold office since the previous AGM. The Company may not charge the requesting shareholders for website publication of such a statement. The Company must also forward the statement to the auditors not later than the time when it publishes the statement on the website. The business which may be dealt with at the AGM includes any website statement relating to audit concerns.

Voting rights
As at 27 April 2016 (being the latest practicable date prior to the publication of this document), the Company’s issued share capital consisted of 8,141,119,643 Ordinary Shares, carrying one vote each. The Company does not hold any Ordinary Shares in the capital of the Company in treasury. Therefore the total voting rights in the Company as at 27 April 2016 were 8,141,119,643.

Documents
The following documents are available for inspection:

- copies of the executive directors’ service agreements with the Company;
- copies of the terms of engagement of the non-executive directors; and
- the proposed New Articles and the Existing Articles marked up to show the proposed changes.

These documents are available for inspection at the registered office of the Company, Tesco House, Shire Park, Welwyn Garden City AL7 1GA, during normal business hours, Monday to Friday (public holidays excepted) from the date of this Notice, and will be available for inspection at the place of the AGM from 10.30 a.m. on the day of the AGM until the conclusion of the AGM.

Electronic addresses
You may not use any electronic address provided in this document to communicate with the Company for any purpose other than that expressly stated.

Shareholder scams
Some shareholders are targeted by ‘investment specialists’ concerning investment matters. Tesco does not endorse any services offered by these companies.

Please note that the only share dealing services that we endorse are included in our mailings.

If you receive any unsolicited communications, we recommend that you record the name of the person and organisation, their telephone number, any email or website address given, details of the proposed transaction and any other information they give you. You should also check that they are properly authorised by the FCA before providing any personal information. You can do this at www.register.fca.org.uk, by calling the FCA Consumer Helpline on 0800 111 6768 or by emailing consumer.queries@fca.org.uk.
What happens at the AGM?

**AGM schedule**

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<th>Event</th>
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| 10.00 a.m. | Registration desks open in the ICC Capital Hall, ExCeL London (the “ExCeL”)  
Question Registration Point opens and refreshments available |
| 11.00 a.m. | The AGM starts  
› Chairman’s introduction  
› CEO’s presentation  
› Questions and answers  
› Poll vote on all resolutions |
| 1.00 p.m.  | AGM closes  
Refreshments available |

**Registration**

Registration desks are situated in the entrance to ICC Capital Hall on Level 0 of the ExCeL (East entrance). If you attend the AGM, please bring your admission card (printed on the Proxy Form) with you. It will authenticate your right to attend, to speak and vote and will speed up your admission. You may also find it helpful to bring this Notice with you so that you can refer to it at the AGM.

**Accessibility**

Special arrangements have been made to help shareholders with disabilities. An audio induction loop is provided at the venue for people with hearing difficulties, together with sign language interpretation. If you wish to use the audio induction loop, please make yourself known to a steward on entering the meeting, who will ensure that you sit in the designated zone. There will be facilities for shareholders who are in wheelchairs. Please let us know in advance if you will need wheelchair assistance to ensure appropriate arrangements are in place. Anyone accompanying a shareholder in need of assistance will be admitted to the meeting. Other guests will only be admitted at the discretion of the Company.

**Security**

We thank you in advance for your co-operation with the security staff at the ExCeL. You may be asked to pass through a security point before entering the meeting.

We do not permit cameras or recording equipment at the meeting and we would be grateful if you would ensure you switch off your mobile telephone before the start of the meeting.

We will not permit behaviour which may interfere with anyone’s safety, comfort or the orderly conduct of the meeting.

**Business of the meeting**

The AGM is held to conduct certain formal business. The formal resolutions which must be put to the meeting are detailed on pages 4 to 7 of this Notice. There will also be an opportunity for you to ask questions relating to the Company.

**Asking questions**

To help you with questions that you have about Tesco, customer services and shareholder enquiries desks will be open before and after the meeting. Please make full use of these services. You can also write to us at our registered address and we will be pleased to respond to any questions you may have.

Any shareholder attending the AGM also has the right to ask questions during the meeting, but we would ask you to keep your questions and statements short and relevant to the business of the meeting to allow everyone who wishes to speak the chance to do so.

There are many shareholders who wish to ask questions. To facilitate this, those wanting to ask a question in the meeting are requested to register their question at the Question Registration Point in the ICC Capital Hall, ExCeL before the start of the meeting. When called upon to ask your question in the meeting, please be considerate to others who may have waited for some time to ask their question and do not make speeches or ask multiple or repetitive questions.

**Voting**

Voting on all resolutions will be by way of a poll. Your vote counts whether you are able to attend the meeting or not and we think poll voting is the fairest approach. If you come to the AGM you will be given a hand held voting machine containing details of your shareholding. After each resolution is read you will be asked to cast your vote by pressing a button on your machine. All of the votes of the shareholders present will be counted and added to those received by proxy and the provisional final votes will be shown on the screen at the front of the meeting room at the end of the meeting.

If you have already voted by proxy you will still be able to vote using the electronic poll voting system and your vote on the day will replace your previously lodged proxy vote.

The results of the voting will be announced through a Regulatory Information Service and will be published on our website www.tescoplc.com on 23 June 2016 or as soon as reasonably practicable thereafter.
Voting ahead of the AGM

Even if you cannot attend the AGM, you can still vote by proxy.

Make your vote count. If you cannot attend and vote at the AGM, you can still vote by proxy by either:

› registering your proxy vote electronically by logging on to www.sharevote.co.uk or by using the CREST electronic proxy instruction service; or
› completing and returning the Proxy Form.

Proxy voting

If you wish to vote by proxy on any of the resolutions, you should complete and return your Proxy Form to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA to arrive at least 48 hours before the appointed time of the meeting, that is to say, no later than 11.00 a.m. on 21 June 2016. If you are appointing a person other than the Chairman of the meeting as your proxy, this person should sign the admission card and bring it to the meeting. Your proxy need not be a member, but must attend the meeting for their vote to count. The number of shares you hold as at 6.30 p.m. on 21 June 2016 will determine how many votes you or your proxy will have. You can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by you.

Details of how to appoint the Chairman or another person as your proxy using the Proxy Form are set out in the notes to the Proxy Form. Appointing a proxy does not preclude you from attending the meeting and voting in person.

Electronic proxy voting

You may, if you wish, register the appointment of a proxy or proxies, or voting instructions for the meeting, electronically by logging on to www.sharevote.co.uk. You will need to use the series of numbers made up of your Voting ID, Task ID and Shareholder Reference Number printed on your Proxy Form. Full details of the procedure are given on the website. The proxy appointment and/or voting instructions must be received by Equiniti Limited at least 48 hours before the appointed time of the meeting, that is to say, no later than 11.00 a.m. on 21 June 2016. Please note that any electronic communication sent to the Company or the Registrar that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the AGM is governed by Equiniti Limited’s conditions of use set out on the website, www.sharevote.co.uk, and may be read by logging on to that site.

CREST voting

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy instruction service may do so for the AGM to be held on 23 June 2016 and any adjournment(s) thereof by using the procedures described in the CREST Manual. These procedures are available via www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service providers, should refer to their CREST sponsors or voting service providers, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK and Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID RA19) by 11.00 a.m. on 21 June 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001, as amended.
How do I get to the AGM?

ICC Capital Hall at ExCeL London (the “ExCeL”) is located on One Western Gateway, Royal Victoria Dock, London E16 1XL and can easily be reached by public transport. A map showing the location of the ExCeL is below and can also be found online at www.ExCeL.london/getting-here.

By train:

You can plan your train journey online using the National Rail Enquiries website at www.nationalrail.co.uk. The nearest London mainline terminals to the ExCeL are Stratford International (12 minutes) and London Bridge (16 minutes). You may join the Jubilee line from both these stations. To plan your travel from any other London mainline terminals, use the Transport for London journey planner at www.tfl.gov.uk/plan-a-journey/.

By tube and DLR:

The Jubilee line and the Docklands Light Railway (“DLR”) are the quickest routes to the ExCeL (East entrance) from London mainline terminals. Take the Jubilee line to Canning Town station and change on to the Beckton-bound DLR train, from here it is two stops to Prince Regent for ExCeL (East entrance). There are lifts on the station platforms to the covered walkway into the ExCeL (East entrance). Once you have entered the ExCeL (East entrance) please follow our AGM signage or ask for further assistance at the information desk.

By river & cable car:

River boats and The Emirates Air Line (cable car) connect the ExCeL and the O2, making it possible to travel by Thames Clipper between central London and the O2, and then by cable car across the Thames to the ExCeL. Thames Clipper departures are available from all major piers, including the O2, Greenwich, Canary Wharf, Tower, London Bridge, Embankment and Waterloo, every 20 minutes. When travelling to the ExCeL alight at North Greenwich Pier for the O2, where you can use the cable car to the ExCeL.

By road:

You can get to the ExCeL from many of the main routes into London including the M25 and M11, the North Circular, A406 and the A13. As you get closer to the ExCeL, you will see signs for the Royal Docks, City Airport and the ExCeL. To help plan your journey please visit www.ExCeL.london/getting-here.

If you choose to drive to the ExCeL, the venue has 3,070 parking spaces. When using a satellite navigation system, enter the postcode E16 1DR which will direct you to the ExCeL car parks. All on-site parking is pay and display. All machines accept cash and major credit cards.

Motorcycles can be parked free of charge in the designated motorcycle parking area.

Access for disabled persons:

The ExCeL offers limited accessible parking spaces, located within close proximity of the venue. Spaces are available to blue badge holders only and badges must be displayed at all times. Accessible parking is charged at the normal rate. For enquiries on accessible parking, please call the ExCeL directly on +44 20 7069 4568 (within office hours).