

# TESCO



## Notice of Annual General Meeting 2019.

Tesco PLC, Heart building, Shire Park,  
Welwyn Garden City, Herts, AL7 1TW  
Thursday, 13 June 2019 at 11.30am

### **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to what action to take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional advisor authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if you reside elsewhere, another appropriately authorised financial advisor. If you have sold or transferred all of your shares in Tesco PLC, please send this document and the accompanying Proxy Form as soon as possible to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

# Chairman's letter.



## Dear Shareholder.

I look forward to welcoming you to the Tesco PLC 2019 Annual General Meeting (AGM). This year's AGM will be held on Thursday, 13 June 2019 in the Heart building on our Welwyn Garden City campus and the meeting will start at 11.30am.

Details of how to get to the venue are set out on page 11. To assist with your journey we will provide shuttle buses between Welwyn Garden City railway station and the Heart building from 9.15am. Parking will also be available for those shareholders travelling by car. The Heart building will open at 9.30am when refreshments will also be available. A light lunch will be made available to shareholders after the meeting.

If you are unable to attend in person, you will be able to watch the AGM via a live webcast. Details of how you can access this webcast facility are set out on page 13.

The official business of the AGM is set out on pages 4 to 7.

## Dividend.

The strong underlying financial performance of the business and the Board's confidence in ongoing cash generation, have allowed us to propose a final dividend of 4.10 pence per share, making the total dividend for the year 5.77 pence per share, an increase of 92.3% year-on-year. Resolution 2 seeks shareholder approval of the final dividend.

## Directors.

In line with the provisions of the UK Corporate Governance Code 2016, all Directors will stand for election or re-election at the forthcoming AGM.

In September 2018, we welcomed Melissa Bethell onto the Board. Melissa brings extensive executive and non-executive financial, technology and strategic experience to the Board and her broad range of skills and experience are of significant benefit as we continue to implement our strategy. Melissa will stand for election at the forthcoming AGM and her biographical details, along with those of the other Directors seeking re-election, are detailed on pages 8 and 9.

## Deferred Bonus Plan 2019.

The Company's existing Group Bonus Plan will expire on 3 July 2019. We are seeking shareholders' approval for a Deferred Bonus Plan for a period of ten years, on broadly similar terms to the Group Bonus Plan, but with amendments to allow participation by Executive Directors and to take account of developments in corporate governance and market practice.

## Voting.

Your participation in this annual event is important to us, however we recognise that not all shareholders will be able to attend this year's AGM in person. If you cannot attend the meeting, please vote your shares by appointing a proxy. Information about how to submit your proxy instructions is set out on pages 12 and 13.

With the increase in popularity of electronic communication and to further reduce our environmental impact, for our 2020 annual general meeting we will cease the general distribution of paper proxy forms and encourage shareholders to vote in respect of their shareholding or appoint a proxy online. Voting online is quicker and more secure than paper voting. Shareholders will still be able to request a paper proxy form from our share registrars and details of how to do so will be included in next years' Notice of Annual General Meeting.

## Website.

The Annual Report and Financial Statements 2019 and this Notice are available on our website [www.tescopl.com](http://www.tescopl.com). I would encourage you to take the opportunity to sign up to receive future communications electronically by setting up a Shareview portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and providing an email address for future communications. Assistance to sign up to receive electronic communications will be available at the AGM. More information on how to manage your shareholding can be found on page 16.

## Recommendation.

**Your Directors believe that all of the resolutions set out in this Notice are in the best interests of both Tesco PLC and its shareholders as a whole. Your Directors will be voting all of the Ordinary shares and American Depositary Receipts which they hold in favour of all of the proposed resolutions and unanimously recommend that you do so as well.**

I look forward to seeing as many of you as possible at our Welwyn Garden City campus on Thursday, 13 June 2019.

John Allan  
Non-executive Chairman

30 April 2019

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# Summary of resolutions.

## **1 Reports and accounts.**

The Directors are required to present the annual accounts, strategic report, directors' report and the auditors' report on the accounts to the meeting.

## **2 Directors' remuneration report.**

This resolution is to seek shareholder approval of the Directors' remuneration report for the year ended 23 February 2019 on pages 62 to 79 of the Annual Report and Financial Statements 2019 (other than the summary of remuneration policy on pages 68 to 69). The vote is advisory in nature and therefore no entitlement to remuneration is conditional on the passing of the resolution.

## **3 Final dividend.**

This resolution is to approve a final dividend of 4.10 pence per share for the year ended 23 February 2019. If approved, the final dividend will be paid on 21 June 2019 to all shareholders on the register of members at close of business on 17 May 2019.

## **4-16 Election and re-election of directors.**

Melissa Bethell will stand for election at this year's AGM following her appointment to the Board on 24 September 2018. In accordance with the Company's Articles of Association and the UK Corporate Governance Code 2016, all other directors will retire and stand for re-election. Resolutions 4-16 (inclusive) propose their election or re-election by the Company's shareholders. Biographical details of all directors are set out on pages 8 and 9 to enable shareholders to take an informed decision on their election or re-election.

The Nominations and Governance Committee identifies, evaluates and recommends to the Board candidates for appointment and reappointment as directors. Appointments are made on merit and candidates are considered against objective criteria, having regard to the benefits of the diversity of the Board. The Committee keeps diversity, mix of skills, experience and knowledge of the Board under review and seeks to ensure an orderly succession of directors. The formal annual evaluation of each director, and the outside directorships and broader commitments of the Non-executive Directors, including time commitments, are also monitored by the Committee.

The Nominations and Governance Committee has reviewed the independence of each Non-executive Director and determined that they are all independent in character and judgement and there are no relationships or circumstances which are likely to affect the judgement of any of the Non-executive Directors. The Non-executive Chairman was considered independent upon appointment.

Following an external board evaluation process, the Board believes that the oversight the Non-executive Directors provide is balanced, contributing a broad range of skills, diverse experience and knowledge, demonstrating independence and constructive challenge. The Board considers each Director to be fully effective and committed to his or her role.

All Directors are recommended by the Board for election or re-election.

## **17-18 Reappointment of auditors and remuneration of auditor.**

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.

The Audit Committee has assessed the effectiveness, independence, objectivity, appropriate mindset and professional scepticism of the external auditor, Deloitte LLP, and concluded that the external auditor was in all respects effective. Deloitte LLP have indicated their willingness to continue in office as auditor of the Company until the conclusion of the next annual general meeting at which accounts are laid before the Company.

Resolution 18 gives authority to the Directors to determine the auditors' remuneration.

## **19 Deferred Bonus Plan 2019.**

The Company's existing Group Bonus Plan will expire on 3 July 2019. This resolution seeks shareholders' approval for the Deferred Bonus Plan 2019 for a period of ten years, on broadly similar terms to the Group Bonus Plan, but with amendments to allow participation by Executive Directors and to take account of developments in corporate governance and market practice. The main provisions of the Deferred Bonus Plan 2019 are summarised in the Appendix to the Notice.

## **20 Renewal of Board's authority to allot shares.**

This resolution is to renew the Directors' authority to allot shares. The authority will allow the Directors' to allot new shares which represents not more than one-third of the issued share capital of the Company; and the authority to allot relevant securities in connection with a rights issue up to a further one-third of the issued share capital as at 26 April 2019, being the latest practicable date prior to the publication of this document.

## **21 Disapplication of pre-emption rights in certain circumstances.**

This resolution would allow the Directors to allot shares for cash and/or sell treasury shares up to a set value without having to offer such shares to existing shareholders on the conditions as described on page 5.

## **22 Disapplication of pre-emption rights for acquisitions and other capital investment.**

This resolution would give the Directors authority to allot additional shares for cash and/or sell treasury shares up to a set value as described on pages 5 and 6 without having to offer such shares to existing shareholders, in connection with an acquisition or capital investment.

## **23 Purchase of own shares.**

This resolution will authorise the Company to make market purchases of up to a set number of shares as described on page 6 and specifies the minimum and maximum prices at which the shares may be bought.

## **24 Scrip Dividend Scheme.**

The Company's Articles of Association require shareholder approval in order for the Directors to operate a Scrip Dividend Scheme (the Scheme). Shareholders granted authority to operate a Scheme in 2016 and the current authority is due to expire on 23 June 2019. Whilst the Board does not intend to introduce a scrip dividend programme at this time, this resolution is proposed to provide for flexibility in the future. The authority contained in this resolution is sought for three years.

## **25 Political donations.**

It is not proposed or intended to alter the Company's policy of not making political donations, within the normal meaning of that expression. However, this resolution is proposed to ensure that the Company and its subsidiaries do not, because of any uncertainty as to the bodies or activities covered by the Companies Act 2006 (the Act), unintentionally commit any technical breach of the Act by making political donations.

## **26 General meetings.**

This resolution seeks to approve an equivalent authority granted to the Directors at last year's annual general meeting to call general meetings (other than an annual general meeting) on 14 clear days' notice.

# Tesco PLC – Notice of meeting.

Notice is hereby given that the 2019 Annual General Meeting (the AGM) of Tesco PLC (the Company) will be held in the Heart building, Shire Park, Welwyn Garden City, Herts, AL7 1TW on Thursday, 13 June 2019 at 11.30am to consider and, if thought fit, pass the following resolutions. Resolutions 21, 22, 23 and 26 will be proposed as special resolutions, with the remainder being proposed as ordinary resolutions.

1. **Reports and accounts**  
*To receive the audited accounts for the financial year ended 23 February 2019, together with the strategic report, directors' report and auditors' report on those accounts.*
2. **Directors' remuneration report**  
*To receive and to approve the Directors' remuneration report (excluding the summary of remuneration policy) set out on pages 62 to 79 of the Annual Report for the year ended 23 February 2019.*
3. **Final dividend**  
*To declare a final dividend of 4.10 pence per share for the year ended 23 February 2019 recommended by the Directors.*
4. **To elect Melissa Bethell as a Director.**

To re-elect as Directors by separate resolutions each of:

- |                             |                               |
|-----------------------------|-------------------------------|
| 5. <b>John Allan</b>        | 6. <b>Mark Armour</b>         |
| 7. <b>Stewart Gilliland</b> | 8. <b>Steve Golsby</b>        |
| 9. <b>Byron Grote</b>       | 10. <b>Dave Lewis</b>         |
| 11. <b>Mikael Olsson</b>    | 12. <b>Deanna Oppenheimer</b> |
| 13. <b>Simon Patterson</b>  | 14. <b>Alison Platt</b>       |
| 15. <b>Lindsey Pownall</b>  | 16. <b>Alan Stewart</b>       |
17. **Reappointment of auditors**  
*To reappoint 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.*
  18. **Auditors' remuneration**  
*To authorise the Directors to determine the remuneration of the auditors.*
  19. **Deferred Bonus Plan 2019**

*That:*

- (a) *the Tesco PLC Deferred Bonus Plan 2019 (the Plan), a copy of the draft rules of which has been produced to the meeting and initialled by the Chairman (for the purpose of identification only) and a summary of the principal provisions of which is set out in the Appendix to this Notice, be approved and adopted; and*
- (b) *the Directors be authorised to do all acts and things necessary to establish and carry the Plan into effect and to establish schedules to, or other plans based on, the Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such plans are treated as counting against the limits on individual and overall participation contained in the Plan.*

The Company's existing Group Bonus Plan will expire this year and shareholder approval is now sought for the Tesco PLC Deferred Bonus Plan 2019 (the Plan) which will operate on broadly similar terms to the Group Bonus Plan, but with amendments to take account of changes in corporate governance and practice and to include participation by Executive Directors.

Under the Plan, deferred share awards with a value linked to bonus outcome under the Company's annual cash bonus plan for any financial year (or a cash bonus plan operated by any member of the Company's group) may be made in the form of options to acquire Tesco PLC shares (the Shares) or contingent rights to receive Shares, in either case at nil-cost (together, the Awards). Awards vest after a deferral period which, in the case of an Award granted to an Executive Director shall be the third anniversary of the Award date or such other period consistent with the Company's Directors' Remuneration Policy in force from time to time.

Awards may be satisfied either by the transfer of existing Shares, the issue of new Shares (whether direct to participants or via the Company's International Employee Benefit Trust) or the transfer of treasury shares. In line with the Investment Association's Principles of Remuneration, the Plan will continue to operate within the 10% and 5% dilution limits which currently apply to the Group Bonus Plan, and the Company will manage its capacity within these limits carefully.

Shareholder authority is sought to enable the Directors to add schedules to the Plan or to adopt share plans based on the Plan to enable the grant of Awards to employees outside of the UK, taking account of local tax, exchange and securities laws issues in the relevant jurisdiction.

The main provisions of the Plan are summarised in the Appendix to this Notice.

## 20. Authority to allot shares

*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 £163,224,942; and, in addition*
- (b) *equity securities (as defined in section 560 of the Act) of the Company up to an aggregate nominal amount of £163,224,942 in connection with an offer of such securities by way of a rights issue,*

*provided that this authority shall expire at the end of the next annual general meeting of the Company, 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.*

Paragraph 20(a) will give the Directors a general authority to allot new shares up to a nominal value of £163,224,942, which is equal to approximately one-third of the issued share capital of the Company as at 26 April 2019, being the latest practicable date prior to the publication of this document.

Paragraph 20(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 as at 26 April 2019, being the latest practicable date prior to the publication of this document, being an aggregate nominal amount of £163,224,942.

In total, the resolution will allow the Directors to allot a maximum aggregate of two-thirds 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.

As at 26 April 2019, being the latest practicable date prior to the publication of this document, the Company does not hold any treasury shares.

This authority will remain in force until the conclusion of the annual general meeting of the Company in 2020. The Company is proposing this resolution, as it does at the annual general meeting each year, to give the Board flexibility, however, there are no current plans to allot shares (except in connection with the Company's employee share schemes or any possible future scrip dividend programme).

## 21. Disapplication of pre-emption rights

***That, subject to the passing of resolution 20, 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 20 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 20); 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 £24,483,741,***

***such authority to expire at the end of the next annual general meeting of the Company 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 20); or
- (b) up to a nominal value of £24,483,741, which is approximately 5% of the Company's issued share capital as at 26 April 2019, being the latest practicable date prior to the publication of this document.

This disapplication authority is in line with the Pre-Emption Group's Statement of Principles 2015 (the Statement of Principles). Annual renewal of this authority is sought in accordance with best practice and in line with the Statement of Principles.

There are no current plans to allot shares pursuant to the authority under resolution 21, however, your Directors wish to ensure that the Company has maximum flexibility in managing the Group's capital resources.

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.

The Directors do not intend to issue pursuant to the authority under this resolution 21 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. This authority will expire at the conclusion of the annual general meeting of the Company in 2020.

## 22. Disapplication of pre-emption rights for acquisitions and other capital investment

***That, subject to the passing of resolution 20, the Directors be empowered pursuant to section 570 of the Companies Act 2006 (the Act) in addition to any authority granted under resolution 21, to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority given by resolution 20 and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of the Act, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be:***

- (a) limited to the allotment and/or sale of equity securities up to an aggregate nominal value of £24,483,741; and***
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Pre-Emption Principles most recently published by the Pre-Emption Group prior to the date of this Notice,***

***such authority to expire at the end of the next annual general meeting of the Company, 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 give the Directors authority to allot additional shares for cash and/or sell treasury shares up to a nominal value of £24,483,741, which is approximately 5% of the Company's issued share capital as at 26 April 2019, being the latest practicable date prior to the publication of this document, without having to offer such shares to existing shareholders, in connection with an acquisition or capital investment: (i) which is announced contemporaneously with the issue; or (ii) which has taken place in the preceding six month period and is disclosed in the announcement of the issue.

This additional disapplication authority is being sought in line with the Pre-Emption Group's Statement of Principles 2015.

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.

## Notice of meeting continued

Together with resolution 21 (if passed) this would give the Directors the authority to allot shares for cash and/or sell treasury shares of up to 10% of the issued share capital of the Company, on a non pre-emptive basis.

There are no current plans to allot shares pursuant to the authority under this resolution 22, however, your Directors wish to ensure that the Company has maximum flexibility in managing the Group's capital resources. This authority will expire at the conclusion of the annual general meeting of the Company in 2020.

The Directors intend to seek renewal of the authority and powers set out in resolutions 20, 21 and 22 at each annual general meeting of the Company.

### 23. Purchase of own shares

**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 979,349,656;**
- (b) the minimum price, exclusive of any expenses, which may be paid for each Share is 5 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 amount stipulated by Regulatory Technical Standards adopted by the European Commission pursuant to Article 5(6) of the Market Abuse Regulation (EU) No.596/2014; and****
- (d) this authority will expire at the end 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 979,349,656 Shares, being just under 10% of the Company's issued share capital as at 26 April 2019, being the latest practicable date prior to the publication of this document, and specifies the minimum and maximum prices at which the Shares may be bought.

This authority will expire at the conclusion of the annual general meeting of the Company in 2020. Renewal of this authority is sought at the annual general meeting each year.

The Directors confirm that they will exercise the buy back authority only when, in light of the prevailing market conditions, they consider such purchases would result in an increase in earnings per share and would be in the best interests of shareholders generally.

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 26 April 2019, being the latest practicable date prior to the publication of this document, the total number of options to subscribe for Shares in the Company was £270 million (approximately 2.8% of the Company's issued share capital and approximately 3.1% of the Company's issued share capital if the full authority proposed by resolution 23 was used and the shares purchased were cancelled).

### 24. Scrip Dividend

**That, subject to the passing of resolution 20, 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.**

The Board considers it prudent to ensure that it has maximum flexibility available to it for any future payment of dividends. Operation of a scrip dividend scheme requires shareholder approval in order for the Directors to make available the scrip dividend scheme (the Scheme) 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. Shareholders granted authority to operate such a Scheme in 2016 and the current authority will expire on 23 June 2019.

Through the Scheme, shareholders 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 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 24 is proposed to provide for flexibility in the future subject to the passing of resolution 20. The authority contained in this resolution is sought for three years. The Directors therefore recommend renewal of the authority at this year's AGM. Prior to introducing any scrip dividend programme, shareholders would be sent full details of the terms and conditions and instructions on how to participate. Unless circumstances change, the Company intends to seek an extension of this authority before it expires.

### 25. Political donations

**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 shareholders 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, because of any uncertainty as to the bodies or activities covered by the Act, unintentionally commit any technical breach of the Act.

In the financial year ended 23 February 2019, the Company and its subsidiaries did not incur any expenditure pursuant to equivalent authorities.

## **26. General meetings**

***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. Annual general meetings 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 annual general meeting to call general meetings (other than an annual general meeting) on 14 clear days' notice.

The approval will be effective until the Company's next annual general meeting, 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.

By order of the Board



**Robert Welch**

Group Company Secretary  
30 April 2019

### **Registered office**

Tesco House  
Shire Park  
Kestrel Way  
Welwyn Garden City  
AL7 1GA

# Our Board of Directors.

(N)	Nominations and Governance Committee
(A)	Audit Committee
(R)	Remuneration Committee
(C)	Corporate Responsibility Committee
●	Chair of Committee
(i)	Independent Board member

## John Allan CBE.

### Non-executive Chairman

Appointed March 2015, Tenure 4 years



#### Skills and experience.

John has significant board, retail and financial experience gained from both the commercial and financial sectors. He was CEO of Exel PLC and, when it was acquired by Deutsche Post in 2005, he joined the board of Deutsche Post, becoming CFO in 2007 until his retirement in 2009. John was chairman of Dixons Retail plc during its turnaround period, and following its merger with Carphone Warehouse was deputy chairman and senior independent director of Dixons Carphone until 2015. He was also previously a non-executive director of Worldpay Group PLC, National Grid plc, the UK Home Office Supervisory Board, 3i plc, PHS Group plc, Connell plc, Royal Mail plc, Wolseley plc and Hamleys plc and chairman of London First.

#### External appointments.

- Chairman of Barratt Developments PLC; and
- President of the Confederation of British Industry.

## Dave Lewis.

### Group Chief Executive

Appointed September 2014, Tenure 4.5 years

#### Skills and experience.

Dave has significant experience in brand marketing, customer management and general management. Prior to joining Tesco, he worked for Unilever for nearly 30 years in a variety of different roles across Europe, Asia and the Americas. He has experience across many sectors in the UK and overseas, and has been responsible for a number of business turnarounds. He was previously a non-executive director of Sky PLC.

#### External appointments.

- Member of the Governance Committee of the Consumer Goods Forum; and
- Chair of Champions 12.3, a UN programme seeking to add momentum to the achievement of the UN Sustainable Development Target 12.3 by 2030.

## Alan Stewart.

### Chief Financial Officer

Appointed September 2014, Tenure 4.5 years

#### Skills and experience.

Alan brings to the Board significant corporate finance and accounting experience from a variety of highly competitive industries, including retail, banking and travel, as well as executive leadership experience within a listed company environment. Alan is a non-executive director of Tesco Bank. Prior to joining Tesco, he was UK CEO and CFO of Thomas Cook Holdings, group finance director of WHSmith plc and CFO for AWAS and Marks & Spencer plc. He was previously a non-executive director of Games Workshop Group plc.

#### External appointments.

- Non-executive director of Diageo plc;
- Member of the Advisory Board, Chartered Institute of Management Accountants; and
- Member of the main committee and chairman of the pension committee of the 100 Group of Finance Directors.

## Mark Armour.

### Independent Non-executive Director

Appointed September 2013, Tenure 5.5 years



#### Skills and experience.

Mark has significant strategic planning and financial expertise, as well as experience of executive leadership. He was CFO of Reed Elsevier Group plc and its two parent companies, Reed Elsevier PLC and Reed Elsevier NV (now RELX PLC), from 1996 to 2012. This role has provided him with considerable experience of digital business transition and operating in a multi-channel environment. Prior to joining Reed Elsevier, he was a partner at Price Waterhouse in London. He was previously a non-executive director and chair of the audit committee of SABMiller PLC.

#### External appointments.

- Non-executive director of the Financial Reporting Council; and
- Member of the Takeover Panel.

## Melissa Bethell.

### Independent Non-executive Director

Appointed September 2018, Tenure < 1 year



#### Skills and experience.

Melissa brings to the Board a wealth of international business strategy and investment management experience. Melissa is currently a partner of Atairos, an equity investment fund backed by Comcast NBCUniversal. She is managing partner of the London office and responsible for Atairos' investment activities in Europe. Melissa was previously a managing director of Bain Capital, where she worked for over 18 years and was a member of the senior leadership team responsible for strategy setting, fundraising and portfolio management. Prior to joining Bain Capital, Melissa worked in the capital markets group at Goldman, Sachs & Co., with a particular focus on media and technology. She was also previously a director of Ship Midco Limited and served as a non-executive director of Samsonite Corporation (Samsonite International S.A.), Worldpay Group PLC and Atento S.A.

#### External appointments.

- Partner at Atairos, an independent, private investment firm and managing director of Atairos Europe; and
- Non-executive director and chairman of the audit committee of Exor N.V.

## Stewart Gilliland.

### Independent Non-executive Director

Appointed March 2018, Tenure 1 year



#### Skills and experience.

Stewart has significant business and management experience in international markets, specifically those in Europe, having previously held roles with leading consumer-facing companies, including Whitbread, Mitchells & Butler and Interbrew. He held the position of chief executive of Müller Dairies UK and Ireland until 2010. Prior to the merger of Tesco and Booker Group plc, he was group chairman of Booker.

#### External appointments.

- Chairman of C&C Group plc; and
- Non-executive director of Nature's Way Foods Ltd.

## Steve Golsby.

### Independent Non-executive Director

Appointed October 2016, Tenure 2.5 years



#### Skills and experience.

Steve has a wealth of knowledge of operating internationally, specifically significant leadership experience in Asia, a key market for Tesco. He has a strong background in consumer marketing and held senior executive positions with Bristol-Myers Squibb and Unilever, before being appointed president of Mead Johnson Nutrition, a leading global infant nutrition company, in 2004.



He was president and CEO from 2008 to 2013 and a non-executive director from 2013 to 2017. He was also previously a non-executive director of Beam Inc. His extensive international and board experience give him invaluable insights and understanding as Chair of the Remuneration Committee.

#### External appointments.

- Non-executive director of RMA Group;
- Advisor to Thai Union Group PLC, a global leader in the seafood industry; and
- Honorary investment advisor to the Thailand Board of Investment.

#### Byron Grote.



#### Independent Non-executive Director

Appointed May 2015, Tenure 4 years

#### Skills and experience.

Byron brings broad financial and international experience to the Board, having worked across BP PLC in a variety of commercial, operational and executive roles covering numerous geographies. Byron's strategic focus and financial experience complements the balance of skills on the Board and makes him ideal for the role of Chair of the Audit Committee. He served on the BP PLC board from 2000 until 2013 and was BP's CFO during much of that period. He was previously a non-executive director of Unilever PLC.

#### External appointments.

- Vice chairman of the Supervisory Board of Akzo Nobel N.V.;
- Senior independent director of Anglo American PLC; and
- Non-executive director of Standard Chartered PLC.

#### Mikael Olsson.



#### Independent Non-executive Director

Appointed November 2014, Tenure 4.5 years

#### Skills and experience.

Mikael joined the Board after an extensive career at IKEA Group, holding a variety of senior roles including being a member of the executive committee from 1995 until 2013 and holding the position of CEO and president from 2009 until 2013. He brings a wealth of retail and value chain experience as well as knowledge of sustainability, people and strategy in an international environment. He was previously a non-executive director and vice chairman of Volvo Cars AB.

#### External appointments.

- Non-executive director of Ikano S.A.;
- Non-executive director of Lindengruppen AB;
- Non-executive director and chair of the people committee (combined nomination and remuneration committee) of The Royal Schiphol Group; and
- Member of the nomination committee of Volvo Cars AB.

#### Deanna Oppenheimer.



#### Senior Independent Director

Appointed March 2012, Tenure 7 years

#### Skills and experience.

Deanna has significant marketing, brand management and consumer knowledge and experience, bringing a broad perspective to the Board. She held several senior roles at Barclays plc, including chief executive of UK Retail and Business Banking and vice chair of Global Retail Banking. Deanna was appointed as chair of Hargreaves Lansdown plc in February 2018. She is also currently a non-executive director of the US fresh-prepared food company, Joshua Green Corporation and is the founder of advisory firm, CameoWorks LLC, which provides bespoke support to early stage companies. Deanna was previously a non-executive director of NCR Corporation and Worldpay, Inc. Her extensive board, investor and commercial experience makes her a strong Senior Independent Director.

#### External appointments.

- Chair of Hargreaves Lansdown plc;
- Non-executive director of Whitbread PLC;
- Non-executive director of Joshua Green Corporation;
- Founder of consumer-focused boutique advisory firm, CameoWorks LLC; and
- Senior advisor to Bain & Company.

#### Simon Patterson.



#### Independent Non-executive Director

Appointed April 2016, Tenure 3 years

#### Skills and experience.

Simon has extensive knowledge of and years of experience in finance, technology and global operations gained in various management and leadership roles. He was a member of the founding management team of the logistics software company Global Freight Exchange and has worked at the Financial Times and McKinsey & Company. He has previously served on the boards of Skype, MultiPlan, Cegid Group, Intelsat, Gerson Lehrman Group and N Brown Group.

#### External appointments.

- Managing director of Silver Lake Partners, a leading global technology investment firm;
- Board member of Dell Technologies Inc., ZPG Limited and FlixBus;
- Trustee of the Natural History Museum; and
- Trustee of The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex.

#### Alison Platt CMG.



#### Independent Non-executive Director

Appointed April 2016, Tenure 3 years

#### Skills and experience.

Alison has extensive experience of leadership in customer-driven organisations across the healthcare, insurance and property sectors. As CEO of Countrywide, a position she held until January 2018, she gained significant business-to-business experience adding this to the international experience she gained whilst leading a number of Bupa's businesses across Asia, Southern and Eastern Europe and the Middle East. Alison's experience as a CEO enables her to provide challenge and advice to the Board across a range of issues. Alison was previously chair of Opportunity Now and a non-executive director of the Foreign and Commonwealth Office and Cable and Wireless Communications PLC.

#### External appointments.

- Member of the steering group of the Hampton-Alexander Review.

#### Lindsey Pownall OBE.



#### Independent Non-executive Director

Appointed April 2016, Tenure 3 years

#### Skills and experience.

Lindsey has substantial experience in food, grocery and retail brand development, having enjoyed a career of more than 20 years at Samworth Brothers, the leading UK supplier of premium quality chilled and ambient foods. She joined the Samworth board in 2001 and served as chief executive between 2011 and 2015. Lindsey is a passionate advocate of supplier relationships, customers, colleagues and sustainability which directly support Tesco's strategy and her role as Chair of the Corporate Responsibility Committee.

#### External appointments.

- Non-executive director of Story Contracting Limited and Story Homes Limited;
- Operating director of Paine Schwartz Partners, LLC; and
- Non-executive director of P and P Food Safety Holdings (Delaware) Inc.

# At the AGM.

Heart building, Shire Park, Welwyn Garden City, Herts, AL7 1TW

## Timings

9.15am	The shuttle bus service starts from the designated bays below the Howard Centre shopping mall in Welwyn Garden City and will take you to Shire Park.
9.30am	Doors open, registration begins. Question registration desk opens. Refreshments available.
11.00am	Last shuttle bus departs to arrive in time for start of meeting. Note: The shuttle bus service will continue to run until 11.30am.
11.20am	Please take your seat.
11.30am	AGM begins: – Chairman's introduction; – Group Chief Executive's presentation; and – Questions and answers. Poll vote on all resolutions.
1.30pm (approx)	AGM closes. Light lunch available. Shuttle buses start from Shire Park to Welwyn Garden City railway station. Note: The shuttle bus service to the railway station will continue for one hour after the meeting has concluded.



The results of the voting will be released to the London Stock Exchange and will be published on our website [www.tescopl.com](http://www.tescopl.com) on Thursday, 13 June 2019 or as soon as reasonably practicable thereafter.

## Registration.

Registration desks are situated just inside the entrance to the Heart building on our Welwyn Garden City campus.

If you attend the AGM, please bring your admission card (printed on the Proxy Form) with you. It will authenticate your right to attend, speak and vote and will speed up your admission. Please be prepared to provide evidence of your shareholding and/or identity. You may also find it helpful to bring this Notice with you so that you can refer to it at the AGM.

If you are attending on behalf of a registered holder of shares you must bring photographic proof of your identity and evidence of your appointment to represent that shareholder, including their admission card if possible. This includes those appointed by proxy, or as a corporate representative, nominated person and under power of attorney. See notes 2, 6, 7, 11 and 14 on pages 12 and 13 for further details.

Guests will be admitted at the discretion of the Company.

## Accessibility.

Special arrangements have been made to help shareholders with additional needs.

An audio induction loop is provided at the venue for people with hearing difficulties throughout the venue.

There will be facilities for shareholders who use 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.

## Security.

We thank you in advance for your cooperation with the security staff. You will be asked to pass through a security point before entering the meeting, where your bag will be checked. You will not be permitted to take large items of luggage into the meeting room.

We do not permit cameras or recording equipment at the meeting and we would be grateful if you would ensure you switch off any mobile devices 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.

## 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 attend the AGM you will be given a hand held voting device containing details of your shareholding (except for those attending in our Highwoods building who will be given a poll card). You will be able to cast your vote on each resolution at any time during the question and answer session. See note 14 on page 13 for additional details on attending or voting from our neighbouring Highwoods building.

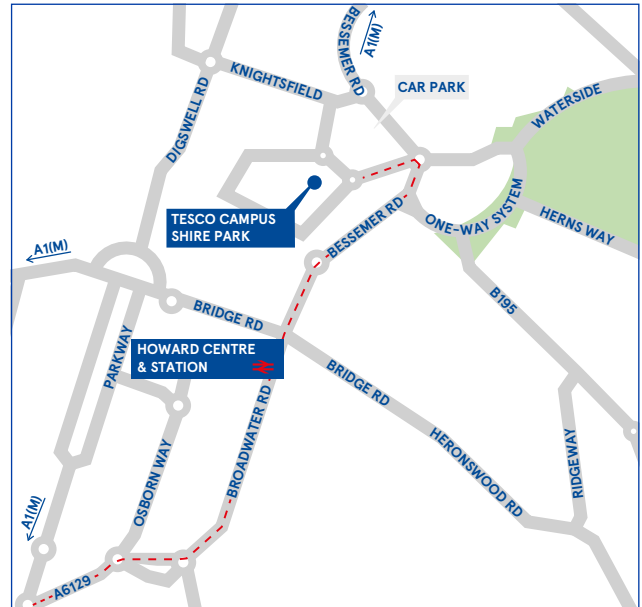
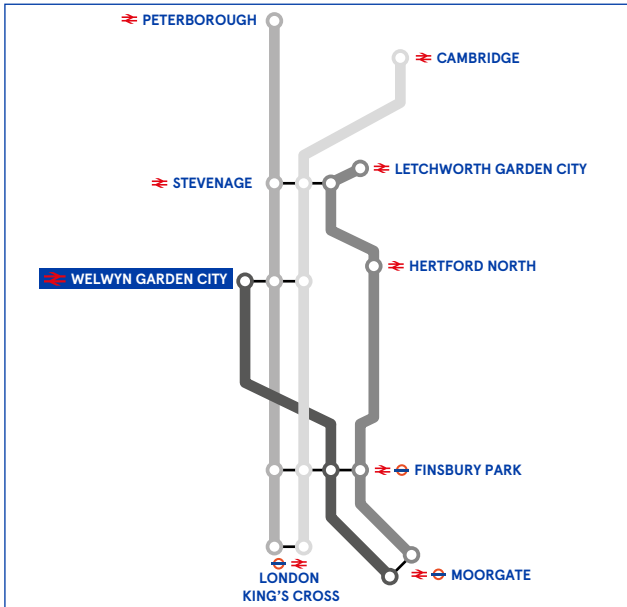
All of the votes of the shareholders present will be counted and added to those received in advance by proxy and the provisional voting results will be shown on the screen at the end of the meeting.

If you have already voted in advance by proxy you will still be able to vote using the electronic poll voting system and your vote on the day of the meeting will replace your previously lodged proxy vote. For details on how you can submit your proxy instructions, please refer to page 12.

# How to get to the AGM.

The AGM will be held in the Heart building, Shire Park, Welwyn Garden City, Herts, AL7 1TW.

Details of how to get to the Heart building on our Welwyn Garden City campus are shown below.



## Transport.

### By train

Welwyn Garden City railway station is the nearest railway station to Shire Park. Trains to and from Welwyn Garden City are operated by Great Northern and Thameslink. You can plan your train journey online using the National Rail Enquiries website at [www.nationalrail.co.uk](http://www.nationalrail.co.uk). To plan your travel to and from London mainline terminals, use the Transport for London journey planner at [www.tfl.gov.uk/plan-a-journey](http://www.tfl.gov.uk/plan-a-journey).

For transport from Welwyn Garden City railway station to Shire Park, please see the following instructions 'Shuttle buses' or 'By taxi'.

### Shuttle buses

Tesco will provide a free shuttle bus service from Welwyn Garden City railway station to Shire Park from 9.15am on the day of the meeting. Please allow 20 minutes for this journey.

Please note that the last bus allowing you to arrive, register and take your seat for the start of the AGM will depart at 11.00am. The shuttle bus service will continue to run until 11.30am.

From the station, once you have exited the platform you will be directed to take the footbridge into the Howard Centre shopping mall. Remaining on the first floor, follow the concourse to the left and head towards the South Mall. Take the lift or stairs to the basement/drop off area. Note: Public restrooms are located on the first floor opposite the lifts.

From the basement level/drop off area, exit through the doors ahead of you. The shuttle buses will leave directly opposite. Please allow 15 minutes to get from the railway platform to the shuttle buses. Tesco helpers will be on hand at the railway station to help direct you to the shuttle buses.

The shuttle bus service will resume following the end of the meeting from Shire Park to Welwyn Garden City railway station and will continue to run for one hour after the meeting closes. If you intend to use the shuttle bus service to Shire Park, please indicate this on your Proxy Form.

### By taxi

Welwyn Garden City has a taxi rank located outside the Howard Centre shopping mall. Please exit the station and take the escalator to the ground floor. Directly in front of you, you will see the main entrance. Leave the shopping mall and walk approximately 60 metres across a pedestrian area. The taxi rank is situated on Fetherne Road and it is approximately a 5-10 minute journey.

### By road

Shire Park is approximately a 15 minute drive from junction 4 of the A1(M). The postcode for Sat Nav purposes is **AL7 1TW**. Upon leaving the A1(M) at junction 4, follow signs to the A6129. Continue onto Broadwater Road (signposted to A1000, Business and Industrial Area), which leads onto Bessemer Road (signposted to A1(M) Stevenage). As you join the one-way system, take the first exit slip road onto the Boulevard, which is the entrance to Shire Park and our Welwyn Garden City campus.

### Car parking

On arrival at Shire Park, follow signs to the AGM shareholder car park (car park 2). Please present your attendance card to pass through the security barriers. There is no charge for parking.

If you intend to drive to Shire Park, please indicate this on your Proxy Form.

### Access for disabled persons

Tesco offers limited accessible parking spaces, located within a close proximity of the Heart building. Spaces are available to blue badge holders only and badges must be displayed at all times.

### Arriving by Public Bus

Shareholders arriving at Welwyn Garden City bus station who wish to use the shuttle bus service to Shire Park as detailed above, should enter the Howard Centre shopping mall, walk directly through the shopping mall and make their way to the South Mall situated on the furthest side of the building. Take the lift or stairs to the basement level/drop off area, exit through the doors ahead of you, the shuttle buses will leave directly opposite.

Alternatively, the number 6 bus runs from Welwyn Garden City bus station (Stop G) to Shire Park. The Heart building is opposite the Shire Park bus stop. Please note, this is a public bus service, therefore, there may be a charge to use this service.

# Notes.

## 1. Eligibility to vote.

You will have the right to attend, speak and vote at the AGM if your name appears on the register of members of the Company as at 6.30pm on Tuesday, 11 June 2019 (or if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting). 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.

## 2. Appointing a proxy.

If you cannot attend the AGM, you can appoint the Chairman, or any other person, to attend, speak and vote on your behalf. This person is called your proxy. Your proxy does not need to be a shareholder of the Company.

Where no specific instruction is given, your proxy may vote at his/her own discretion or refrain from voting, as he/she sees fit. 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. 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.

## 3. Voting by proxy.

If you wish to vote by proxy on any of the resolutions, you should vote online at [www.sharevote.co.uk](http://www.sharevote.co.uk) or 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 11.30am on Tuesday, 11 June 2019. Voting online is quicker and more secure than paper voting.

## 4. 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](http://www.sharevote.co.uk). You will need to use your Voting ID, Task ID and Shareholder Reference Number which are 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 11.30am on Tuesday, 11 June 2019. 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](http://www.sharevote.co.uk), and may be read by logging on to that site.

## 5. Attending in person after voting by proxy.

Submitting a Proxy Form in advance does not prevent you from attending and voting at the meeting in person.

## 6. Nominated persons.

Any 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 Companies Act 2006 (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.

The statement of members' rights to appoint proxies set out opposite does not apply to Nominated Persons. The rights described to appoint proxies can only be exercised by registered holders of Ordinary shares.

## 7. CREST – appointing a proxy.

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 Thursday, 13 June 2019 and any adjournment(s) thereof by using the procedures described in the CREST Manual. These procedures are available via [www.euroclear.com](http://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.

## 8. Authentication of CREST proxy instruction.

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](http://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 11.30am on Tuesday, 11 June 2019. 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.

## 9. CREST system timings.

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.

## 10. Circumstances of invalidity.

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.

## 11. 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.

If two or more corporate representatives purport to vote in respect of the same shares:

- (a) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and
- (b) in other cases, the power is treated as not exercised.

## 12. Audit concerns.

Shareholders meeting the threshold requirements set out in section 527 of the Companies Act 2006 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.

## 13. Asking questions at the AGM.

To help you with questions that you have about Tesco, a customer services and a shareholder enquiries desk will be open before 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. To facilitate this, those wanting to ask a question in the meeting are requested to register their question at the Question Registration stand before the start of the meeting. Please 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.

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.

## 14. Attendance.

In the event that we reach capacity levels in the main meeting room, shareholders may be redirected to the ground floor of the Heart building or our neighbouring Highwoods building on our Welwyn Garden City campus where we have made arrangements for members and proxies to attend and participate in the meeting. Voting by shareholders in our neighbouring Highwoods building will be by way of poll through the completion of poll cards, not via the hand held voting device as in the Heart building.

## 15. Availability of this Notice.

A copy of this Notice, and other information required by section 331A of the Companies Act 2006, can be found at [www.tescopl.com/AGM2019](http://www.tescopl.com/AGM2019).

## 16. Documents for inspection.

The following documents are available for inspection at the registered office of the Company, Tesco House, Shire Park, Kestrel Way, Welwyn Garden City AL7 1GA, during normal business hours, Monday to Friday (excluding public holidays in England and Wales) from the date of this Notice, and will be available for inspection at the place of the AGM from 11.00am on the day of the AGM until the conclusion of the AGM:

- (a) copies of the Executive Directors' service agreements with the Company;
- (b) copies of the terms of engagement of the Non-executive Directors; and
- (c) the rules of the Tesco PLC Deferred Bonus Plan 2019.

## 17. Issued share capital and total voting rights.

As at 26 April 2019 (being the latest practicable date prior to the publication of this document), the Company's issued share capital consisted of 9,793,496,561 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 26 April 2019 were 9,793,496,561.

## 18. AGM webcast.

If you are unable to come to the AGM, you can watch via a webcast which will be broadcast live at 11.30am on the day of the AGM. Shareholders can view the webcast at [www.tescopl.com/AGM2019](http://www.tescopl.com/AGM2019). The webcast is not interactive and it is not possible to vote or ask questions remotely.

The meeting, which may include the question and answer session with shareholders, as well as background shots of those present at the meeting will be recorded. Parts of this footage may be made available on the Tesco website after the meeting. In addition, we have arranged for photographs to be taken at the venue for the duration of the event, to be kept in the Tesco photo library. These photographs may be used in future publications online or in print. If you attend the AGM in person, you may be included in photographs or in the webcast. Please note that the photographs and broadcast footage may be transferred outside the European Economic Area.

# Appendix.

## Summary of the principal terms of the Tesco PLC Deferred Bonus Plan 2019 (the Plan)

### 1. Tax treatment and operation.

The Plan is a non-tax advantaged plan under which income tax and national insurance contributions (NICs) arise, as appropriate, on the exercise or vesting of deferred share awards (granted in the form of options (Options) to acquire Tesco PLC shares (Shares) or contingent rights to acquire Shares (Contingent Awards), in either case at nil-cost (together, Awards). A participant is required to indemnify the Company (and, if different, his employer company) in respect of income tax and NICs arising in connection with Awards, which may include employer NICs.

Awards are not pensionable benefits.

Awards will be capable of being satisfied by newly issued Shares, Shares purchased in the market (or subscribed) by the Tesco International Employee Benefit Trust or by the transfer of treasury shares.

Operation of the Plan is overseen by the board of directors of the Company (the Board) or a duly authorised committee of the Board and, in relation to the grant of Awards to executive directors of the Company, the Remuneration Committee of the Company (in each case referred to in this Appendix as the Committee).

The Plan will terminate on the tenth anniversary of its approval by shareholders at the Annual General Meeting on 13 June 2019 or at any earlier time by the passing of a resolution by the Committee or an ordinary resolution of the Company in general meeting. Subsisting Awards will not be affected by the termination.

### 2. Eligibility.

Any employee or former employee of any member of the Tesco group (the Group), including any executive director of Tesco PLC (the Company), who has participated in the Company's annual cash bonus plan (or a cash bonus plan operated by any member of the Group) (the Bonus Plan) for the preceding financial year (the Relevant Year) is eligible to participate in the Plan, at the discretion of the Committee.

### 3. Award values.

An employee who participates in the Plan will receive an Award following calculation of the annual bonus outcome for the Relevant Year, determined in accordance with the applicable performance metrics under the Bonus Plan for the Relevant Year (the Bonus Plan Outcome). The Shares subject to the Award will represent the deferral of a proportion of the employee's Bonus Plan Outcome (the Deferral Proportion).

The aggregate Awards allocated to an employee in respect of a Relevant Year will not exceed 125% of the employee's basic pay or final basic pay in relation to a former employee (or such other amount as determined by the Committee from time to time) (the Individual Limit).

The Deferral Proportion and the Individual Limit for a participant who is or was an executive director shall always be in compliance with the Directors' Remuneration Policy as approved by shareholders of the Company from time to time (the Policy).

No payment is required for the grant of an Award.

### 4. Vesting (and Exercise) of Awards.

Awards generally vest after a deferral period which, in the case of an Award granted to an executive director, shall be the third anniversary of the Award date or such other period consistent with the Policy (the Deferral Period). Shares subject to Awards (the Award Shares) granted in the form of Contingent Awards will normally be transferred to participants as soon as practicable after the end of the Deferral Period. A participant may normally exercise an Award granted in the form of an Option from the end of the Deferral Period until the tenth anniversary of the date on which the Award was granted (the Award Date).

The Committee may determine to pay a participant a cash amount equal to the value of the Award Shares he would otherwise have received on the vesting or exercise of his Award.

### 5. Leaving employment.

If a participant leaves the Group during the Deferral Period by reason of redundancy, injury, disability or ill-health (evidenced to the satisfaction of the Committee), retirement (with the agreement of the employing company), the sale of the participant's employing business or company out of the Group or such other reason as the Committee may determine in its discretion, the Deferral Period will end on the date of leaving (the Leaving Date) unless the Committee determines that the full Deferral Period will apply. Award Shares granted in the form of Contingent Awards will be transferred to the participant as soon as reasonably practical after the Leaving Date or, where the Committee has determined the full Deferral Period will apply, after the end of the Deferral Period. A participant may exercise an Award granted in the form of an Option during the period of twelve months following the Leaving Date or, where the full Deferral Period applies, during the period of twelve months following the end of the Deferral Period.

The Deferral Period will end on the date of the death of a participant (the Death Date) during the Deferral Period. Award Shares granted in the form of Contingent Awards will be transferred to the participant's personal representatives as soon as reasonably practical after the Death Date. An Award granted in the form of an Option may be exercised by the participant's personal representatives during the 12 month period following the Death Date.

If a participant leaves the Group or, as appropriate, gives or receives notice of termination of employment with the Group during the Deferral Period other than for any of the "good leaver" circumstances specified above, his Award will generally be forfeited in respect of all of the Award Shares. This is subject to the discretion of the Committee to determine to permit the transfer (or exercise) of such number of the Award Shares as it determines and the date of transfer or the period during which the Option will be exercisable.

### 6. Post-employment holding period.

The Committee will determine, as soon as practicable after the Leaving Date, but in any event prior to any issue or transfer of Award Shares to a participant, whether some or all of the Award Shares to be issued or transferred will be subject to a post-employment holding period (Holding Period).

A Holding Period will generally be imposed if a participant has not met his post-employment shareholding requirements as of the Leaving Date, unless the participant has ceased employment due to his death. The Holding Period will run for a period of two years from the Leaving Date, during which time the Award Shares may be held by a trustee or nominee designated by the Company, on behalf of the participant.

Award Shares subject to a Holding Period may not be transferred, assigned or otherwise disposed of other than in connection with a rights issue, and to satisfy any tax liability in connection with the Award Shares.

A participant will be entitled to vote and have all other rights of a shareholder during the Holding Period.

### 7. Change of control.

In the event of a takeover of the Company, the Deferral Period will normally end immediately and Options will be exercisable for a period of one month. Award Shares will be transferred to participants as soon as reasonably practicable following the takeover, or the exercise of an Option (as appropriate).

In the event of a scheme of arrangement (not being an internal corporate reorganisation), the Committee may determine that the Deferral Period will end immediately, and on the same basis as for a takeover.

The Committee may allow the Deferral Period to end (and the exercise period for Options to start) prior to the takeover or scheme of arrangement, where the Committee has determined

that there may be a loss of a corporation tax deduction under Part 12 of the Corporation Tax Act 2009 if the Deferral Period was to end on, or following, the takeover or scheme of arrangement (as appropriate).

The Committee may also accelerate the Deferral Period (and the exercise period for Options) in the event of a voluntary winding-up of the Company, or if the Company has or will be affected by any demerger, dividend in specie, super dividend or other transaction which would adversely affect the current or future value of any Awards.

#### **8. Malus and Clawback.**

The Committee may apply malus and/or clawback if it in its discretion determines that certain circumstances (the Relevant Circumstances) have occurred during the period beginning on the Award Date (or such earlier date as the Committee determines) and, generally, ending on the third anniversary of the Award Date (or such other date as the Committee determines) (the Relevant Period).

The Relevant Circumstances are (i) a material misstatement of the results of the Company, any member of the Group or business unit; (ii) an underlying incorrect figure in the accounts of any member of the Group which has (or other information has come to light which, had it been considered at the time, would have) affected the determination of the Bonus Plan Outcome and/or the Award; (iii) any act or omission by the participant which, in the Committee's opinion (a) has contributed to serious reputational damage to the Company, any member of the Group or any relevant business unit, and/or (b) has amounted to serious misconduct, fraud, dishonesty, a breach of the Company's Code of Business Conduct or material wrongdoing by the participant; (iv) any error or miscalculation in respect of a Bonus Plan Outcome and/or an Award, which has resulted in an incorrect value to be delivered (whether in cash or Shares) to a Participant in respect of an Award.

If the Committee determines that any of the Relevant Circumstances has occurred during the Relevant Period then:

- at any time prior to the earlier of the delivery of Shares or cash to a participant pursuant to an Award and, generally, the third anniversary of the Award Date (or such other date as the Committee determines) the Committee may in its discretion determine to reduce the number of Shares to which an Award relates or to cancel an Award (malus);
- at any time after the delivery of Shares or cash to a participant pursuant to an Award and, generally, after the third anniversary of the Award Date (or such other date as the Committee determines), the Committee may in its discretion require a participant to make a cash payment to the Company in respect of some or all of the Shares or cash delivered to him pursuant to the Award or to transfer some or all of the Shares delivered to him pursuant to the Award to the Company for nil consideration (clawback). The Committee will have discretion to determine the basis on which the amount of cash or Shares is calculated including whether and, if so to what extent, to take account of any tax or social security liability applicable to the Award.

The third anniversary of the Award Date which applies for the purposes of the Relevant Period and the periods during which malus and clawback may be applied will be extended to such later date as the Committee considers appropriate in circumstances in which a participant's action or conduct is under investigation prior to the third anniversary of the Award Date (or such other date as the Committee determines).

Malus or clawback may be applied to Awards to effect the recovery of sums paid or Shares delivered under other bonus plans or share plans operated by any member of the Group.

#### **9. Dilution limits.**

In any ten year period ending on the relevant Award Date, the maximum number of new Shares which may be issued or made issuable pursuant to Awards and other awards or options granted under any other employee share scheme adopted by the Company (including a sharesave plan) shall not exceed such number as

represents 10 per cent of the ordinary share capital of the Company in issue immediately prior to such Award Date.

In any ten year period ending on the relevant Award Date, the maximum number of new Shares which may be issued or made issuable pursuant to Awards and other awards or options granted under any other discretionary employee share scheme adopted by the Company shall not exceed such number as represents 5 per cent of the ordinary share capital of the Company in issue immediately prior to such Award Date.

If Awards have been or are to be satisfied by a transfer of existing Shares, the percentage limits stated above will not apply. Treasury Shares shall count as new issue Shares for the purposes of the dilution limits unless the Committee determines that it is no longer best practice to count them as such.

#### **10. Dividend equivalents.**

The Committee may decide at any time prior to the issue or transfer of any Award Shares, that the Participant will receive an amount (in cash and/or additional Shares) equal in value to any dividends that would have been paid on those Award Shares on such terms and over such period (ending no later than the end of the applicable Deferral Period) as the Committee may determine. This amount may assume the reinvestment of dividends (on such basis as the Committee may determine) and may include or exclude special dividends.

#### **11. Rights attaching to Shares.**

Shares transferred or issued under the Plan will rank equally in all respects with all other Shares then in issue (except for any rights attaching to Shares by reference to a record date preceding the transfer or issue of such Shares).

#### **12. Variation of share capital.**

If there is a variation in the equity share capital of the Company, the Committee may make such adjustments pursuant to the rules of the Plan as it considers appropriate to the number of Shares subject to any Award.

#### **13. Alteration of the Plan.**

The Committee may amend the Plan in any respect. However it may not make any alteration to the material advantage of participants without the prior approval by ordinary resolution of shareholders in general meeting to the provisions relating to eligibility, the limitations on the number of Shares which may be issued under the Plan, the individual limits on participation for participants, the basis for determining a participant's right to acquire Shares and the adjustment of such rights in the event of a variation of share capital unless the alteration is a minor alteration to benefit the administration of the Plan or to take account of any change in legislation or to obtain or maintain favourable taxation, exchange control or regulatory treatment for the Company, any member of the Group or participants in the Plan.

#### **14. Overseas employees.**

A schedule to the Plan allows the Directors to grant awards as phantom cash awards over notional shares in jurisdictions where it is not possible to grant awards over shares.

The authority of the shareholders is sought under Resolution 19, such that the Directors may at any time, without further reference to shareholders, add further schedules to the Plan or adopt share plans based on the Plan to enable the grant of Awards to employees outside of the UK, taking account of local tax, exchange and securities laws issues in the relevant jurisdiction.

**This summary does not form part of the rules of the Plan and should not be taken as affecting the interpretation of its detailed terms and conditions. The Directors reserve the right up to the time of the Annual General Meeting to make such amendments and additions to the rules of the Plan as they consider appropriate provided that such amendments do not conflict in any material respect with this summary.**

# Shareholder information.

## Managing your shareholding.

Many of our shareholders find that the easiest way to manage their shareholding is online by setting up a Shareview portfolio at [www.shareview.co.uk](http://www.shareview.co.uk). This is a free, easy and secure service provided by the Company's Registrars, Equiniti Limited (Equiniti).

Some of the benefits of having a Shareview portfolio are:

- to monitor your shareholding;
- to access shareholder information;
- to elect to receive shareholder communications electronically;
- to vote on resolutions at an annual general meeting, and any other shareholder meetings; and
- to keep your contact details up to date.

For more information and to register for this service, please visit [www.shareview.co.uk](http://www.shareview.co.uk). Registration can be completed within minutes in just four easy steps. Please note, you will need your Shareholder Reference Number.

## Dividends.

Changes to the legislation governing the way in which dividend income is taxed came into effect in April 2018. Shareholders who receive their dividend payments directly into their bank accounts now receive an 'Annual Dividend Confirmation' in November covering any dividend payments made during the tax year. This replaces the consolidated tax voucher.

Dividends can be paid quickly and securely directly into your bank account. You may also choose to have your dividends reinvested in further Tesco shares through our dividend reinvestment plan (DRIP) (terms and conditions apply). To arrange either of these options, simply call Equiniti on the number provided below. Alternatively, you can manage your dividend payment choices by registering with Shareview at [www.shareview.co.uk](http://www.shareview.co.uk).

## E-comms.

We encourage our shareholders to accept all shareholder communications and documents electronically, in place of receiving traditional paper copies by post. This helps us to reduce the environmental impact of our business and to reduce costs. If you would like to sign up to receive all future shareholder communications electronically, please register with Shareview by visiting [www.shareview.co.uk](http://www.shareview.co.uk). Once you have signed up, you will receive an email to let you know when shareholder documents become available on our website, including our preliminary and interim financial results, notices of shareholder meetings and other shareholder documents.

## Duplicate documents.

Many of our shareholders hold more than one account on our share register and receive duplicate documentation from us as a result. If you have been receiving duplicate documents, please contact Equiniti who can combine your accounts.

## Share dealing service.

The Shareview Dealing service is a real-time telephone and internet share dealing service available to all UK residents. Further information about the Shareview Dealing service can be found at [www.shareview.co.uk/dealing](http://www.shareview.co.uk/dealing) or by calling Equiniti on 03456 037 037 between 8.00am and 4.30pm, Monday to Friday. Please remember that dealing fees vary between brokers and you are recommended to check that you are being charged the most competitive rate.

## ShareGift.

If you have a small shareholding which would cost more to sell than the shares are worth, you may wish to consider donating the shares to the charity ShareGift (registered charity 1052686). ShareGift specializes in the donation of small shareholdings for good causes. You can find out more by visiting [www.sharegift.org](http://www.sharegift.org) or by calling +44 (0) 207 930 3737.

## Shareholder queries.

If you have a query relating to your shareholding, the most efficient way to have it resolved is to contact Equiniti directly using one of the methods listed in the 'Useful contacts' section below.

## 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 genuine mailings from us.

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 check that they are properly authorised by the Financial Conduct Authority (FCA) by visiting [www.register.fca.org.uk](http://www.register.fca.org.uk). Please report all unsolicited communications by using the share fraud reporting form at [www.fca.org.uk/consumers/report-scam-unauthorised-firm](http://www.fca.org.uk/consumers/report-scam-unauthorised-firm) or by calling the FCA Consumer Helpline on 0800 111 6768.

## Useful contacts.

### Tesco PLC registered office

Tesco House  
Shire Park  
Kestrel Way  
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AL7 1GA

### Investor Relations

Investor Relations Department  
Tesco House  
Shire Park  
Kestrel Way  
Welwyn Garden City  
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**Telephone** +44 (0) 1707 912 922

### Registrars

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**Telephone** (UK) 0371 384 2977  
(Outside UK) +44 (0) 121 415 7071  
Calls are charged at national rates.  
Calls from a mobile device may incur network extras.

**Website** [www.equiniti.co.uk](http://www.equiniti.co.uk)

### Group Company Secretary

Robert Welch

### Corporate brokers

Barclays Bank PLC  
Citigroup Global Markets Limited

### Independent auditors

Deloitte LLP

### General queries

Switchboard +44 (0) 1992 632 222

**Website** [www.tescopl.com](http://www.tescopl.com)