

BOOKER GROUP PLC
AND
TESCO PLC
AND
MR CHARLES WILSON

DEED OF AMENDMENT TO SERVICE AGREEMENT

THIS DEED is made on 27 January 2017

BETWEEN:

- (1) Booker Group Plc (registered number 05145685) whose registered office is at Equity House, Irthlingborough Road, Wellingborough, Northants NN8 1LT ("**Booker**");
- (2) **TESCO PLC**, a public limited company incorporated in England and Wales with its registered address at Tesco House, Shire Park, Kestrel Way, Welwyn Garden City AL7 1GA and company number 00445790 ("**Tesco**"); and
- (3) Mr Charles Wilson whose address is Equity House, Irthlingborough Road, Wellingborough, Northants NN8 1LT (the "**Executive**"),

each a "**Party**" and together the "**Parties**".

INTRODUCTION:

- (A) Tesco intends to announce on or around 30 January 2017 a recommended merger with Booker. Tesco, Booker and the Executive wish to record an amendment to the Executive's Service Agreement with Booker in order to waive the Executive's right to rely on certain change of control provisions contained within his Service Agreement with Booker following the Effective Date.

THIS DEED WITNESSES AS FOLLOWS:

1. CHANGE OF CONTROL PROVISION WAIVER

- 1.1 In the event that Booker is subject to a change of control as a result of the proposed Merger, the Executive confirms and agrees that he shall not be permitted to rely on or invoke the Change of Control Clause.
- 1.2 For the avoidance of doubt, the Executive acknowledges that in the event of his resignation following the Merger, he shall not be entitled to receive payment in accordance with the Change of Control Clause and nor shall he be entitled to give short notice in accordance with that clause. The Executive agrees that in the event of his resignation following the Merger, clause 17.2 of his Service Agreement shall apply.
- 1.3 In the event that Booker is subject to a change of control as a result of the transfer of Booker within the Tesco Group following the Effective Date (the "**Intra-Group Transfer**"), the Executive confirms and agrees that he shall not be permitted to rely on or invoke the Change of Control Clause.
- 1.4 For the avoidance of doubt, the Executive acknowledges that in the event of his resignation following an Intra-Group Transfer, he shall not be entitled to receive payment in accordance with the Change of Control Clause and nor shall he be entitled to give short notice in accordance with that clause. The Executive agrees that in the event of his resignation following an Intra-Group Transfer, clause 17.2 of his Service Agreement shall apply.

1.5 This Deed shall not affect the validity and enforceability of the rest of the Service Agreement.

2. **THIRD PARTY RIGHTS**

2.1 No term of this Deed is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a Party to this Deed.

3. **GOVERNING LAW AND JURISDICTION**

3.1 This Deed and any non-contractual obligations arising out of or in connection with this Deed shall be governed by, and interpreted in accordance with, English Law.

3.2 The parties to this Deed submit to the exclusive jurisdiction of the English courts.

IN WITNESS WHEREOF this Deed has been duly executed as a deed by the parties and is intended to be and is hereby delivered on the date stated at the beginning of this Deed.

EXECUTED and DELIVERED

as a **DEED** by

BOOKER GROUP PLC

acting by GUY FARRANT

a director in the presence of:

/S/ Guy Farrant

Witness signature: /S/ Kieran Stevens

Name: Kieran Stevens

Address:



EXECUTED and DELIVERED

as a **DEED** by

TESCO PLC

acting by ALAN STEWART

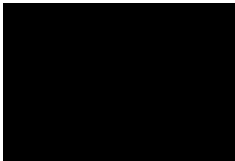
a director in the presence of:

/S/ Alan Stewart

Witness signature: /s/ Michael Jadeja

Name: Michael Jadeja

Address:



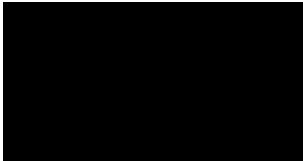
EXECUTED and DELIVERED
as a **DEED** by
MR CHARLES WILSON
in the presence of:

/S/ Charles Wilson

Witness signature: /S/ Kieran Stevens

Name: Kieran Stevens

Address:



**SCHEDULE 1
DEFINITIONS AND INTERPRETATION**

1. Definitions. In this Deed, the following words and expressions shall have the following meanings:

Act means the Companies Act 2006, as amended from time to time;

Booker Shareholders means the registered holders of Booker Shares from time to time;

Booker Shares means the ordinary shares of one pence each in the capital of Booker from time to time;

Change of Control Clause means clause 20 (including all sub-clauses) of the Service Agreement as set out in Schedule 2 of this Deed; and

Court means the High Court of Justice of England and Wales;

Effective Date means the date upon which either:

- (a) the Scheme becomes effective in accordance with its terms; or
- (b) if Tesco elects to implement the Merger by way of an Offer, the date on which the Offer becomes or is declared unconditional in all respects;

Merger means the direct or indirect merger of the entire issued and to be issued share capital of Booker and Tesco (other than Booker Shares already held by Tesco, if any) to be implemented by way of the Scheme or (should Tesco so elect, subject to the consent of the Panel) by way of the Offer;

Offer means if (subject to the consent of the Panel) Tesco elects to effect the Merger by way of a Takeover Offer, the offer to be made by or on behalf of Tesco to acquire the issued and to be issued ordinary share capital of Booker on the terms and subject to the conditions to be set out in the related offer document;

Panel means the UK Panel on Takeovers and Mergers;

Scheme means the scheme of arrangement proposed to be made under Part 26 of the Act between Booker and the Booker Shareholders on Booker's register of members as at the record date to be set out in the Scheme document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Booker and Tesco;

Service Agreement means the service agreement between Booker and the Executive dated 9 May 2007; and

Tesco Group means Tesco, its subsidiaries and its subsidiary undertakings from time to time and *member of the Tesco Group* shall be construed accordingly;

2. Interpretation. In this Deed, unless the context otherwise requires:

- 2.1.1 references to a person include any individual, firm, body corporate (wherever incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having separate legal personality);

- 2.1.2 headings do not affect the interpretation of this Deed; the singular shall include the plural and vice versa; and references to one gender include all genders;
 - 2.1.3 references to any English legal term or concept shall, in respect of any jurisdiction other than England, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction;
 - 2.1.4 references to sterling or pounds sterling or £ are references to the lawful currency from time to time of England; and
 - 2.1.5 any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
3. Enactments. Except as otherwise expressly provided in this Deed, any express reference to an enactment (which includes any legislation in any jurisdiction) includes references to (i) that enactment as amended, consolidated or re-enacted by or under any other enactment before or after the date of this Deed; (ii) any enactment which that enactment re-enacts (with or without modification); and (iii) any subordinate legislation (including regulations) made (before or after the date of this deed) under that enactment, as amended, consolidated or re-enacted as described in (i) or (ii) above.
4. Schedule. This Schedule 1 is a schedule to this Deed and forms part of this Deed.
5. Inconsistencies. Where there is any inconsistency between the definitions set out in this Schedule and the definitions set out in any clause or any other Schedule, then, for the purposes of construing such clause or Schedule, the definitions set out in such clause or Schedule shall prevail.

SCHEDULE 2
EXTRACT FROM THE SERVICE AGREEMENT (CHANGE OF CONTROL
CLAUSE)

CHANGE OF CONTROL

- 3.3 *In the event that the Company is the subject of a change of control as defined below, notwithstanding any prior notice given by the Company pursuant to clause 17.1 or by the Executive pursuant to clause 17.2 he shall be entitled to give written notice to the Company within three months after the change of control occurring to terminate his employment hereunder, such termination to take effect within 30 days of the date of such notice and he shall be entitled to receive a payment calculated in accordance with clause 17.10 above within 7 days after the date on which his employment terminates.*
- 3.4 *For the purposes of this clause 20 a change of control shall occur where:*
- 3.4.1 *any person or persons (including persons acting in concert as defined in the City Code on Takeovers and Mergers) who control the Company at the date of execution of this Agreement subsequently cease to control the Company or if any person or persons (including persons acting in concert as defined in the City Code on Takeovers and Mergers) subsequently acquire control of the Company and 'control' shall be determined by reference to the provisions of section 416, Income and Corporation Taxes Act 1988; or*
- 3.4.2 *substantially all of the business, assets and undertaking of the Company is sold, transferred or otherwise disposed of to a person, firm or company or any group or firm acting in concert, other than any company within the Group (where Group means the Company, its subsidiaries, its holding company and any subsidiaries of any such holding company, and subsidiary and holding company shall have the meanings given in the Companies Act 1985).*