

UPDATE ON RESPONSE TO 2020 AGM VOTING OUTCOME

In response to the voting outcome on Resolution 2 at the Tesco PLC Annual General Meeting on 26 June 2020, the following provides an update to the statement made after the vote.

The Board was naturally disappointed with the overall voting outcome of 67.29% against the 2020 Directors' Remuneration Report. Following the vote, the Remuneration Committee Chairman invited a number of the Company's larger shareholders who had voted against the resolution to engage with him to fully understand their concerns.

These engagements confirmed that while the majority of shareholders agreed that the overall outcome of the 2017 PSP was proportionate given the outstanding turnaround delivered by management, they had concerns with the principle of the Committee's adjustment to the TSR comparator group.

The Remuneration Committee would like to thank shareholders that took part in the engagement process and values the feedback and insights it has gained. It remains committed to engaging proactively with shareholders and advisory bodies on remuneration matters. A final update on this matter will be included in the 2021 Annual Report.

October 2020