Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172 requires directors to have regard to, amongst other matters, the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the factors set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made.

Those factors for example include the interests and views of our shareholders, Bond holders, leaseholders, members of the Group and our relationship with our lenders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we aim to make sure that our decisions are consistent and appropriate in all the circumstances.

We delegate authority for day-to-day management of the Company to senior management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held periodically where the directors consider the Company's activities and make decisions. As a part of those meetings the directors receive information in a range of different formats which includes information relevant to section 172 matters when making relevant decisions. For example, each year we make an assessment of the strength of the Company's balance sheet and future prospects relative to market uncertainties and make decisions about the payment of dividends.

As the principal activity of the Company is that of a financing party in a securitisation transaction set-up to acquire and lease a retail property portfolio occupied by Group companies, the Company has had no employees, customers or suppliers during the period and as such the breadth of stakeholder considerations that would often apply in operating or to commercially trading companies have generally not applied to the decisions made by the directors. The Company's key stakeholders are its shareholders, Bond holders, Borrowers and creditors.

In accordance with requirements this section 172(1) statement will be published on the Tesco PLC website at www.tescoplc.com.

Approved by the Board of Directors on 23 July 2020 and signed on behalf of the Board by:

Robert Welch

Robert Welch, for and on behalf of Tesco Services Limited
Director
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