



Notice of Annual General Meeting 2021.

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 am pleased to set out the arrangements for the Tesco PLC 2021 Annual General Meeting (AGM).

Your Board recognises the ongoing importance of engaging with our shareholders and especially during these unprecedented times. In light of the current UK Government restrictions, we propose to follow a slightly different format for this year's events.

We would like shareholders to join us virtually for a shareholder engagement event on Friday, 18 June 2021 at 2.00pm. This will be the first time we have held a Virtual Shareholder Event and will allow shareholders to hear from the Board and ask questions on the business of the meeting. In particular, this new event will allow those shareholders who vote by post and electronically to do so after having heard from the Board.

We would have liked to have welcomed shareholders in person to our 2021 AGM to be held on Friday, 25 June 2021 at 9.30am, particularly as we were not able to do so for our 2020 AGM. Unfortunately, following the guidance issued by the UK Government on Monday, 22 February 2021, and at the date of writing this letter, it is not clear that all shareholders who may wish to attend the AGM in person will be able to do so. Therefore, it is proposed that we hold the AGM with the minimum number of shareholders present (which will be facilitated by Tesco) as is required under the Company's articles of association to enable the business of the AGM to be conducted.

Virtual Shareholder Event

Your Board is pleased to invite you to a live Virtual Shareholder Event which will be held on Friday, 18 June 2021 at 2.00pm. During the event shareholders will receive presentations from me, as Chair, and the Group Chief Executive, Ken Murphy, on the performance and activities of Tesco during the past year. Following these presentations, shareholders will have the opportunity to ask questions on the business of the meeting to the Board.

To access the Virtual Shareholder Event, visit <https://web.lumiagm.com>. Access is available 60 minutes before the scheduled start time. Full details of how to join can be found on pages 12 and 13 or at www.tescopl.com/AGM2021.

While shareholders will be able to ask questions during the Virtual Shareholder Event, I would also encourage you to submit questions in advance. To do so, please email your question to shareholderquestions@tesco.com by 2.00pm on Wednesday,

16 June 2021. Questions submitted in advance which are of common interest will be published on the Company's website at www.tescopl.com/AGM2021 and will be available on the website until Friday, 16 July 2021. A recording of the Virtual Shareholder Event will also be available on the Company's website until Friday, 16 July 2021. Participation in the Virtual Shareholder Event will not constitute formal attendance at the AGM.

Annual General Meeting

Due to the restrictions on public gatherings at the date of writing this letter, we would strongly encourage shareholders not to attend the AGM which will take place on Friday, 25 June 2021 at 9.30am in the Heart building of our Welwyn Garden City campus. Instead we would recommend shareholders access the Virtual Shareholder Event on Friday, 18 June 2021 at 2.00pm to see the presentations and participate in the question and answer session.

As the AGM will deal only with the formal business of the meeting and to ensure the health and safety of our shareholders, colleagues and AGM support staff, as well as the public, no refreshments, food demonstrations, transport facilities to the Heart building or Clubcard vouchers for attending the meeting will be available to shareholders. Guests will also not be permitted to attend.

Voting

Your votes matter to us, so we would strongly encourage you to vote in advance of the AGM. Information on the appointment of proxies, corporate representatives and voting is set out on pages 14 and 15.

As we are strongly encouraging shareholders not to attend the AGM, to ensure that your vote is counted, it is particularly important that you appoint the "Chair of the Meeting" as your proxy as any other person who might be appointed may not be present at the AGM. Details of how to do this are set out on page 14 and on the Proxy Form.

Shareholders may prefer to submit their proxy vote after the Virtual Shareholder Event. To ensure this is received in good time, we would recommend submitting such instructions online. Details of how to do this are set out in Note 5 and on the Proxy Form.

The results of the voting on the AGM resolutions will be announced through a Regulatory Information Service and will be published on our corporate website www.tescopl.com/investors after the meeting.

Board changes

We look forward to welcoming Thierry Garnier, Bertrand Bodson and Karen Whitworth to the Board. They each bring a variety of skills and experience and a challenging mindset that will enable them to play a key part in delivering the Group's strategic priorities.

At the conclusion of the AGM, Mark Armour, Mikael Olsson and Deanna Oppenheimer will retire from the Board. On behalf of the Board and shareholders, I would like to thank them for their contribution and for all they have done for the Company. As previously announced, we also saw Sir Dave Lewis stand down from the Board as CEO during the year and be succeeded by Ken Murphy.

Alan Stewart retired as Chief Financial Officer on 30 April 2021 and was succeeded by Imran Nawaz. The Board are extremely grateful to Alan for everything he has achieved at Tesco and look forward to continuing to work with Imran.

The biographies of the Directors standing for election and re-election are set out on pages 9 to 11.

Articles of association

This year, we have taken the opportunity to review the Company's articles of association, which were last updated in 2016. Resolution 28 proposes a limited number of changes to reflect developments in regulation and market practice, principally to provide greater flexibility to the Company, as well as to make it easier for shareholders to take part in future general meetings by allowing hybrid shareholder meetings and provide for an increase in the aggregate cap on Non-executive Directors' fees. Details regarding the principal changes being proposed are set out in Appendix 3 on page 20.

Remuneration policy

We are presenting a new Remuneration Policy to shareholders, which can be found on pages 89 to 96 of the Annual Report and Financial Statements 2021. We are proposing no major changes to the Remuneration Policy, only some limited corporate governance changes to align with the UK Corporate Governance Code and market practice. The Remuneration Policy remains aligned to our business and talent strategy. The vote on the Remuneration Policy is binding on the Company, and if the resolution is passed, will take effect immediately. As is usual practice, we will also be seeking approval of the decisions we took on remuneration for last year. This vote is not binding.

Dividend

The Board proposes a final dividend of 5.95 pence per share making the total dividend for the year 9.15 pence per share, including the payment of an interim dividend of 3.2 pence per share in November 2020. The total for the year is in line with the prior year. During the year, a special dividend of 50.93 pence per share was also paid following the sale of our Asia businesses. Resolution 4 seeks shareholder approval of the final dividend.

Recommendation

Your Directors believe that all of the resolutions set out in this Notice of Meeting 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 hope you and your family and friends stay safe and healthy during these unprecedented times and I would like to take this opportunity to thank you for your continued support.



John Allan CBE
Non-executive Chairman
7 May 2021

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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 27 February 2021 as set out on pages 72 to 88 of the Annual Report and Financial Statements 2021. The vote is advisory in nature and therefore no entitlement to remuneration is conditional on the passing of the resolution.

3. Directors' remuneration policy

This resolution is to approve the Directors' Remuneration Policy (the Policy) which is set out on pages 89 to 96 of the Annual Report and Financial Statements 2021, which includes a summary of the changes proposed.

The Policy will replace the policy previously approved by shareholders at the AGM on 15 June 2018. The Policy remains broadly unchanged, with the exception of two corporate governance changes set out on page 89 of the Annual Report and Financial Statements 2021, namely, Executive Directors will be required to hold 100% of their shareholding requirement for two years and that any new Executive Director will receive a maximum pension opportunity aligned with the wider workforce.

The Policy is based on principles which are applicable to all colleagues across the Group and, in particular, the principle that the reward package should support the delivery of the Group's purpose and align with, and incentivise delivery of, the strategic plan, which aims to create long-term, sustainable performance and increased shareholder value.

Once the Policy is approved, the Company may not make a remuneration payment or payment for loss of office to a person who is, or is to become, or has been a Director of the Company, unless that payment is consistent with the Policy, or has been approved by a resolution of shareholders.

The vote on the Policy is binding on the Company.

4. Final dividend

This resolution is to approve a final dividend of 5.95 pence per share for the year ended 27 February 2021. If approved, the final dividend will be paid on 2 July 2021 to all shareholders on the register of members at close of business on 21 May 2021.

5 – 17. Election and re-election of directors

Bertrand Bodson, Thierry Garnier, Imran Nawaz and Karen Whitworth will stand for election to the Board. In accordance with the Company's articles of association and the UK Corporate Governance Code, all other Directors will retire and stand for re-election, with the exception of Mark Armour, Mikael Olsson and Deanna Oppenheimer. Resolutions 5-17 (inclusive) propose their election or re-election by the Company's shareholders. Biographical details of all Directors together with the contribution that they bring to the Board are set out on pages 9 to 11 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 internal 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.

18 – 19. Reappointment of auditors and remuneration of auditors

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. Deloitte LLP was appointed at the 2015 AGM following a formal tender process.

Resolution 19 gives authority to the Audit Committee to determine the auditors' remuneration.

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 that represent 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 5 May 2021, 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 pages 5 and 6.

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 page 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 pages 6 and 7 and specifies the minimum and maximum prices at which the shares may be bought.

24. 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.

25. 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.

26. Long-Term Incentive Plan 2021

The Company's existing Performance Share Plan expires this year. This resolution seeks shareholders' approval for the Long-Term Incentive Plan 2021 for a period of ten years, on broadly similar terms to the Performance Share Plan (but with changes to take account of developments in corporate governance and practice). More information can be found in Appendix 1 on pages 16 to 18.

27. Savings-Related Share Option Scheme (2021)

The Company's existing Savings-Related Share Option Scheme expires this year. This resolution seeks shareholders' approval for the Savings-Related Share Option Scheme (2021) for a period of ten years, on broadly similar terms to the existing Savings-Related Share Option Scheme. More information can be found in Appendix 2 on page 19.

28. Articles of association

This resolution is to approve the adoption of the amended articles of association as produced to the meeting (the "New Articles") with effect from the close of the AGM. More information can be found in Appendix 3 on page 20.

Tesco PLC – Notice of meeting.

Notice is hereby given that the 2021 Annual General Meeting (the AGM) of Tesco PLC (the Company) will be held at Tesco PLC, Heart building, Shire Park, Welwyn Garden City, Herts, AL7 1TW on Friday, 25 June 2021 at 9.30am to consider and, if thought fit, pass the following resolutions. Resolutions 21, 22, 23, 25 and 28 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 27 February 2021, 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 set out on pages 72 to 88 of the Annual Report for the year ended 27 February 2021.

3. Directors' remuneration policy

To receive and to approve the Directors' remuneration policy set out on pages 89 to 96 of the Annual Report for the year ended 27 February 2021.

4. Final dividend

To declare a final dividend of 5.95 pence per share for the year ended 27 February 2021 as recommended by the Directors.

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

- | | |
|----------------------|--------------------|
| 5. John Allan | 6. Melissa Bethell |
| 7. Stewart Gilliland | 8. Steve Golsby |
| 9. Byron Grote | 10. Ken Murphy |
| 11. Simon Patterson | 12. Alison Platt |
| 13. Lindsey Pownall | |

To elect as Directors by separate resolutions each of:

- | | |
|---------------------|---------------------|
| 14. Bertrand Bodson | 15. Thierry Garnier |
| 16. Imran Nawaz | 17. Karen Whitworth |

18. 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.

19. Auditors' remuneration

To authorise the Audit Committee to determine the remuneration of the auditors.

20. Authority to allot shares

That, in place of the equivalent authority given to the Directors at the last 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:

- shares of 6 ½ pence each in the capital of the Company (Shares) 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,
- 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:

- holders of 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
- 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 5 May 2021, 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 5 May 2021, 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 5 May 2021, 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 2022. 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 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:

- 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
- 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 5 May 2021, 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 this 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 2022.

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 5 May 2021, 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.

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 2022.

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 6½ 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 773,170,782;
- (b) the minimum price, exclusive of any expenses, which may be paid for each Share is 6½ 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 equal to the higher of the price of the last independent trade of a Share and the highest current independent bid for a Share on the trading venue where the purchase is carried out; 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.

Tesco PLC – Notice of meeting continued

This resolution will authorise the Company to make market purchases of up to 773,170,782 shares, being just under 10% of the Company's issued share capital as at 5 May 2021, 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 2022. 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 5 May 2021, 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 163 million (approximately 2.1% of the Company's issued share capital and approximately 2.3% of the Company's issued share capital if the full authority proposed by this resolution 23 was used and the shares purchased were cancelled).

24. 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 27 February 2021, the Company and its subsidiaries did not incur any expenditure pursuant to equivalent authorities.

25. 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.

26. Long-Term Incentive Plan 2021

That,

- (a) the Tesco PLC Long-Term Incentive Plan 2021, 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 Appendix 1 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 Performance Share Plan expires this year and shareholder approval is now sought for the Tesco PLC Long-Term Incentive Plan 2021 (the LTIP) which will operate on broadly similar terms to the Performance Share Plan, but with amendments to take account of changes in corporate governance and practice.

Under the LTIP, share awards may be made in the form of options to acquire Tesco PLC Ordinary shares (*Shares*), conditional rights to receive Shares or a gift of free Shares forfeitable in the event that specified conditions are not met, in all cases at nil-cost (together, LTIP Awards). LTIP Awards will usually vest after a performance period which will normally be three years.

LTIP 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 Performance Share 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 Appendix 1 to this Notice.

27. Savings-Related Share Option Scheme (2021)

That,

- (a) **the Tesco PLC Savings-Related Share Option Scheme (2021), 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 Appendix 2 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 Savings-Related Share Option Scheme expires this year and shareholder approval is now sought for the Tesco PLC Savings-Related Share Option Scheme (2021) (the Savings Scheme) which will operate on broadly similar terms to the existing Savings-Related Share Option Scheme.

The Savings Scheme will provide for the grant of tax-advantaged savings-related options over shares to eligible UK employees. Any eligible employee who agrees to join the Savings Scheme will enter into an approved savings contract for a period of three or five years, in return for the grant of an option to acquire shares using the proceeds of the savings contract. The option price is set at the time the invitation to apply for an option is issued and cannot be less than 80% of the market value of a share at that 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 Savings Scheme will continue to operate within the 10% dilution limit which currently applies to the existing Savings-Related Share Option Scheme, and the Company will manage its capacity within this limit carefully.

Shareholder authority is sought to enable the Directors to add schedules to the Savings Scheme or to adopt share plans based on the Savings Scheme to enable the grant of options 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 Savings Scheme are summarised in Appendix 2 to this Notice.

28. Articles of association

That, with effect from the close of the annual general meeting of Tesco PLC convened for 25 June 2021, the articles of association be amended in the manner set out in Appendix 3 and, for the purpose of the identification, signed by the Chairman, be adopted as the articles of association of the Company in substitution for and to the exclusion of the Company's existing articles of association.

It is proposed to adopt new articles of association (*the New Articles*) principally to provide greater flexibility to the Company, as well as to make it easier for shareholders to take part in future general meetings by allowing hybrid shareholder meetings, provide for an increase in the aggregate cap on Non-executive Directors' fees and also includes some minor changes of a clarifying nature. For the avoidance of doubt, the amendments being proposed do not permit wholly virtual general meetings. The existing articles of association (*the Existing Articles*) were adopted by the Company on 23 June 2016.

The principal changes being proposed are summarised in Appendix 3 to this Notice.

A copy of the New Articles (together with a copy marked up to show the changes from the Existing Articles) will be available for inspection at www.tescopl.com/AGM2021. Should a shareholder wish to inspect a hard copy of these documents, please see Note 17 on page 15.

By order of the Board



Robert Welch
Group Company Secretary

7 May 2021

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

Board of Directors.

John Allan CBE Non-executive Chairman

Appointed March 2015

Tenure 6.1 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.

Contribution

John has extensive leadership experience and a wealth of knowledge gained across a number of business sectors, including retail. As Chairman, he has a deep understanding of governance and what is required to lead an effective Board.

External appointments

- Chairman of Barratt Developments PLC;
- Vice President of the Confederation of British Industry;
- Chair of the Council of Imperial College; and
- Member of the Advisory Group to the Money and Pensions Service Board.

Ken Murphy Group Chief Executive Officer

Appointed October 2020

Tenure 0.6 years

Skills and experience

Ken Murphy joined the Board of Tesco PLC on 1 October 2020. Prior to joining Tesco, Ken worked for Walgreens Boots Alliance Inc for over 20 years in a number of senior management roles across the business. Through his role as Executive Vice President, Chief Commercial Officer and President Global Brands at Walgreens Boots Alliance, Ken had overall responsibility for brand strategy and the commercial offer in the retail businesses of Walgreens and Boots. He previously worked for Procter & Gamble and Coopers & Lybrand (now PwC).

Contribution

Ken is a growth-orientated business leader with strong commercial, marketing and brand experience within retail and wholesale businesses. He has experience in global product brand management, product development, sales and marketing, sourcing, manufacturing and distribution.

External appointments

- Non-executive director of Hatch Beauty LLC.

Melissa Bethell Independent Non-executive Director

Appointed September 2018

Tenure 2.7 years



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.

Contribution

Melissa's extensive international corporate experience, with a focus in the financial and technology sectors, is invaluable in delivering our strategy.

External appointments

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

Stewart Gilliland Independent Non-executive Director

Appointed March 2018

Tenure 3.1 years



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 joining Tesco, he was chairman of Booker Group plc.

Contribution

Stewart has over 20 years' experience and knowledge in international marketing, logistics and business management having held a number of senior roles, predominantly in customer-centric businesses. The breadth and diversity of his experience benefit the Board.

External appointments

- Chairman of C&C Group plc;
- Non-executive director and chair of the remuneration committee of Nature's Way Foods Ltd; and
- Chairman of Curious Drinks Limited.

Steve Golsby Independent Non-executive Director

Appointed October 2016

Tenure 4.6 years



Skills and experience

Steve has a wealth of knowledge of operating internationally, specifically significant leadership experience in Asia. 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.

Contribution

Steve's extensive experience of building and developing international businesses, together with his operational experience and strong background in consumer marketing, make him a valuable member of the Board. As Chair of the Remuneration Committee, he is responsible for setting and implementing the remuneration policy.

External appointments

- Advisor to Thai Union Group PLC, a global leader in the seafood industry;
- Honorary investment advisor to the Thailand Board of Investment; and
- External advisor to Bain & Company.

Byron Grote Independent Non-executive Director



Appointed May 2015
Tenure 5.11 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 complement the balance of skills on the Board and make 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.

Contribution

Byron brings a wide range of experience and skills including finance, strategy, risk, and supply chain logistics through a variety of executive and non-executive roles. He is Chair of the Audit Committee, responsible for leading the Committee to ensure effective internal controls and risk management systems are in place across Tesco.

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.

Simon Patterson Independent Non-executive Director



Appointed April 2016
Tenure 5 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.

Contribution

Simon brings to the Board more than 20 years' experience in senior positions, predominantly in the management consultancy, technology, digital and finance sectors.

External appointments

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

Alison Platt CMG Independent Non-executive Director



Appointed April 2016
Tenure 5 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 while 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.

Contribution

Alison has gained significant business-to-business and international commercial experience from working for high-profile consumer-facing companies. Her membership of the steering group for the Hampton-Alexander Review provides strategic insights on diversity and inclusion.

External appointments

- Member of the steering group of the Hampton-Alexander Review;
- Non-executive director of Dechra Pharmaceuticals PLC;
- Non-executive director of Spectrum Wellness Holdings Limited; and
- Advisor to Hunstwood CTC Limited.

Lindsey Pownall OBE Independent Non-executive Director



Appointed April 2016
Tenure 5 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.

Contribution

Lindsey's in-depth understanding of the food retail sector and stakeholder focus, together with her wealth of experience in supply leadership and strategic development make her a valuable member of the Board. As Chair of the Corporate Responsibility Committee, she is responsible for corporate responsibility objectives and strategy.

External appointments

- Non-executive director of Story Contracting Limited and Story Contracting Holdings Limited;
- Senior Adviser of Paine Schwartz Partners, LLC; and
- Director of The Ho-So Initiative Limited.

Board of Directors continued

Imran Nawaz Chief Financial Officer Appointed on 1 May 2021

Skills and experience

Imran has broad financial, strategic and international experience gained across a number of large multinational organisations. Prior to joining Tesco, he was CFO of Tate & Lyle PLC and held a number of senior financial roles across Europe, the Middle East and Africa, with a career of over 16-years at Mondelez International and Kraft Foods. He started his career with Deloitte and Philip Morris in corporate audit.

Contribution

Imran will bring to the Board a deep experience of the global food industry with a proven track record of financial leadership as well as executive leadership experience within a listed company environment.

External appointments

- None.

Bertrand Bodson Independent Non-executive Director To be appointed on 1 June 2021



Skills and experience

Bertrand is an accomplished business executive, who has run multi-billion pound businesses, with significant experience of digital transformation, technology and the application of AI. He is chief digital officer at Novartis and was previously chief digital and marketing officer at Sainsbury's Argos, executive vice president for global digital at EMI Music and co-founder and CEO of Bragster.com. He has also held senior roles at Amazon and started his career at Boston Consulting Group.

Contribution

Bertrand will bring exceptional leadership and business expertise to the Board, as well as experience in delivering corporate transformation programmes while maintaining a focus on performance. His significant knowledge of digital and technology matters gained across a number of sectors, including retail, will further enhance the Board's oversight of these areas and the delivery of the strategy.

External appointments

- Chief digital officer, Novartis;
- Member of the Supervisory Board, Wolter Kluwer NV; and
- Non-executive director, Electrocomponents PLC (until 31 May 2021).

Thierry Garnier Independent Non-executive Director Appointed on 30 April 2021



Skills and experience

Thierry has significant retail experience both in the UK and internationally. Since 2019 he has been chief executive officer of Kingfisher plc and previously spent over 20 years at Carrefour, the French multi-national retailer. At Carrefour he held a number of senior roles, including CEO of Carrefour Asia, CEO of Carrefour International and managing director of supermarkets for Carrefour France, and was a member of the Carrefour group executive committee.

Contribution

Thierry brings extensive experience in the retail sector, with a successful track record of implementing business transformation and driving leading edge digital innovation in competitive and rapidly changing retail environments.

External appointments

- Chief executive officer of Kingfisher plc.

Karen Whitworth Independent Non-executive Director To be appointed on 18 June 2021



Skills and experience

Karen has significant retail, strategic and financial experience gained through a number of commercial, operational and governance roles. Karen was previously a supervisory board member and member of the audit committee at GS1 UK Limited. She spent over 10 years at J Sainsbury plc, latterly as a member of the commercial board and director of Non-Food Grocery and New Business. Prior to joining J Sainsbury in 2007, she was Finance Director at online entertainment business BGS Holdings Limited and held a number of senior roles at Intercontinental Hotels Group Plc. Her early career was spent at Coopers & Lybrand (now PwC), where she qualified as a Chartered Accountant.

Contribution

Karen will bring a wealth of experience and extensive knowledge of the retail sector, in particular logistics and supply chain, finance and risk, to the Board.

External appointments

- Non-executive director of Pets at Home Group plc (until 20 May 2021);
- Non-executive director of The Rank Group plc;
- Non-executive director of Tritax Big Box REIT plc; and
- Independent adviser to GrowUp Urban Farms Limited.

Board Committee key.

- Nominations and Governance Committee
- Audit Committee
- Remuneration Committee
- Corporate Responsibility Committee
- Chair of Committee
- Independent Board member

How to join us.

Virtual Shareholder Event – 18 June 2021

Join us for a live Virtual Shareholder Event at 2.00pm on Friday, 18 June 2021 to hear presentations from the Chairman, John Allan, and the Group Chief Executive, Ken Murphy, on the performance and activities of Tesco during the past year. Following these presentations, shareholders will have the opportunity to ask questions on the business of the meeting to Board members.

To access the Virtual Shareholder Event, visit <https://web.lumiagm.com>. You can access using your smartphone, tablet or computer browser. Please ensure your chosen device has the latest version of an internet browser such as Chrome, Internet Explorer 11, Edge or Firefox.

Once you have accessed the Lumi Shareholder Event website, you will be asked to enter the Meeting ID, which is **194-727-931**, followed by your Shareholder Reference Number (**SRN**) and PIN both of which can be found on your Proxy Form or voting email from Equiniti. You can also contact Equiniti for these details. Access will be available 60 minutes before the scheduled start time and once logged in, you will be able to submit your question. An active internet connection will be required at all times to watch or listen and to submit questions at the Virtual Shareholder Event. Further details of how to join can be found in our Shareholder Event Guide.

You may also submit a question in advance of the Virtual Shareholder Event. Please email your question to shareholderquestions@tesco.com by 2.00pm on Wednesday, 16 June 2021. Questions submitted in advance which are of common interest will be published on the Company's website at www.tescopl.com/AGM2021 and will be available on the website until Friday, 16 July 2021. A recording of the Virtual Shareholder Event will also be available on the Company's website until Friday, 16 July 2021. Please note that any questions submitted in advance or during the Virtual Shareholder Event should only relate to the business of the AGM. Any questions concerning the event details or your own shareholding should be directed to Equiniti.

Voting ahead of the AGM

Your votes are important to us and we would strongly encourage you to submit your voting instructions as early as possible.

You can submit your voting instructions electronically at www.sharevote.co.uk, where you will need your Voting ID, Task ID and Shareholder Reference Number.

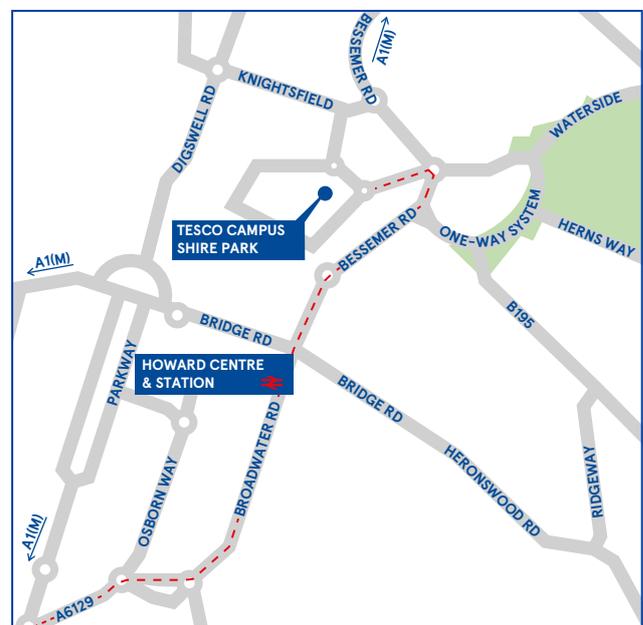
Alternatively, you can submit your voting instructions using a Proxy Form. In order to retain flexibility given the current situation, we recommend appointing the "Chair of the Meeting" as your proxy. Please note the deadline for submitting proxies will be 9.30am on Wednesday, 23 June 2021.

For details on how you can submit your proxy instructions, please refer to the Notes on page 14 and 15.

AGM – 25 June 2021 at Tesco PLC, Heart building, Shire Park, Welwyn Garden City, Herts, AL7 1TW

Due to the restrictions on public gatherings at the date of writing, we would strongly encourage shareholders not to attend the AGM which will take place on Friday, 25 June 2021 at 9.30am in the Heart building of our Welwyn Garden City campus. Instead we would recommend shareholders access the Virtual Shareholder Event on Friday, 18 June 2021 at 2.00pm, as detailed above.

The AGM will deal only with the formal business of the meeting and to ensure the health and safety of our shareholders, colleagues and AGM support staff, as well as the public, no refreshments, food demonstrations, transport facilities to the Heart building or Clubcard vouchers for attending the meeting will be available to shareholders. Guests will also not be permitted to attend.



Virtual Shareholder Event Guide.

Friday, 18 June 2021 – 2.00pm

This year we are holding our first Virtual Shareholder Event to allow shareholders to hear presentations from the Chairman, John Allan, and the Group Chief Executive, Ken Murphy, on the performance and activities of Tesco during the past year. Following these presentations, shareholders will have the opportunity to ask questions on the business of the meeting to Board members.

The event can be accessed using most well known internet browsers such as Edge, Chrome, Firefox and Safari on a smartphone, tablet or PC. An active internet connection will be required at all times to watch or listen and to submit questions at the Virtual Shareholder Event.

To join us:

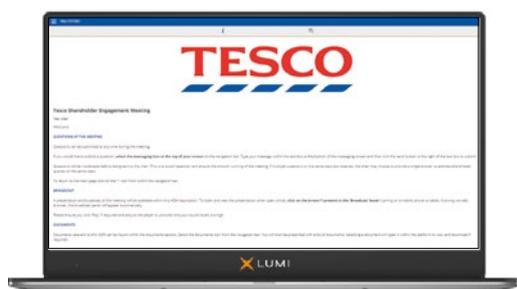
1. Visit <https://web.lumiagm.com>

Go to the Lumi AGM website and you will be prompted to enter the Meeting ID 194-727-931.



2. Enter your Shareholder Reference Number (SRN) and PIN

Your can find these details on your Proxy Form or voting email.



3. Event starts

Once logged in you will be taken to the home screen. The broadcast will start at 2.00pm.



To view the meeting presentation, expand the "Broadcast Panel", located at the bottom of your device. If viewing through a browser, it will appear automatically.

This can be minimised by pressing the same button.

Access will be available 60 minutes before the scheduled start time and once logged in, you will be able to submit your question.

Submitting questions



If you would like to ask a question, select the messaging icon.

Type your question within the chat box at the bottom of the messaging screen. Once finished, press the 'send' icon to the right of the message box to submit your question. Questions will be answered after the presentations.

You can also submit a question in advance of the Virtual Shareholder Event. Please email your question to shareholderquestions@tesco.com by 2.00pm on Wednesday, 16 June 2021. Questions submitted in advance which are of common interest will be published on the Company's website at www.tescopl.com/AGM2021 and will be available on the website until Friday, 16 July 2021. A recording of the Virtual Shareholder Event will also be available on the Company's website until Friday, 16 July 2021. Please note that any questions submitted in advance or during the Virtual Shareholder Event should only relate to the business of the AGM. Any questions concerning the event details or your own shareholding should be directed to Equiniti.

Help

If you encounter any problems during the meeting, please refer to the user guide in the document tab.

If you have any questions about the event, or if you cannot find your log in details printed on your Proxy Form or voting email, please contact Equiniti on the details below.

Contact our Registrar



Web

www.shareview.co.uk



Telephone

0371 384 2977* from within the UK
+44 121 415 7053 from outside the UK



Postal address

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

* Lines are open 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales). Calls from a landline are charged at national rates, calls from a mobile device may incur network extras. Equiniti may record calls to both numbers for security purposes and to monitor the quality of its services.

Notes.

1. Virtual Shareholder Event

The Virtual Shareholder Event will be held at 2.00pm on Friday, 18 June 2021. To access the Virtual Shareholder Event, visit <https://web.lumiagm.com>. You can access using your smartphone, tablet or computer browser. Please ensure your chosen device has the latest version of an internet browser such as Chrome, Internet Explorer 11, Edge or Firefox.

Once you have accessed the Lumi Shareholder Event website, you will be asked to enter the Meeting ID, which is 194-727-931, followed by your Shareholder Reference Number (SRN) and PIN both of which can be found on your Proxy Form or voting email from Equiniti. You can also contact Equiniti for these details. If you hold your shares through a nominee account, please contact Equiniti by no later than 2.00pm on Wednesday, 16 June 2021 to request the necessary log in details.

Access will be available 60 minutes before the scheduled start time and once logged in, you will be able to submit your question.

If you are not able to attend the Virtual Shareholder Event, but still wish to ask the Board a question, or you would like to submit a question in advance please email shareholderquestions@tesco.com by 2.00pm on Wednesday, 16 June 2021. Questions submitted in advance which are of common interest will be published on the Company's website at www.tescopl.com/AGM2021 and will be available on the website until Friday, 16 July 2021. A recording of the Virtual Shareholder Event will also be available on the Company's website until Friday, 16 July 2021.

Any questions submitted that are not relevant to the business of the AGM will be forwarded for the attention of the relevant executive or the Registrar. Any questions concerning the event details or your own shareholding should be directed to Equiniti.

An active internet connection will be required at all times to watch or listen and to submit questions at the Virtual Shareholder Event. Remaining connected to the meeting depends on the strength of your internet connection. Tesco is therefore not able to guarantee your access will be constant. It is your responsibility to ensure connectivity for the duration of the meeting.

2. Eligibility to vote at the AGM

Only persons entered in the Register of Members of the Company at 6.30pm on Wednesday, 23 June 2021 or, in the event that the AGM is adjourned, 6.30pm on the date which is two working days prior to the reconvened AGM, shall be entitled to vote at the AGM. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to vote at the AGM or adjourned AGM. Voting on the resolutions will be by way of a poll. Although those on the register at 6.30pm on the relevant date would ordinarily be invited to attend the AGM, due the restrictions on public gatherings at the date of writing, we would strongly encourage shareholders not to attend the AGM and to instead participate in the Virtual Shareholder Event, as detailed above, and to vote by proxy on the resolutions set out in this Notice as early as possible. Please see Note 1 for more information about the Virtual Shareholder Event and how to ask a question.

3. Appointment of proxies

As we recommend that shareholders do not attend the AGM and instead participate in the Virtual Shareholder Event and vote by proxy, in order to retain flexibility given the current situation, we recommend appointing the "Chair of the Meeting" to vote on your behalf. This person is called your proxy. Your proxy does not need to be a shareholder of the Company. Details of how to appoint the Chair of the Meeting or another person as your proxy are set out on the Proxy Form.

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 AGM, provided that each proxy is appointed to exercise the rights attaching to different shares held by you. If you are appointing more than one proxy, you should indicate the number of shares for which each proxy is authorised to act on your holding. Failure to specify the number of shares to which each Proxy Form relates or specifying a number which, when taken together with the number of shares set out in the other proxy appointments, is in excess of the number of shares held by the member may result in the proxy appointment being invalid.

4. Appointment of proxies using hard copy Proxy Forms

To appoint a proxy using the hard copy Proxy Form, you should complete and return your Proxy Form to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, to arrive no later than 9.30am on Wednesday, 23 June 2021, being the specified time which is not less than 48 hours before the appointed time of the AGM (excluding any part of a day that is not a working day). Please note that voting online is quicker and more secure than paper voting. We encourage all shareholders to vote by proxy as soon as possible.

5. Appointment of proxies electronically

You may, if you wish, register the appointment of a proxy or proxies, or voting instructions for the meeting electronically by logging on to www.sharevote.co.uk. You will need to use 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 9.30am on Wednesday, 23 June 2021. Please note that any electronic communication sent to the Company or the Registrar that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the AGM is governed by Equiniti Limited's conditions of use set out on the website, www.sharevote.co.uk, and may be read by logging on to that site.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

6. Attending in person after voting by proxy

Submitting a Proxy Form in advance does not legally prevent you from attending and voting at the AGM in person. However, we recommend that shareholders do not attend the AGM and instead participate in the Virtual Shareholder Event.

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 Friday, 25 June 2021 and any adjournment(s) thereof by using the procedures described in the CREST Manual. These procedures are available via 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). 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 9.30am on Wednesday, 23 June 2021. 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. Appointment of proxy by joint shareholders

In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first-named being the most senior).

12. 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.

13. 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 on page 14 does not apply to Nominated Persons. The rights described to appoint proxies can only be exercised by registered holders of Ordinary shares.

14. 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.

15. Asking questions at the AGM

Please note that the Company must answer any question relating to the business being dealt with at the AGM but no such answer need be given if:

- to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of the Company or good order of the meeting that the question be answered.

16. 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/AGM2021.

17. Documents for inspection

The following documents are, under normal circumstances, available for inspection during normal business hours at the Company's registered office, Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, on any business day from the date of this Notice and will be available for inspection at the place of the AGM from 9.15am on the day of the AGM until the conclusion of the AGM:

- (a) copies of the Executive Directors' service contracts with the Company;
- (b) copies of Non-executive Directors' letters of appointment;
- (c) a copy of the rules of the Tesco PLC Long-Term Incentive Plan 2021;
- (d) a copy of the rules of the Tesco PLC Savings-Related Share Option Scheme (2021); and
- (e) the proposed New Articles and the Existing Articles marked up to show the proposed changes.

Should a shareholder wish to inspect any of these documents, please submit a request to shareholderquestions@tesco.com.

Additionally, the rules of the Tesco PLC Long-Term Incentive Plan 2021, Tesco PLC Savings-Related Share Option Scheme (2021), the proposed New Articles and the Existing Articles marked up to show the proposed changes are available on our website at www.tescopl.com/AGM2021.

18. Issued share capital and total voting rights

As at 5 May 2021 (being the latest practicable date prior to the publication of this document), the Company's issued share capital consisted of 7,731,707,820 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 5 May 2021 were 7,731,707,820.

Appendices.

Appendix 1

Summary of the principal terms of the Tesco PLC Long-Term Incentive Plan 2021 (the “LTIP”)

The main features of the LTIP are as follows: The LTIP has been designed to be materially similar to the Company’s existing Performance Share Plan (which was approved by shareholders in July 2011 and which is due to expire in July 2021). Appropriate changes have been made to the LTIP rules to bring them in line with prevailing best practice.

The LTIP will enable executive directors of the Company (Executive Directors) and selected employees of the Company and its Group to be granted awards (LTIP Awards) in respect of Ordinary shares in the capital of the Company.

LTIP Awards are not transferable (except on death) and are not pensionable benefits.

The operation of the LTIP will be overseen by the Remuneration Committee of the board of directors of the Company (the Remuneration Committee), which consists entirely of independent Non-executive Directors.

No payment shall be required for the grant of an LTIP Award.

No LTIP Awards may be granted more than 10 years after approval of the LTIP by shareholders.

Eligibility

All employees of the Group (including Executive Directors) are eligible to participate in the LTIP and receive LTIP Awards at the discretion of the Remuneration Committee.

Types of LTIP Awards

LTIP Awards will not ordinarily be capable of vesting until the third anniversary of their grant date, except in exceptional circumstances such as corporate events (see below), and ordinarily will be subject to continued employment and the attainment of performance conditions which will determine the extent to which such LTIP Awards shall be capable of vesting.

LTIP Awards may be structured as conditional awards of shares, options to acquire shares (at nil cost), a gift of free shares forfeitable in the event that specified conditions are not met, or such other form that has a substantially similar purpose or effect (e.g. cash-based awards of an equivalent value to a share-based Award). The form of Award will be determined by the Remuneration Committee.

Timing of grant of LTIP Awards

LTIP Awards may be granted in the 42 days following approval of the LTIP by the Company in general meeting. Thereafter, LTIP Awards will normally be granted within a period of 42 days after the dealing day following the announcement of the Company’s results for any period, or the commencement of the relevant employee’s employment with the Group. LTIP Awards may be granted at other times if the Remuneration Committee sees fit in exceptional circumstances.

If regulatory or statutory restrictions prevent LTIP Awards from being granted in these periods, LTIP Awards may be made in the 42-day period immediately after the removal of all such restrictions.

Size of LTIP Awards

The maximum number of shares that may be awarded to a participant in the form of LTIP Awards in any financial year will be limited so that the market value of such shares on the award date will not exceed 350% of the participant’s base salary or any other

limit that is specified under the Company’s prevailing shareholder-approved Directors’ remuneration policy in force at the time that the Award is granted.

Market value for the purposes of the above limit shall generally be taken to be either the market value of shares on the dealing day immediately preceding the date on which the relevant LTIP Award is granted or by reference to a short averaging period as determined by the Remuneration Committee.

Dilution limits

LTIP Awards may be satisfied by newly issued shares, shares purchased in the market or by the transfer of treasury shares.

No LTIP Award may be granted if it would cause the number of new shares issued or issuable pursuant to awards and options granted in the preceding 10 years under any Group share plan (including the LTIP) to exceed 10% of the Company’s issued ordinary share capital at the proposed date of grant.

A similar 5% in 10 years limit applies to awards granted under any Group discretionary share plan.

As is typical, if LTIP Awards are specified as being capable of being satisfied by a transfer of existing shares only (including shares purchased by the Company’s International Employee Benefit Trust), the percentage limits stated above will not apply.

For so long as it is required by institutional investor guidelines, these dilution limits will also apply to LTIP Awards satisfied by the transfer of treasury shares.

Vesting of LTIP Awards and performance conditions

LTIP Awards will not ordinarily be capable of vesting until the third anniversary of their grant date, except in exceptional circumstances such as corporate events (see below).

LTIP Awards will normally be subject to performance conditions which will determine the extent to which such LTIP shall be capable of vesting.

Performance conditions will be set by the Remuneration Committee and, in the case of Executive Directors, will be consistent with the Company’s prevailing shareholder-approved Directors’ remuneration policy. Performance conditions will ordinarily be measured over a period of three financial years. The Committee will ensure that performance conditions are both sufficiently stretching and challenging.

Details of the performance conditions applicable to LTIP Awards granted to Executive Directors will be fully disclosed in the Company’s Annual Report and Financial Statements which are prepared for the year in which the relevant LTIP Awards were granted and will at all times be subject to the Company’s prevailing shareholder-approved Directors’ remuneration policy.

The Remuneration Committee may vary the performance conditions applying to existing LTIP Awards if the Remuneration Committee reasonably considers it would be appropriate to do so, provided that the amended performance condition will continue to achieve its original purpose.

Appendix 1 continued

Exercise periods (applicable only to options)

Where LTIP Awards are granted in the form of options to acquire shares, once vested such options will remain exercisable up until the tenth anniversary of their grant date (or such shorter period that the Remuneration Committee specifies on grant).

Shorter exercise periods apply in the case of LTIP Awards held by “good leavers” and/or vesting of LTIP Awards in connection with corporate events.

Adjustment of vesting outcome of LTIP Awards

Irrespective of the extent to which any performance condition applicable to an LTIP Award has been met, the Remuneration Committee retains discretion to adjust the extent of vesting that would otherwise result under the LTIP rules and any performance conditions.

Such discretion would only be used where the Remuneration Committee considers that the extent of vesting but for any adjustment would not produce an appropriate vesting outcome, taking into account overall performance of the participant, the Company or any member of the Group, or because the vesting outcome is inappropriate in the context of circumstances that were unexpected or unforeseen at the grant date or the start of any applicable performance period.

Leaving employment

If a participant ceases to be employed within the Group, their unvested LTIP Awards will normally lapse on the date that notice of termination of employment is given or received or on termination of employment if no notice is given or received.

However, if a participant ceases to be employed with the Group due to their: (i) death; (ii) ill-health, injury or disability; (iii) retirement (by agreement with the company which employs the participant); (iv) the sale of the member of the Group which is the participant’s employer company or undertaking for which they work out of the Group; or (v) in any other circumstances at the Remuneration Committee’s discretion, then the participant will be treated as a “good leaver”, in which case their LTIP Award(s) shall vest subject to:

- the extent to which the performance conditions (if any) applicable to the LTIP Award(s) have, in the opinion of the Remuneration Committee, been satisfied over the original performance period; and
- a time pro-rata apportionment of the number of shares under the LTIP Award(s).

LTIP Awards held by good leavers will normally vest on their normal vesting timetable unless the Remuneration Committee determines that any such LTIP Awards held by good leavers shall vest at an earlier date (although it is anticipated that the Remuneration Committee would not ordinarily permit early vesting of LTIP Awards for good leavers).

In a good leaver scenario, the Remuneration Committee will retain discretion to vary the application of time pro-rating and increase the number of shares which vest (although this may not result in the number of shares which vest being higher than the number of shares which may vest by reference to application of the performance conditions).

If a participant is treated as a good leaver due to their retirement and, prior to an LTIP Award vesting or being exercised, the Remuneration Committee becomes aware that the participant has become employed by, or is providing their services to, another person or entity, the Remuneration Committee may determine at its discretion that the LTIP Award will lapse, to the extent determined by the Remuneration Committee.

If a participant ceases employment in any other circumstances, all unvested LTIP Awards will normally lapse, unless the Remuneration Committee determines otherwise.

Corporate events

In the event of: (i) a takeover of the Company; (ii) a scheme of arrangement (not being an internal corporate re-organisation); (iii) a winding-up of the Company; or (iv) (at the discretion of the Remuneration Committee) a demerger, unvested LTIP Awards shall vest immediately subject to:

- the extent to which the Remuneration Committee considers that the performance conditions have been satisfied on such reasonable basis as the Remuneration Committee decides (taking into account such factors as the Committee considers appropriate including, but not limited to, forecasted performance over the full length of the performance period); and
- a time pro rata apportionment of the number of shares under the LTIP Award.

Where there is a takeover or other corporate event, the Remuneration Committee will retain discretion to vary the application of time pro-rating and increase the number of shares which vest (although this may not result in the number of shares which vest being higher than the number of shares which may vest by reference to application of the performance conditions).

Alternatively, on the occurrence of a takeover or a scheme of arrangement the Remuneration Committee may specify that LTIP Awards shall not vest on the occurrence of such event and instead participants shall be required to ‘roll-over’ their awards into equivalent new awards over shares in a new holding company.

LTIP Awards will be automatically ‘rolled-over’ on the occurrence of an internal reorganisation.

Variations of share capital

In the event of any variation of share capital, demerger or other corporate event the Remuneration Committee may (at its discretion) make such adjustments as they consider appropriate to the number of shares, nominal value, class and any option price relating to LTIP Awards.

Post-vesting holding period

Executive Directors (and such other participants as the Remuneration Committee determines) will ordinarily be required to retain any of their vested shares (after any sales have been made to fund any tax liabilities arising on vesting or exercise) acquired under the LTIP until the fifth anniversary of the grant date of the relevant LTIP Award.

The Remuneration Committee may allow participants who are subject to the post-vesting holding period to sell, transfer, assign or dispose of some or all of those shares prior to the end of the post-vesting holding period, although it is not anticipated that the Remuneration Committee will do so.

Post-cessation holding period

Executive Directors (and such other participants as the Remuneration Committee determines) will ordinarily be required to retain a number of shares that vest in connection with any LTIP Award until at least the second anniversary of the date of their cessation of employment with the Group. The number of shares that are required to be retained shall be determined by the Remuneration Committee at the time that the LTIP Award vests.

The details of the post-cessation holding period, including the number of shares that an individual is required to retain post-cessation of their employment, will be set out in the Company's shareholder-approved Directors' Remuneration Policy.

The Remuneration Committee may allow participants who are subject to the post-cessation holding period to sell, transfer, assign or dispose of some or all of those shares prior to the end of the post-cessation holding period, although it is not anticipated that the Remuneration Committee will do so.

Malus and clawback

All LTIP Awards are subject to malus and clawback provisions which apply if at any point prior to the fifth anniversary of the date on which an LTIP Award was granted:

- it is discovered that there has been a material misstatement of the Company, any Group Member or business unit's financial results for any period;
- the participant has contributed to serious reputational damage to the Company, any Group Member or business unit;
- the participant has committed fraud, serious misconduct, a breach of the Company's Code of Business Conduct, or material wrongdoing;
- it is discovered that there is an underlying incorrect figure in the accounts of any Group Member which has (or other information has come to light which, had it been considered at the time, would have) affected the determination of the value of an LTIP Award and/or the extent to which the LTIP Award Vested; or
- it is discovered there is any error or miscalculation in respect of the value of an LTIP Award, or the Vesting of an LTIP Award, which has resulted in an incorrect value to be delivered or to have been delivered (whether in cash or Shares) to a Participant.

Any application of malus and clawback may be satisfied by way of a reduction in the amount of any future bonus, subsisting award or future share awards and/or a requirement to return any vested shares acquired under an LTIP Award and/or make a cash payment.

Rights attaching to shares

LTIP Awards will not confer any shareholder rights, such as the right to vote the shares or to receive any dividend, until a participant has received the shares after vesting or exercise (as applicable).

Shares allotted or transferred under the LTIP will rank alongside shares of the same class then in issue. The Company will apply to the FCA for the listing of any newly issued shares.

Dividend equivalent payments

The Remuneration Committee may determine that a participant is entitled to receive a payment (in cash or shares) when they receive their vested shares of an amount equivalent to any dividends that

would have been payable in relation to the vested shares between the date of grant and the vesting date of the LTIP Award (or if later, and only while an LTIP Award which is structured as an option remains unexercised in respect of the vested shares, the option exercise date).

Any dividend equivalent payment may exclude the amount of any special dividends at the discretion of the Remuneration Committee.

Amendments

The Remuneration Committee may amend the LTIP at any time at its discretion.

However, the provisions governing: (i) eligibility requirements; (ii) equity dilution; (iii) the individual limits on participation of the LTIP; (iv) the basis for determining participants' rights to acquire shares; and (v) the adjustments that may be made following a rights issue or any other variation of capital, cannot be altered to the advantage of participants without the prior approval of the Company's shareholders in general meeting.

There is an exception for minor amendments to benefit the administration of the LTIP, to take account of a change in legislation affecting the LTIP or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the LTIP or for any member of the Group or the Participant.

This summary does not form part of the rules of the LTIP 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 AGM to make such amendments and additions to the rules of the LTIP as they consider appropriate provided that such amendments do not conflict in any material respect with this summary.

Appendix 2

Summary of the principal terms of the Tesco PLC Savings-Related Share Option Scheme (2021) (the “Savings Scheme”)

General

The Savings Scheme is intended to be a tax-advantaged Schedule 3 SAYE option scheme for the purposes of UK tax legislation.

All eligible UK employees must be invited to participate in the Savings Scheme. Employees who agree to join and to make monthly savings will be granted options to acquire shares (“Options”) on the terms summarised below.

Options are not transferable (except on death) and are not pensionable benefits. Options may be satisfied by newly issued shares, shares purchased in the market or by the transfer of treasury shares.

The operation of the Savings Scheme will be overseen by the Remuneration Committee of the Company.

Eligibility

Any UK-based employee (including any full-time Executive Director) of the Company or participating subsidiary who has been employed for a qualifying period of such length as the Directors of the Company may determine from time to time (but not exceeding five years) is eligible to participate in the Savings Scheme. The Board has discretion to offer participation to other employees.

Issue of invitations

Invitations to apply for Options will normally be issued within a period of 42 days after the dealing day following the announcement of the Company’s results for any period. Invitations may be issued at other times if the Directors of the Company see fit in exceptional circumstances. No payment will be required for the grant of an Option. No Options may be granted more than 10 years after approval of the Savings Scheme by shareholders.

Option price

The price per share at which Shares may be acquired upon exercise of an Option is determined by the Directors of the Company before the relevant Options are granted. The price per share must not be less than 80% of the market value of a share when invitations are issued to eligible employees.

Monthly savings

Any employee who applies for an Option under the Savings Scheme must enter into a HMRC approved “save as you earn” contract (the “Savings Contract”). The employee agrees to enter a Savings Contract for a period of three or five years and make monthly savings contributions of a fixed amount, currently of not less than £5 or not more than £500, over three or five years. The employee may elect to apply the proceeds of the Savings Contract to exercise the Option and acquire Shares. Alternatively, the employee may choose to withdraw the proceeds of the Savings Contract. A participant may also withdraw the proceeds of the Savings Contract earlier, but if they do so before the Option is exercisable, the Option will lapse.

Exercise of Options

Options under the Savings Scheme will normally be exercisable only during the period of six months from the end of the Savings Contract.

Leaving employment

Early exercise of Options is permitted following death or cessation of employment by reason of injury, disability, redundancy, retirement, a TUPE business transfer, the employer company of a participant ceasing to be an “associated company”, cessation of employment more than three years from grant of an Option, or where the business or part of the business which employs the participant is transferred to a company outside the Group. In such

cases, Options may be exercised within six months of leaving to the extent that the funds then available in the employee’s Savings Contract permit. In the case of death, personal representatives may normally exercise the Option at any time within twelve months of the date of death. Except in the cases noted above, Options will lapse on cessation of employment.

Corporate events

Early exercise of Options is permitted in the event of a takeover, reconstruction or voluntary winding-up of the Company. Alternatively, participants may be offered the opportunity to release their Options in consideration of the grant of options over shares in the acquiring company or its parent company.

Dilution limit

Options may be granted over unissued or existing shares. The number of new shares issued or remaining capable of being issued pursuant to Options and all of the Company’s other employee share schemes (including executive share schemes), in any period of ten years, will not exceed 10% of the Company’s ordinary share capital in issue from time to time. If Options are to be satisfied by a transfer of existing shares, this percentage limit will not apply. Insofar as it is necessary to ensure compliance with the guidelines issued from time to time by institutional investors, the percentage limit will apply to awards satisfied by the transfer of treasury shares.

Rights attaching to shares

Shares allotted or transferred under the Savings Scheme will rank alongside shares of the same class then in issue. The Company will apply to the FCA for the listing of any newly issued shares.

Variation of share capital

If there is a variation in the share capital of the Company, the Directors of the Company may make such adjustments as they consider appropriate to: (a) the number, amount or description of shares subject to any Option; (b) the option price payable upon the exercise of any Option; and/or (c) the acquisition cost of shares that have not been allotted or transferred following exercise of an Option, provided that the market value and option price must be substantially the same before and after the variation in capital.

Alteration of the Savings Scheme

The Directors of the Company may amend the Savings Scheme in any respect. However, the provisions governing eligibility requirements, equity dilution, individual participation limits, the basis for determining the rights of participants to acquire shares and the adjustments that may be made following a rights issue or any other variation of capital cannot be altered to the advantage of existing or new participants without the prior approval of the Company’s shareholders in general meeting.

There is an exception for amendments which are necessary to comply with the requirements of the tax legislation governing the Savings Scheme, minor amendments to benefit the administration of the Savings Scheme, and amendments to take account of a change in legislation affecting the Savings Scheme or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the Savings Scheme or for any member of the Company’s group or associated companies.

This summary does not form part of the rules of the Savings Scheme 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 Savings Scheme as they consider appropriate provided that such amendments do not conflict in any material respect with this summary.

Appendix 3

Summary of the main proposed changes to the current articles of association

Shareholder Meetings

To provide greater flexibility to the Company, as well as to make it easier for shareholders (including those based overseas) to take part in future general meetings, the New Articles permit the Company to hold a combined physical and electronic shareholder meeting (a hybrid meeting).

This provides the Company with greater flexibility to determine the means of attendance at, and participation in, each general meeting, including whether shareholders shall be entitled to simultaneously attend and participate at a general meeting by means of electronic facility or facilities, in addition to attendance and participation at a physical place or places.

This allows shareholders to attend and participate in a general meeting either in person or virtually by electronic means. Consequential changes to facilitate this amendment have been made throughout the New Articles, including amendments to the interpretation provisions regarding attendance and participation at general meetings such as providing poll voting as the default mechanism for voting at a hybrid meeting given a show of hands would not be possible for those participating electronically.

In addition we have included provisions permitting the Board to make any arrangement or restriction considered appropriate to ensure the security or health and safety of a general meeting with respect to both the physical place at which it is held, and the electronic facilities used in connection with holding a general meeting. This is in line with practices adopted by other large listed companies in recent years.

It is also proposed to replace the requirement to place notices in at least two national newspapers if a general meeting is postponed to reduce the procedural burden on the Company with respect to general meetings. It is proposed to replace this with a requirement for the Board to take reasonable steps to advertise the details of the postponed general meeting, which may include advertising on the Company's website or an announcement to a Regulatory Information Service.

Amending the Non-executive Directors' aggregate fee cap

It is proposed that the aggregate cap on Non-executive Directors' fees in the Current Articles (currently £2m) be increased to £3m to ensure sufficient headroom. The current fee cap has been in place since 2008.

Untraced Shareholders

It is proposed that certain updates are made to the provisions relating to the forfeiture and sale of shares held by untraced shareholders by enabling such shareholders to make a claim for the proceeds of the sale within a two year period following the sale, after which the Company would be no longer be obliged to account for the proceeds of sale.

No changes are proposed to the period for which dividends must have been unclaimed in order for a shareholder to be treated as an untraced shareholder, which remains twelve years.

It is also proposed to expand the category of untraced shareholders to those to whom documents are posted to their registered address but are returned with a notification that such shareholder is no longer present at the registered address. This is proposed in order to reduce the risk of shareholder documents being sent incorrectly when a shareholder has not yet updated the Company or its registrar of their current registered address.

Share certificates

To reflect the Company's established practice and as noted on the Company's website, the New Articles provide that share certificates are sent by the Company or its registrar at the shareholders own risk.

Dividends

It is proposed that greater flexibility be provided to the Board to decide on the method of payment of dividends to shareholders. This would allow the Board to agree on the method or combination of methods of payment to be used. The amendments are in line with emerging market practice and would benefit shareholders by encouraging the secure and prompt payments of dividends.

General

Generally, the opportunity has been taken to reflect recent developments in market practice and to bring clarity to the language in the New Articles where appropriate such as reflecting differences in provisions when shares are held in either certificated or uncertificated form.

Shareholder information.

Managing your shares and shareholder communication

The Company's share register is maintained by our Registrar, Equiniti.

Shareholders can manage their holdings online or elect to receive shareholder documentation in electronic form by setting up a Shareview portfolio at www.shareview.co.uk. Some benefits of having a Shareview portfolio include:

- receiving the latest shareholder communications electronically;
- voting online for the resolutions at the AGM, and any other shareholder meetings;
- managing all your shareholdings in one place;
- buying and selling shares instantly online with the share dealing service; and
- easily updating your contact details.

For more information and to register for this service, please visit www.shareview.co.uk. Registration can be completed in just four easy steps and you will need your Shareholder Reference Number.

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. Once you have signed up, you will receive an email to let you know when shareholder documents become available on our website, including our annual financial results, notices of shareholder meetings and other shareholder documents.

Tesco Share Account

The Tesco Share Account (TSA) is a free service available to Tesco shareholders which allows you to hold your Tesco shares electronically. Your shares are held in the name of Equiniti Corporate Nominees Limited and held on your behalf on a private register. Holding your shares electronically removes the need to hold paper share certificates, making dealing quicker and more secure. You will also receive preferential dealing rates through the TSA.

The TSA is a sponsored nominee service operated for Tesco by Equiniti Financial Services Limited (Equiniti Financial), authorised and regulated by the Financial Conduct Authority (FCA). When you join the TSA, you remain the beneficial owner of your shares and continue to have the right to receive shareholder communications, vote at general meetings and to receive any dividends paid on your shares.

For further information or to join the TSA, please contact Equiniti.

Annual General Meeting (AGM)

A copy of the Notice of Meeting can be found on our website at www.tescopl.com/investors.

Dividend

An interim dividend of 3.20 pence per Ordinary share was paid on 27 November 2020 and a special dividend of 50.93 pence per Ordinary share was paid on 26 February 2021. Shareholders will be asked to approve a final dividend of 5.95 pence per Ordinary share for the year ended 27 February 2021 at this year's AGM. If approved, this will be paid on 2 July 2021 to all shareholders on the Register of Members at the close of business on 21 May 2021.

You can save time and receive your dividends faster and securely by electing to have them paid directly into your bank or building society account. You may also choose to have your dividends reinvested in further Tesco shares through our dividend reinvestment plan (DRIP) (terms and conditions apply).

For more information or to change your dividend payment instructions contact Equiniti or register online at www.shareview.co.uk.

Share consolidation

In order to maintain the comparability of the Company's share price before and after the special dividend, a share consolidation was approved at a General Meeting held on 11 February 2021. Shareholders received 15 new Ordinary shares of 6 ½ pence each for every existing 19 Ordinary shares of 5 pence each. For more information please visit the Shareholder meetings archive page on our website.

Share dealing service

Equiniti offers telephone, postal and internet services for dealing in Tesco PLC shares. Dealing fees vary between brokers and you are recommended to check that you are being charged the most competitive rate. You will need your Shareholder Reference Number as shown on your share certificate.

For further information please visit www.shareview.co.uk/dealing or call 0345 603 7037, lines open between 8.00am and 4.30pm, Monday to Friday (excluding UK public holidays).

Shareholder security

In recent years, Tesco PLC has become aware that its shareholders (and holders of other Tesco securities) have received unsolicited phone calls or correspondence concerning investment matters. These callers can be very persistent and extremely persuasive and often have professional websites and telephone numbers to support their activities. These callers will sometimes imply connection to Tesco and provide incorrect or misleading information. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

Always check that any firm contacting you about potential investment opportunities is authorised by the FCA. You can find out more about protecting yourself from investment scams by visiting the FCA's website at www.fca.org.uk/consumers, or by calling the FCA's consumer helpline on 0800 111 6768.

Useful contacts

Tesco PLC registered office:

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Calls are charged at national rates.
Calls from a mobile device may incur network extras.

Website www.equiniti.co.uk

Group Company Secretary

Robert Welch

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