



Notice of Tesco PLC Annual General Meeting 2010

10.30 a.m. on 2 July 2010
The Queen Elizabeth II Conference Centre
Broad Sanctuary, Westminster
London SW1P 3EE

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
If you are in any doubt as to what action to take in relation to the AGM, you should consult appropriate independent advisers. If you have already sold or otherwise transferred all of your shares in Tesco PLC, you should immediately send this document together with the accompanying documents to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Tesco PLC
Company Number 445790
Registered in England and Wales
Registered Office: Tesco House, Delamare Road, Cheshunt, Hertfordshire EN8 9SL
VAT Registration Number GB 220 4302 31

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* Special resolution – requires the support of not less than 75% of the votes cast for the resolution to be carried

Shareholder Information

Our website (www.tescopl.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 any time.

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: 0871 384 2977 From outside the UK: +44 121 415 7185

Letter from the Chairman

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 The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1P 3EE (the "Centre") at 10.30 a.m. on Friday 2 July 2010.

The AGM is an important opportunity for all shareholders to express their views by asking questions and voting. We will be holding the meeting in London this year after holding it in Glasgow last year and Birmingham the year before. Holding AGMs at different locations forms part of our continuing plan to meet as many shareholders as possible and recognises the fact that our shareholders, like our customers, are based all over the UK. We are keen for the venue to be easily accessible for as many of our shareholders as possible and have listened to the views of a number of shareholders in choosing the location of this year's AGM.

We recognise nonetheless that many shareholders are unable to attend the meeting in person, so, as in previous years, all resolutions will be decided on a poll. We will be using an electronic polling system. Details of the procedure can be found on page 4 of this Notice.

Final dividend

Shareholders are being asked to approve a final dividend of 9.16 pence per Ordinary Share for the year ended 27 February 2010. If you approve the recommended final dividend, this will be paid on 9 July 2010 to all shareholders on the register of members at close of business on 30 April 2010.

The Board

The Articles of Association require the following Directors to retire by rotation, each of whom has agreed to be submitted for re-election: Mr Ken Hydon; Mr Tim Mason; Ms Lucy Neville-Rolfe CMG; Mr David Potts and Mr David Reid.

Charles Allen CBE, Non-executive Director and Chairman of the Remuneration Committee, and Harald Einsmann, Non-executive Director, will be stepping down from the Board with effect from the end of the 2010 AGM.

I would like to thank both Charles and Harald for their excellent advice and for their important contribution to Tesco's success over the last eleven years.

The process of recruiting Non-executive Directors to replace Mr Allen and Dr Einsmann is well-advanced and the Company expects to be in a position to announce new appointments in the next few weeks.

New Articles of Association

We are also asking shareholders to approve a number of amendments to our Articles of Association, primarily to reflect the implementation of the Shareholder Rights Directive in the UK in August 2009 and the remaining provisions of the Companies Act 2006 (the "Act") in October 2009. An explanation of the main differences between the proposed and existing Articles of Association is set out in Appendix 2.

Website

The Annual Report and Financial Statements 2010 and the Annual Review and Summary Financial Statement 2010 are available on our website www.tescopl.com

If at any time you would like to change your preference on how you receive documents, please contact Equiniti. Equiniti's contact details are set out on page 1 of this document.

Notice of General Meetings

The Shareholders' Rights Directive was implemented in the UK in August 2009. One of the requirements of the Regulations that implemented the Directive is that all general meetings must be held on 21 clear days' notice unless shareholders agree to a shorter notice period (which cannot be less than 14 clear days' notice). Pursuant to the resolution passed at the 2009 AGM, we are able to call general meetings (other than annual general meetings) on 14 clear days' notice. We are proposing a resolution at this year's AGM so that we can continue to be able to do so.

The AGM

To help you with questions that you have about Tesco, customer and shareholder enquiries desks will be open before and after the meeting. Please make full use of these services. We are keen to hear and discuss our shareholders' views and there will also be an opportunity for you to ask questions in the meeting itself. However, I would ask you to keep your questions brief to allow everyone who wishes to speak the chance to do so.

Your participation in this annual event is important to us. There is a map on page 3 of this Notice to help you find your way to the venue. 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.

Alternatively, shareholders may register their proxy appointment and voting instructions electronically via the internet - please see page 5 of this Notice and your Proxy Form for details.

I look forward to seeing you at the AGM and thank you for your continued support.

David Reid
Chairman
22 May 2010

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 Act to enjoy information rights, the Directors and the Company's auditors. Members will find an admission card, a proxy form and a reply paid envelope enclosed with this Notice. If you are attending the meeting you should bring your admission card with you.

Proxies

Only holders of Ordinary Shares, or their duly appointed representatives, are entitled to attend, speak and 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 will 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. If you attend the meeting in person, your proxy appointment will be automatically terminated.

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 person holding 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 have the right to require the Company to publish a statement on its website in relation to the audit of the Company's accounts or the circumstances of the auditor ceasing to hold office. The Company may not charge shareholders, who meet the qualifying threshold, for website publication of such a statement. The Company must also forward the statement to the auditors at the same time as it is published on the website. The business of the AGM includes any website statement relating to audit concerns.

Shareholder Scams

Some shareholders are targeted by "investment specialists" concerning investment matters. Tesco PLC does not endorse any services offered by these companies. Please note that the only sharedealing services that we endorse are included in our mailings.

If you receive an unsolicited call, we recommend that you record the name of the person and organisation and any other information they give you and that you check that they are properly authorised by the FSA before getting involved. You can check at www.fsa.gov.uk/register.

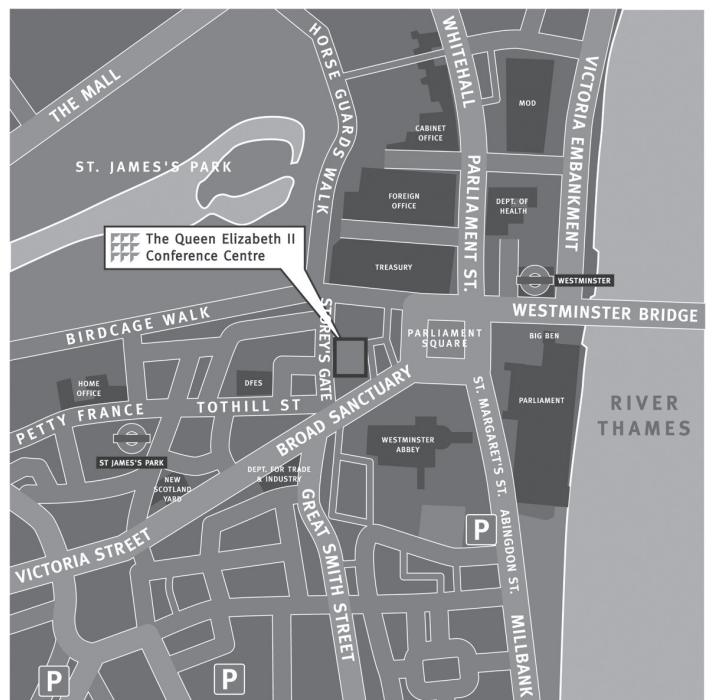
If you are concerned about a direct mailing or telephone calls purporting to be from Tesco, please contact us by writing to the Company Secretary, Tesco PLC, Delamare Road, Cheshunt, Hertfordshire EN8 9SL or by calling us on 01992 632222.

AGM Schedule

The 2010 Tesco AGM will be held on Friday 2 July 2010 at the Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE. You will have the right to attend, speak and vote at the AGM if you are on the register of members of the Company at 6.00 p.m. on 30 June 2010. Changes to the register of members after this time will be disregarded in determining the rights of any person to attend, speak and vote at the AGM.

9.30 am	Registration desks open
10.00 am	Refreshments available in the Benjamin Britten Lounge
10.30 am	The AGM starts in the Fleming and Whittle Rooms - Chairman's introduction - Review of results for the 2009/10 financial year - Questions and answers - Poll vote on all resolutions
12.30 pm	AGM closes. Refreshments available in the Benjamin Britten Lounge

How do I get to the AGM?



By Bicycle:

To plan the best route for you to get to the Centre please use the journey planner on the Transport for London website www.tfl.gov.uk

By Bus:

The following buses stop at Parliament Square: 11, 24, 53, 77a, and 88. Alight the bus and orient yourself so that Parliament Square is on your left. Proceed, keeping Parliament Square on your left, then turn right onto Broad Sanctuary. The Centre is located on your right, directly opposite Westminster Abbey.

How do I get to the AGM?

continued

By Car:

Please be advised that it is quicker and easier to travel to the Centre using public transport. There is no car parking at the Centre, except for disabled persons (see access for disabled persons). There are 4 public car parks nearby. For more information about car parking, visit www.ncp.co.uk The Centre is located within the congestion charging zone. For more information about congestion charging, visit www.cclondon.com

By Rail:

Use Transport for London's Journey Planner to plan your route on the train, visit www.tfl.gov.uk

Charing Cross (0.7 miles)

Exit the front of Charing Cross Station and turn left towards Trafalgar Square. Turn left down Whitehall and continue until Parliament Square. Follow Parliament Square around to the right and turn right on to Broad Sanctuary. The Centre is on your right directly opposite Westminster Abbey.

Victoria (0.7 miles)

Exit the front of Victoria Station, walk across the bus stand area and turn right onto Victoria Street. Continue along Victoria Street until you reach Westminster Abbey. The Centre is on your left, directly opposite Westminster Abbey.

Waterloo (1 mile)

Exit the station on to York Road. Turn left and walk to the roundabout with County Hall Hotel on your right. Cross York Road and take Westminster Bridge Road on your right. Cross the bridge to Parliament Square, cross the road ahead of you then turn right into Broad Sanctuary. The Centre is on your right directly opposite Westminster Abbey.

By Tube:

The nearest tube stations are St James's Park (District and Circle Lines); Westminster (District and Circle Lines, Jubilee Line) and Victoria (District and Circle Lines, Victoria Line). St James's Park and Westminster stations are around 5 minutes walk and Victoria station is around 15 minutes walk from the Centre.

Westminster Station (0.1 miles)

Exit the station via the underground tunnel towards Parliament Square (exit 6). You will come to street level on Whitehall. Turn left into Parliament Square, cross the road ahead of you then turn right into Broad Sanctuary. The Centre is located on your right, directly opposite Westminster Abbey.

St James's Park Station (0.1 miles)

Take the Broadway exit from the tube station and walk straight down Tothill Street. At the end of this street turn left and you will see the Centre directly in front of you.

Victoria Tube Station (0.7 miles)

Exit from the front of the station, turn right and walk down Victoria Street. At the end of Victoria Street is Broad Sanctuary, the Centre is on the left hand side opposite Westminster Abbey.

Access for Disabled Persons:

Disabled persons arriving at the Centre in a vehicle with a disabled badge displayed will be allowed to park on the forecourt of the building. Taxis and other vehicles will also be allowed on to the forecourt to enable disabled passengers to disembark more easily. There is a ramp from the forecourt which leads to the front doors and is wide enough for easy wheelchair access.

Guide dogs, hearing dogs and other assistance dogs are welcome at the Centre.

What happens at the AGM?

What happens when I arrive at the AGM?

Registration

If you attend the AGM, please bring your admission card (which accompanies this document) with you. It will authenticate your right to attend, 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. Sound amplification facilities will be provided for people with hearing difficulties, together with sign language interpretation. There will be facilities for shareholders who are in wheelchairs. Anyone accompanying a shareholder in need of assistance will be admitted to the meeting.

Guests

The AGM is a meeting of shareholders. At the discretion of the Company, and subject to sufficient seating capacity, a shareholder may bring one guest, provided that the shareholder and guest register to enter the meeting together. Guests may not vote or speak at the meeting.

Security

We thank you in advance for your co-operation with our security staff and the security staff of the Centre. You will be asked to pass through our security systems 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 or the orderly conduct of the meeting.

How is the business of the meeting conducted?

The 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 6 to 8. There will also be an opportunity for you to ask questions relating to the Company.

Asking questions

Any shareholder attending the AGM has the right to ask questions but we would ask you to keep your questions and statements short and relevant to the business of the meeting. There are many shareholders who wish to ask questions and we would like to be able to answer as many as possible. 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.

You can also write to us at our registered address and we will be pleased to respond to any questions you may have, or our customer services and shareholder enquiries teams at the meeting will be pleased to help you.

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 which will contain 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. 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.

What happens at the AGM? continued

Documents

The following documents are available for inspection:

- (a) copies of the Executive Directors' service contracts with the Company and the terms of appointment of the Non-executive Directors;
- (b) copies of the rules of the Share Incentive Plan referred to in Resolution 15; and
- (c) current and proposed articles of association of the Company, together with the amendments to the proposed articles of association referred to in Resolution 16.

These documents are available for inspection at:

- (a) the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA, and
- (b) the registered office of the Company, Tesco House, Delamare Road, Cheshunt, Hertfordshire EN8 9SL.

The documents may be inspected at either location described above during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Notice until the conclusion of the AGM, and will be available for inspection at the place of the AGM from 10.00 a.m. on the day of the AGM until its conclusion.

Voting ahead of the AGM

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

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 6GG to arrive at least 48 hours before the appointed time of the meeting, that is to say, no later than 10.30 a.m. on 30 June 2010. 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 6.00 p.m. on 30 June 2010 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. If you attend the meeting in person, your proxy appointment will be automatically terminated.

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 a 24-digit number 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 10.30 a.m. on 30 June 2010. 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 appointment service may do so for the AGM to be held on 2 July 2010 and any adjournment(s) thereof by using the procedures described in the CREST Manual. These procedures are available via www.euroclear.com/CREST. 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/CREST). 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 10.30 a.m. on 30 June 2010. 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. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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 CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of 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.

Voting rights

As at 21 May 2010 (being the latest practicable date prior to the publication of this document), the Company's issued share capital consisted of 8,021,292,237 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 21 May 2010 were 8,021,292,237.

Voting results

The results of the voting at the AGM will be announced through a Regulatory Information Service and will appear on our website www.tescopl.com on 2 July 2010.

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.

Notice of meeting

The 2010 Annual General Meeting (the “AGM”) of Tesco PLC (the “Company”) will be held at the Queen Elizabeth II Conference Centre (the “Centre”), Broad Sanctuary, Westminster, London SW1P 3EE on Friday 2 July 2010 at 10.30 a.m. to consider the following resolutions, which in the case of resolutions 12, 13, 16 and 17 will be proposed as special resolutions with the remainder being proposed as ordinary resolutions:

Resolution 1

That the accounts and reports of the directors and the auditors for the financial year ended 27 February 2010 be received.

The directors are required to present to the AGM the accounts, and the reports of the directors and auditors, for the year ended 27 February 2010. These are contained in the Company’s Annual Report and Financial Statements 2010.

Resolution 2

That the Directors’ Remuneration Report for the financial year ended 27 February 2010 be approved.

The Company is required to ask shareholders to approve the report on directors’ remuneration. A summary of the report is included in the Annual Review and Summary Financial Statement 2010, and the full report is included in the Annual Report and Financial Statements 2010. These can be viewed on the Company’s website and are available to shareholders on request.

Resolution 3

That the final dividend of 9.16 pence per share recommended by the directors be declared.

The final dividend cannot exceed the amount recommended by the directors. The proposed final dividend will be payable on 9 July 2010 to holders of Ordinary Shares registered at the close of business on 30 April 2010 and will bring the total dividend for the year to 13.05 pence per share. Last year the total dividend was 11.96 pence per share.

Resolutions 4 to 8: re-election of directors

Five directors will retire at this year’s AGM and submit themselves for re-election. The Board believes that each of them continues to perform effectively and with commitment to their roles. Information about the five directors who are submitting themselves for re-election is given below each resolution.

Resolution 4

That Ken Hydon be re-elected as a director.

Ken Hydon was appointed a Non-executive Director on 23 February 2004. Ken is Chairman of the Audit Committee and a member of the Nominations Committee. Ken is also a Non-executive Director of Reckitt Benckiser plc, The Royal Berkshire NHS Foundation Trust and Pearson plc.

Resolution 5

That Tim Mason be re-elected as a director.

Tim Mason has been President and Chief Executive Officer of Fresh and Easy Neighborhood Market since January 2006. He joined Tesco in 1982 and was appointed to the Board on 16 February 1995.

Resolution 6

That Lucy Neville-Rolfe, CMG be re-elected as a director.

Lucy Neville-Rolfe, CMG was appointed to the Board as Corporate and Legal Affairs Director on 14 December 2006. Lucy joined Tesco in 1997 from the Cabinet Office. Lucy is Deputy Chair of the British Retail Consortium and a Non-executive Director of the Carbon Trust. Lucy is a member of the China Britain Business Council, the UK India Business Council and the Corporate Leaders Group on Climate Change.

Resolution 7

That David Potts be re-elected as a director.

David Potts was appointed to the Board on 16 November 1998 and is Retail and Logistics Director. He joined Tesco in 1973. In 2000 David became Director responsible for UK Retail Operations and since 2004 his responsibilities have included the UK Supply Chain and the Republic of Ireland.

Resolution 8

That David Reid be re-elected as a director.

David Reid became Non-executive Chairman on 2 April 2004. Prior to his appointment he was Deputy Chairman of Tesco PLC and had served on the Tesco Board since 1985. David chairs the Nominations Committee, is a Non-executive Director of Reed Elsevier Group plc and Chairman of both Kwik-Fit Group and Whizz-Kidz.

Resolution 9

That PricewaterhouseCoopers LLP be reappointed auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

This resolution proposes the reappointment of PricewaterhouseCoopers LLP as auditors.

Resolution 10

That the remuneration of PricewaterhouseCoopers LLP be determined by the directors.

This resolution gives authority to the directors to determine the auditors’ remuneration.

Resolution 11

That, in place of the equivalent authority given to the directors at the last annual general meeting (but without prejudice to the continuing authority of the directors to allot relevant 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:

- (i) shares in the Company or grant rights to subscribe for or to convert any securities into shares in the Company up to a maximum aggregate nominal amount of £133,688,202; and in addition
- (ii) equity securities of the Company (within the meaning of Section 560 of the Act) in connection with an offer of such securities by way of a rights issue up to an aggregate nominal amount of £133,688,202,

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 equity securities to be allotted after such expiry and the board may allot equity securities in pursuance of such an offer or agreement as if the authority conferred had not expired.

“Rights issue” means an offer of equity securities to holders of Ordinary Shares in the capital of the Company on the register on a record date fixed by the directors in proportion as nearly as may be to the respective numbers of Ordinary Shares held by them, 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.

Notice of meeting continued

Under Section 551 of the Act, the directors of a company may allot shares only if authorised to do so. Resolution 11(i) will give the directors authority to issue new shares for general purposes up to a nominal value of £133,688,202, which is equal to approximately 33% of the issued share capital of the Company as at 21 May 2010, being the latest practicable date prior to the publication of this Notice.

The Association of British Insurers' guidance (the "ABI") provides that in addition to paragraph (i) of Resolution 11, the ABI now regard as routine paragraph (ii) of Resolution 11 which authorises the Board to allot up to a further one-third of the existing issued share capital for use only in connection with fully pre-emptive rights issues. Paragraph (ii) of Resolution 11 proposes that the Directors be further authorised to allot relevant securities up to an aggregate nominal amount equal to £133,688,202 in connection with a rights issue. The aggregate of the amounts in Resolution 11 represents approximately two-thirds of the issued share capital of the Company as at 21 May 2010, being the latest practicable date prior to publication of this Notice. This authority will expire at the conclusion of the Annual General Meeting of the Company in 2011.

The ABI guidance includes an expectation that where an additional authority of the kind set out in paragraph (ii) of Resolution 11 is taken and where:

- (i) the aggregate actual usage of the authority conferred by paragraphs (i) and (ii) of Resolution 11 exceeds one-third of the nominal amount of the Company's issued ordinary share capital and also,
- (ii) in the case of a share issue which is in whole or part by way of a fully pre-emptive rights issue, the monetary proceeds exceed one-third (or such lesser relevant proportion) of the pre-issue market capitalisation of the Company,

all members of the board wishing to remain in office will stand for re-election at the next annual general meeting of the Company following the decision to make the issue in question.

This resolution complies with the Institutional Shareholders' Committee guidelines.

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.

Resolution 12

That subject to and conditional on the passing of resolution 11, the directors be empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority given by Resolution 11 as if subsection 1 of section 561 of the Act did not apply to any such allotment provided that this power shall be limited:

- (i) **to the allotment of equity securities in connection with an offer of such securities by way of a rights issue (as defined in Resolution 11); and**
- (ii) **to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of £20,053,230**

and 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 equity securities to be allotted after such expiry and the board may allot equity securities 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 only without having to offer such shares to existing shareholders:

- (i) up to a nominal value of £20,053,230, which is approximately 5% of the Company's issued share capital as at 21 May 2010, being the latest practicable date prior to the publication of this Notice; or

- (ii) in connection with a rights issue (as defined in Resolution 11).

This means that the proportionate interests of existing shareholders could not, without their agreement, be reduced by more than 5% by the issue of new shares for cash. There are no current plans to allot shares except in connection with the Company's employee share schemes and the directors do not intend to issue more than 7.5% of the issued share capital of the Company in any rolling three year period without prior consultation with the Institutional Shareholders' Committee.

The authority sought and 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 sell or transfer them, if appropriate. This will enable them to act on short notice in appropriate circumstances should that be in the best interests of the Company.

This authority will expire at the conclusion of the Annual General Meeting of the Company in 2011.

The directors intend to seek renewal of the authority and powers set out in Resolutions 11 and 12 at each Annual General Meeting of the Company.

Resolution 13

That the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares of 5p each in the capital of the Company ("Shares") on such terms as the directors think fit, and where such Shares are held as treasury shares, the Company may use them for the purposes set out in section 727 of the Act, including for the purpose of its employee share schemes, provided that:

- a) **the maximum number of Shares which may be purchased is 802,129,223 Shares;**
- b) **the minimum price, exclusive of any expenses, which may be paid for each Share is 5p;**
- 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 amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 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, the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry);**
- e) **the Company may make a contract to purchase Shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of Shares in pursuance of any such contract.**

This resolution seeks authority for the Company to buy its own shares. This resolution will renew the authority given at the last Annual General Meeting of the Company, and is limited to 802,129,223 shares, representing approximately 10% of the Company's issued share capital as at 21 May 2010, being the latest practicable date prior to the publication of this Notice. As at 21 May 2010, the total number of options to subscribe for shares in the Company was 327.2 million (approximately 4.1% of the Company's issued share capital and approximately 4.5% of the Company's issued share capital if the full authority proposed by resolution 13 was used and the shares purchased were cancelled). The minimum and maximum prices to be paid for the shares are stated in the resolution. This authority will expire at the conclusion of the Annual General Meeting of the Company in 2011.

Notice of meeting continued

Any shares purchased in this way may be cancelled and the number of shares in issue would be reduced accordingly, or they may be 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. No purchases will be made unless the expected effect will be to increase earnings per share. The purchase of shares by the Company under this authority would be effected by a purchase in the market. It should not be confused with any share dealing facilities that may be offered to shareholders by the Company from time to time.

Resolution 14

That in accordance with section 366 of the Act, the Company and all companies that are its subsidiaries 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;**
- (b) make political donations to political organisations, other than political parties;**
- (c) incur political expenditure, during the period beginning with the date of the passing of this resolution and ending on the date of the Company's next Annual General Meeting, such that the aggregate of all expenditure under paragraphs (a), (b) and (c) shall not exceed £100,000 in total.**

For the purpose of this resolution, the terms "political donations", "political expenditure", "independent election candidates", "political parties" and "political organisations" shall have the meaning given by Part 14 of the Act.

The Act requires companies to obtain shareholders' authority before they can make donations to EU political organisations or incur EU political expenditure. The definition of political donations used in the Act is very broad and, as a result, it covers activities that form part of normal relationships that are an accepted part of engaging with stakeholders and opinion-formers to ensure that companies' issues and concerns are considered and addressed. Activities of this nature undertaken by the Company and its subsidiaries 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. They are entirely non-political in nature and are designed so that the Company can make MPs and others aware of key industry issues and matters affecting the Company. In the financial year ended on 27 February 2010, the Company and its subsidiaries spent £49,365 pursuant to equivalent authorities.

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 that policy. They will, however, ensure that the Company and its subsidiaries act within the provisions of current UK company law and best practice when carrying out activities of the type covered by the Act.

Resolution 15

That: (a) the directors be and are hereby authorised to renew and continue The Tesco PLC Share Incentive Plan (formerly the Tesco All Employee Share Ownership Plan) ("SIP") as summarised in Appendix 1 to this document and the directors be authorised to do all acts and things necessary to carry this into effect; and

(b) the directors be authorised to adopt similar plans for overseas employees subject to such modifications as may be necessary or desirable to take account of overseas tax, exchange controls or securities laws provided that any Ordinary Shares made available under such further plans are treated as counting against any limits on individual or overall participation in the SIP.

Resolution 15 seeks shareholder approval of the directors' authority to renew and continue the SIP which was approved by shareholders on 15 June 2000. This plan operates on an "all employee" basis and is an important part of the benefits package offered to our staff. Currently over 190,000 employees participate in the SIP. Further details of the SIP are set out in Appendix 1 to this document.

Resolution 16

That (i) the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Act, are treated as provisions of the Company's Articles of Association; and (ii) the Articles of Association produced to the meeting and signed by the Chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to exclusion of the existing Articles of Association.

Resolution 16 seeks approval for the adoption of new Articles of Association ("New Articles") to reflect the implementation of the Shareholder Rights Directive and the final tranche of the Act which came into effect on 1 October 2009. A summary of the material changes proposed is provided in Appendix 2.

Other changes, which are of a minor, technical or clarifying nature and some more minor changes which merely reflect changes made by the Act have not been noted. A copy of the New Articles and a copy of the current articles marked to show the changes being proposed by this resolution are available for inspection as noted on page 5 of this document.

Resolution 17

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

This resolution is required to reflect the implementation in August 2009 of the Shareholder Rights Directive. The regulation implementing this Directive increased the notice period for general meetings of the Company to 21 clear days. The Company has been and is currently able to call general meetings (other than an annual general meeting) on 14 clear days' notice and would like to renew this ability. In order to be able to do so after August 2009, shareholders must have approved the calling of meetings on 14 clear days' notice. Resolution 17 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a general meeting on 14 clear days' notice.

The shorter notice period would not be used as a matter of routine for general meetings, but only where the flexibility is merited by the business of the meeting and is thought to be in the best interests of shareholders as a whole. If the proposals at a given meeting are not time-sensitive the Company will not normally use the shorter notice period.

Recommendation

Your directors believe that the proposals in Resolutions 1 to 17 are in the best interests of both the Company and its shareholders as a whole. Accordingly, the directors unanimously recommend that you vote FOR all of these resolutions, as they intend to do in respect of their own beneficial holdings.

By order of the Board
Jonathan Lloyd
Company Secretary
Tesco PLC
Tesco House, Delamare Road, Cheshunt, Herts, EN8 9SL
22 May 2010

Appendix 1

Summary of The Tesco PLC Share Incentive plan (the “SIP”)

Introduction

Resolution 15 seeks authority for the Directors to renew and continue The Tesco PLC Share Incentive Plan (originally called The Tesco All Employee Share Ownership Plan) which was approved by shareholders on 15 June 2000.

Summary of the main features of the SIP

The main features of the Plan are as follows:

The Company must offer all employees who are UK tax resident the opportunity to participate in the SIP whether they work full or part time. The Company can require employees to have completed a minimum qualifying period of employment before they can participate, but that period must not exceed 18 months.

Under the SIP, the Company can provide “free shares” and “matching shares” or allow employees to acquire “partnership shares” in the Company in a tax-efficient manner.

The Company can give up to £3,000 worth of “free shares” per annum per employee.

The Company can use “free shares” to reward employees for reaching personal, team or divisional performance targets.

If given the opportunity, employees can buy “partnership shares” from their gross monthly salary or weekly wages up to a maximum of £1,500 per annum per employee.

The Company can give employees up to two free “matching shares” for each partnership share acquired by the employees.

The SIP can provide for “free” and “matching shares” to be forfeited if employees leave within three years of the award unless the employee leaves for certain specified reasons such as redundancy or retirement.

Employees can withdraw their “partnership shares” from the SIP at any time. However, “matching shares” may also be subject to forfeiture if the corresponding “partnership shares” are withdrawn within three years of purchase.

Shares have to be transferred to employees and employees have to take their shares out of the SIP when they leave employment with a Group company.

The Company may offer different combinations of features to their employees to best suit the Group’s business requirements.

The SIP is operated through a UK resident trust. The trust will buy or subscribe for shares that are subsequently awarded to employees.

Benefits under the SIP are not pensionable.

Funding the SIP

Each participating Group Company will fund the trustee of the trust to subscribe for or buy shares (“free” and/or “matching shares”) in the market. In the case of a subscription for shares, the subscription price may be the nominal value of an Ordinary share.

Limits on the Issue of Shares and Amendments

The SIP is subject to the limit set out below on the number of shares that may be acquired by subscription:

In any ten calendar years not more than 10% of the issued Ordinary share capital of the Company may be issued or issuable pursuant to the rights acquired under the SIP or any other employees’ share schemes adopted by the Company.

No alteration may be made to the basic principles (including the basis of and limits on participation) of the SIP to the advantage of participants without the prior approval of Shareholders.

The Company may extend the SIP overseas provided the basic principles of the SIP are maintained and the limits on participation are preserved.

Rights attaching to Shares

Ordinary shares allotted under the SIP will rank equally with all other shares of the Company for the time being in issue and the Company will apply for admission of any new shares issued under the SIP to the London Stock Exchange or any other relevant exchange on which the shares are listed.

Appendix 2

Explanatory notes of Principal Changes to the Company's Articles of Association

1. The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Act significantly reduces the constitutional significance of a company's memorandum. The Act provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Act the objects clause and all other provisions which are currently contained in a company's memorandum, for existing companies at 1 October 2009, are deemed to be contained in a company's articles of association but the company can remove these provisions by special resolution.

Further the Act states that unless a company's articles of association provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Act, are to be treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 16 confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of the shareholders.

2. Articles which duplicate statutory provisions

Provisions in the Company's current articles of association ("Current Articles") which replicate provisions contained in the Act are in the main to be removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution.

3. Change of name

Under the Companies Act 1985, a company could only change its name by special resolution. Under the Act a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the Company's name.

4. Authorised share capital and unissued shares

The Act abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Act, save in respect of employee share schemes.

5. Redeemable shares

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The Act enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

6. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Act a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

7. Use of seals

Under the Companies Act 1985, a company required authority in its articles to have an official seal for use abroad. Under the Act such authority is no longer required. Accordingly the relevant authorisation has been removed in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

8. Vacation of office by directors

The Current Articles specify the circumstances in which a director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Innovation and Skills.

9. Voting by proxies on a show of hands

The Regulations which implemented the Shareholders' Rights Directive (the "Shareholders' Rights Regulations") have amended the Act so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The Current Articles have been amended to reflect these changes.

10. Chairman's casting vote

The New Articles remove the provision giving the Chairman a casting vote in the event of an equality of votes at a shareholder meeting as this is no longer permitted under the Act.

11. Notice of General Meetings

The Shareholders' Rights Regulations amend the Act to require the Company to give 21 clear days' notice of General Meetings unless the Company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than 14 clear days has been passed. Annual General Meetings must be held on 21 clear days' notice. The New Articles remove provisions in the Current Articles dealing with notice of General Meetings on the basis that this is dealt with in the Act.

12. Adjournments for lack of quorum

Under the Act as amended by the Shareholders' Rights Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The Current Articles have been changed to reflect this requirement.

13. Voting record date

Under the Act as amended by the Shareholders' Rights Regulations the Company must determine the right of members to vote at a general meeting by reference to the register not more than 48 hours before the time for the holding of the meeting, not taking account of days which are not working days. The Current Articles have been amended to reflect this requirement.

14. General

Generally the opportunity has been taken to bring clearer language into the New Articles, to reflect market practice and, in some areas, to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills.

