

## OFFERING CIRCULAR



**TESCO PLC**

*(incorporated with limited liability in England with registered number 00445790)*

**TESCO CORPORATE TREASURY SERVICES PLC**

*(incorporated with limited liability in England with registered number 08629715)*

**TESCO CORPORATE TREASURY SERVICES EUROPE DAC**

*(incorporated with limited liability in Ireland with registered number 697759)*

**£15,000,000,000**

**Euro Note Programme**

*unconditionally and irrevocably guaranteed in the case of Notes issued by Tesco Corporate Treasury Services PLC or Tesco Corporate Treasury Services Europe DAC by Tesco PLC*

Under this £15,000,000,000 Euro Note Programme, Tesco PLC ("Tesco"), Tesco Corporate Treasury Services PLC ("TCTS") and Tesco Corporate Treasury Services Europe DAC ("TCTSE") and, together with Tesco and TCTS, the "Issuers" and each an "Issuer") may, from time to time, issue notes (the "Notes") denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined on page 3). The payment of all amounts due in respect of the Notes (as defined below) issued by TCTS or TCTSE under the Programme (the "Guaranteed Notes") will be unconditionally and irrevocably guaranteed by Tesco (in such capacity, the "Guarantor"). This Offering Circular (the "Offering Circular") supersedes all previous offering circulars issued in connection with the Programme with respect to Notes issued under the Programme on or after the date of this Offering Circular. This does not affect any Notes already in issue.

**An investment in Notes issued under the Programme involves certain risks.** For a description of these risks, see "Risk Factors" below.

This Offering Circular has been approved as a base prospectus by the Financial Conduct Authority (the "FCA"), as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") (the "UK Prospectus Regulation"). The FCA only approves this Offering Circular as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuers or the Guarantor that are the subject of this Offering Circular or of the quality of the Notes that is the subject of this Offering Circular. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to the FCA for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the FCA (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's main market.

References in this Offering Circular to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's main market and have been admitted to the Official List. The London Stock Exchange's main market is a UK regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA ("UK MiFIR").

This Offering Circular (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the United Kingdom. The obligation to supplement this Offering Circular in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Offering Circular is no longer valid.

The requirement to publish a prospectus under the Financial Services and Markets Act 2000 ("FSMA") only applies to Notes which are to be admitted to trading on a UK regulated market as defined in UK MiFIR and/or offered to the public in the United Kingdom other than in circumstances where an exemption is available under section 86 of the FSMA. References in this Offering Circular to "Exempt Notes" are to Notes for which no prospectus is required to be published under the UK Prospectus Regulation. The FCA has neither approved nor reviewed information contained in this Offering Circular in connection with Exempt Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "Terms and Conditions of the Notes" on page 61) of Notes will (other than in the case of Exempt Notes, as defined above) be set forth in a final terms document (the "Final Terms") which will be delivered to the FCA and, where listed, to the London Stock Exchange on or before the date of issue of the Notes of such Tranche or such later date as the FCA and the London Stock Exchange may agree. Copies of Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service and will be available from the registered office of the relevant Issuer and the specified office of each of the Paying Agents (as defined on page 61). In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the "Pricing Supplement"). Copies of Pricing Supplements in relation to Exempt Notes will only be obtainable by a holder of such Notes and such holder must produce evidence satisfactory to the relevant Issuer or, as the case may be, the relevant Paying Agent as to its holding of such Notes and identity.

The Programme provides that Exempt Notes may be admitted to trading on such other or further stock exchanges or markets (provided that such exchange or market is not a UK regulated market for the purposes of UK MiFIR) as may be agreed between the relevant Issuer, (in the case of Guaranteed Notes) the Guarantor and the relevant Dealer. The relevant Issuer may also issue unlisted Exempt Notes and/or Exempt Notes not admitted to trading on any market.

The Programme has been rated BBB- (senior unsecured) F3 (short-term IDR) by Fitch Ratings Limited ("Fitch"), (P) Baa3 (senior unsecured) / (P) P-3 (short-term) by Moody's Investors Service Limited ("Moody's") and BBB- by S&P Global Ratings UK Limited ("S&P"). In addition, Tesco has a long-term issuer default rating of BBB- (stable outlook) and a short-term issuer default rating of F3 by Fitch, a long-term issuer rating of Baa3 (stable outlook) and a short-term issuer rating of P-3 by Moody's and a long-term issuer rating of BBB- (stable outlook) and a short-term issuer rating of A-3 by S&P.

Each of Fitch, Moody's and S&P is established in the United Kingdom and is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "UK CRA Regulation"). Each of Fitch, Moody's and S&P is not established in the European Economic Area (the "EEA") and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "EU CRA Regulation"). The ratings issued by each of Fitch, Moody's and S&P have been endorsed by Fitch Ratings Ireland Limited ("Fitch Europe"), Moody's Deutschland GmbH ("Moody's Europe") and S&P Global Ratings Europe Limited ("S&P Europe"), respectively, in accordance with the EU CRA Regulation. Each of Fitch Europe, Moody's Europe and S&P Europe is established in the EEA and registered under the EU CRA Regulation. As such, each of Fitch Europe, Moody's Europe and S&P Europe is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the EU CRA Regulation.

Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms (or Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the rating assigned to the Programme by Moody's, S&P and Fitch. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating agency.

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**Arranger**  
**CITIGROUP**

**Dealers**

**BARCLAYS  
CITIGROUP  
HSBC  
MUFG**

**LLOYDS BANK CORPORATE MARKETS  
WERTPAPIERHANDELSBANK**

**RABOBANK**

**SANTANDER CORPORATE & INVESTMENT BANKING**

**STANDARD CHARTERED BANK**

**BNP PARIBAS  
GOLDMAN SACHS INTERNATIONAL  
IMI – INTESA SANPAOLO  
LLOYDS BANK CORPORATE MARKETS**

**NATWEST MARKETS**

**RBC CAPITAL MARKETS**

**SMBC NIKKO**

The date of this Offering Circular is 11 October, 2021.

## IMPORTANT INFORMATION

This Offering Circular comprises a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 8 of the UK Prospectus Regulation. When used in this Offering Circular, (i) “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); and (ii) “EU Prospectus Regulation” means Regulation (EU) 2017/1129. This Offering Circular is not a base prospectus for the purposes of the EU Prospectus Regulation.

The Notes may be issued on a continuing basis to one or more of the Dealers specified on page 9 and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a “Dealer” and together the “Dealers”). References in this Offering Circular to the “relevant Dealer” shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

The Notes of each Tranche will initially be represented by a temporary global Note which will be deposited on the issue date thereof with a common safekeeper or common depository for Clearstream Banking S.A. (“Clearstream, Luxembourg”) and Euroclear Bank SA/NV (“Euroclear”) and/or any other agreed clearing system and which will be exchangeable, as specified in the applicable Final Terms or the applicable Pricing Supplement (in the case of Exempt Notes), for either a permanent global Note or Notes in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. A permanent global Note will be exchangeable for Notes in definitive form upon request (unless otherwise specified in the applicable Final Terms or the applicable Pricing Supplement (in the case of Exempt Notes)), all as further described in “*Form of the Notes*” below.

The relevant Issuer and (in the case of Guaranteed Notes) the Guarantor may agree with any Dealer and the Trustee (as defined on page 61) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event, other than where such Notes are Exempt Notes, a new Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes. In the case of Exempt Notes, the relevant provisions will be included in the applicable Pricing Supplement.

Each Issuer and the Guarantor accepts responsibility for the information contained in this Offering Circular and the Final Terms and Pricing Supplements, as the case may be, for each Tranche of Notes issued under the Programme. To the best of the knowledge of each of the Issuers and the Guarantor the information contained in this Offering Circular is in accordance with the facts and the Offering Circular makes no omission likely to affect its import.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*” below). This Offering Circular shall be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular.

Other than in relation to the documents which are deemed to be incorporated by reference (see “*Documents Incorporated by Reference*” below), the information on the websites to which this Offering Circular refers does not form part of this Offering Circular and has not been scrutinised or approved by the FCA.

Save for the Issuers, no other party has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Dealer, the Arranger or the Trustee as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor in connection with the Programme or the Notes or their distribution. The statements made in this paragraph are made without prejudice to the responsibilities of the relevant Issuer and (in the case of Guaranteed Notes) the Guarantor under the Programme. No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any Issuer, the Guarantor, any Dealer, the Arranger or the Trustee.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or as constituting an invitation or offer by any of the Issuers, the Guarantor, any Dealer, the Arranger or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and/or (in the case of Guaranteed Notes) the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor or any of the Dealers or the Arranger or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall at any time imply that the information contained herein concerning any of the Issuers and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as at any time subsequent to the date indicated in the document containing the same. The Dealers, the Arranger and the Trustee expressly do not undertake to review the financial condition or affairs of any of the Issuers or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. When deciding whether or not to purchase Notes of any Tranche, investors should review, *inter alia*, the documents incorporated by reference into this Offering Circular and any supplement to this Offering Circular (including the Final Terms, or Pricing Supplement, as the case may be, relating to such Tranche, but not including any other Final Terms or Pricing Supplement).

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. Each of the Issuers, the Guarantor, the Dealers, the Arranger and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of the Issuers, the Guarantor, the Dealers, the Arranger or the Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations, and the Dealers have represented or, as the case may be, will be required to represent that all offers and sales by them will be made on the same terms. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States of America, the EEA (including Belgium and Ireland), the United Kingdom, Singapore and Japan (see "*Subscription and Sale*" below).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and are subject to certain U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "*Subscription and Sale*" below).

If a jurisdiction requires that any offering of Notes be made by a licensed broker or dealer and the Dealers or any parent company or affiliate of the Dealers is a licensed broker or dealer in that jurisdiction and so agrees, such offering shall be deemed to be made by the Dealers or such parent company or affiliate on behalf of the relevant Issuer in such jurisdiction.

#### **PROVISIONS APPLICABLE TO TCTSE**

An investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland (the "Central Bank"). TCTSE is not and will not be regulated by the Central Bank as a result of issuing any Notes.

Where TCTSE wishes to issue Notes with a maturity of less than one year, it shall do so in full compliance with the conditions set out in Notice BSD C01/02 issued by the Central Bank dated 12 November 2002 and in accordance with an exemption granted by the Central Bank under Section 8(2) of the Central Bank Act, 1971, inserted by Section 31 of the Central Bank Act, 1989, as amended by Section 70(d) of the Central Bank Act, 1997 each amended by the Central Bank and Financial Services Authority of Ireland Act 2004. Such Notes will constitute "commercial paper" for the purposes of that exemption and will be issued and transferable in minimum amounts of €125,000 (or the foreign currency equivalent).

#### **IMPORTANT - EEA RETAIL INVESTORS**

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive (EU) 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "EU PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

#### **IMPORTANT – UNITED KINGDOM RETAIL INVESTORS**

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to United Kingdom Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

#### **MIFID II PRODUCT GOVERNANCE AND TARGET MARKET**

The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

#### **UK MiFIR PRODUCT GOVERNANCE AND TARGET MARKET**

The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

## SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;
- (iv) thoroughly understands the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The maximum aggregate nominal amount of all Notes outstanding at any one time under the Programme will not exceed £15,000,000,000 (and for this purpose, any Notes denominated in a currency other than Sterling shall be converted into Sterling in accordance with the provisions of the Dealer Agreement (as such term is defined under "Subscription and Sale" below)). The maximum aggregate nominal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

All references in this Offering Circular to "Sterling" and "£" refer to the currency of the United Kingdom, to "U.S. dollars", "U.S.\$" and "\$" refer to the currency of the United States of America, to "KRW" refer to the currency of South Korea, and to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## STABILISATION

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (the "Stabilisation Manager(s)") (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

## BENCHMARKS REGULATION

Amounts payable on Floating Rate Notes issued under the Programme may be calculated by reference to EURIBOR. As at the date of this Offering Circular, European Money Markets Institute is included in

the FCA's register of administrators under Article 36 of Regulation (EU) No. 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "UK Benchmarks Regulation").

**NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT  
(CHAPTER 289) OF SINGAPORE (the "SFA")**

Unless otherwise stated in the applicable Final Terms, or the applicable Pricing Supplement, in the case of Exempt Notes, all Notes issued or to be issued under the Programme shall be "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the "MAS") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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## OVERVIEW OF THE PROGRAMME

***The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). The relevant Issuer and (in the case of Guaranteed Notes) the Guarantor and any relevant Dealer and the Trustee may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of Notes other than Exempt Notes and, if appropriate, a supplement to the Offering Circular or a new Offering Circular will be published.***

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980 as it forms part of domestic law by virtue of the EUWA.

*Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” below shall have the same meanings in this Overview.*

Issuers:	Tesco PLC (“Tesco”) Tesco Corporate Treasury Services PLC (“TCTS”) Tesco Corporate Treasury Services Europe DAC (“TCTSE”)
Issuer Legal Entity Identifier (LEI):	Tesco PLC: 2138002P5RNKC5W2JZ46 TCTS: 21380018AJDKNF3A6712 TCTSE: 213800ESTST91B3U3P50
Guarantor:	Tesco PLC (in respect of Guaranteed Notes)
Risk Factors:	There are certain factors that may affect the relevant Issuer’s ability to fulfil its obligations under Notes issued under the Programme or (in the case of Guaranteed Notes) the Guarantor’s ability to fulfil its obligations under the Guarantee and the Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under “Risk Factors”.
Description:	Euro Note Programme
Arranger:	Citigroup Global Markets Limited
Dealers:	Banco Santander, S.A. Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Coöperatieve Rabobank U.A. Goldman Sachs International HSBC Bank plc Intesa Sanpaolo S.p.A. Lloyds Bank Corporate Markets plc Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH MUFG Securities EMEA plc MUFG Securities (Europe) N.V. NatWest Markets Plc RBC Europe Limited SMBC Nikko Capital Markets Europe GmbH SMBC Nikko Capital Markets Limited Standard Chartered Bank

The Issuers and the Guarantor may, from time to time, terminate the appointment of any Dealer under the Programme or appoint Dealers either in relation to the Programme as a whole or in

	relation to specific issues under the Programme.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”).
Trustee:	Royal Exchange Trust Company Limited
Issuing and Principal Paying Agent:	HSBC Bank plc
Size:	Up to £15,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis in accordance with the terms of the Dealer Agreement.
Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the relevant Issuer, (in the case of Guaranteed Notes) the Guarantor and the relevant Dealer (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement).
Maturities:	Such maturities as may be agreed between the relevant Issuer and the relevant Dealer and as indicated in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.  At the date of this Offering Circular, the minimum maturity of all Notes is one month.  Notes having a maturity of less than one year from their date of issue will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of investment professionals and have a denomination of at least £100,000 or its equivalent (see “ <i>Subscription and Sale</i> ” on pages 107 to 111).  Unless otherwise permitted by then current laws and regulations, Notes issued by TCTSE which have a maturity of less than one year may constitute deposits for the purposes of determining the requirement for a person to hold an appropriate banking licence under the Central Bank Act 1971 (as amended) of Ireland unless certain criteria are met including, <i>inter alia</i> , that such Notes are issued and transferrable in minimum denominations of €125,000 (or its equivalent in other currencies).
Issue Price:	Notes may be issued on a fully-paid or, in the case of Exempt Notes, a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	Each Tranche of Notes will be in bearer form and will initially be represented by a temporary global Note. If the Global Notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), the temporary global Note will be

delivered on the original issue date of the Tranche to a common safekeeper (the “Common Safekeeper”) for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”); and if the global Notes are not intended to be issued in NGN form, the temporary global Note will be delivered on the original issue date of the Tranche to a common depository (the “Common Depository”) for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and be exchangeable, upon request, as described therein for either a permanent global Note or definitive Notes (as indicated in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms) in each case not earlier than 40 days after the Issue Date upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms will specify that a permanent global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days’ notice or (ii) is exchangeable (in whole but not in part) for definitive Notes only upon the occurrence of an Exchange Event, as described in “*Form of the Notes*” below. Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of Clearstream, Luxembourg, Euroclear and/or any other agreed clearing system, as appropriate.

Fixed Rate Notes:

Interest on Fixed Rate Notes will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) and on redemption, and will be calculated on the basis of such Fixed Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

- (i) on the same basis as the floating rate under an interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (ii) on the basis of the reference rate set out in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement).

The Margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Floating Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

ESG Notes:

Fixed Rate Notes and Floating Rate Notes may be subject to a Step Up Option if the applicable Final Terms (or, in the case of

Exempt Notes, the applicable Pricing Supplement) indicates that the Step Up Option is applicable. Such Notes will be “ESG Notes”.

For any Series of ESG Notes, the Initial Rate of Interest or the Initial Margin, as applicable, will be as specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). For any Interest Period commencing on or after the first Interest Payment Date immediately following the occurrence of a Step Up Event, if any, the Initial Rate of Interest or the Initial Margin (as applicable) shall be increased by the relevant Step Up Margin specified in the applicable Final Terms (or applicable Pricing Supplement).

A Step Up Event is linked to the failure of the relevant Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor to achieve certain sustainability performance targets in relation to (i) food waste or (ii) greenhouse gas emissions, as specified in the applicable Final Terms (or applicable Pricing Supplement), or (in either case) the failure of the relevant Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor to report on such key performance indicators. An increase in the Rate of Interest or Margin (as applicable) may occur no more than once in respect of the relevant Step Up Event. See Condition 4(e).

Exempt Notes:

The relevant Issuer may issue Exempt Notes which are Index Linked Notes, Dual Currency Notes, Partly Paid Notes or Notes redeemable in one or more instalments.

**Index Linked Notes:** Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer may agree.

**Dual Currency Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree.

**Partly Paid Notes:** The relevant Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the relevant Issuer and the relevant Dealer may agree.

**Notes redeemable in instalments:** The relevant Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the relevant Issuer and the relevant Dealer may agree.

The relevant Issuer and (in the case of Guaranteed Notes) the Guarantor may agree with any Dealer and the Trustee that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Benchmark Discontinuation:

In the case of Floating Rate Notes, if a Benchmark Event occurs, then the relevant Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which, an Alternative Rate and, in either case, the applicable Adjustment Spread and any Benchmark Amendments, as further described in Condition 4(d).

Redemption:

The applicable Final Terms relating to each Tranche of Notes (or,

in the case of Exempt Notes, the applicable Pricing Supplement) will indicate either that the relevant Notes of such Tranche cannot be redeemed prior to their stated maturity (other than, in the case of Exempt Notes, in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.

In addition, if Restructuring Event Put is specified as applicable in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), the Notes may be redeemed before their stated maturity at the option of the Noteholders in the circumstances described in Condition 6(d)(ii).

Notes having a maturity of less than one year from their date of issue are subject to restrictions on their distribution and denomination (see “*Maturities*” above).

Denomination of Notes:	Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer and as indicated in the applicable Final Terms save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (see “ <i>Maturities</i> ” above) and save that the minimum denomination of each Note (other than an Exempt Note issued by Tesco and TCTS) will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Taxation:	All payments in respect of Notes will be made without deduction for or on account of withholding taxes imposed within any Tax Jurisdiction, subject as provided in Condition 7. In the event that any such deduction is required, the relevant Issuer or, as the case may be, the Guarantor (in the case of Guaranteed Notes) will, save in the circumstances provided in Condition 7, be required to pay additional amounts to cover the amount so deducted.
Negative Pledge:	The Terms and Conditions of the Notes contain a negative pledge provision as described in Condition 3.
Cross Default:	The Terms and Conditions of the Notes contain a cross-default provision as described in Condition 9.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the relevant Issuer and will rank <i>pari passu</i> among themselves and (save for certain debts preferred by law) equally with all other present and future unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.
Guarantee:	Only Notes issued by TCTS or TCTSE will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under its guarantee will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) will rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.
Substitution:	In the case of Guaranteed Notes, the terms of the Notes permit

the Trustee and the relevant Issuer to agree to the substitution of the relevant Issuer, without the consent of Noteholders, for any new holding company or Subsidiary of Tesco as principal debtor under the Notes, subject to satisfaction of the conditions described in Condition 17 and the Trust Deed.

- Rating: The Programme has been rated BBB- (senior unsecured) / F3 (short-term IDR) by Fitch, (P) Baa3 (senior unsecured) / (P) P-3 (short-term) by Moody's and BBB- by S&P. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating agency.
- Listing: Application has been made for Notes issued under the Programme to be listed on the London Stock Exchange.
- Exempt Notes may also be admitted to trading on such other or further stock exchanges or markets as may be agreed between the relevant Issuer, (in the case of Guaranteed Notes) the Guarantor and the relevant Dealer in relation to each Series (provided that such exchange or market is not a UK regulated market for the purposes of UK MiFIR).
- Exempt Notes which are neither listed nor admitted to trading on any market may be issued (but see "*Taxation*" for certain important taxation implications of such Notes).
- The applicable Final Terms relating to each Tranche of Notes will state when the relevant Notes are to be listed and admitted to trading.
- The applicable Pricing Supplement (in the case of Exempt Notes) relating to each Tranche of Exempt Notes will state whether or not the relevant Notes are to be admitted to trading and, if so, on which stock exchanges and/or markets (provided that such exchange or market is not a UK regulated market for the purposes of UK MiFIR).
- Governing Law: The Programme documentation (including the Notes) and any non-contractual obligations arising out of or in connection with the Programme documentation will be governed by, and shall be construed in accordance with, English law.
- Selling Restrictions: There are restrictions on the offer, sale and transfer of the Notes in the United States of America, the EEA (including Belgium and Ireland), the United Kingdom, Singapore and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes; see "*Subscription and Sale*" on pages 107 to 111.
- United States Selling Restrictions: Regulation S, Category 2. TEFRA D/TEFRA not applicable, as specified in the applicable Final Terms (or the applicable Pricing Supplement, in the case of Exempt Notes).

## RISK FACTORS

*In purchasing Notes, investors assume the risk that the relevant Issuer and (in the case of Guaranteed Notes) the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Notes, and the Guarantee, as applicable. There is a wide range of factors which individually or together could result in the relevant Issuer and (in the case of Guaranteed Notes) the Guarantor becoming unable to make all payments due in respect of the Notes, and the Guarantee, as applicable. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuers and the Guarantor may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the relevant Issuer's and the Guarantor's control. The Issuers and the Guarantor have identified in this Offering Circular a number of factors which could materially adversely affect their businesses and ability to make payments due under the Notes. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.*

### **FACTORS THAT MAY AFFECT TCTS AND TCTSE'S ABILITY TO FULFIL THEIR RESPECTIVE OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME**

*TCTS is, and TCTSE has been newly established to act as, a finance vehicle for members of the Group, its joint ventures and associates*

TCTS is, and TCTSE has been newly established to act as, a finance vehicle for Tesco and its subsidiaries (the "Group"), the Group's joint ventures and associates. The purpose of each of TCTS and TCTSE is to raise funds to on-lend to other members of the Group, its joint ventures and associates. TCTS's assets are, and TCTSE's assets are expected to be, made up of each relevant member of the Group's, or the relevant joint venture's or associate's, obligation to repay such funds to TCTS or TCTSE as applicable. Proceeds from Notes issued by TCTS or TCTSE under the Programme will be on-lent to other members of the Group, its joint ventures and associates, and the ability of each of TCTS and TCTSE, as applicable, to fulfil its payment obligations under the Notes will depend upon payments made to each of TCTS and TCTSE by other relevant members of the Group, its joint ventures and associates in respect of loans made to them by TCTS or TCTSE, as applicable. Therefore, each of TCTS and TCTSE is subject to all risks to which the Group is subject, to the extent that such risks could limit each relevant member of the Group's ability to satisfy its obligations in full and on a timely basis, as well as its own risks independent of the Group. These risks are: (i) funding and liquidity risks; (ii) interest rate risk; (iii) foreign exchange rate risk; and (iv) risk of default by parties to financial transactions. See "*Risk Factors – Factors that may affect Tesco's ability to fulfil its obligations under Notes issued under the Programme and (in the case of Guaranteed Notes) the Guarantee*" below for a further description of certain of these risks.

### **FACTORS THAT MAY AFFECT TESCO'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME AND (IN THE CASE OF GUARANTEED NOTES) THE GUARANTEE**

#### **Economic and Financial Risks**

*A failure to adequately adapt to the United Kingdom's new trading relationship with the European Union, and how it may develop as further agreements are reached or political decisions made, could lead to disruption to the Group's business, increased costs and may lead to potential staff and supply shortages, adverse currency impacts and increased regulatory burden*

On 23 June, 2016, a majority of voters in the United Kingdom elected in a national referendum to withdraw from the European Union. Following Royal Assent of the European Union (Withdrawal Agreement) Act 2020 (the "Withdrawal Agreement") in the United Kingdom and ratification of the Withdrawal Agreement by the European Parliament, the United Kingdom left the European Union on 31 January, 2020 (commonly referred to as "Brexit"). Under the Withdrawal Agreement, the transition period expired on 31 December, 2020. The new Trade and Cooperation Agreement ("TCA") between

the United Kingdom and the European Union came into effect from 1 January, 2021, setting out the conditions for tariff-free trading with the European Union. While the TCA removed the uncertainty of a “no-deal” Brexit, uncertainty remains around the full effect of Brexit, how the TCA will be implemented and how the trading relationship between the United Kingdom and the European Union, as well as specific provisions for Northern Ireland, will develop.

Under the TCA, the Group’s business has been impacted by more cumbersome border controls, goods inspection and customs documentation requirements, which could lead to delays to the Group’s logistics supply and distribution operations and result in the cost of doing business being materially affected if not passed on, in whole or in part, to consumers, caterers and retailers in the form of price increases (which may influence customer spending decisions and priorities and adversely impact the relative competitive position of the Group).

Additionally, the principle of free movement of people which granted European Union nationals the automatic right to live and work in the United Kingdom, has come to an end. Primary producers and suppliers to the Group have tended to employ a significant number of European Union nationals and Brexit could see the number of people employed by primary producers and suppliers to the Group continue to decline. This could have a material and adverse effect on its business, results of operations, financial condition and prospects.

The Group continues to assess and monitor the impacts of Brexit, and is taking appropriate mitigation measures to address challenges including logistics, resourcing and supply with oversight by the Group’s Brexit Governance Group. The Group will continue to work closely with the United Kingdom government, regulatory bodies and industry on implementing the TCA and sharing data and analysis to inform policymaking.

However, it remains difficult to judge fully the impact of Brexit and any failure to adapt to the United Kingdom’s new trading relationship with the European Union, and how it may develop as further agreements are reached or political decisions made could lead to increased costs, potential staff and supply shortages, adverse currency impacts and increased regulatory burdens and could adversely affect the Group’s business, results of operations, financial condition and prospects.

#### *The Group’s operations are exposed to COVID-19 risks*

The outbreak at the start of 2020 and subsequent global spread of the COVID-19 pandemic has had and continues to have a significant and prolonged impact on global economic conditions, disrupting elements of the Group’s supply chain (including its supplier base, specifically regarding business closures and consolidation, labour shortages, raw material supply issues and potential cost inflation), has increased employee absenteeism due to illness and self-isolation and has adversely impacted the Group’s operations. Governments and public bodies in affected countries have introduced and continue to introduce emergency public measures such as travel bans, quarantines, and public lockdowns (also impacting the Group’s mall operations). These measures have, to varying degrees, been relaxed and reintroduced as COVID-19 transmission subsided, before increasing again, with new variants adding to the speed of transmission. This has resulted in further uncertainty and pressure on the Group’s supply chain, operations (including Tesco Personal Finance PLC (“Tesco Bank”) due to any economic downturn), colleagues and the Group’s ‘go to market’ propositions. The safety and well-being of Tesco colleagues and customers has been and continues to be the Group’s overriding priority and the Group’s teams continue to work tirelessly to implement specific actions to minimise disruption faced by its customers in these challenging times. Business continuity and crisis management plans have been mobilised across the Group and additional measures have been implemented including increasing retail store colleague headcount (with re-deployment of staff where possible), securing additional supply chain capacity to meet changes in demand (including measures to prevent customer stockpiling), implementing changes to stores (including hours, additional security, hygiene and social distancing measures) and extending support to colleagues and customers at increased risk. Vaccines have been developed and are being rolled out with significant coverage in the Group’s core United Kingdom market, but uncertainty remains as to whether recent lockdowns and the vaccination programme are sufficient to bring the pandemic under control and allow normal life to return and, if so, when. It is also unclear how the pandemic will have changed the environment in which the Group operates and the choices customers make. The Group Executive Committee is monitoring events closely with regular Tesco Board of Directors’ oversight, to evaluate the impact on the Group (including

financial viability and long-term going concern) and overseeing design of appropriate response strategies aimed to address evolving situations.

Whilst the full impact of the ongoing COVID-19 crisis remains impossible to predict with a high degree of certainty, to the extent the worldwide economy continues to be impacted and does not rebound quickly, this could continue to adversely impact the Group's operations and put additional pressures on its supply chain.

All of the above could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

*An adverse change in macroeconomic conditions, whether domestically or internationally, may adversely affect consumer confidence, consumer spending decisions, relative competitive position and the cost of doing business*

As the great majority of the Group's revenues are generated from retailing and associated activities in the United Kingdom and the Republic of Ireland ("ROI"), the Group's business, results of operations, financial condition and prospects are, and will continue to be, particularly affected by the COVID-19 pandemic, "Brexit", and prevailing economic conditions (including higher inflation, higher interest rates, declining access to credit, lower or stagnating wages, increasing unemployment, weakness in housing and real estate markets, changes in government fiscal or tax policies, removal of subsidies, reduced public spending or credit crises affecting disposable incomes, increases in fuel prices, a loss of consumer confidence and a change in customer spending preferences) in the United Kingdom and the ROI but also (to a lesser extent given the relative sizes of the businesses in those jurisdictions) the other jurisdictions in which the Group carries on its businesses. The cost of doing business could also be materially affected as a result of, amongst other things, the increasing costs of, or volatility in the cost of, raw materials or commodities, including foods, petroleum, electricity and other fuels, adverse exchange rate movements, cost increases being passed along supply chains by primary producers and suppliers and associated increases in administrative costs, each of which must be absorbed by the Group (with a resultant increase in its cost of sales) if not passed on, in whole or in part, to consumers, caterers and retailers in the form of price increases (which may influence customer spending decisions and priorities and adversely impact the Group's relative competitive position). Any combination of these adverse changes to general economic conditions or the cost of doing business could have a material and adverse effect on the Group's business results of operations, financial condition and prospects.

*Uncertainties (including the COVID-19 pandemic, "Brexit" and changes in macroeconomic conditions described above) put pressure on customers' budgets and may force them to reappraise the concepts of value and brand loyalty in a way in which the Group is unable to respond*

The Group will continue to assess and monitor the potential risks of Brexit and its impacts on its customers. The needs of customers are intrinsic to the Group's value, price, promotions and Clubcard strategies, and drive the Group's business priorities. The Group undertakes customer insight analysis (by regularly tracking its business, and that of its competitors, against measures that customers tell it are important to their shopping experience) to improve its customer propositions by understanding and leveraging trends around customer behaviour, expectations, and experience.

The Group continues to monitor and manage the impact of the global economic conditions resulting from the COVID-19 pandemic on its operations, the safety and wellbeing of colleagues and customers being its overriding priority. The ongoing challenges posed by the COVID-19 pandemic, including structural changes in how customers shop, costs incurred by the Group and the potential macroeconomic consequences of rising unemployment are considered both in the formulation of the Group's strategic plan, and in the longer-term assessment of the Group's prospects. The Group has leveraged its strong supplier relationships and distribution capability to maintain good levels of availability for customers. In connection with Tesco Bank, performance is sensitive to the speed of the economic recovery. The Group will continue to monitor impacts to banking activity levels.

However, uncertainties (including the COVID-19 pandemic, "Brexit" and changes in macroeconomic conditions) impact the Group's customers' budgets and may force them to reappraise the concepts of value and brand loyalty in a way in which the Group is unable to respond. In this climate, a failure to ensure that the Group is competitive on price, range, supply and service (as well as developing its online and other formats to compete in different markets) could lead to a loss of market share and a fall

in revenues as customer purchases are made with competitors, and/or the Group being unable to build and sustain customer loyalty. Any of these factors could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and adapting to changes brought about by the COVID-19 pandemic, which, together with any future pandemics in its markets and the environment in which it operates may adversely affect the Group's competitiveness and financial results.

*Financial performance, cash liquidity or the ability to fund operations may be impacted if the Group's business performance does not deliver the levels of expected cash generation or if there are any other failures in operational liquidity and currency risk management*

Weaker than anticipated business performance and cash generation could reduce the Group's free cash flow generation below expectations over the longer term, that is, in the period beyond the date that is 12 months from the date of this Offering Circular. If this occurs and access to sufficient financial resources is restricted or is only available on commercially unacceptable or disadvantageous terms (including as a result of events beyond its control such as interest rate movements, exchange rate volatility, restrictions on access to funding markets or facilities, defaults by counterparties to financial transactions and other events or market dislocations which may result from turbulence in the financial markets and the prevailing conditions of the global economic environment from time to time resulting in market liquidity no longer being available to the Group on terms equivalent to the investment grade terms which, in current market conditions, the Group currently is able to obtain), it could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects. In addition, if failures in operational liquidity or currency risk management occur, unforeseen liabilities arise (such as an adverse change in the pension deficit funding requirements) or additional funding is required by Tesco Bank, it could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects. In relation to the Group's defined benefit pension scheme, though the prospect of having to make further pension deficit contributions in the future has been significantly reduced (see further – “Description of Tesco PLC – Strategy”), an adverse change in the pension deficit funding requirements may still arise and create calls on cash that are higher than expected, which could have a material adverse effect on the Group's business.

Any combination of the above factors could limit the Group's ability in the longer term to access the funding needed to support its operations generally or on commercially unacceptable terms which could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

*The Group is exposed to fluctuations in foreign currency exchange rates*

The Group prepares its financial statements in pounds sterling. With products sourced and revenues generated in multiple currencies the Group's results of operations will be exposed to risks associated with foreign currency movements which may have an impact on its reported results. Translation exposure arises from changes in the value of assets and liabilities denominated in currencies other than the reporting currency of the Group, which could have a negative effect on the Group's results of operations and financial condition. Transactional exposure arises from the cost of future purchases of goods for resale, where those purchases are denominated in a currency other than the functional currency of the purchasing company. To the extent there is a mismatch between pound sterling denominated revenues and foreign currency denominated costs and any additional costs (including those that are incurred by suppliers and passed on to Group) are not passed on, in whole or in part, to consumers, caterers and retailers (which may influence customer spending decisions and priorities and adversely impact its relative competitive position) this could have a negative effect on the Group's results of operations and financial condition.

*A failure to maintain the Group's credit rating may impact the Group's ability to access capital markets and the cost of borrowing in those markets*

The Group currently has a long-term issuer rating of Baa3 with a stable outlook and a short-term issuer rating of P3 from Moody's, a long-term issuer rating of BBB- and a short-term issuer rating of A-3 with a stable outlook from S&P and a long-term issuer rating of BBB- (stable outlook) and a short-term issuer rating of F3 from Fitch. The Group's ability to access capital markets, and the cost of borrowing in those markets, is dependent on its credit ratings. The rating agencies may review their ratings for possible downgrades including in circumstances where there has been a deterioration in the Group's financial

position. Any downgrades would likely increase the Group's cost of capital, potentially limiting its access to sources of financing which could have a negative and adverse impact upon the Group's business and financial results.

*Tesco is the holding company of the Group*

As the holding company of the Group, Tesco conducts all of its operations through its subsidiaries and is dependent on the financial performance of its subsidiaries and payments of dividends and inter-company cash-flows (both advances and repayments) from these subsidiaries to meet its debt obligations, including its ability to fulfil its obligations under the Notes issued under the Programme and (in the case of Guaranteed Notes) the Guarantee. Generally, creditors of a subsidiary, including trade creditors, secured creditors and creditors holding indebtedness and guarantees issued by the subsidiary, and preferred shareholders (if any) of the subsidiary, will be entitled to the assets of that subsidiary before any of those assets can be distributed to its shareholders upon its liquidation or winding up. Tesco's subsidiaries may have other liabilities, including contingent liabilities, which could be substantial. Since Noteholders are not creditors to such subsidiaries, their claims to the assets of the subsidiaries that generate Tesco's income are subordinated to the creditors of such subsidiaries.

### **Business Execution and Supply Chain Risk**

*If the Group fails to deliver an effective, coherent and consistent strategy to respond to competitors and changes in market conditions it may lose market share and fail to improve and/or experience declining profitability*

The Group faces the ongoing challenge of a changing competitive landscape and price pressure across its markets from a diverse range of retailers and wholesalers who operate different models and formats through a variety of physical, digital and integrated distribution channels and who offer a range of distinct product propositions from the premium to the value end of the market. The United Kingdom grocery industry, in particular, is highly competitive (including competition from United Kingdom retailers as well as from international operations in the United Kingdom and in the form of budget retailers who offer certain food and retailing products and services on a low cost model basis, premium retailers and online entrants). Whilst the Group regularly develops and challenges its strategic direction in order to enhance its ability to remain competitive on price, range and service, including developing multiple formats (including online channels) to compete in different markets and engaging in market scanning and competitor analysis to refine its customer proposition, if the Group fails to deliver an effective, coherent and consistent strategy to respond to competitors and broader market changes or fails to adapt to technological developments to improve the customer experience as effectively as its competitors, it may lose market share and fail to improve and/or experience declining profitability which could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

*The Group may fail to achieve its Transformation Programmes and/or the Group may fail to achieve other business strategy objectives*

The Group has multiple Transformation Programmes in place designed to improve the shopping experience for Group customers, simplify the Group's business, increase the overall level of risk management maturity, control environment maturity and improve consistency across the Group, clarify accountability and reduce costs so as to enable its businesses to be run in a more sustainable and cost-effective way and to adapt more quickly in a rapidly changing retail environment, including finance, people, technology, data privacy, information security and service model initiatives.

Whilst the Transformation Programmes are subject to executive-level governance and oversight to ensure that they are adequately resourced, that milestones are achieved and key roll-out decisions are approved, the Group may fail to implement the Transformation Programmes and/or the Group may fail to implement and achieve its business strategy objectives (due to a failure to understand and deliver the technology required, poor prioritisation, poor cost management, loss of key resources and/or ineffective change management) resulting in a failure to maintain or increase operating margin and generate sufficient cash to meet business objectives. The Transformation Programmes and other business strategies are based on numerous assumptions and are subject to a number of variables such as the timescale and costs for implementing IT improvements and the costs that would result from failing to implement them properly, future economic conditions and customer preferences. Whilst the

Group regularly reviews the Transformation Programmes and other business strategies in order to assess their effectiveness, if any of the underlying assumptions prove to be inappropriate or incorrect or the Transformation Programmes and other business strategies are not effectively prioritised, managed, communicated or implemented, the Group may not be able to realise the benefits they were expected to deliver either at all or within the expected timeframes and the Group may, as a result, underperform relative to its competitors which could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

*The business of the Group is generally dependent on the supply of products by an extensive network of domestic and international suppliers*

The business of the Group is generally dependent on the supply of products supplied by an extensive network of primary producers, suppliers and distributors located in the United Kingdom, the ROI and internationally. The business of the Group relies on its network of domestic and international suppliers to supply products of sufficiently high-quality at the right prices to meet the high expectations of its customers and to ensure appropriate product availability and timelines for the delivery of products. The supply of products could be disrupted by a wide variety of factors and events impacting these key suppliers including a failure by the Group to develop and maintain effective supplier relationships of mutual trust, a disruption to supply chains such as may occur as a result of "Brexit" or the COVID-19 pandemic (see – "*Risk Factors – Factors that may affect Tesco's ability to fulfil its obligations under Notes issued under the Programme and (in the case of Guaranteed Notes) the Guarantee - A failure to adequately adapt to the United Kingdom's new trading relationship with the European Union and how it may develop as further agreements are reached or political decisions made could lead to disruption to the Group's business, increased costs and may lead to potential staff and supply shortages, adverse currency impacts and increased regulatory burden*" and "*Risk Factors - Factors that may affect Tesco's ability to fulfil its obligations under Notes issued under the Programme and (in the case of Guaranteed Notes) the Guarantee - The Group's operations are exposed to COVID-19 risks*"), climate events or natural disasters affecting the geographies where it or its suppliers operate, adverse changes to general economic conditions, issues affecting shipping and other transport availability or cost, labour disruptions or disputes, the discovery of ethical concerns, such as human rights abuses, in a supply chain, unfavourable exchange rate fluctuations impacting upon procurement costs, increasing costs of raw materials being passed through supply chains or a decline in supplier credit availability affecting product production or available payment terms. Any one or more of these factors could result in the Group being unable to source sufficient volumes of products from key suppliers on acceptable terms (including as to price), in a timely way, or at all, which could result in a decline in customer loyalty and a loss of market share which could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

*A failure by the Group to create brand reappraisal opportunities to improve customer perceptions of quality, value and service may affect its ability to build or maintain trust in its brands*

Whilst maintaining a differentiated brand is a strategic priority and corporate responsibility goals have also been aligned with customer priorities and brands, if the Group fails to manage its brands or deliver products of improved quality and value at the prices customers expect, as well as meet their climate and sustainability expectations, this may affect its ability to consolidate loyalty and build trust, creating a perception among customers, colleagues, suppliers and communities that result in a loss of market share (including where the event which caused the brand damage was unfounded or was outside the knowledge or control of the Group). A failure to listen to the customers of the Group, and to update the customer proposition to react effectively to the changing marketplace could result in a loss of market share or unfavourable effects on its ability to do business. The Group will continue to adapt to changes brought about by the COVID-19 pandemic, which, together with any future pandemics in the markets and environment in which it operates, may adversely affect competitiveness and financial results. Any combination of these effects could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

*A significant failure of IT infrastructure or key IT systems may adversely impact operations, result in financial or regulatory penalties and negatively impact business reputation*

The Group relies on its own and third party IT infrastructure and IT systems for its day-to-day business operations, including for, amongst other things, processing in-store and online customer transactions, maintaining its websites and other information systems, storing and accessing commercial and

operational data, utilising product ordering and other procurement systems, distributions and logistics and maintaining its administrative, and back-office functions. Any failure of, or disruption to, IT infrastructure and IT systems (including those of any third party payment processing service providers), whether caused by human error, ineffective or inadequately designed processes, failure of IT or other systems, improper conduct by employees, failures by outsourced providers or criminal activity (including fraud, theft and cybercrime), computer server or system failures, computer viruses, software performance problems or errors, power or network outages, computer or telecommunications failures, operational errors, failures to have built in sufficient resilience, security breaches, malicious attacks, natural disasters or otherwise, could:

- impair or prevent the processing (in-store and online) of customer transactions;
- impair the processing and storage of data and the day-to-day management of the Group's store and online services;
- affect the Group's ability to procure or distribute appropriate stock to its stores and warehouses or to customers directly through online channels;
- affect the security or availability of the Group's store and online services which could, as a result, prevent or inhibit the ability of customers to access the Group's store and online services;
- result in loss of information, unintended disclosure of sensitive information to third parties, litigation and/or financial or other regulatory penalties; and
- adversely affect the Group's income in the short term and may result in a loss of customers and a loss of market share which could result in a reduction in its revenues, margins or profitability.

The occurrence of any of the above events could adversely affect the Group's ability to operate effectively, possibly for a prolonged period of time, and could also damage its brand and reputation, result in a loss of trust and goodwill amongst its customers and suppliers any of which could have a material adverse effect on its business, results of operations, financial condition and prospects.

*A failure of the Group to attract, motivate, retain and develop the most talented colleagues and develop desired culture, leadership and behaviours may materially and adversely impact the Group's business, results of operations, financial condition and prospects*

Failure to attract, motivate, develop and retain talented colleagues and develop the Group's desired culture, leadership and behaviours may result in colleagues experiencing a decline in engagement or job satisfaction and may disrupt the Group's business operations (including leading to strikes or other industrial action) and damage its reputation, and could result in a material adverse change in the Group's results of operations, financial condition and prospects.

*The business of the Group is exposed to the risk of fraud and other dishonest activity by suppliers, customers and employees*

While there are checks and controls in place, as well as committees and regular compliance training at the Group, there remains the potential for fraud and other dishonest activity at all levels of the business and the risk of fraud or dishonest activity affecting the Group and/its customers in the future cannot be excluded. It is possible that the internal controls and processes that the Group has in place that are designed to prevent and detect fraud may be inadequate. Any fraud incident or dishonest activity affecting the Group may lead to financial losses, a loss of customer trust and confidence, as well as litigation and/or financial or other regulatory penalties being imposed, any of which may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

*The Group may fail to mitigate adequately the environmental risks to which it is exposed*

The Group's environmental risks include matters relating to minimising greenhouse gas emissions from energy, refrigeration and fuels in stores and transportation, waste management, promoting marine sustainability, sustainable agriculture and addressing deforestation and climate change in its supply chains (especially agriculture, manufacturing and packaging), and its ability to respond to consumer

concerns in this area. Climate change has the potential to change dramatically the world in which we live and operate, and tackling climate change, by taking measures to limit its impact to manageable levels, has become a key priority for governments, businesses and citizens around the world. Whilst the Group will work to address the risk of climate change, deforestation, marine ecosystem loss and freshwater depletion through efficiency improvements, innovation, renewables, waste minimisation, policy advocacy, the sustainable management of natural resources and ecosystems, a failure to adequately mitigate any of these risks alone or in combination could damage its brand and reputation, result in a loss of trust and goodwill amongst its customers and suppliers, any of which could result in a material adverse effect on the Group's results of operations, financial condition and prospects. Additionally, even if manageable, the effect of climate change will be quite profound, and the various measures taken globally will themselves have a significant impact on economies and the choices people make. This could lead to changes to general economic conditions, increased costs, adverse currency impacts and increased regulatory burdens and any combination of these adverse changes could adversely affect the Group's business, results of operations, financial condition and prospects.

### **Legal, Regulatory and Compliance Risk**

*As the regulatory environment becomes more restrictive due to changes in the global political landscape, the costs of doing business are increasing for the Group as a result of having to comply with more onerous and/or a greater number of rules and regulations and any failure to comply with legal or regulatory requirements may result in fines, criminal penalties and/or consequential litigation*

Changes in the global political environment mean there is a trend towards increased regulatory requirements governing the business activities of the Group, including intervention in relation to regulation of foreign investors. The Group is subject to a wide variety of laws and regulations in key areas such as planning and environmental regulation, packaging regulation, regulation of the transportation, handling, storage and distribution of fuel, food hygiene standards, health and safety laws, tobacco regulation, alcohol regulation, regulation of e-commerce (including, for example, in relation to online payment systems), data protection law, employment law (including in relation to minimum wages and working hours), trade and immigration law, consumer law (including trading, pricing, and advertising laws), anti-corruption and anti-bribery laws, competition laws, pension laws, financial services regulation, financial reporting and disclosure accounting laws, regulations and standards, regulation of foreign investors, the rules of the FCA, the London Stock Exchange and the Irish Stock Exchange, corporate and income and other tax rules and others, as well as by oversight and scrutiny by competition and other regulatory authorities. A consequence of the trend towards increased regulation is that the costs of doing business for the Group as a result of having to comply with more onerous and/or a greater number of rules and regulations are increasing, which may have a detrimental impact on financial performance if it is not possible to pass on any such additional costs of business to customers in the form of higher prices (which may influence customer spending decisions and priorities and adversely impact its relative competitive position). Although policies and procedures are in place to monitor and guide legal, regulatory and tax compliance, and to engage with government, regulatory and tax authorities, there is also a risk that the Group may fail to comply with an applicable law or regulation and may consequently be subject to financial or regulatory fines and penalties, may be adversely impacted by a change in law or regulation or in the judicial interpretation of law or regulation, or may fail to adapt its business appropriately to such a change. The occurrence of any one or more of these factors could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

*Failure to comply with legal or regulatory requirements relating to data security or data privacy may result in the Group suffering reputational damage, fines or other adverse consequences*

The Group's technology systems involve the storage and transmission of sensitive data, including customer data (including through Tesco Clubcard), colleague personal data and supplier data in a number of locations, some of which may be private. Whilst the Group has in place clear data privacy and protection policies and provides structured training to its staff to improve awareness of, and avoid data privacy and protection breaches, there remains a risk of security breaches. Any security breaches resulting from a failure by the Group or its employees and/or agents or contractors to comply with legal or regulatory requirements relating to data security or data privacy, whether caused by human error, ineffective or inadequately designed processes, failure or interruption of IT or other systems, improper or negligent conduct by employees and/or agents or contractors, failures by outsourced providers,

unauthorised access or criminal activity (including fraud, theft and cybercrime), may result in technology platforms and/or websites and mobile applications being shut down and/or negatively impacted. They could also result in significant disruption to the operations of the Group and (particularly in a climate where, following the introduction of the General Data Protection Regulation (Regulation (EU) 2016/679) in May 2018 (as applicable in the United Kingdom), customers and colleagues are increasingly sensitive to matters of personal data usage, storage and security, data risk is increasing globally and regulatory expectations are expanding) reputational damage, leading to loss of customer trust, fines or other adverse consequences, including increased financial and criminal penalties and consequential litigation, with a material adverse impact on its business, results of operations, financial performance and prospects.

*The Group may be subject to litigation or other legal or investigatory proceedings from time to time*

As with all businesses, there is a risk that the Group could be subject to material civil or criminal litigation, regulatory or other investigations or other complaints that could result in the Group being required to pay material damages or fines or material amounts in order to settle or satisfy any such claims, require significant management time to be incurred and material damage being done to the Group's reputation, brand or customer or supplier trust leading to a loss of market share (including if the Group is able to successfully defend or rebuff the litigation or investigation). Any such litigation or other legal or investigatory proceedings could be expensive and time-consuming and cause a significant diversion of management time. In addition, the outcome of litigation or an investigation can be difficult to predict with any certainty, and so there is a risk that the Group may underestimate or overestimate the materiality of a particular claim, which could result in selection of an inefficient or ineffective defence strategy. Any of these factors alone or in combination could result in a material adverse effect on the Group's business, results of operations, financial condition and prospects.

*If there is a failure to meet workplace health and safety or other legal standards, death, injury or illness to customers, colleagues, contractors, suppliers or third parties may lead to a loss of customer trust and confidence as well as litigation and/or financial or other regulatory penalties being imposed*

The Group has a safety management framework, policies and procedures in place (such as a comprehensive risk register and a safety improvement plan) designed to ensure that workplace health and safety and other standards are met across its business and governance and oversight of such matters is established in the form of the Group's Risk and Compliance Committee and business unit-specific health and safety committees. The Group has also implemented specific health and safety policies and procedures to minimise the risk to its staff and customers posed by the spread of COVID-19. However, deficiencies or failures in any of these policies or procedures (including as a result of an event outside the Group's knowledge or control) could lead to injury, illness or death of one or more customers, employees or third parties and/or the risk of litigation and/or financial and/or other regulatory penalties being imposed and/or a loss of customers, distributors and suppliers and/or reputational damage which could have a material and adverse effect on the Group's results of operations, financial condition and prospects.

*A failure to ensure that products are obtained through responsible methods across supply chains and that product safety, packaging, labelling or other legal standards are complied with may lead to death, injury or illness to customers, colleagues, contractors or third parties, reputational harm and significant costs in relation to product recall, litigation and/or financial or other regulatory penalties being imposed*

The Group has policies and procedures in place in stores and distribution centres, with primary producers and suppliers designed to ensure that all products are safe, properly packaged and labelled, comply with applicable health and safety and other legal standards, and that the human rights of workers are respected and climate change and sustainability commitments are managed responsibly. In particular, the Group has policies in place to communicate global product safety standards to suppliers and to test their compliance through audit programmes. However, deficiencies or failures in any of these policies or procedures (including as a result of an event outside the Group's knowledge or control, for example, if errors are made in relation to packaging and labelling which result in information being provided to customers that is unsafe or misleading) could lead to injury, illness or death of one or more customers, employees or third parties, expensive product recalls, supply chain disruption, regulatory breaches, negative reputational effects emanating from a failure to meet societal expectations, or to the loss of future business from any customers, distributors and suppliers that have any concerns about the quality or safety of products.

Changes to law and regulation aimed at implementing ethical or environmental sustainability measures (including, for example, in relation to the packaging, labelling and recycling of products, and the use of energy or emission charges) could also materially increase the compliance and operational costs of the Group and its suppliers (for example by increasing the cost of energy, fuels, packaging and raw materials). Any one or more of these could have a material and adverse effect on the Group's results of operations, financial condition and prospects.

## **Tesco Bank**

### **Legal, Regulatory and Compliance**

*Tesco Bank operates in a highly regulated industry and is subject to significant legislative and regulatory oversight and scrutiny*

Tesco Bank is authorised by the Prudential Regulation Authority ("PRA") and regulated and supervised by the PRA and the FCA and is subject to a wide variety of laws, regulations and rules including requirements to have adequate financial and other resources to operate its business. There is a risk that Tesco Bank may fail to comply with an applicable law, regulation or rule which could expose Tesco Bank to substantial regulatory intervention, financial or other regulatory penalties and/or litigation, including, in extreme cases, Tesco Bank losing its banking licence and ability to do business, each of which could have a material adverse effect on Tesco Bank's and the Group's business, results of operations, financial condition and prospects.

*The legal and regulatory environment in which Tesco Bank operates is subject to significant change and regulators can apply a wide range of sanctions to firms (and individuals working for firms) found to be operating in breach of relevant regulations*

Significant new regulatory requirements have been, and continue to be, imposed on financial institutions which may impact Tesco Bank, as well as the third parties which are relevant for Tesco Bank's business (such as the underwriters for certain parts of Tesco Bank's insurance business). Tesco Bank is subject to various risks associated with the provision of financial services, including the risk of increasing regulation and proactive and intrusive supervision by the PRA and FCA. Legal and regulatory developments could adversely impact the businesses of Tesco Bank in various ways, including for example limiting its ability to provide current or planned services or significantly increasing compliance and associated costs to implement and comply with new rules.

Under the Banking Act 2009 (as amended) (the "2009 Act"), actions may be taken by the United Kingdom Treasury, the Bank of England and the PRA pursuant to the special resolution regime in order to address a situation where certain types of firms including Tesco Bank have encountered, or are likely to encounter, financial difficulties. The special resolution regime sets out five "stabilisation options" which are achieved through the exercise of one or more of the "stabilisation powers". The stabilisation powers are insofar as is relevant:

- the resolution instrument powers – broadly, the power to make a special bail-in provision for a specified bank allowing the Bank of England to cancel the issued share capital of a relevant entity and to impose losses on creditors;
- the share transfer powers – the power providing for securities issued by a financial institution to be transferred; and
- the property transfer powers – the power to transfer property, rights or liabilities of a financial institution.

The 2009 Act also vests power in the Bank of England to override, vary or impose contractual obligations between a United Kingdom bank or its holding company and its group undertakings in order to enable any transferee or successor bank to operate effectively. In the event that Tesco Bank entered into financial difficulty, exercise of the stabilisation powers under the 2009 Act could have a material adverse impact on the business, results of operations, financial condition and prospects of Tesco Bank and the Group. Even if Tesco Bank were not in financial difficulty, the 2009 Act permits the Bank of England to require institutions (such as Tesco Bank) or certain members of an institution's group to take measures to address impediments to the effective exercise of the stabilisation powers or the winding up of that person. The Bank of England may also give directions requiring an institution or

certain members of its group to maintain a minimum requirement for own funds and eligible liabilities or particular kinds of eligible liabilities or take other specified steps. Such requirements being imposed on Tesco Bank and the Group could have a material adverse impact on the business, results of operations, financial condition and prospects of Tesco Bank and the Group.

### **Economic and Financial Risk**

*As a United Kingdom bank, Tesco Bank is exposed to certain financial risks that are inherent to financial institutions, including liquidity and funding risks and credit risk*

*Liquidity risk* – liquidity risk is the risk that Tesco Bank, although solvent, either does not have sufficient financial resources available to enable it to meet its obligations as they fall due or can secure such resources only at excessive cost. Although Tesco considers it has sufficient working capital to meet the Group's requirements (including those of Tesco Bank) for the next 12 months following the date of this Offering Circular, there is a risk that in the longer term Tesco Bank will be unable to maintain sufficiently stable and diverse sources of funding which could have a material adverse effect on its ability to do business.

*Credit risk* – credit risk is the risk that a borrower or counterparty will default on a debt or obligation by failing to meet financial obligations which for Tesco Bank principally arises from lending to retail customers but also from depositing surplus funds with other banks and various securities and derivatives transactions and arrangements where payments and commissions are due to Tesco Bank. The credit quality of Tesco Bank's retail lending exposures may be affected by a general deterioration in economic conditions or failures in its credit assessment process, which could adversely impact its ability to recover amounts due. Tesco Bank is also exposed to the credit risk of its treasury counterparties under its cash management, liquidity, and market risk operations. Unforeseen bad debts could also arise from a failure of Tesco Bank to manage its credit risk adequately.

Any one or more of these factors could have a material adverse impact on the business, results of operations, financial condition and prospects of Tesco Bank and the Group.

### **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

#### **Risks related to the structure of a particular issue of Notes**

A range of Notes may be issued under the Programme. A number of such Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Exempt Notes:

#### **Risks applicable to all Notes**

*If the relevant Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.*

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned*

Fixed/Floating Rate Notes are Notes which bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return

for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

*Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.*

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

*The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"*

Interest rates and indices which are deemed to be "benchmarks" (including the euro interbank offered rate ("EURIBOR")), are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a "benchmark".

Regulation (EU) 2016/1011 (the "EU Benchmarks Regulation") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "UK Benchmarks Regulation") among other things, applies to the provision of benchmarks and the use of a benchmark in the United Kingdom. Similarly, it prohibits the use in the United Kingdom by United Kingdom supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-United Kingdom based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May, 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

Such factors may have (without limitation) the following effects on certain "benchmarks": (i) discouraging market participants from continuing to administer or contribute to a "benchmark"; (ii) triggering changes in the rules or methodologies used in the "benchmark" and/or (iii) leading to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, or referencing, or otherwise dependent (in whole or in part) upon, a "benchmark".

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark, including an inter-bank offered rate such as EURIBOR or other relevant

reference rates, ceases to be published or a Benchmark Event (as defined in the Condition 4(d)) otherwise occurs, including the possibility that the Rate of Interest or other amounts payable under the Notes could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions) determined by an Independent Adviser (as defined in the Terms and Conditions of the Notes), and that, if a Successor Rate or an Alternative Rate (as the case may be) is determined, an Adjustment Spread (as defined in the Terms and Conditions of the Notes) shall also be determined by the relevant Independent Adviser and may also include amendments to the Terms and Conditions of the Notes and the Trust Deed (without the consent of the Noteholders, Receiptholders or Couponholders (as such terms are defined in the Terms and Conditions of the Notes)) to ensure the proper operation of the Successor Rate, Alternative Rate or Adjustment Spread, as applicable. An Adjustment Spread could be positive, negative or zero and may not be effective in reducing or eliminating any economic prejudice to investors arising out of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be). The use of a Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in any Notes referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form. No consent of the Noteholders, Receiptholders or Couponholders shall be required in connection with effecting any relevant Successor Rate or Alternative Rate (as applicable) or any other related adjustments and/or amendments described above. Any such adjustment or amendment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, Receiptholder or Couponholder, any such adjustment will be favourable to each Noteholder, Receiptholder or Couponholder.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Rate or, in either case, the applicable Adjustment Spread is determined, the ultimate fallback for the purposes of the calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the relevant Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions in respect of the Notes in making any investment decision with respect to any Notes referencing a "benchmark".

*Investors are relying solely on the creditworthiness of the relevant Issuer and (in the case of Guaranteed Notes) the Guarantor*

The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the relevant Issuer and will rank *pari passu* among themselves and (save for certain debts preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.

The obligations of the Guarantor under the Guarantee (in the case of Guaranteed Notes) will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

Each investor in the Notes is relying on the creditworthiness of the relevant Issuer and (in the case of Guaranteed Notes) the Guarantor, and no other person.

In addition, investment in the Notes involves the risk that subsequent changes in actual or perceived creditworthiness of the relevant Issuer and (in the case of Guaranteed Notes) the Guarantor may adversely affect the market value of the Notes.

*ESG Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics*

Although the interest rate relating to the ESG Notes is subject to upward adjustment in the event that the relevant Issuer (or, in the case of ESG Notes which are also Guaranteed Notes, the Guarantor) fails to reduce (i) where the applicable Final Terms (or applicable Pricing Supplement) specifies Food Waste KPI Step Up Event as being applicable, the Food Waste KPI by at least the applicable Food Waste KPI Percentage Threshold during the relevant Food Waste KPI Percentage Reference Year, and/or (ii) where the applicable Final Terms (or applicable Pricing Supplement) specifies GHG KPI Step Up Event as being applicable, the GHG KPI by at least the GHG KPI Percentage Threshold during the relevant GHG KPI Percentage Reference Year, all as further specified in the Terms and Conditions of the Notes, such Notes may not satisfy an investor's requirements or any future legal or quasi legal standards for investment in assets with sustainability characteristics. ESG Notes will not be marketed as green bonds since the relevant Issuer expects to use the relevant net proceeds for general corporate purposes and therefore, the relevant Issuer does not intend to allocate the net proceeds specifically to projects or business activities meeting environmental or sustainability criteria, or be subject to any other limitations associated with green bonds.

In addition, the interest rate adjustment in respect of the above-mentioned ESG Notes depends on a definition of the Food Waste KPI and/or the GHG KPI (each as applicable, and as defined in the Terms and Conditions of the Notes) that may be inconsistent with investor requirements or expectations or other definitions relevant to food waste or greenhouse gas emissions, as the case may be. None of the Issuers or the Guarantor have obtained a third-party analysis of the definitions of the Food Waste KPI and/or the GHG KPI or how such definitions relate to any sustainability-related standards, other than the Assurance Provider's confirmation of the Food Waste KPI and the GHG KPI according to the Issuers' and the Guarantor's definition thereof.

Although Tesco PLC targets decreasing food waste from the Group's operations and the Group's direct greenhouse gas emissions, there can be no assurance of the extent to which they will be successful in doing so or that any future investments it makes in furtherance of these targets will meet investor expectations or any binding or non-binding legal standards regarding sustainability performance, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact. Adverse environmental or social impacts may occur during the design, construction and operation of any investments the Group makes in furtherance of this target or such investments may become controversial or criticised by activist groups or other stakeholders.

No Event of Default shall occur under the ESG Notes, nor will the relevant Issuer or the Guarantor (as applicable) be required to repurchase or redeem such Notes, if such Issuer or the Guarantor (as applicable) fails to satisfy the Food Waste KPI Condition or the GHG KPI Condition.

*ESG Notes include certain triggers linked to sustainability key performance indicators*

Under the Terms and Conditions of the Notes, ESG Notes include certain triggers linked to sustainability key performance indicators such as food waste and greenhouse gas emissions (see: "*ESG Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics*"). Such key performance indicators must be complied with by the relevant Issuer or, in the case of Guaranteed Notes, the Guarantor, as applicable, in respect of Notes for which a Step Up Option applies, and the Dealers do not assume any obligation or responsibility to monitor the performance of any Food waste KPI or GHG KPI. The failure to meet such sustainability key performance indicators will result in increased interest amounts under such Notes, which would increase the Group's cost of funding and could have an adverse impact upon the Group, its business prospects, its results of operations or its reputation.

The Dealers cannot guarantee the performance of (and offer no assurance in respect of) such Food Waste KPI and/or the GHG KPI, nor do they assume any obligation or responsibility in respect of the appointment of any Assurance Provider. Any confirmation provided by the Assurance Provider is not, nor should it be deemed to be, a recommendation by the relevant Issuer, the Guarantor, the Assurance Provider, the Dealers or any other person to buy, sell or hold ESG Notes. Noteholders have no recourse against the relevant Issuer, the Guarantors, any of the Dealers or the Assurance Provider for the contents of any such confirmation, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein for the purpose of any investment in the ESG Notes.

Under the Terms and Conditions of the ESG Notes, (i) a Food Waste KPI Step Up Event may occur if, amongst other things, the food waste from the Group's operations, expressed as a percentage of food

handled by the Group's operations ("Food Waste KPI", as more fully described in Condition 4(e)) in respect of any Food Waste KPI Percentage Reference Year specified in the applicable Final Terms does not reduce by at least the relevant Food Waste KPI Percentage Threshold specified in the applicable Final Terms, by comparison to the 2016 Food Waste Baseline, and (ii) a GHG KPI Step Up Event may occur if, amongst other things, the Group's greenhouse gas emissions ("GHG KPI", as more fully described in Condition 4(e)) in respect of any GHG KPI Percentage Reference Year specified in the applicable Final Terms do not reduce by at least the relevant GHG KPI Percentage Threshold specified in the applicable Final Terms, by comparison to the 2015 GHG Baseline.

The Terms and Conditions of the ESG Notes for which the applicable Final Terms specify a GHG KPI Step Up Event and/or a Food Waste KPI Step Up Event as being applicable permit the relevant Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor to recalculate the 2015 GHG Baseline and/or the 2016 Food Waste Baseline in line with its GHG Recalculation Policy (which, as at the date of this Offering Circular, can be found at <https://www.tescopl.com/sustainability/publications/policies/downloads/recalculation-policy/>) or its Food Waste Recalculation Policy (<https://www.tescopl.com/sustainability/documents/assurances-and-methodologies/our-food-waste-recalculation-policy/>), as applicable, to reflect, amongst other things, any significant or structural changes to the Group. Any recalculation of the 2015 GHG Baseline may increase or decrease the sum of greenhouse gas emissions comprising the 2015 GHG Baseline, and therefore respectively increase the total volume of GHG KPI that may be produced by the Group while still being able to satisfy the GHG KPI Condition and avoid the occurrence of a GHG KPI Step Up Event, or decrease the total volume of reduction in GHG KPI that needs to be achieved by the Group in order to satisfy the GHG KPI Condition and avoid the occurrence of a GHG KPI Step Up Event. As at the date of this Offering Circular, only the UK element of the 2016 Food Waste Baseline has been assured and the Assurance Report on the full Group in respect of the 2016 Food Waste Baseline has not yet been published. Any recalculation of the 2016 Food Waste Baseline may increase or decrease the volume of food waste from the Group's global operations or the volume of food handled by the Group's operations which comprise the 2016 Food Waste Baseline, and therefore respectively increase the volume of food waste that may be produced by the Group while still being able to satisfy the Food Waste KPI Condition and avoid the occurrence of a Food Waste KPI Step Up Event, or decrease the total volume of reduction in food waste that needs to be achieved by the Group in order to satisfy the Food Waste KPI Condition and avoid the occurrence of a Food Waste KPI Step Up Event. Capitalised terms in this paragraph have the meanings given to them in the Terms and Conditions of the Notes.

#### **Risks applicable to certain types of Exempt Notes**

*There are particular risks associated with an investment in certain types of Exempt Notes, such as Index Linked Notes and Dual Currency Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it.*

The relevant Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "Relevant Factor"). In addition, the relevant Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) movements in a Relevant Factor may adversely affect the amount of principal and/or interest to be paid to the Noteholder and may also affect the market value of the Notes;
- (iii) they may receive no interest;
- (iv) payment of principal or interest may occur at a different time or in a different currency than expected;
- (v) they may lose all or a substantial portion of their principal;
- (vi) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vii) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and

- (viii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

*Where Notes are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of his investment*

The relevant Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Notes could result in such investor losing all of his investment.

*Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

*Inverse Floating Rate Notes will have more volatile market values than conventional Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### **Risks related to Notes generally**

Set out below is a description of material risks relating to the Notes generally:

*The Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders*

The Terms and Conditions of the Notes contain provisions for calling meetings (including by way of conference call or a video call) of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, (i) agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the conditions of the Notes or any of the provisions of the Trust Deed or (ii) determine that any condition, event or act which, but for such determination, would constitute an Event of Default, shall not be treated as such or (iii) agree to the substitution of another company as principal debtor under any Notes in place of the relevant Issuer, in the circumstances described in Condition 17 of the Terms and Conditions of the Notes. In addition, the Trustee shall be obliged to concur with the relevant Issuer in effecting any Benchmark Amendments in the circumstances and as otherwise set out in Condition 4(d) without the consent of Noteholders, Receiptholders or Couponholders.

*Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that

such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

*The value of the Notes could be adversely affected by a change in English law or administrative practice*

The Terms and Conditions of the Notes are governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

*In respect of any Notes issued with a specific use of proceeds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor*

The Final Terms (or the Pricing Supplement, in the case of Exempt Notes) relating to any specific Tranche of Notes may provide that it will be the relevant Issuer's intention to apply an amount equal to the proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and/or other environmental and/or social and/or other sustainability purposes (either in those words or otherwise) ("Sustainability Projects"). Prospective investors should have regard to the information set out in the "Reasons for the Offer" section in Part B of the applicable Final Terms (or, in the case of Exempt Notes, the "Reasons for the Offer" in Part B of the applicable Pricing Supplement) regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes ("Sustainability Bonds") together with any other investigation such investor deems necessary.

No assurance is given by the relevant Issuer, (in the case of Guaranteed Notes) the Guarantor or any Dealer that the use of such proceeds for any Sustainability Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, any green, social or sustainability framework prepared by the Group.

Furthermore, it should be noted that there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Sustainability Projects will meet any or all investor expectations regarding such "Sustainable" or other labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Sustainability Projects. Each prospective investor should have regard to the factors described in any green, social or sustainability framework prepared by the Group. None of the Dealers have reviewed any green, social or sustainability framework prepared by the Group.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the relevant Issuer and/or (in the case of Guaranteed Notes) the Guarantor), which may be made available in connection with the issue of any Sustainability Bonds and in particular with any Sustainability Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such report, assessment, opinion or certification is not, nor shall be deemed to be,

incorporated in and/or form part of this Offering Circular. Any such report, assessment, opinion or certification is not, nor should be deemed to be, a recommendation by the relevant Issuer, (in the case of Guaranteed Notes) the Guarantor, any Dealer or any other person to buy, sell or hold any such Sustainability Bonds. Any such report, assessment, opinion or certification is only current as of the date that such report, assessment, opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein and/or the provider of such report, assessment, opinion or certification for the purpose of any investment in such Sustainability Bonds. Currently, the providers of such reports, assessments, opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any Sustainability Bonds are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the relevant Issuer, (in the case of Guaranteed Notes) the Guarantor, any Dealer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Sustainability Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the relevant Issuer, (in the case of Guaranteed Notes) the Guarantor, any Dealer or any other person that any such listing or admission to trading will be obtained in respect of any such Sustainability Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Sustainability Bonds.

While it is the intention of the relevant Issuer and the Guarantor (in the case of Guaranteed Notes) to apply the proceeds of any Sustainability Bonds for Sustainability Projects in, or substantially in, the manner described in the applicable Final Terms (or the applicable Pricing Supplement, in the case of Exempt Notes), there can be no assurance that the relevant intended project(s) or use(s) the subject of, or related to, any Sustainability Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally disbursed for the specified Sustainability Projects. Nor can there be any assurance that such Sustainability Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the relevant Issuer and (in the case of Guaranteed Notes) the Guarantor. Any such event or failure by the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor will not constitute an Event of Default under the relevant Sustainability Bonds.

The withdrawal of any report, assessment, opinion or certification as described above, or any such report, assessment, opinion or certification attesting that the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor is not complying in whole or in part with any matters for which such report, assessment, opinion or certification is reporting, assessing, opining or certifying on, and/or any such Sustainability Bonds no longer being listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of such Sustainability Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

### **Risks related to the market generally**

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

*An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes

generally would have a more limited secondary market and more price volatility than conventional debt securities.

*If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.*

The relevant Issuer will pay principal and interest on the Notes, and (in the case of Guaranteed Notes) the Guarantor will make payments under the Guarantee, in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.*

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

*Credit ratings assigned to the relevant Issuer, (in the case of Guaranteed Notes) the Guarantor or any Notes may not reflect all the risks associated with an investment in those Notes.*

One or more independent credit rating agencies may assign credit ratings to the relevant Issuer, (in the case of Guaranteed Notes) the Guarantor or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

Investors regulated in the United Kingdom are subject to similar restrictions under the UK CRA Regulation. As such, United Kingdom regulated investors are required to use for United Kingdom regulatory purposes ratings issued by a credit rating agency established in the United Kingdom and registered under the UK CRA Regulation. In the case of ratings issued by third country non-United Kingdom credit rating agencies, third country credit ratings can either be: (a) endorsed by a United Kingdom registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant United Kingdom registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the United Kingdom, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for

regulatory purposes in the EEA or the United Kingdom, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

### **Risks related to Notes issued by TCTSE**

#### *Centre of Main Interests*

Although TCTSE was incorporated in Ireland, TCTSE intends that its centre of main interest ("COMI") is in the United Kingdom. Accordingly, jurisdiction to open UK insolvency proceedings (liquidation, administration or company voluntary arrangement) in England is governed by English law, in particular the Insolvency Act 1986 and the Recast Regulation on Insolvency (EU) 2015/848 as incorporated into English law and amended by Insolvency (Amendment) (EU Exit) Regulations 2019, SI 2019/146. TCTSE has its registered office in Ireland, but as at the date of this Offering Circular, TCTSE does not have, and does not intend to have any assets located in Ireland.

Since TCTSE's COMI is in the United Kingdom and therefore, outside the European Union, the EU Recast Insolvency Regulation will not apply to TCTSE. Any insolvency proceedings relating to TCTSE which are commenced in the United Kingdom will not be automatically recognised in Ireland. It is open to the courts of Ireland to appoint a liquidator or an examiner to TCTSE (which is an Irish incorporated company) which could result in competing insolvency proceedings in both Ireland and the United Kingdom.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Circular shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (a) the independent auditors' report and the audited non-consolidated financial statements of Tesco Corporate Treasury Services PLC for the 52 weeks ended 27 February, 2021 (which appear on pages 9 to 40 of the 2021 annual report and is available at <https://www.tescopl.com/media/757710/tesco-corporate-treasury-services-2021-final-signed-accounts.pdf>);
- (b) the independent auditors' report and audited non-consolidated financial statements of Tesco Corporate Treasury Services PLC for the 53 weeks ended 29 February, 2020 (which appear on pages 9 to 39 of the 2020 annual report and is available at <https://www.tescopl.com/media/756474/tcts-accounts-19-20.pdf>);
- (c) the independent auditors' report, audited consolidated financial statements and alternative performance measures of Tesco PLC for its financial year ended 27 February, 2021 (which appear on pages 102 to 200 and 205 to 212 of the 2021 annual report and is available at <https://www.tescopl.com/media/757589/tesco-annual-report-2021.pdf>);
- (d) the independent auditors' report, audited consolidated financial statements and alternative performance measures of Tesco PLC for its financial year ended 29 February, 2020 (which appear on pages 69 to 159 and 164 to 169 of the 2020 annual report and is available at [https://www.tescopl.com/media/755761/tes006\\_ar2020\\_web\\_updated\\_200505.pdf](https://www.tescopl.com/media/755761/tes006_ar2020_web_updated_200505.pdf));
- (e) the unaudited condensed consolidated interim financial statements of Tesco PLC as at and for the 26 weeks ended 28 August, 2021, together with the interim report thereon (which appear on pages 17 to 69 of Tesco's Interim Results 2020/21 and are available at <https://www.tescopl.com/media/758013/tesco-plc-interim-results-2021.pdf>);
- (f) the terms and conditions set out on pages 24 to 41 of the Offering Circular of Tesco relating to the Programme dated 21 July, 1999 available at <https://www.tescopl.com/investors/debt-investors/outstanding-bonds/>;
- (g) the terms and conditions set out on pages 22 to 39 of the Offering Circular of Tesco relating to the Programme dated 27 July, 2001 available at <https://www.tescopl.com/investors/debt-investors/outstanding-bonds/>;
- (h) the terms and conditions set out on pages 20 to 35 of the Offering Circular of Tesco relating to the Programme dated 10 July, 2002 available at <https://www.tescopl.com/investors/debt-investors/outstanding-bonds/>;
- (i) the terms and conditions set out on pages 29 to 44 of the Offering Circular of Tesco relating to the Programme dated 28 February, 2006 available at <https://www.tescopl.com/investors/debt-investors/outstanding-bonds/>;
- (j) the terms and conditions set out on pages 29 to 44 of the Offering Circular of Tesco relating to the Programme dated 24 January, 2007 available at <https://www.tescopl.com/investors/debt-investors/outstanding-bonds/>;
- (k) the terms and conditions set out on pages 43 to 59 of the Offering Circular of Tesco relating to the Programme dated 12 February, 2009 available at <https://www.tescopl.com/investors/debt-investors/outstanding-bonds/>;
- (l) the terms and conditions set out on pages 44 to 65 of the Offering Circular of Tesco and TCTS relating to the Programme dated 23 August, 2013 available at <https://www.tescopl.com/investors/debt-investors/outstanding-bonds/>;
- (m) the terms and conditions set out on pages 52 to 73 of the Offering Circular of Tesco and TCTS relating to the Programme dated 6 July, 2018 available at <https://www.tescopl.com/investors/debt-investors/outstanding-bonds/>;
- (n) the terms and conditions set out on pages 53 to 79 of the Offering Circular of Tesco and TCTS relating to the Programme dated 28 June, 2019 available at <https://www.tescopl.com/investors/debt-investors/outstanding-bonds/>; and

- (o) the terms and conditions set out on pages 56 to 85 of the Offering Circular of Tesco and TCTS relating to the Programme dated 21 December 2020 available at <https://www.tescoplcc.com/investors/debt-investors/outstanding-bonds/>,

including, in respect of items (c)-(e) above, the information set out at the following pages in particular:

	<i>28 August, 2021</i>	<i>27 February, 2021</i>	<i>29 February, 2020</i>
<b>Group income statement</b>	page 17	page 112	page 78
<b>Group statement of comprehensive income/(loss)</b>	page 18	page 113	page 79
<b>Group balance sheet</b>	page 19	page 114	page 80
<b>Group statement of changes in equity</b>	page 20 to (and including) page 21	page 115 to (and including) page 116	page 81 to (and including) page 82
<b>Group cash flow statement</b>	page 22 to (and including) page 23	page 117	page 83
<b>Reconciliation of net cash flow to movement in net debt note</b>	page 58	page 186	page 139
<b>Notes to the Group financial statements</b>	Page 24 to (and including) page 61	page 118 to (and including) page 188	page 84 to (and including) page 147
<b>Independent auditors' report</b>	page 69	page 102 to (and including) page 111	page 69 to (and including) page 77
<b>Alternative Performance Measures</b>	page 62 to (and including) page 68	page 205 to (and including) page 212	page 164 to (and including) page 169

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 23 of the UK Prospectus Regulation modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of this Offering Circular.

Any documents themselves incorporated by reference in the document incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

## **SUPPLEMENTS AND NEW OFFERING CIRCULARS**

In the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Offering Circular which may affect the assessment of any Notes arising or being noted between the approval of this Offering Circular by the FCA and the commencement of trading of such Notes on a UK regulated market (as defined in UK MiFIR) or the final closing of the offer of such Notes to the public in the United Kingdom, as the case may be, the Issuers and the Guarantor will prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with such Notes and any subsequent issue of Notes.

## FORM OF THE NOTES

*Any reference in this section to "applicable Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant.*

Each Tranche of Notes will initially be represented by a temporary global Note without receipts, interest coupons or talons. If the global Notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms, the temporary global Note will be delivered on the original issue date of the Tranche to a common safekeeper (the "Common Safekeeper") for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"); and if the global Notes are not intended to be issued in NGN form, the temporary global Note will be delivered on the original issue date of the Tranche to a common depositary (the "Common Depositary") for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system.

Where the global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether or not such global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Whilst any Note is represented by a temporary global Note, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made (against presentation of the temporary global Note if the temporary global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Clearstream, Luxembourg and/or Euroclear and Clearstream, Luxembourg and/or Euroclear, as applicable, has given a like certification (based on the certifications it has received) to the Agent (as defined on page 61). Any reference in this section "Form of the Notes" to Clearstream, Luxembourg and/or Euroclear shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the relevant Issuer, the Agent and the Trustee.

On and after the date (the "Exchange Date") which is 40 days after the date on which any temporary global Note is issued, interests in such temporary global Note will be exchangeable (free of charge) upon a request as described therein either for interests in a permanent global Note of the same Series without receipts, interest coupons or talons or for definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms) in each case against certification of beneficial ownership as described in the second sentence of the immediately preceding paragraph unless such certification has already been given. If any further Notes to be consolidated and form a single Series with any series of outstanding Notes are issued prior to the exchange of interests in the temporary global Note for interests in the permanent global Note representing such outstanding Notes, then the Exchange Date may be extended, without the consent of the holders, to a date which is not earlier than 40 days after the date of issue of such further Notes provided that the Exchange Date would not thereby fall on or after the first interest payment date for such outstanding Notes. The holder of a temporary global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless upon due certification exchange of the temporary global Note is improperly withheld or refused. Pursuant to the Agency Agreement (as defined on page 61) the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes as at a point after the Issue Date of the further Tranche, the Notes of such Tranche shall be assigned a common code and ISIN by Clearstream, Luxembourg and Euroclear which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of 40 days (as notified by the Agent to the relevant Dealer or, in the case of a syndicated issue, the lead manager) after the completion of the distribution of the Notes of such Tranche.

Payments of principal and interest (if any) on a permanent global Note will be made through Clearstream, Luxembourg and/or Euroclear (against presentation or surrender (as the case may be) of such permanent global Note if the permanent global Note is not intended to be issued in NGN form) without any requirement for certification. The applicable Final Terms will specify that either (i) a

permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon not less than 60 days' written notice from Clearstream, Luxembourg and/or Euroclear (acting on the instructions of any holder of an interest in such permanent global Note) to the Agent as described therein or (ii) a permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. "Exchange Event" means (i) an Event of Default has occurred and is continuing, (ii) the relevant Issuer has been notified by the Agent that either Clearstream, Luxembourg or Euroclear has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system satisfactory to the Trustee is available or (iii) the relevant Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 7 which would not be required were the Notes represented by such permanent global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Clearstream, Luxembourg and/or Euroclear (acting on the instructions of any holder of an interest in such permanent global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Agent.

Tranches of Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December, 2005.

Global Notes and definitive Notes will be constituted by, or pursuant to, the Trust Deed (as defined on page 61) and issued in accordance with the provisions of the Agency Agreement.

The exchange of a permanent global Note for definitive Notes upon notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder) or at any time at the request of the Issuer should not be expressed to be applicable in the applicable Final Terms if the Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a temporary global Note exchangeable for definitive Notes.

The following legend will appear on all global Notes, definitive Notes, receipts, interest coupons and talons relating to such Notes:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

The Sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

No Noteholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor unless the Trustee, having become bound so to proceed, fails or is unable or neglects to do so within 60 days and such failure or inability or neglect is continuing.

The relevant Issuer and (in the case of Guaranteed Notes) the Guarantor may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, other than where such Notes are Exempt Notes, a new Offering Circular, or a supplement to the Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

## FORM OF FINAL TERMS

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “EU PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]<sup>1</sup>

**[PROHIBITION OF SALES TO UNITED KINGDOM RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “UK Prospectus Regulation”). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.]<sup>2</sup>

**[MIFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “MiFID II”)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of [EUWA / the European Union (Withdrawal) Act 2018] (“UK MiFIR”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any [distributor / person subsequently offering, selling or recommending the Notes (a “distributor”)] should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**[NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (the “SFA”) - [Insert notice if classification of the Notes is not**

<sup>1</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute “packaged” products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>2</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute “packaged” products and no key information document will be prepared or the Issuer wishes to prohibit offers to United Kingdom retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

“prescribed capital market products”, pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].<sup>3</sup>

[Date]

**[Tesco PLC/Tesco Corporate Treasury Services PLC/Tesco Corporate Treasury Services Europe DAC]**

**Legal entity identifier (LEI):**  
**[2138002P5RNKC5W2JZ46/21380018AJDKNF3A6712/213800ESTST91B3U3P50]**

**Issue of**  
**[Aggregate Nominal Amount of Tranche] [Title of Notes]**  
**[Guaranteed by Tesco PLC]**  
**under the**  
**£15,000,000,000 Euro Note Programme**

### **PART A — CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes set forth in the Offering Circular dated 11 October, 2021 which[, as modified by the supplement[s] to the Offering Circular dated [ ] together,] constitute[s] a base prospectus for the purposes of [Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “UK Prospectus Regulation”) / the UK Prospectus Regulation] (the “Offering Circular”). This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Offering Circular in order to obtain all the relevant information. The Offering Circular has been published on the website of the Issuer at <https://www.tescopl.com/investors/debt-investors/outstanding-bonds/>.

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “Conditions”) set forth in the Offering Circular dated [ ] and which are incorporated by reference in the Offering Circular dated 11 October, 2021. This document constitutes the Final Terms of the Notes described herein for the purposes of [Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “UK Prospectus Regulation”) / the UK Prospectus Regulation] and must be read in conjunction with the Offering Circular dated 11 October, 2021 [as modified by the supplement to the Offering Circular dated [ ]], which [together] constitute[s] a base prospectus for the purposes of the UK Prospectus Regulation (the “Offering Circular”), including the Conditions incorporated by reference in the Offering Circular, in order to obtain all the relevant information. The Offering Circular has been published on the website of Issuer at <https://www.tescopl.com/investors/debt-investors/outstanding-bonds/>.

- |    |        |  |  |
|----|--------|--|--|
| 1. | [(i)]  | Issuer:  | [Tesco PLC/Tesco Corporate Treasury Services PLC/Tesco Corporate Treasury Services Europe DAC]   |
|    | [(ii)] | Guarantor:   | [Tesco PLC]  |
| 2. | (i)    | Series Number:   | [ ]  |
|    | (ii)   | Tranche Number:  | [ ]  |
|    | (iii)  | Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with [ ] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 23 below, which is expected to occur on or about [ ]]] [Not Applicable] |
| 3. |        | Specified Currency or Currencies:                                      | [ ]  |
| 4. |        | Aggregate Nominal Amount:  |  |
|    | (i)    | Tranche:   | [ ]  |

<sup>3</sup> Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

- (ii) Series: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ]]
6. (i) Specified Denominations: [ ]/[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].]
- (ii) Calculation Amount (in relation to calculation of interest in global form see Conditions): [ ]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [ ]/Issue Date/Not Applicable]
8. Maturity Date: [*Specify date or for Floating Rate Notes — Interest Payment Date falling in or nearest to [ ]*]
9. Interest Basis: [Subject as set out in Condition 4(e) and paragraph [16] below,]  
[Fixed Rate]  
[Floating Rate]  
[Zero Coupon]  
(see paragraph [13]/[14]/[15]/[16] below)
10. Redemption/[Payment] Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their nominal amount
11. Change of Interest Basis: [For the period from (and including) the Interest Commencement Date, up to (but excluding) [ ] paragraph [13/14] applies and for the period from (and including) [ ], up to (and including) the Maturity Date, paragraph [13/14] applies][Not Applicable]
12. Put/Call Options: [Investor Put]  
[Restructuring Event Put]  
[Issuer Call]  
[Not Applicable]  
(see paragraph [18]/[19]/[20] below)]

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

13. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date[, subject as set out in Condition 4(e) and paragraph [16] below]
- (ii) Interest Payment Date(s): [[ ] in each year, commencing on [ ], up to and including the Maturity Date
- (iii) Fixed Coupon Amount(s) for Notes [Subject to adjustment as a result of the application of Condition 4(e) and paragraph [16] below,] [ ] per Calculation Amount  
in definitive form (and in relation to Notes in global form see Conditions):
- (iv) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [Subject to adjustment as a result of the application of Condition 4(e) and paragraph [16] below,] [ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ] [Not Applicable]

- (v) Fixed Day Count Fraction: [Actual/Actual (ICMA)] [30/360]
- (vi) Determination Date(s): [[ ] in each year] [Not Applicable]
14. Floating Rate Note Provisions [Applicable/Not Applicable]
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ], subject to adjustment in accordance with the Business Day Convention set out in (ii) below/, not subject to any adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
- (iii) Additional Business Centre(s): [ ]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (vi) Screen Rate Determination:
- Reference Rate: [ ] month EURIBOR
- Interest Determination Date(s): [ ]
- Relevant Screen Page: [ ]
- (vii) ISDA Determination:
- Floating Rate Option: [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]
- (viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
- (ix) Margin(s): [Subject as set out in Condition 4(e) and paragraph [16] below,] [+/-] [ ] per cent. per annum
- (x) Minimum Rate of Interest: [ ] per cent. per annum
- (xi) Maximum Rate of Interest: [ ] per cent. per annum
- (xii) Floating Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] 30E/360 (ISDA)
15. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (i) Accrual Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) Day Count Fraction in relation to Early Redemption Amounts: [30/360][Actual/360] [Actual/365]

16. Step Up Option: [Applicable / Not Applicable]
- (i) Step Up Event: [Food Waste KPI Step Up Event] [and] [GHG KPI Step Up Event]
- (ii) Step Up Margin: [(i)] [ ] per cent. per annum [in respect of a Food Waste KPI Step Up Event; and  
(ii) [ ] per cent. per annum in respect of a GHG KPI Step Up Event.]
- (iii) Food Waste KPI Percentage Reference Year(s): [ ] [and [ ]] [Not Applicable]
- (iv) GHG KPI Percentage Reference Year(s): [ ] [and [ ]] [Not Applicable]
- (v) Food Waste KPI Percentage Threshold(s): [●] per cent. [in respect of [specify relevant Food Waste KPI Percentage Reference Year if more than one Food Waste KPI Percentage Reference Year is included]]  
[[●] per cent. in respect of [ ]] [Not Applicable]
- (vi) GHG KPI Percentage Threshold(s): [●] per cent. [in respect of [specify relevant GHG KPI Percentage Reference Year if more than one GHG KPI Percentage Reference Year is included]]  
[[●] per cent. in respect of [ ]] [Not Applicable]

#### PROVISIONS RELATING TO REDEMPTION

17. Notice periods for Condition 6(b) Minimum period: [30] days  
Maximum period: [60] days
18. Issuer Call [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [ ] [Any Business Day (as defined in Condition 4(b)) falling in the period from (and including) [ ] to (but excluding) the Maturity Date]
- (ii) Optional Redemption Amount(s): [In respect of the Optional Redemption Date(s) falling on [or prior to] [ ],] [[ ] per Calculation Amount]/[Make-Whole Redemption Amount]  
[In respect of the Optional Redemption Date(s) falling on [or after] [ ],] [[ ] per Calculation Amount]/[Make-Whole Redemption Amount]
- (iii) If redeemable in part: [Applicable/Not Applicable, as the Notes are not redeemable in part]
- (a) Minimum Redemption Amount: [ ]
- (b) Higher Redemption Amount: [ ]
- (iv) Notice periods: Minimum period: [10] days  
Maximum period: [30] days
- (v) Make-Whole Redemption: [Applicable/Not Applicable]
- (a) Make-Whole Redemption Margin: [ ] per cent.
- (b) Quotation Time: [11.00 a.m. ([Brussels/London/[ ] time)]] [ ]
- (c) Determination Date: [The [ ] Business Day preceding the applicable Optional Redemption Date]]
- (d) Reference Bond: [ ]

19. Investor Put [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount: [ ] per Calculation Amount
- (iii) Notice periods: Minimum period: [15] days  
Maximum period: [30] days
20. Restructuring Event Put [Applicable/Not Applicable]
21. Final Redemption Amount [ ] per Calculation Amount
22. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default: [ ] per Calculation Amount

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

23. (i) Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event].]  
[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.]
- (ii) New Global Note: [Yes][No]
24. Additional Financial Centre(s): [Not Applicable/ ]
25. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made /No]

**THIRD PARTY INFORMATION**

[[ ] has been extracted from [ ]. [Each of the][The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of [Tesco PLC/Tesco Corporate Treasury Services PLC/Tesco Corporate Treasury Services Europe DAC]

By: .....

*Duly authorised*

[Signed on behalf of Tesco PLC:

By: .....

*Duly authorised]*

## PART B — OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's main market and listing on the Official List of the FCA with effect from [ ].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange's main market] and listing on [the Official List of the FCA] with effect from [ ].]
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

- Ratings: [The Notes to be issued [have been]/[are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [[ ] by Moody's Investors Service Limited] [and]
- [[ ] by S&P Global Ratings UK Limited] [and]
- [[ ] by Fitch Ratings Limited].
- (Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)*

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of [insert relevant fee disclosure]] payable to [specify] (the ["Managers"/"Dealers"]), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business.]

### 4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: [See "Use of Proceeds" in the Offering Circular/Sustainability Projects/Give details]
- (See "Use of Proceeds" wording in the Offering Circular – if reasons for offer different from what is disclosed in the Offering Circular, give details.)*
- (ii) Estimated net proceeds: [ ]

### 5. YIELD (Fixed Rate Notes only)

- Indication of yield: [ ]
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 6. OPERATIONAL INFORMATION

- (i) ISIN: [ ]
- (ii) Common Code: [ ]

- (iii) CFI: [[See/[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (iv) FISN: [[See/[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable]/[ ]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility
- [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- [No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]
- (ix) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged products” and a key information document will be prepared in the EEA, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
- (x) Prohibition of Sales to United Kingdom Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged products” and a key information document will be prepared in the United Kingdom, “Not Applicable”*

*should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*

(xi) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]

*(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction.)*

## **7. U.S. SELLING RESTRICTIONS**

U.S. selling restrictions:

[Reg. S Compliance Category 2; TEFRA D/TEFRA not applicable]

**FORM OF PRICING SUPPLEMENT**  
**EXEMPT NOTES OF ANY DENOMINATION**

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes whatever the denomination of those Notes issued under the Programme:*

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended or superseded, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “EU Prospectus Regulation”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “EU PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]<sup>1</sup>

**[PROHIBITION OF SALES TO UNITED KINGDOM RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “UK Prospectus Regulation”). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.]<sup>2</sup>

**[MiFID II / UK MiFIR product governance / target market** – *[appropriate target market legend to be included]*]

**[NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (the “SFA”)** - *[Insert notice if classification of the Notes is not “prescribed capital market products”, pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].*<sup>3</sup>

**THE FCA HAS NEITHER APPROVED NOR REVIEWED THE INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT.**

*[Date]*

**[Tesco PLC/Tesco Corporate Treasury Services PLC/Tesco Corporate Treasury Services Europe DAC]**

**Legal entity identifier (LEI):**

**[2138002P5RNKC5W2JZ46/21380018AJDKNF3A6712/213800ESTST91B3U3P50]**

**Issue of**

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<sup>1</sup> Legend to be included on front of the Pricing Supplement if the Notes potentially constitute “packaged” products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>2</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute “packaged” products and no key information document will be prepared or the Issuer wishes to prohibit offers to United Kingdom retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>3</sup> Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

**[Aggregate Nominal Amount of Tranche] [Title of Notes]  
[Guaranteed by Tesco PLC]  
under the  
£15,000,000,000 Euro Note Programme**

**PART A — CONTRACTUAL TERMS**

[Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to either Article 3 of the EU Prospectus Regulation or section 85 of the FSMA or to supplement a prospectus pursuant to either of Article 23 of the EU Prospectus Regulation or Article 23 of [Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “UK Prospectus Regulation”) / the UK Prospectus Regulation], in each case, in relation to such offer.]

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Offering Circular dated 11 October, 2021 [as supplemented by the supplement[s] dated [date[s]]] (the “Offering Circular”). Full information on the Issuer, the Guarantor (in the case of Guaranteed Notes) and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. Copies of the Offering Circular may be obtained from the registered office of the Issuer and the specified office of each of the Paying Agents.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Offering Circular [dated [original date] which are [incorporated by reference in the Offering Circular][attached hereto]].<sup>4</sup>

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]*

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.]*

- |    |   |   |
|----|---|---|
| 1. | [(i)] Issuer:   | [Tesco PLC/Tesco Corporate Treasury Services<br>PLC/Tesco Corporate Treasury Services Europe<br>DAC]  |
|    | [(ii)] Guarantor:   | [Tesco PLC]   |
| 2. | (i) Series Number:  | [ ]   |
|    | (ii) Tranche Number:  | [ ]   |
|    | (iii) Date on which the Notes will be consolidated and form a single Series:                    | [The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about [date]]] [Not Applicable] |
| 3. | Specified Currency or Currencies:   | [ ]   |
| 4. | Aggregate Nominal Amount:   |   |
|    | (i) Tranche:  | [ ]   |
|    | (ii) Series:  | [ ]   |
| 5. | Issue Price:  | [ ] per cent. of the Aggregate Nominal Amount<br>[plus accrued interest from [insert date]] (if applicable)   |
| 6. | (i) Specified Denominations:  | [ ]   |
|    | (ii) Calculation Amount (in relation to calculation of interest in global form see Conditions): | [ ]   |

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<sup>4</sup> Only include this language where it is a fungible issue and the original Tranche was issued under an Offering Circular with a different date.

*(If only one Specified Denomination, insert the Specified Denomination.*

*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

7. (i) Issue Date: [ ]  
(ii) Interest Commencement Date: [specify/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: [Specify date or for Floating Rate Notes — Interest Payment Date falling in or nearest to [specify month and year]]
9. Interest Basis: [Subject as set out in Condition 4(e) and paragraph [18] below,]  
[[ ] per cent. Fixed Rate]  
[[specify Reference Rate] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Dual Currency Interest]  
[specify other]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency Redemption]  
[Partly Paid]  
[Instalment]  
[specify other]
11. Change of Interest Basis or Redemption/Payment Basis: [For the period from (and including) the Interest Commencement Date, up to (but excluding) [insert date] paragraph [ ] applies and for the period from (and including) [insert date], up to (and including) the Maturity Date, paragraph [ ] applies] / [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis] / [Not Applicable]
12. Put/Call Options: [Investor Put]  
[Restructuring Event Put]  
[Issuer Call]  
[Not Applicable]  
[(further particulars specified below)]

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

13. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date[, subject as set out in Condition 4(e) and paragraph [18] below]
- (ii) Interest Payment Date(s): [[ ] in each year, commencing on [ ], up to and including the Maturity Date *(Amend appropriately in the case of irregular coupons)*

- (iii) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [Subject to adjustment as a result of the application of Condition 4(e) and paragraph [18] below,] [ ] per Calculation Amount
- (iv) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [Subject to adjustment as a result of the application of Condition 4(e) and paragraph [18] below,] [ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ] [Not Applicable]
- (v) Fixed Day Count Fraction: [Actual/Actual (ICMA)] [30/360] [*specify other*]
- (vi) Determination Date(s): [[ ] in each year] [Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes: [None/Give details]
14. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ], subject to adjustment in accordance with the Business Day Convention set out in (ii) below /, not subject to any adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]] [Not Applicable]
- (iii) Additional Business Centre(s): [ ]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (vi) Screen Rate Determination:
- Reference Rate: [ ] month [EURIBOR/specify other Reference Rate]  
*(Either EURIBOR or other, although additional information is required if other, including fall back provisions in the Agency Agreement)*
  - Interest Determination Date(s): [ ]  
*(Second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR)*
  - Relevant Screen Page: [ ]  
*(In the case of EURIBOR, if not Reuters)*

*EURIBOR01 ensure it is a page which shows a composite rate or amend the fall back provisions appropriately)*

- (vii) ISDA Determination:
- Floating Rate Option: [   ]
  - Designated Maturity: [   ]
  - Reset Date: [   ]
- (In the case of a EURIBOR based option, the first day of the Interest Period)*
- (viii) Linear Interpolation [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (ix) Margin(s): [Subject as set out in Condition 4(e) and paragraph [18] below,] [+/-] [   ] per cent. per annum
- (x) Minimum Rate of Interest: [   ] per cent. per annum
- (xi) Maximum Rate of Interest: [   ] per cent. per annum
- (xii) Floating Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] 30E/360 (ISDA) [Other] *(See Condition 5 for alternatives)*
- (xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions: [   ]
15. Zero Coupon Note Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield: [   ] per cent. per annum
  - (ii) Reference Price: [   ]
  - (iii) Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes: [   ]
  - (iv) Day Count Fraction in relation to Early Redemption Amounts: [30/360] [Actual/360] [Actual/365]
16. Index Linked Interest Note [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Index/Formula: [give or annex details]
  - (ii) Calculation Agent: [give name]
  - (iii) Party responsible for calculating the [   ]

- Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent):
- (iv) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (v) Specified Period(s)/Specified Interest Payment Dates: [     ]
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
- (vii) Additional Business Centre(s): [     ]
- (viii) Minimum Rate of Interest: [     ] per cent. per annum
- (ix) Maximum Rate of Interest: [     ] per cent. per annum
- (x) Day Count Fraction: [     ]
17. Dual Currency Interest Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: *[give or annex details]*
- (ii) Calculation Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [     ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Person at whose option Specified Currency(ies) is/are payable: [     ]
18. Step Up Option: [Applicable / Not Applicable]
- (i) Step Up Event: [Food Waste KPI Step Up Event] [and] [GHG KPI Step Up Event]
- (ii) Step Up Margin: [(ii)] [     ] per cent. per annum [in respect of a Food Waste KPI Step Up Event; and (ii) [     ] per cent. per annum in respect of a GHG KPI Step Up Event.]
- (iii) Food Waste KPI Percentage Reference Year(s): [     ] [and [     ]] [Not Applicable]
- (iv) GHG KPI Percentage Reference Year(s): [     ] [and [     ]] [Not Applicable]
- (v) Food Waste KPI Percentage Threshold(s): [●] per cent. [in respect of [*specify relevant Food Waste KPI Percentage Reference Year if more than one Food Waste KPI Percentage Reference Year is included*]]  
[[●] per cent. in respect of [     ]] [Not Applicable]
- (vi) GHG KPI Percentage Threshold(s): [●] per cent. [in respect of [*specify relevant GHG KPI Percentage Reference Year if more than one GHG KPI Percentage Reference Year is*

included]]

[[●] per cent. in respect of [ ]]] [Not Applicable]

## PROVISIONS RELATING TO REDEMPTION

19. Notice periods for Condition 6(b): Minimum period: [30] days  
Maximum period: [60] days
20. Issuer Call [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ] [Any Business Day (as defined in Condition 4(b)) falling in the period from (and including) [ ] to (but excluding) the Maturity Date]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [In respect of the Optional Redemption Date(s) falling on [or prior to] [ ], [[ ] per Calculation Amount]/[Make-Whole Redemption Amount]/[specify other/see Appendix]  
[In respect of the Optional Redemption Date(s) falling on [or after] [ ], [[ ] per Calculation Amount]/[Make-Whole Redemption Amount]/ [specify other/see Appendix]]
- (iii) If redeemable in part: [Applicable/Not Applicable, as the Notes are not redeemable in part]
- (a) Minimum Redemption Amount: [ ]
- (b) Higher Redemption Amount: [ ]
- (iv) Notice periods: Minimum period: [10] days  
Maximum period: [30] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)*
- (v) Make-Whole Redemption: [Applicable/Not Applicable]
- (a) Make-Whole Redemption Margin: [ ] per cent.
- (b) Quotation Time: [11.00 a.m. ([Brussels/London/[ ] time)]] [ ]
- (c) Determination Date: [The [ ] Business Day preceding the applicable Optional Redemption Date]]
- (d) Reference Bond: [ ]
21. Investor Put [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix]
- (iii) Notice periods: Minimum period: [15] days

Maximum period: [30] days

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)*

22. Restructuring Event Put [Applicable/Not Applicable]
23. Final Redemption Amount [[ ] per Calculation Amount/specify other/See Appendix]
24. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required): [[ ] per Calculation Amount/specify other/See Appendix]
- (N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

25. (i) Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event].]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.]
- Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December, 2005.
- (ii) New Global Note: [Yes] [No]
26. Additional Financial Centre(s): [Not Applicable/give details]
- (Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraphs 14(iii) and 16(vii) relate)*
27. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
28. Detail relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. *N.B. A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
29. Details relating to Instalment Notes: [Applicable/Not Applicable]
- (i) Instalment Amount(s): [give details]

- (ii) Instalment Date(s): [give details]
30. Other terms or special conditions: [Not Applicable/give details]

**RESPONSIBILITY**

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement. [[*Relevant third party information*] has been extracted from [*specify source*]. [Each of the][The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

[Signed on behalf of [Tesco PLC/Tesco Corporate Treasury Services PLC/Tesco Corporate Treasury Services Europe DAC]

By: .....

*Duly authorised*

[Signed on behalf of Tesco PLC:

By: .....

*Duly authorised]*

## PART B — OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

Listing and Admission to trading: [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [specify market - note this must not be a regulated market] with effect from [ ].] [Not Applicable]

### 2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [insert details] by [insert the legal name of the relevant credit rating agency entity(ies)]

*(The above disclosure is only required if the ratings of the Notes are different to those stated in the Offering Circular)*

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for [any/the] fees [of [insert relevant fee disclosure]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business — Amend as appropriate if there are other interests]

### 4. OPERATIONAL INFORMATION

- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) CFI: [[See/[ ]], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (iv) FISN: [[See/[ ]], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have

been met.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

- (ix) Prohibition of Sales to EEA Retail Investors:

[Applicable/Not Applicable]

*(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged products" and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*

- (x) Prohibition of Sales to United Kingdom Retail Investors:

[Applicable/Not Applicable]

*(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged products" and a key information document will be prepared in the United Kingdom, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*

- (xi) Prohibition of Sales to Belgian Consumers:

[Applicable/Not Applicable]

*(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction.)*

## 5. DISTRIBUTION

- (i) Method of distribution:  
(ii) If syndicated, names of Managers:  
(iii) Stabilisation Manager(s) (if any):  
(iv) If non-syndicated, name of relevant Dealer:  
(v) U.S. selling restrictions:  
(vi) Additional selling restrictions:

[Syndicated/Non-syndicated]

[Not Applicable/give names]

[Not Applicable/give name]

[Not Applicable/give name]

[Reg. S Compliance Category 2; TEFRA D/TEFRA not applicable]

[Not Applicable/give details]

*(Additional selling restrictions are only likely to be relevant for certain structured Notes, such as commodity-linked Notes)*

## 6. REASONS FOR THE OFFER

Reasons for the offer:

[See "Use of Proceeds" in the Offering Circular/Sustainability Projects/Give details]

*(See "Use of Proceeds" wording in the Offering Circular – if reasons for offer different from what is*

*disclosed in the Offering Circular, give details.)*

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes to be issued on or after 11 October, 2021 and which will be incorporated by reference into each global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer, the Guarantor (in the case of Guaranteed Notes) and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each temporary global Note, permanent global Note and definitive Note. Reference should be made to "Form of Final Terms" above for the form of Final Terms which will include the meaning of certain terms used in the following Terms and Conditions or specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by the Issuer named in the applicable Final Terms (as defined below) (the "Issuer") constituted by a Trust Deed (as modified and/or supplemented and/or restated from time to time, the "Trust Deed") dated 17 July, 1997 made between Tesco Corporate Treasury Services PLC ("TCTS") as an issuer, Tesco Corporate Treasury Services Europe DAC ("TCTSE") as an issuer, Tesco PLC ("Tesco") as an issuer and as a guarantor of Notes issued by TCTS and TCTSE (in its capacity as such, the "Guarantor") and Royal Exchange Trust Company Limited (the "Trustee", which expression shall include any successor as trustee).

References herein to the "Notes" shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency;
- (ii) definitive Notes issued in exchange for a global Note; and
- (iii) any global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an Agency Agreement (as modified and/or supplemented and/or restated from time to time, the "Agency Agreement") dated 11 October, 2021 and made among TCTS as an issuer, TCTSE as an issuer, Tesco as an issuer and as a guarantor of Notes issued by TCTS and TCTSE, HSBC Bank plc, as issuing and principal paying agent and agent bank (the "Agent", which expression shall include any successor agent specified in the applicable Final Terms), the other paying agent named therein (together with the Agent, the "Paying Agents", which expression shall include any additional or successor paying agents) and the Trustee.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note and which supplement these Terms and Conditions (the "Conditions") or, if this Note is a Note which is neither admitted to trading on a UK regulated market as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 nor offered in the United Kingdom in circumstances where a prospectus is required to be published under the Financial Services and Markets Act 2000 (an "Exempt Note"), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References to the "applicable Final Terms" are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. Any reference in the Conditions to "applicable Final Terms" shall be deemed to be a reference to "applicable Pricing Supplement" in the case of Exempt Notes.

The expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Interest bearing definitive Notes have interest coupons ("Coupons") and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, if indicated in the applicable Final Terms, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Exempt Notes in definitive form which are repayable in instalments have receipts ("Receipts") for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

If this Note is issued by Tesco, references in these Terms and Conditions to Guarantor and Guarantee, and related expressions, are not applicable.

If this Note is issued by TCTS or TCTSE (“Guaranteed Notes”), the payment of principal and interest in respect of this Note and all other moneys payable by TCTS or TCTSE as Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the “Guarantee”).

The Trustee acts for the benefit of the holders of the Notes (the “Noteholders”, which expression shall, in relation to any Notes represented by a global Note, be construed as provided below), the holders of the Receipts (the “Receiptholders”) and the holders of the Coupons (the “Couponholders”, which expression shall, unless the context otherwise requires, include the holders of the Talons), all in accordance with the provisions of the Trust Deed.

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing and admission to trading) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed (including the Guarantee) and the applicable Final Terms.

Copies of the Trust Deed and the Agency Agreement (i) are available for inspection or collection during normal business hours at the principal office of the Trustee, being at 11 October, 2021 at 6th Floor, 140 London Wall, London EC2Y 5DN, and at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to the Trustee or any Paying Agents and provision of proof of holding and identity (in a form satisfactory to the Trustee or the relevant Paying Agent, as the case may be). If the Notes are to be admitted to trading on the main market of the London Stock Exchange the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer or, as the case may be, the relevant Paying Agent as to its holding of such Notes and identity.

The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed (including the Guarantee), the Agency Agreement and the applicable Final Terms which are binding on them.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of any inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and, in the event of any inconsistency between the Agency Agreement or the Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

In these Conditions, “euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## **1. Form, Denomination and Title**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the “Specified Currency”) and the denominations (the “Specified Denomination(s)”) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending on the Redemption/ Payment Basis shown in the applicable Pricing Supplement.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer, the Guarantor, the Trustee, the Agent and any Paying Agent may deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Clearstream Banking S.A. ("Clearstream, Luxembourg") and/or Euroclear Bank SA/NV ("Euroclear") each person (other than Clearstream, Luxembourg or Euroclear) who is for the time being shown in the records of Clearstream, Luxembourg or of Euroclear as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer, the Guarantor, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Clearstream, Luxembourg or of Euroclear, as the case may be. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest or proven error, be conclusive and binding on all concerned.

References to Clearstream, Luxembourg and/or Euroclear shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Trustee and the Agent.

## **2. Status of the Notes and the Guarantee**

### *(a) Status of the Notes*

The Notes and the relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain debts preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

### *(b) Status of the Guarantee*

The obligations of the Guarantor in respect of Guaranteed Notes under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

## **3. Negative Pledge**

So long as any of the Notes remains outstanding (as defined in the Trust Deed):

- (a) in the case of Guaranteed Notes, none of the Issuer, the Guarantor and any of their respective Subsidiaries (as defined in the Trust Deed but, for the purposes of this Condition 3, excluding Tesco Personal Finance Group Limited, Tesco Personal Finance PLC and each of their respective directly or indirectly held subsidiaries) will create any mortgage, standard security, assignation in security, charge, pledge, lien or other security interest (other than a Permitted Security Interest) on any of their respective present or future undertakings or assets, in any case in respect of (i) any Obligation of the Issuer, the Guarantor or any other person or (ii) any

guarantee or indemnity in respect of any Obligation of the Issuer, the Guarantor or any other person; and

- (b) in the case of Notes other than Guaranteed Notes, neither the Issuer nor any of its Subsidiaries (as defined in the Trust Deed but, for the purposes of this Condition 3, excluding Tesco Personal Finance Group Limited, Tesco Personal Finance PLC and each of their respective directly or indirectly held subsidiaries) will create any mortgage, standard security, assignation in security, charge, pledge, lien or other security interest (other than a Permitted Security Interest) on any of their respective present or future undertakings or assets, in any case in respect of (i) any Obligation of the Issuer or any other person or (ii) any guarantee or indemnity in respect of any Obligation of the Issuer or any other person,

without, in any such case, the Issuer or the Guarantor (as the case may be) at the same time securing the Notes, the Receipts and the Coupons and all amounts payable under the Trust Deed equally and rateably therewith to the satisfaction of the Trustee or providing such other security therefor which the Trustee in its absolute discretion shall deem not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

"Obligation" means any present or future indebtedness evidenced by notes, bonds, debentures (in the case of Tesco or TCTS, as defined in Section 738 of the Companies Act 2006, and in the case of TCTSE, as defined in Section 2 of the Irish Companies Act 2014) or other securities which, except where it is the intention of the Issuer, (in the case of Guaranteed Notes) the Guarantor or the relevant Subsidiary (which, for the purposes of this Condition 3, excludes Tesco Personal Finance Group Limited, Tesco Personal Finance PLC and each of their respective directly and indirectly held subsidiaries) that such securities will not be so quoted or traded, are, at the request or with the concurrence of the Issuer, (in the case of Guaranteed Notes) the Guarantor or such Subsidiary (which, for the purposes of this Condition 3, excludes Tesco Personal Finance Group Limited, Tesco Personal Finance PLC and each of their respective directly and indirectly held subsidiaries), quoted or traded for the time being on any stock exchange or other generally recognised market for securities, excluding (i) any secured loan stock listed on the Official List denominated or payable in Sterling and initially distributed primarily to investors in the United Kingdom and (ii) any such indebtedness incurred by a newly established Subsidiary of the Issuer or (in the case of Guaranteed Notes) the Guarantor (the "New Subsidiary") and applied for the purpose of acquiring assets from the Issuer, (in the case of Guaranteed Notes) the Guarantor or any other person and in respect of which the person to whom such indebtedness is owed has no recourse whatsoever to the Issuer, (in the case of Guaranteed Notes) the Guarantor, the New Subsidiary or any other Subsidiary of the Issuer or (in the case of Guaranteed Notes) the Guarantor, as the case may be, for repayment other than (A) recourse to the relevant New Subsidiary for amounts limited to the cash flow or net cash flow (other than historical cash flow or historical net cash flow) from the asset or assets which were so acquired by the New Subsidiary, and available receipts from liquidity drawings and hedge counterparties which are related to the indebtedness to be repaid by the New Subsidiary, in each case which are the subject of such security or (B) recourse to the Issuer, (in the case of Guaranteed Notes) the Guarantor or other person, as the case may be, directly or indirectly under any form of obligation or warranty in respect of the acquisition of such assets, which recourse is limited to a claim for a breach of such obligation or warranty (not being a payment obligation or an obligation to procure payment by another or an indemnity in respect of the indebtedness incurred for the purposes of funding the acquisition itself) by the person against whom such recourse is available.

"Permitted Security Interest" means a lien arising by operation of law or any security interest created either (i) by any Subsidiary of the Issuer or (in the case of Guaranteed Notes) the Guarantor over the whole or any part of the present or future assets, undertakings or revenues of such Subsidiary or (ii) by the Issuer or (in the case of Guaranteed Notes) the Guarantor over a specifically identified Asset Pool (as such term is defined in the Regulated Covered Bonds Regulations 2008 (as the same may be amended or re-enacted)), provided that in either case the creation of such security interest is pursuant to or in accordance with the relevant contractual arrangements or, as the case may be, specific provisions of the laws of any jurisdiction relating to covered bonds (howsoever described) applicable at the time of creation of such security interest.

#### **4. Interest**

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

If the notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date will (subject to adjustment as a result of the application of Condition 4(e), if applicable) amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will, if so specified in the applicable Final Terms (and subject to adjustment as a result of the application of Condition 4(e), if applicable), amount to the Broken Amount(s) so specified.

As used in these Conditions, "Fixed Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Fixed Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount to the Calculation Amount in the case of Fixed Rate Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In these Conditions:

"Fixed Day Count Fraction" means:

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
  - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360;

"Determination Period" means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Floating Rate Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “Interest Payment Date”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions “Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, “Business Day” means:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (B) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2 System) (the “TARGET2 System”) is open; and
- (C) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is New Zealand dollars or Australian dollars, shall be Auckland and Sydney, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as amended and updated as at the Issue Date of the first Tranche of the Notes and as published by the International Swaps and Derivatives Association, Inc. (the "ISDA Definitions") and under which: (1) the Floating Rate Option is as specified in the applicable Final Terms; (2) the Designated Maturity is a period specified in the applicable Final Terms; and (3) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Notes*

(I) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject to Condition 4(d) and subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

(II) If, other than in the circumstances described in Condition 4(d) below, the Relevant Screen Page is not available or if, in the case of Condition 4(b)(ii)(B)(1), no such offered quotation appears or, in the case of Condition 4(b)(ii)(B)(2), fewer than three such offered quotations appear, in each case as at the time specified in Condition 4(b)(ii)(B), the Agent shall request the principal Euro-zone office of each of the Reference Banks (as defined below) to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the relevant Interest Period at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fourth decimal place with 0.00005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

(III) If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if

necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the Euro-zone inter-bank market, plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Agent it is quoting to leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

In this Condition 4(b)(ii)(B), the expression “Reference Banks” means, in the case of 4(b)(ii)(B)(II) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of 4(b)(ii)(B)(III) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

*(iii) Minimum and/or Maximum Interest Rate*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

*(iv) Determination of Rate of Interest and calculation of Interest Amounts*

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the “Interest Amount”) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Floating Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

“Floating Day Count Fraction” means, in respect of the calculation of an amount of interest for any Interest Period in accordance with this Condition 4(b):

- (i) if “Actual/Actual” or “Actual/Actual (ISDA)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (iv) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (v) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vi) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

*(v) Notification of Rate of Interest and Interest Amounts*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in London.

*(vi) Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“Designated Maturity” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

*(vii) Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, (in the case of Guaranteed Notes) the Guarantor, the Agent, the Trustee, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, (in the case of Guaranteed Notes) the Guarantor, the Noteholders, the Receiptholders or the

Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Exempt Notes*

In the case of Exempt Notes which are also Floating Rate Notes where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than EURIBOR, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 4(b) shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(d) *Benchmark Discontinuation*

(i) *Independent Adviser*

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when these Conditions provide for any remaining Rate of Interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(d)(ii)) and, in either case, an Adjustment Spread (in accordance with Condition 4(d)(iii)) and any Benchmark Amendments (in accordance with Condition 4(d)(iv)).

An Independent Adviser appointed pursuant to this Condition 4(d) shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest, the Noteholders, the Couponholders or the Receiptholders for any determination made by it pursuant to this Condition 4(d).

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines that:

- (A) there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 4(d)(iii)) shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4(d)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 4(d)(iii)) shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4(d)).

(iii) *Adjustment Spread*

If a Successor Rate or Alternative Rate is determined in accordance with Condition 4(d)(ii), the Independent Adviser, acting in good faith and in a commercially reasonable

manner, shall determine an Adjustment Spread (which may be expressed as a specified quantum or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

*(iv) Benchmark Amendments*

If any Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 4(d) and the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines (A) that amendments to these Conditions and/or the Trust Deed (including, without limitation, amendments to the definitions of Day Count Fraction, Business Day or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) Adjustment Spread (such amendments, the **Benchmark Amendments**) and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(d)(v), without any requirement for the consent or approval of Noteholders, Receiptholders or Couponholders, vary these Conditions and/or the Trust Deed (as applicable) to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two Directors of the Issuer or, as the case may be, two Directors of the Guarantor pursuant to Condition 4(d)(v), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of Noteholders, Receiptholders or Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed) and the Trustee shall not be liable to any party for any consequences thereof, provided that the Trustee shall not be obliged so to concur if in the reasonable opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce rights and/or the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

*(v) Notices, etc.*

The Issuer will notify the Agent, any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest, the other Paying Agents and, in accordance with Condition 13, the Noteholders promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4(d). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Guarantor (if this Note is a Guaranteed Note) or two Directors of the Issuer (if this Note is not a Guaranteed Note):

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(d); and
- (B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without inquiry and without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the applicable Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the

Agent, any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest, the other Paying Agents and the Noteholders, Receiptholders and Couponholders as of their effective date.

*(vi) Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under the provisions of this Condition 4(d), the Original Reference Rate and the fallback provisions provided for in Condition 4(b)(ii)(B) will continue to apply unless and until a Benchmark Event has occurred.

*(vii) Fallbacks*

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the relevant Interest Determination Date, no Successor Rate or Alternative Rate (as applicable) or (in either case) applicable Adjustment Spread is determined and notified to the Agent or any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest (as applicable), in each case pursuant to this Condition 4(d), prior to such Interest Determination Date, the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided for in Condition 4(b)(ii)(B) will (if applicable) continue to apply to such determination.

For the avoidance of doubt, this Condition 4(d)(vii) shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date only, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(d).

*(viii) Definitions*

As used in this Condition 4(d):

“Adjustment Spread” means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in either case which is to be applied to the relevant Successor Rate or Alternative Rate (as applicable) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) in the case of an Alternative Rate or (where (A) above does not apply) in the case of a Successor Rate, the Independent Adviser determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

“Alternative Rate” means an alternative to the Original Reference Rate which the Independent Adviser determines in accordance with Condition 4(d)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for debt securities with a commensurate interest period and in the same Specified Currency as the Notes, or if the Independent Adviser determines that there is no such rate, such other rate as the Independent Adviser determines in its sole discretion is most comparable to the Original Reference Rate;

“Benchmark Amendments” has the meaning given to it in Condition 4(d)(iv);

“Benchmark Event” means, with respect to an Original Reference Rate:

- (A) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered; or
- (B) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the

Original Reference Rate) and (ii) the date falling six months prior to the specified date referred to in (B)(i); or

- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in (D)(i); or
- (E) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (E)(i); or
- (F) it has or will prior to the next Interest Determination Date become unlawful for the Issuer, the Agent, any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest or any Paying Agent to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate; or
- (G) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise in the international debt capital markets appointed by the Issuer, at its own expense, under Condition 4(d)(i);

“Original Reference Rate” means the originally-specified Reference Rate used to determine the relevant Rate of Interest (or any component part thereof) in respect of any Interest Period(s) (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term “Original Reference Rate” shall include any such Successor Rate or Alternative Rate);

“Relevant Nominating Body” means, in respect of an Original Reference Rate:

- (A) the central bank for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the Original Reference Rate relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

*(e) Step Up Option for Fixed Rate Notes and Floating Rate Notes*

This Condition 4(e) applies to Notes in respect of which the applicable Final Terms indicates that the Step Up Option is applicable (“ESG Notes”).

For any Interest Period commencing on or after the first Interest Payment Date immediately following the occurrence of a Step Up Event, if any, the Initial Rate of Interest (in the case of Fixed Rate Notes) or the Initial Margin (in the case of Floating Rate Notes) shall be increased by the Step Up Margin specified in the applicable Final Terms.

If the applicable Final Terms specifies both Food Waste KPI Step Up Event and GHG KPI Step Up Event as being applicable, and both Step Up Events occur, then the Initial Rate of Interest (in the case of Fixed Rate Notes) or the Initial Margin (in the case of Floating Rate Notes) shall be increased by the aggregate of the Step Up Margin applicable to the Food Waste KPI Step Up Event and the Step Up Margin applicable to the GHG KPI Step Up Event. If the applicable Final Terms specifies both Food Waste KPI Step Up Event and GHG KPI Step Up Event as being applicable, and only one of the Step Up Events occurs, then the Initial Rate of Interest (in the case of Fixed Rate Notes) or the Initial Margin (in the case of Floating Rate Notes), will only be increased by the Step Up Margin specified in relation to the Food Waste KPI Step Up Event or the GHG KPI Step Up Event, as applicable.

The Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor will cause (i) the occurrence of a Step Up Event and (ii) (unless the relevant Step Up Event has previously occurred and been notified to the Agent, the Trustee and the Noteholders as required by this Condition 4(e)) the satisfaction of the Food Waste KPI Condition in respect of any Food Waste KPI Percentage Reference Year and/or the GHG KPI Condition in respect of any GHG KPI Percentage Reference Year, as the case may be, to be notified to the Agent, the Trustee and, in accordance with Condition 13, the Noteholders as soon as reasonably practicable after such occurrence or satisfaction (as applicable) and in no event later than the relevant Step Up Notification Deadline. Such notice shall be irrevocable and shall specify the Rate of Interest and, in the case of a notification of the occurrence of a Step Up Event, the Step Up Margin and the Step Up Date.

For the avoidance of doubt, a Food Waste KPI Step Up Event and/or a GHG KPI Step Up Event (as applicable) may only occur once each during the term of the ESG Notes. The Rate of Interest (in the case of Fixed Rate Notes) or Margin (in the case of Floating Rate Notes) will not subsequently decrease, regardless of the Food Waste KPI Percentage for any other specified Food Waste KPI Percentage Reference Year following the occurrence of a Food Waste KPI Step Up Event or the GHG KPI Percentage for any other specified GHG KPI Percentage Reference Year following the occurrence of a GHG KPI Step Up Event, as the case may be.

Neither the Trustee nor the Agent shall be obliged to monitor or inquire as to whether a Step Up Event has occurred or have any liability in respect thereof and the Trustee shall be entitled to rely absolutely on any notice given to it by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor pursuant to this Condition 4(e) without further enquiry or liability.

As used in these Conditions:

“2015 GHG Baseline” means, in thousands of metric tons of carbon dioxide equivalent (kt CO<sub>2</sub>e), the sum of GHG Scope 1 Emissions and GHG Scope 2 Emissions (each term as defined below) (calculated using the market-based method) for the financial year 2015/16, as initially reported in Tesco PLC’s Annual Report and Financial Statements 2016 and, if applicable, recalculated in good faith by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor to reflect any significant or structural changes to the Group in the previous financial year in line with the GHG Recalculation Policy, confirmed by the Assurance Provider in a 2015 GHG Baseline Assurance Report and published by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor in the latest Sustainability Report in accordance with Condition 14;

“2015 GHG Baseline Assurance Report” has the meaning given to it in Condition 14;

“2016 Food Waste Baseline” means tonnes of food waste from the Group’s global operations as a percentage of tonnes of food handled by the Group’s global operations in the financial year 2016/17, and, if applicable, recalculated in good faith by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor to reflect any significant or structural changes to the Group in the previous financial year in line with the Food Waste Recalculation Policy, confirmed by the Assurance Provider in a 2016 Food Waste Baseline Assurance Report and published by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor in the latest Sustainability Report in accordance with Condition 14;

“2016 Food Waste Baseline Assurance Report” has the meaning given to it in Condition 14;

“Assurance Provider” means KPMG LLP or such other independent, qualified provider of third party assurance or attestation services appointed by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor to review the Issuer’s or the Guarantor’s (as the case may be) statements of Food Waste KPI and GHG KPI;

“Assurance Report” has the meaning given to it in Condition 14;

“Food Waste Guidelines” means the document titled “Food surplus and waste measurement and reporting, UK guidelines” published by the Institute of Grocery Distribution (IGD) and WRAP in September 2020 (as amended and updated as at the Issue Date of the first Tranche of the relevant ESG Notes);

“Food Waste KPI” means, in respect of any financial year, tonnes of food waste from the Group’s global operations as a percentage of tonnes of food handled by the Group’s global operations, as calculated in good faith by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor in respect of such financial year in accordance with the Food Waste Guidelines, confirmed by the Assurance Provider and reported by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor in the relevant Sustainability Report;

“Food Waste KPI Condition”, in relation to a Food Waste KPI Percentage Reference Year, is the condition that:

- (a) the Sustainability Report and the Assurance Report relating to such Food Waste KPI Percentage Reference Year and (if applicable) the related 2016 Food Waste Baseline Assurance Report have been published by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor in accordance with Condition 14 by no later than the relevant Step Up Notification Deadline; and
- (b) the Food Waste KPI Percentage in respect of such Food Waste KPI Percentage Reference Year, as shown in the relevant Sustainability Report referred to in paragraph (a) above, was equal to or greater than the Food Waste KPI Percentage Threshold in respect of such Food Waste KPI Percentage Reference Year,

and if the requirements of paragraph(s) (a) and/or (b) are not met, the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor shall be deemed to have failed to satisfy the Food Waste KPI Condition in respect of the relevant Food Waste KPI Percentage Reference Year;

“Food Waste KPI Percentage” means, in respect of any financial year, the percentage by which Food Waste KPI for such financial year is a reduction in comparison to the 2016 Food Waste Baseline (*by way of example, a change to 0.25 per cent. from 0.5 per cent. being a 50 per cent. reduction*), as calculated in good faith by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor and published by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor in accordance with Condition 14;

“Food Waste KPI Percentage Reference Year” means the financial year(s) of the Group specified in the applicable Final Terms as being the Food Waste KPI Percentage Reference Year(s);

“Food Waste KPI Percentage Threshold” means:

- (a) if a single Food Waste KPI Percentage Reference Year is specified in the applicable Final Terms, the threshold (expressed as a percentage reduction) specified in the applicable Final Terms as being the Food Waste KPI Percentage Threshold; or
- (b) if more than one Food Waste KPI Percentage Reference Year is specified in the applicable Final Terms, the threshold (expressed as a percentage reduction) specified in the applicable Final Terms as being the Food Waste KPI Percentage Threshold in respect of the relevant Food Waste KPI Percentage Reference Year(s).

For the avoidance of doubt, any significant or structural change to the Group will not result in any adjustment to the Food Waste KPI Percentage Threshold(s), but may result in the recalculation of the 2016 Food Waste Baseline;

a “Food Waste KPI Step Up Event” occurs if:

- (a) the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor fails to satisfy the Food Waste KPI Condition in respect of any Food Waste KPI Percentage Reference Year; and
- (b) no Food Waste KPI Step Up Event has previously occurred in respect of the ESG Notes;

“Food Waste Recalculation Policy” means the Group’s food waste recalculation policy, as published on Tesco PLC’s website as at the Issue Date of the first Tranche of the relevant Notes;

“GHG KPI” means, in thousands of metric tons of carbon dioxide equivalent (kt CO<sub>2</sub>e), the sum of:

- (a) direct greenhouse gas emissions from owned or controlled sources of the Group as defined by the GHG Protocol Standard (the “GHG Scope 1 Emissions”); and

- (b) indirect greenhouse gas emissions from electricity, steam, heat and cooling purchased or acquired by the Group, as defined by the GHG Protocol Standard (the “GHG Scope 2 Emissions”, calculated using the market-based method),

in each case as calculated in good faith by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor in respect of a financial year, confirmed by the Assurance Provider and reported by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor in the relevant Sustainability Report;

“GHG KPI Condition”, in relation to a GHG KPI Percentage Reference Year, is the condition that:

- (a) the Sustainability Report and the Assurance Report relating to such GHG KPI Percentage Reference Year and (if applicable) the related 2015 GHG Baseline Assurance Report have been published by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor in accordance with Condition 14 by no later than the relevant Step Up Notification Deadline; and
- (b) the GHG KPI Percentage in respect of such GHG KPI Percentage Reference Year, as shown in the relevant Sustainability Report referred to in paragraph (a) above, was equal to or greater than the GHG KPI Percentage Threshold in respect of such GHG KPI Percentage Reference Year,

and if the requirements of paragraph(s) (a) and/or (b) are not met, the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor shall be deemed to have failed to satisfy the GHG KPI Condition in respect of the relevant GHG KPI Percentage Reference Year;

“GHG KPI Percentage” means, in respect of any financial year, the percentage by which GHG KPI for such financial year is a reduction in comparison to the 2015 GHG Baseline, as calculated in good faith by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor and published by the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor in accordance with Condition 14;

“GHG KPI Percentage Reference Year” means the financial year(s) of the Group specified in the applicable Final Terms as being the GHG KPI Percentage Reference Year(s);

“GHG KPI Percentage Threshold” means:

- (a) if a single GHG KPI Percentage Reference Year is specified in the applicable Final Terms, the threshold (expressed as a percentage) specified in the applicable Final Terms as being the GHG KPI Percentage Threshold; or
- (b) if more than one GHG KPI Percentage Reference Year is specified in the applicable Final Terms, the threshold (expressed as a percentage) specified in the applicable Final Terms as being the GHG KPI Percentage Threshold in respect of the relevant GHG KPI Percentage Reference Year(s).

For the avoidance of doubt, any significant or structural change to the Group will not result in any adjustment to the GHG KPI Percentage Threshold(s), but may result in the recalculation of the 2015 GHG Baseline;

a “GHG KPI Step Up Event” occurs if:

- (a) the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor fails to satisfy the GHG KPI Condition in respect of any GHG KPI Percentage Reference Year; and
- (b) no GHG KPI Step Up Event has previously occurred in respect of the ESG Notes;

“GHG Protocol Standard” means the document titled “The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard (Revised Edition)” published by the World Business Council for Sustainable Development and the World Resources Institute (as amended and updated as at the Issue Date of the first Tranche of the relevant ESG Notes);

“GHG Recalculation Policy” means the Group’s carbon footprint recalculation policy, as published on Tesco PLC’s website as at the Issue Date of the first Tranche of the relevant Notes;

“Group” means Tesco PLC and its Subsidiaries;

“Initial Margin” means, in respect of Floating Rate Notes, the initial Margin specified in the applicable Final Terms;

“Initial Rate of Interest” means, in respect of Fixed Rate Notes, the initial Rate of Interest specified in the applicable Final Terms;

“Step Up Date” means the first day of the next Interest Period following the date on which a Step Up Event occurs;

a “Step Up Event” means, as specified in the applicable Final Terms, a Food Waste KPI Step Up Event and/or GHG KPI Step Up Event;

“Step Up Notification Deadline” means, in relation to any Food Waste KPI Percentage Reference Year or any GHG KPI Percentage Reference Year, as the case may be, the day falling 135 days after the last day of the relevant Food Waste KPI Percentage Reference Year or the relevant GHG KPI Percentage Reference Year, as the case may be;

“Step Up Margin” means, in relation to any Step Up Event, the amount specified in the applicable Final Terms as being the Step Up Margin in respect of such Step Up Event; and

“Sustainability Report” has the meaning given to it in Condition 14.

*(f) Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

## **5. Payments**

*(a) Method of Payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is New Zealand dollars or Australian dollars, shall be Auckland and Sydney, respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

*(b) Presentation of Notes, Receipts and Coupons*

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against surrender of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than as provided in Condition 5(d) or Fixed Rate Notes which are also ESG Notes (as defined above)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note in definitive form or Fixed Rate Note which is also a ESG Note becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

*(c) Payments in respect of global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant global Note, where applicable against presentation or surrender, as the case may be, of such global Note at the specified office of any Paying Agent. A record of each payment made distinguishing between any payment of principal and any payment of interest, will be made on such global Note either by such Paying Agent or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

*(d) Specific provisions in relation to payments in respect of certain types of Exempt Notes*

Payments of instalments of principal (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above only against surrender of the relevant Receipt. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against surrender of the relevant Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

*(e) General provisions applicable to payments*

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Clearstream, Luxembourg or Euroclear as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Clearstream, Luxembourg or Euroclear, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such global Note.

Notwithstanding the foregoing, if any amount of principal and/or interest in respect of this Note is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of this Note will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor (in the case of Guaranteed Notes), adverse tax consequences to the Issuer or the Guarantor (in the case of Guaranteed Notes).

*(f) Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits): (A) in the case of Notes in definitive form only, in the relevant place of presentation; and (B) in each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (ii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, as day on which the TARGET2 System is open; and
- (iii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is New Zealand dollars or Australian dollars, shall be Auckland and Sydney, respectively) or (2) in relation to any sum payable in euro a day on which the TARGET2 system is open.

*(g) Interpretation of Principal and Interest*

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7 or pursuant to any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) the Make-Whole Redemption Amount(s) (if any) of the Notes;
- (vi) the Restructuring Event Redemption Amount (if any) of the Notes;
- (vii) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts; and
- (viii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

## **6. Redemption and Purchase**

*(a) At Maturity*

Unless previously redeemed or purchased and surrendered for cancellation as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

*(b) Redemption for Tax Reasons*

Subject to Condition 6(e), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of the aforementioned notice that:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 or (in the case of Guaranteed Notes) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction

(as defined in Condition 7) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and

- (ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee (i) a certificate signed by two Directors of the Issuer or, as the case may be, two Directors of the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

*(c) Redemption at the Option of the Issuer (Issuer Call)*

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer shall, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or, if the applicable Final Terms specify that the Notes are redeemable in part, some only of the Notes then outstanding on any Optional Redemption Date specified in the applicable Final Terms and at the applicable Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such partial redemption of Notes must be of a nominal amount not less than the Minimum Redemption Amount or not more than the Higher Redemption Amount, in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a global Note, be selected in accordance with the rules of Clearstream, Luxembourg and/or Euroclear (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 10 days prior to the date fixed for redemption.

Any notice of redemption given under this Condition 6(c) will, in respect of the Notes to which it relates, override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 6(b).

In this Condition 6(c), "Optional Redemption Amount" means:

- (i) if the applicable Final Terms specify "Make-Whole Redemption Amount" as the Optional Redemption Amount applicable to the relevant Optional Redemption Date, a redemption price per Note equal to the higher of the following:
  - (A) the outstanding nominal amount of the relevant Note; and
  - (B) the sum of the then current values of the remaining scheduled payments of principal and interest on the relevant Note (not including any interest accrued but unpaid on the relevant Note to (but excluding) the relevant Optional Redemption Date), discounted to the relevant Optional Redemption Date on an annual basis at the sum of (I)(x) if the Specified Currency is euro, the Euro Make-Whole Reference Rate, (y) if the Specified Currency is sterling, the Gross Redemption Yield, or (z) if the Specified Currency is neither euro nor sterling, the Make-Whole Reference Rate, and (II) the Make-Whole

Redemption Margin specified in the applicable Final Terms, in each case as determined by the Make-Whole Calculation Agent,

where:

“Euro Make-Whole Reference Rate” means (A) the average of five Reference Dealer Quotations for the relevant Optional Redemption Date, after excluding the highest and lowest of such five Reference Dealer Quotations (or, if there are two highest and/or two lowest quotations, excluding just one of such highest quotations and/or one of such lowest quotations, as the case may be), (B) if the Make-Whole Calculation Agent obtains fewer than five, but more than one, such Reference Dealer Quotations, the average of all such quotations, or (C) if only one such Reference Dealer Quotation is obtained, the amount of the Reference Dealer so obtained;

“Gross Redemption Yield” means the yield of the Reference Bond, expressed as a percentage and calculated as at the Quotation Time specified in the applicable Final Terms on the Determination Date specified in the applicable Final Terms by the Make-Whole Calculation Agent on the basis set out by the United Kingdom Debt Management Office in the paper “*Formulae for Calculating Gilt Prices from Yields*” page 5, Section One: Price/Yield Formulae “*Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date*” (published on 8 June, 1998 and updated on 15 January, 2002 and 16 March, 2005 and as further updated, amended or supplemented from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or, if such formula does not reflect generally accepted market practice at the time of redemption, a yield calculated in accordance with generally accepted market practice at such time, all as advised to the Issuer by the Make-Whole Calculation Agent;

“Make-Whole Calculation Agent” means a leading investment, merchant or commercial bank appointed by the Issuer and approved in writing by the Trustee for the purposes of calculating the applicable Optional Redemption Amount, and notified to the Noteholders in accordance with Condition 13;

“Make-Whole Reference Rate” means the yield of the Reference Bond, expressed as a percentage and calculated by the Make-Whole Calculation Agent as at the time of day customary for such determination in the relevant market on the Determination Date specified in the applicable Final Terms and in accordance with generally accepted market practice at such time, as advised to the Issuer by the Make-Whole Calculation Agent;

“Reference Dealers” means five credit institutions or financial services institutions that regularly deal in bonds and other debt securities, as selected by the Make-Whole Calculation Agent after consultation with the Issuer, and “Reference Dealer” means each of them;

“Reference Dealer Quotation” means, with respect to each Reference Dealer and any Optional Redemption Date, the quotation of such Reference Dealer for the mid-market annual yield to maturity of the Reference Bond (expressed as a percentage of its principal amount) quoted in writing to the Make-Whole Calculation Agent and the Trustee by such Reference Dealer as at the Quotation Time specified in the applicable Final Terms on the Determination Date specified in the applicable Final Terms;

“Reference Bond” means the security specified in the applicable Final Terms, provided that if the Make-Whole Calculation Agent advises the Issuer that, at the time at which the relevant Optional Redemption Amount is to be determined, the relevant security so specified is no longer outstanding or, for reasons of illiquidity or otherwise, is no longer appropriate for such purpose, such other central bank or government security as the Make-Whole Calculation Agent may, after consultation with the Issuer, determine to be appropriate (and which (A) if the Specified Currency is euro, will be a German *Bundesobligationen* or (B) if the Specified Currency is sterling, will be a United Kingdom government stock); and

- (ii) if the applicable Final Terms do not specify “Make-Whole Redemption Amount” as the Optional Redemption Amount applicable to the relevant Optional Redemption Date, such amount as is specified in, or determined in the manner specified in, the applicable Final Terms.
- (d) *Redemption at the Option of the Noteholders*
  - (i) Redemption at the option of the Noteholders (other than Restructuring Event Put)

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, (which notice shall be

irrevocable) the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Note is in definitive form and held outside Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "Put Notice") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable unless the Issuer otherwise agrees.

(ii) Restructuring Event Put

- (a) If Restructuring Event Put is specified as being applicable in the applicable Final Terms, this Condition 6(d)(ii) shall apply.
- (b) If during the period from the Issue Date to the date falling seven days prior to the Maturity Date there occurs a Put Event, the holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice under Condition 6(b) or (c)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Restructuring Optional Redemption Date at its principal amount (the "Restructuring Event Redemption Amount") together with (or, where purchased, together with an amount equal to) interest accrued to (but excluding) the Restructuring Optional Redemption Date.
- (c) Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, the Trustee shall, give notice (a "Put Event Notice") to the Noteholders in accordance with Condition 13 specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 6(d)(ii).
- (d) To exercise the option to require redemption of a Note under this Condition 6(d)(ii), the holder of the Note, if it is in definitive form, must deliver such Note, on any Restructuring Event Business Day (as defined below) falling within the period (the "Put Period") of 45 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "Restructuring Event Put Notice") and in which the holder may specify a bank account to which payment is to be made under this Condition 6(d)(ii).

If the Notes are represented by a global Note, such option may be exercised by the holder of the global Note by giving notice to the Agent of the principal amount of Notes in respect of which the option is exercised and presenting such global Note for endorsement of exercise within the time limits specified in this Condition 6(d)(ii).

"Restructuring Event Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place of the specified office of the Paying Agent at which the Note is delivered.

- (e) The Paying Agent to which any definitive Note and Restructuring Event Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the

holder duly specifies a bank account in the Restructuring Event Put Notice to which payment is to be made, on the date (the "Restructuring Optional Redemption Date") seven days after the expiry of the Put Period by transfer to that bank account and, in every other case, on or after the Restructuring Optional Redemption Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Restructuring Event Put Notice, once given, shall be irrevocable. For the purposes of Condition 5 and certain other purposes specified in the Trust Deed, receipts issued pursuant to this Condition 6(d)(ii) shall be treated as if they were Notes. The Issuer shall redeem or, at the option of the Issuer, purchase (or procure the purchase of) the relevant Notes on the Restructuring Optional Redemption Date unless previously redeemed or purchased and cancelled.

- (f) For the purpose of these Conditions a "Put Event" shall be deemed to occur if:
- (i) (whether or not approved by the Board of Directors of Tesco) any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), or any persons acting on behalf of any such person(s), at any time is/are or become(s) interested (within the meaning of Part 22 of the Companies Act 2006) in (A) more than 50 per cent., of the issued or allotted ordinary share capital of Tesco or (B) such number of shares in the capital of Tesco carrying more than 50 per cent., of the voting rights normally exercisable at a general meeting of Tesco (each a "Restructuring Event"); and
  - (ii) at the time of the occurrence of a Restructuring Event the Notes carry from any of S&P Global Ratings UK Limited ("S&P") or Moody's Investors Service Limited ("Moody's") or Fitch Ratings Limited ("Fitch Ratings"), or any of their respective successors or any other rating agency of equivalent standing, specified by the Issuer (and (in the case of Guaranteed Notes) the Guarantor) and agreed in writing by the Trustee (each a "Rating Agency"):
    - (A) an investment grade credit rating (BBB-/Baa3/BBB- or better), and such rating from any Rating Agency is, within the period commencing on the occurrence of the Restructuring Event and ending 90 days after the public announcement of the Restructuring Event having occurred, or such longer period in which such rating is under consideration (as announced publicly within such initial period) for rating review or, as the case may be, rating by a Rating Agency (the "Restructuring Period"), either downgraded to a non-investment grade credit rating (BB+/Ba1/BB+ or worse), or withdrawn and is not within such Restructuring Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
    - (B) a non-investment grade credit rating (BB+/Ba1/BB+ or worse), and such rating from any Rating Agency is within the Restructuring Period downgraded by two or more notches (for illustration, BB+ to BB- being two notches) or withdrawn and is not within such Restructuring Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or
    - (C) no credit rating, and no Rating Agency assigns within the Restructuring Period an investment grade credit rating to the Notes,provided that if at the time of the occurrence of the Restructuring Event the Notes carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then sub-paragraph (A) will apply; and
  - (iii) in making the relevant decision(s) referred to in sub-paragraphs (ii)(A) to (C) above, the relevant Rating Agency announces or publicly confirms or informs the Trustee in writing at its request that such decision(s) was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Restructuring Event.

If the rating designations employed by any of S&P, Moody's or Fitch are changed from those which are described in Condition 6(d)(ii)(f)(ii) of the definition of "Put Event" above, or if a rating is procured from any other Rating Agency of equivalent standing, the Issuer (and (in the case of Guaranteed Notes) the Guarantor) shall determine, with the

agreement of the Trustee (not to be unreasonably withheld or delayed), the rating designations of S&P, Moody's or Fitch or such other Rating Agency of equivalent standing (as appropriate) as are most equivalent to the prior rating designations of S&P, Moody's or Fitch and this Condition 6(d)(ii) shall be read accordingly.

(e) *Early Redemption Amounts*

For the purpose of Condition 6(b) above and Condition 9:

- (i) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (ii) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

"RP" means the Reference Price;

"AY" means the Accrual Yield expressed as a decimal; and

"y" is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each in the case of any currency other than Sterling and euro and on the basis of a year of 365 days, or 366 days in the case of a leap year, in the case of Sterling and euro) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360 in the case of any currency other than Sterling and euro and 365, or 366 in the case of a leap year, in the case of Sterling and euro, or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(f) *Specific redemption provisions applicable to certain types of Exempt Notes*

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 6(b), Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

(g) *Purchases*

The Issuer, (in the case of Guaranteed Notes) the Guarantor or any Subsidiary of the Issuer or (in the case of Guaranteed Notes) the Guarantor may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, surrendered to any Paying Agent for cancellation.

(h) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and Notes purchased and surrendered for cancellation pursuant to Condition 6(g) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(i) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6(a), 6(b), 6(c) or 6(d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6(e)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 13.

## **7. Taxation**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer or (in the case of Guaranteed Notes) the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor (in the case of Guaranteed Notes) will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amount shall be payable with respect to any Note, Receipt or Coupon:

- (i) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on such thirtieth day; or
- (iii) presented for payment in a Tax Jurisdiction; or
- (iv) where such withholding or deduction would have been avoided by the Noteholder, Receiptholder or Couponholder (or a person on behalf of the Noteholder, Receiptholder or Couponholder) complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in a Tax Jurisdiction; or
- (v) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

- (a) "Tax Jurisdiction" means (i) in the case of Notes issued by TCTS or Tesco, the United Kingdom or any authority thereof or therein having the power to tax; or (ii) in the case of Notes issued by TCTSE, Ireland or any authority thereof or therein having the power to tax or the United Kingdom or any authority thereof or therein having the power to tax; and
- (b) "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent or the Trustee on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

## **8. Prescription**

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

## **9. Events of Default**

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall, (but, in the case of the happening of any of the events mentioned in sub-paragraphs (ii) to (ix) inclusive below (other than the winding-up of, or the appointment of an examiner, administrative or other receiver of the whole or any part of the undertaking or assets of, the Issuer or (in the case of Guaranteed Notes) the Guarantor), only if the Trustee shall have certified in writing that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice to the Issuer that the Notes are, and they shall accordingly thereby forthwith become, immediately due and payable at the Early Redemption Amount (as defined in Condition 6(e)), together with accrued interest as provided in the Trust Deed, if any of the following events shall occur and be continuing:

- (i) if default is made for a period of seven days or more in the payment of any principal in respect of the Notes or any of them or for a period of 14 days or more in the payment of any interest in respect of the Notes or any of them; or
- (ii) if an order is made or an effective resolution passed for examinership or winding-up of the Issuer, (in the case of Guaranteed Notes) the Guarantor, or any Material Subsidiary (as defined below) (except, in the case of a Material Subsidiary, a winding-up for the purpose of a reconstruction or amalgamation, the terms of which have previously been approved in writing by the Trustee, or a voluntary solvent winding-up in connection with the transfer of all or the major part of the business, undertaking and assets of such Material Subsidiary to the Issuer, (in the case of Guaranteed Notes) the Guarantor, or a Subsidiary of the Issuer or (in the case of Guaranteed Notes) the Guarantor); or
- (iii) if the Issuer, (in the case of Guaranteed Notes) the Guarantor, or any Material Subsidiary stops or threatens to stop payment generally or ceases or threatens to cease to carry on its business or all or substantially all of its business (except, in the case of a Material Subsidiary, a cessation or threatened cessation for the purpose of a reconstruction or amalgamation the terms of which have previously been approved in writing by the Trustee, or in connection with the transfer of all or substantially all of the business, undertaking and assets of such Material Subsidiary to the Issuer, (in the case of Guaranteed Notes) the Guarantor, or a Subsidiary); or
- (iv) if an encumbrancer takes possession or an examiner, administrative or other receiver is appointed of the whole or any material part of the undertaking or assets of the Issuer, (in the case of Guaranteed Notes) the Guarantor, or any Material Subsidiary or if a distress, execution or any similar proceeding is levied or enforced upon or sued out against any of the chattels or property of the Issuer, (in the case of Guaranteed Notes) the Guarantor, or any Material Subsidiary and is not discharged within 21 days; or
- (v) if the Issuer, (in the case of Guaranteed Notes) the Guarantor, or any Material Subsidiary is deemed unable to pay its debts pursuant to, or for the purposes of, any applicable law, or the Issuer, (in the case of Guaranteed Notes) the Guarantor, or any Material Subsidiary becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or the Issuer, (in the case of Guaranteed Notes) the Guarantor, or any Material Subsidiary otherwise becomes insolvent, or the Issuer, (in the case of Guaranteed Notes) the Guarantor, or any Material Subsidiary suspends making payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or if an administration order in relation to the Issuer, (in the case of Guaranteed Notes) the Guarantor, or any Material Subsidiary is made; or
- (vi) if any kind of composition, scheme of arrangement, compromise or other similar arrangement involving the Issuer, (in the case of Guaranteed Notes) the Guarantor, or any Material Subsidiary and the creditors of any of them generally (or any class of such creditors) is entered into or made; or
- (vii) if any indebtedness for Moneys Borrowed (as defined below) having an aggregate outstanding principal amount of at least £25,000,000 (or its equivalent in any other currency or currencies at the date declared due) of the Issuer, (in the case of Guaranteed Notes) the Guarantor, or any Material Subsidiary shall be or be declared due and payable prior to the date on which the same

would otherwise become due and payable by reason of the occurrence of an event of default (howsoever described) in relation thereto or the Issuer, (in the case of Guaranteed Notes) the Guarantor, or any Material Subsidiary defaults in the repayment of any indebtedness for Moneys Borrowed having an aggregate outstanding principal amount of at least £25,000,000 (or its equivalent in any other currency or currencies at the date of maturity) at the maturity thereof or at the expiry of any applicable grace period or any guarantee of any such indebtedness given by the Issuer, (in the case of Guaranteed Notes) the Guarantor, or any Material Subsidiary shall not be paid when due and called upon save in any such case where there is a bona fide dispute as to whether payment or repayment is due; or

- (viii) if default is made by the Issuer or the Guarantor (in the case of Guaranteed Notes) in the performance or observance of any obligation, condition or provision binding on it under the Notes or the Trust Deed (including the Guarantee (in the case of Guaranteed Notes)) (other than any obligation for the payment of any principal or interest in respect of the Notes) and, except where, in the opinion of the Trustee, such default is not capable of remedy (in which case the Notes will become due and repayable subject to, and immediately upon, the Trustee certifying and giving notice as aforesaid), such default continues for 30 days after written notice thereof by the Trustee to the Issuer or the Guarantor (as the case may be) requiring the same to be remedied; or
- (ix) if, in the case of Guaranteed Notes, the Issuer ceases to be a subsidiary wholly owned and controlled, directly or indirectly, by the Guarantor; or
- (x) if, in the case of Guaranteed Notes, the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect.

“Material Subsidiary” means (a) a Subsidiary of Tesco whose profits before tax and exceptional items or whose net assets (in each case attributable to Tesco) calculated by reference to its latest audited accounts represent ten per cent. or more of the consolidated profits before tax and exceptional items or net assets (in each case attributable to Tesco), as the case may be, of Tesco and its Subsidiaries similarly calculated, all as more particularly defined in the Trust Deed, and (b) in addition, for the purposes of sub-paragraph (vii) above, a Subsidiary which has outstanding any notes, bonds or other like securities of which the Trustee is trustee. A certificate of any two directors of Tesco that in their opinion a Subsidiary is or is not or was or was not at any particular time a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

“Moneys Borrowed” means (a) borrowed moneys, and (b) liabilities under any note, bond, bill, debenture, loan stock or other security in each case issued for cash or in respect of acceptance credit facilities or as consideration for assets or services but excluding such liabilities incurred in relation to the acquisition of goods or services in the ordinary course of trading.

At any time after the Notes become due and repayable and have not been repaid, the Trustee may at its discretion and without further notice take such proceedings against the Issuer and/or (in the case of Guaranteed Notes) the Guarantor as it may think fit to enforce the obligations of the Issuer and/or (in the case of Guaranteed Notes) the Guarantor under the Trust Deed and the Notes and the relative Receipts and Coupons, but it shall not be bound to take any such proceedings or any other action unless (i) it shall have been so directed by an Extraordinary Resolution of the holders of the Notes or so requested in writing by holders of at least one-fifth in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified to its satisfaction. No holder of a Note, or of a Receipt or Coupon appertaining thereto, shall be entitled to proceed directly against the Issuer or (in the case of Guaranteed Notes) the Guarantor unless the Trustee, having become bound so to do, fails or is unable or neglects to do so within 60 days and such failure or inability or neglect is continuing.

#### **10. Replacement of Notes, Receipts, Coupons and Talons**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent, or any other place approved by the Trustee of which notice shall have been published in accordance with Condition 13, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

#### **11. Agent and Paying Agents**

The names of the initial Agent in respect of the Notes and the other initial Paying Agents in respect of the Notes and their initial specified offices are set out below. If any additional Paying Agents are

appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is, with the prior written approval of the Trustee, entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or any other relevant authority;
- (ii) there will at all times be an Agent; and
- (iii) there will at all times be a Paying Agent in a jurisdiction in continental Europe, other than the jurisdiction in which the Issuer or the Guarantor is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 5(e). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

## **12. Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

## **13. Notices**

All notices regarding the Notes will be valid if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the *Financial Times* or any other daily newspaper in London approved by the Trustee or, if this is not possible, in another English language daily newspaper approved by the Trustee with general circulation in Europe. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the first date on which publication has been made in all the required newspapers.

Until such time as any definitive Notes are issued, there may (provided that, in the case of Notes listed on a stock exchange or admitted to trading by any other relevant authority, such stock exchange or other relevant authority permits), so long as the global Note(s) is or are held in its/their entirety on behalf of Clearstream, Luxembourg and Euroclear, be substituted for such publication in such newspaper(s) or such websites the delivery of the relevant notice to Clearstream, Luxembourg and Euroclear for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Clearstream, Luxembourg and/or Euroclear.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Clearstream, Luxembourg and/or Euroclear, as the case may be, in such manner as the Agent and Clearstream, Luxembourg and/or Euroclear, as the case may be, may approve for this purpose.

## **14. Available Information**

This Condition 14 only applies to ESG Notes.

In respect of each financial year of the Group, beginning with the financial year in which the Issue Date of the first Tranche of the ESG Notes falls, the Issuer or (in the case of ESG Notes which are also Guaranteed Notes) the Guarantor will publish on its website, and in accordance with applicable laws, (i) the then current 2015 GHG Baseline, the 2016 Food Waste Baseline, the Food Waste KPI, the GHG KPI, the Food Waste KPI Percentage and the GHG KPI Percentage for the relevant financial year, prepared pursuant to applicable legislation (the "Sustainability Report"); (ii) an assurance report issued

by the Assurance Provider (the “Assurance Report”) in respect of the Food Waste KPI and the GHG KPI provided in the Sustainability Report; (iii) if applicable, an assurance report issued by the Assurance Provider confirming the Issuer’s or the Guarantor’s (as applicable) recalculation of the 2015 GHG Baseline (the “2015 GHG Baseline Assurance Report”); and (iv) if applicable, an assurance report issued by the Assurance Provider confirming the Issuer’s or the Guarantor’s (as applicable) recalculation of the 2016 Food Waste Baseline (the “2016 Food Waste Baseline Assurance Report”). The Assurance Report, the Sustainability Report, (if applicable) the 2015 GHG Baseline Assurance Report and (if applicable) the 2016 Food Waste Baseline Assurance Report relating to any financial year of the Group will be published no later than the date falling 135 days after the last day of the relevant financial year.

#### **15. Meetings of Noteholders, Modification and Waiver**

The Trust Deed contains provisions for convening meetings (including by way of conference call or a video call) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions, the Notes, the Receipts, the Coupons or certain provisions of the Trust Deed. Such a meeting may be convened by the Issuer or (in the case of Guaranteed Notes) the Guarantor or the Trustee or by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of these Conditions, the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons) or certain of the provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trust Deed provides that the Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to any waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed, or may determine that any condition, event or act which, but for such determination, would constitute an Event of Default, shall not be treated as such which in any such case, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders or to any modification of any of these Conditions, the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed which is of a formal, minor or technical nature or which is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders, Receiptholders and Couponholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 13. In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances and as otherwise set out in Condition 4(d) without the consent or approval of the Noteholders, Receiptholders or Couponholders.

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, but without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the interests of the Noteholders as a class and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders, Receiptholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer or the (in the case of Guaranteed Notes) Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 7 and/or any undertaking given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

#### **16. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes

or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **17. Substitution**

The Trustee may, in the case of Guaranteed Notes, without the consent of the Noteholders, the Receipholders or the Couponholders, agree with the Issuer to the substitution of any new holding company or Subsidiary of Tesco in place of the Issuer (or of any previous substitute under this provision) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed, subject to (a) the Notes being unconditionally and irrevocably guaranteed by the Guarantor, (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced thereby and (c) certain other conditions set out in the Trust Deed being complied with.

## **18. Indemnification**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances including provisions relieving it from instituting proceedings to enforce repayment unless indemnified to its satisfaction.

## **19. Governing Law and Submission to Jurisdiction**

### ***(a) Governing Law***

The Trust Deed (including the Guarantee), the Agency Agreement, the Notes, the Receipts, the Coupons, the Talons and any non-contractual obligations arising out of or in connection with any of them are governed by, and shall be construed in accordance with, English law.

### ***(b) Submission to Jurisdiction***

- (i) Subject to Condition 19(b)(iii) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons (a "Dispute") and accordingly each of the Issuer and the Trustee and any Noteholders, Receipholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (ii) For the purposes of this Condition 19(b), the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (iii) To the extent allowed by law, the Trustee, the Noteholders, the Receipholders and the Couponholders may, in respect of any Dispute or Disputes, take (A) proceedings in any other court with jurisdiction; and (B) concurrent proceedings in any number of jurisdictions.

### ***(c) Appointment of Process Agent***

In the case of Notes issued by TCTSE only, TCTSE irrevocably appoints TCTS at Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of TCTS being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. TCTSE agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

## **20. Contracts (Rights of Third Parties) Act 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes in the context of its business and, in the case of Guaranteed Notes, may include, amongst other things, the on-lending of some or all of those proceeds to other members of the Group. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms (or the Pricing Supplement, in the case of Exempt Notes). In particular, if so specified in the applicable Final Terms (or the Pricing Supplement, in the case of Exempt Notes), the relevant Issuer will apply an amount equal to the net proceeds from an offer of Notes specifically for Sustainability Projects.

## DESCRIPTION OF TESCO CORPORATE TREASURY SERVICES PLC

### Information about Tesco Corporate Treasury Services PLC (“TCTS”)

The legal and commercial name of TCTS is Tesco Corporate Treasury Services PLC.

TCTS is a public limited company registered in England and Wales with registered number 08629715 and was incorporated on 30 July, 2013. The Issuer operates under the Companies Act 2006.

The registered office of TCTS is Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, United Kingdom, AL7 1GA and the telephone number of its registered office is 01992 632222.

As at 27 February, 2021, the share capital of TCTS is £100,000,001.00 comprising 100,000,001 ordinary shares of £1 each, of which 100,000,000 are held by the Guarantor and 1 is held by Tesco Holdings Limited.

On 22 June, 2021, TCTS published its financial statements in respect of the 52 week period ending on 27 February, 2021.

Reports and accounts published by TCTS are available to download via the Group Corporate website (<https://www.tescopl.com/investors/debt-investors/tesco-corporate-treasury-services-plc/>) and for inspection during normal office hours at its registered address set out above.

### Business Overview

TCTS is a finance vehicle for members of the Group, its joint ventures and associates. TCTS was incorporated on 30 July, 2013 with a certificate under Section 761 of the Companies Act 2006 entitling it to do business and exercise any borrowing powers given on 19 August, 2013.

TCTS does not have any substantial liabilities other than general financing activities for members of the Group, its joint ventures and associates.

TCTS is dependent on the Group, its joint ventures and associates to meet its cashflow requirements. The sole function of TCTS’s business is to raise funds for the purpose of on-lending those funds to other members of the Group, its joint ventures and associates. TCTS is reliant on payments made to it by other relevant members of the Group and its relevant joint ventures and associates in respect of loans made to them by TCTS, *inter alia*, to service the interest and principal repayments on the finance it raises.

### Board of Directors of TCTS

The current directors of TCTS, as at the date of this Offering Circular, are, and their functions and principal activities outside TCTS, where these are significant with respect to the Group, as at the date of this Offering Circular, were, as follows:

Imran Nawaz	Director
Lynda Jane Heywood	Director
Tesco Services Limited	Corporate Director

The Board of Directors of Tesco Services Limited as Corporate Director of TCTS is comprised of John Gibney, Adrian Morris and Robert Welch.

The business address of each of the above is Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, United Kingdom, AL7 1GA.

All of the Directors are also directors of other Tesco Group companies with which, by virtue of it being the finance vehicle for members of the Group, TCTS may transact with from time to time. These TCTS transactions are not considered to give rise to any potential or actual conflicts of interest between the private interests or other duties of persons listed in this section and their duties to TCTS. Notwithstanding this, there are no potential or actual conflicts of interest between the private interests or other duties of persons listed in this section and their duties to TCTS. The Board of Directors monitors potential and actual conflicts of interest and has processes to deal with them. The Directors and the Corporate Director of TCTS are required to disclose potential and actual conflicts of interest to the Board of Directors and the Board of Directors addresses potential and actual conflicts in accordance with legal requirements. As a matter of English law, each director of TCTS is under a duty to act honestly and in good faith with regard to the best interests of TCTS, regardless of any other directorships such director may hold.

## **Corporate Governance**

As TCTS is a wholly-owned subsidiary of the Guarantor, it adheres to the corporate governance policies applied by the Guarantor to the Group.

## DESCRIPTION OF TESCO CORPORATE TREASURY SERVICES EUROPE DAC

### Information about Tesco Corporate Treasury Services Europe DAC (“TCTSE”)

The legal and commercial name of TCTSE is Tesco Corporate Treasury Services Europe DAC.

TCTSE is a designated activity company limited by shares and is registered in Ireland with a company number 697759. TCTSE was duly incorporated on 11 June 2021 and operates and is validly existing under the Irish Companies Act 2014. TCTSE operates in conformity with its constitution.

The principal place of business of TCTSE is Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, United Kingdom, AL7 1GA and the telephone number of its principal place of business is 01992 632222.

The registered office of TCTSE is Gresham House, Marine Road, Dun Laoghaire, Co. Dublin, Ireland.

TCTSE’s centre of main interests is located in the United Kingdom and TCTSE is tax resident in the United Kingdom.

The issued share capital of TCTSE is €1, comprising of one €1 share which is held by TCTS. As at the date of this Offering Circular, TCTSE has not commenced operations and has therefore not provided any historical financial information.

TCTSE maintains statutory registers which are available for inspection during normal office hours at its registered address set out above.

### Business Overview

TCTSE’s principle activity is to act as a financing company to raise or borrow money or capital including by way of, without limitation, issuing debt under commercial paper note and/or euro medium-term note programmes and to carry on other treasury business.

At the date of this Offering Circular, TCTSE does not have any substantial liabilities and does not intend to have any substantial liabilities other than general financing activities for members of the Group, its joint ventures and associates.

TCTSE is dependent on the Group, its joint ventures and associates to meet its cashflow requirements. The sole function of TCTSE’s business is to raise funds for the purpose of on-lending those funds to other members of the Group, its joint ventures and associates. TCTSE is reliant on payments made to it by other relevant members of the Group and its relevant joint ventures and associates in respect of loans made to them by TCTSE, *inter alia*, to service the interest and principal repayments on the finance it raises.

### Board of Directors of TCTSE

The current directors of TCTSE, as at the date of this Offering Circular, are, and their functions and principal activities outside TCTSE, where these are significant with respect to the Group, as at the date of this Offering Circular, were, as follows:

Imran Nawaz	Director
Lynda Jane Heywood	Director
Andrew Magro	Director
Geoff Byrne	Director

The business address of each of the above Directors, with the exception of Geoff Byrne, is Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, United Kingdom, AL7 1GA. The business address of Geoff Byrne is Gresham House, Marine Road, Dun Laoghaire, Co. Dublin, Ireland.

All of the Directors are also directors of other Tesco Group companies with which, by virtue of it being the finance vehicle for members of the Group, TCTSE may transact with from time to time. These TCTSE transactions are not considered to give rise to any potential or actual conflicts of interest between the private interests or other duties of persons listed in this section and their duties to TCTSE. Notwithstanding this, there are no potential or actual conflicts of interest between the private interests or other duties of persons listed in this section and their duties to TCTSE. The Board of Directors monitors potential and actual conflicts of interest and has processes to deal with them. The Directors of TCTSE are required to disclose potential and actual conflicts of interest to the Board of Directors and

the Board of Directors addresses potential and actual conflicts in accordance with legal requirements. As a matter of English and Irish law, each director of TCTSE is under a duty to act honestly and in good faith with regard to the best interests of TCTSE, regardless of any other directorships such director may hold.

### **Corporate Governance**

As TCTSE is an indirect, wholly-owned subsidiary of the Guarantor, it adheres to the corporate governance policies applied by the Guarantor to the Group.

## DESCRIPTION OF TESCO PLC

### Introduction

Tesco PLC (“Tesco”) was incorporated and registered in England and Wales on 27 November, 1947 as Tesco Stores (Holdings) Limited, a private company limited by shares with the registered number 00445790, under the Companies Act 1929. Tesco was re-registered as a public company limited by shares and re-named Tesco Stores (Holdings) public limited company on 14 December, 1981, and was re-named Tesco PLC on 25 August, 1983. Tesco’s principal and registered office is at Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, United Kingdom, AL7 1GA and the telephone number of its registered office is 01992 632222.

From its origins as a trading business in 1919, Tesco opened its first store in 1929, in London, and then expanded throughout the United Kingdom by a mixture of store openings and selective acquisitions. International expansion started in the 1990s and continued through the 2000s. Tesco launched its online business in the United Kingdom in 2000, making Tesco an early entrant in online retailing. As at the date of this Offering Circular, Tesco operates retailing businesses through stores and online through two segments, in the United Kingdom and the ROI (UK/ROI segment, including the Booker wholesale and catering business) and Czech Republic, Hungary and Slovakia (Central Europe segment).

Tesco also undertakes retail banking and insurance services through Tesco Bank in the United Kingdom.

In 2018 Tesco completed a merger with Booker Group, the UK’s leading food wholesaler<sup>5</sup>, helping to create substantial synergies and access to the ‘out-of-home’ food market. The Group also includes Tesco Bank, which provides banking, insurance and money services; Tesco Mobile, the UK’s largest mobile virtual network operator; and dunnhumby, a wholly-owned data science subsidiary.

The Group also has retail and wholesale interests in India through two India joint venture agreements with Trent Limited (part of the Tata Group of companies). Tesco is the overall holding company of the Group. As the holding company of the Group, Tesco is dependent on the performance of its operating subsidiaries and the payment of dividends by them.

The Group has made various overseas disposals including the sale of the Tesco Thailand and Tesco Malaysia businesses (which completed in the financial year 2020/21) and the sale of the Group’s Polish business (which completed in the financial year 2021/22). The Group also sold its 20 per cent. stake in its joint venture in China, Gain Land, which completed on 28 February, 2020. Following the sale of Tesco Thailand and Tesco Malaysia, Tesco returned £5 billion of the net proceeds to shareholders via a special dividend, whilst also undertaking a share consolidation, and made a payment of a £2.5 billion one-off contribution to Tesco’s UK defined benefit pension scheme.

For the 52 weeks ended 27 February, 2021<sup>6</sup>, Group Sales, which excludes VAT and fuel, were £53,445 million, an increase of 7.1 per cent. over the corresponding period in the previous year, Group operating profit before exceptional items and amortisation of acquired intangibles was £1,815 million, a decrease of 28.1 per cent. over the corresponding period in the previous year and Group profit before tax before exceptional items, amortisation of acquired intangibles, net pension finance costs and fair value remeasurements of financial instruments<sup>7</sup> was £1,161 million, a decrease of 36.6 per cent. over the corresponding period in the previous year. In accordance with accounting practices, these figures cover continuing operations only<sup>8</sup>.

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<sup>5</sup> Source: Tesco and Booker merger rule 2.7 announcement dated 27 January, 2017 and The Grocer Top 30 Wholesalers Report 2020.

<sup>6</sup> The financial information set out in this section headed "Description of Tesco PLC" relating to the 52 weeks ended 27 February, 2021 for the UK and the Republic of Ireland, has been extracted from Tesco’s audited Annual Report and Financial Statement for the financial year ended 27 February, 2021. The information relating to the 52 weeks ended 28 February, 2021 are for all other operations. The information relating to the 26 weeks ended 28 August, 2021, has been extracted from Tesco’s interim results for the 26 weeks ended 28 August, 2021.

<sup>7</sup> This measure excludes exceptional items, amortisation of acquired intangibles, net finance costs of the defined benefit pension deficit and fair value remeasurements of financial instruments. Net pension finance costs are impacted by corporate bond yields, which can fluctuate significantly and are reset each year based on often volatile external market factors. Fair value remeasurements are impacted by changes to credit risk and various market indices, which can fluctuate significantly. Also included in these items are fair value remeasurements of financial instruments resulting from liability management exercises.

<sup>8</sup> Percentage movements quoted are reported on a continuing operations basis and are based on actual exchange rates.

For the 26 weeks ended 28 August, 2021, Group Sales, which excludes VAT and fuel, were £27,331 million, an increase of 2.6 per cent. over the corresponding period in the previous year, adjusted operating profit was £1,458 million, an increase of 40.6 per cent. over the corresponding period in the previous year and Group profit before tax was £1,143 million, an increase of 107.4 per cent. over the corresponding period in the previous year. In accordance with accounting practices, these figures cover continuing operations only<sup>9</sup>.

## Strategy

The Group maintains a strategic focus on driving growth through innovation and technology. Its financial priorities are to deliver cash profit, free cash flow and earnings per share growth, underpinned by a robust capital allocation framework. For the 52 weeks ended 27 February, 2021, the Group generated £3,636 million of retail operating cashflow<sup>10</sup>, a decrease of 3.2 per cent.<sup>11</sup> over the corresponding period in the previous year. This decrease reflected lower cash profits due to the significant costs incurred in the Group's response to the COVID-19 pandemic.

For the 26 weeks ended 28 August, 2021, the Group generated £1,543 million of retail free cash flow, an increase of 93.6 per cent. from the corresponding period in the previous year. This increase reflects higher retail operating profits, a reduction in the pension contributions, and a working capital phasing benefit partially offset by higher capex spend.

The Group's IAS 19 pension deficit relates to a number of schemes. The most significant of these are for the Group's employees in the United Kingdom, which are closed to future accrual and ROI. The deficit increased by £(483) million for the 2020/21 financial year (IAS 19 basis post tax), principally due to underlying market movements in gilts and corporate bonds that have negatively impacted scheme assets but caused a smaller offsetting reduction in IAS 19 pension liabilities. Following completion of the sale of the Group's businesses in Thailand and Malaysia, the Group made a payment of a £2.5 billion one-off contribution to the scheme that was agreed with the Trustees as part of the use of proceeds from the sale. This payment eliminated the actuarial deficit as at that date and significantly reduced the prospect of having to make further pension deficit contributions in the future. The Group will continue to pay £25 million per annum to meet the expenses of Tesco PLC's United Kingdom defined benefit pension scheme.

The Group's freehold property ownership percentage, by value, increased by 1 per cent. year-on-year in the 2020/21 financial year to 58 per cent.

The Group's published Little Helps Plan sets out its approach to being a responsible and sustainable business. During the 2020/2021 financial year, the Group reduced its Scope 1 and 2 greenhouse gas ("GHG") emissions by 10 per cent. compared to the 2019/20 financial year, and by 54 per cent. when compared to the Group's 2015 baseline, removed over 50 billion calories through reformulation and permanently eliminated 1 billion pieces of plastic. Following the sale of the Group's Asia and Poland businesses, the Group procured more renewable certificates in Central Europe, achieving its goal of 100 per cent. renewable electricity across the Group, ten years early. In January 2021, TCTS issued the Group's inaugural ESG-linked bond, which was aligned to Tesco's Sustainability Performance Target to reduce Scope 1 and 2 GHG emissions. These topics are important to the Group's customers but are also essential for the long-term sustainability of the Group's business.

The Group's response to the COVID-19 pandemic has required significant changes to its operations which have led to a substantial increase in costs, with the main impact in the United Kingdom. The majority of these costs relate to payroll, which includes the recruitment of around 50,000 temporary colleagues to cover absences and meet increased demand. In total, costs related to the COVID-19 pandemic led to a £892 million reduction in operating profit for the 52 weeks ended 27 February, 2021, which was partially offset by the contribution from higher sales. For the 26 weeks ended 28 August, 2021, COVID-19 related costs totalled £122 million (compared to £533 million in the corresponding period for the previous year) which primarily relate to colleague absences, maintaining a safe environment in stores for colleagues and customers, and additional costs in relation to elevated online sales.

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<sup>9</sup> Percentage movements quoted are reported on a continuing operations basis and are based on actual exchange rates.

<sup>10</sup> This figure is calculated on a 52-week basis.

<sup>11</sup> Percentage movement reported on a continuing operations basis. Growth is at actual exchange rates on a 52-week basis.

In response to the significantly increased demand for the Group's online offer, the Group has grown that part of its business as quickly as possible. The Group has doubled its online capacity to circa 1.5 million orders per week, including to a priority list of 850,000 vulnerable customers. In addition to providing more delivery slots for customers, the Group has also increased the availability of its click and collect service, which has 454 click and collect locations as at 28 August, 2021. As a result of the changes the Group has made, its online grocery business increased to 14.6 per cent. of the Group's total UK sales at the end of the 26 weeks ended 28 August, 2021.

On 2 December, 2020, Tesco announced its decision to voluntarily repay to the UK Government and the devolved administrations the business rates relief received in respect of the COVID-19 pandemic.

## Channels

For the 26 weeks ended 28 August, 2021, the Group's principal activities were reported in the following segments:

- retailing and associated activities ("Retail"). Retail was reported in two separate segments: (A) the UK and ROI; and (B) Central Europe - Czech Republic, Hungary and Slovakia; and
- retail banking and insurance services through Tesco Bank in the United Kingdom.

Following the presentation of the Group's operations in Thailand and Malaysia as discontinued operations, the Group no longer presents Asia as a separate reportable segment. For the 52 weeks ended 27 February, 2021, the remaining operations previously reported within the Asia segment, which consist of the Group's Trent Hypermarket joint venture, were reclassified to the UK & ROI segment. For the 52 weeks ended 27 February, 2021, the comparative figures for UK & ROI were also reclassified to include the China associate, Gain Land, which the Group sold on 28 February, 2020 and which was previously included within the Asia Segment. The Group's operations in Poland were treated as a discontinued operation for the 52 weeks ended 27 February, 2021 and have been removed from the Central Europe segment.

### *UK and ROI Segment*

As at 28 August, 2021, the Group operated 3,465<sup>12</sup> stores in the United Kingdom. These include Tesco Express convenience stores, Tesco superstores and Tesco Extra hypermarkets.

Sales in the United Kingdom and the ROI (excluding VAT and fuel) for the 52 weeks ended 27 February, 2021, were £48,848 million, an increase of 8.8 per cent. over the corresponding period in the previous year. Sales in the United Kingdom and the ROI (excluding VAT and fuel) for the 26 weeks ended 28 August, 2021, were £24,993 million, an increase of 2.7 per cent. over the corresponding period in the previous year.

Operating profit before exceptional items and amortisation of acquired intangibles in the United Kingdom and the ROI for the 52 weeks ended 27 February, 2021, was £1,866 million, a decrease of 13.5 per cent.<sup>11</sup> over the corresponding period in the previous year. This decrease reflected the significant costs incurred in the Group's response to the COVID-19 pandemic. Adjusted operating profit in the United Kingdom and the ROI for the 26 weeks ended 28 August, 2021, was £1,318 million, an increase of 16.3 per cent. over the corresponding period in the previous year. This increase reflects higher sales and lower COVID-19 costs offset by the year-on-year effect of the £(249) million UK Government business rates relief included in the previous year.

### *Central Europe Segment*

Sales in Central Europe (excluding VAT and fuel) for the 52 weeks ended 27 February, 2021, were £3,862 million, a decrease of 2.1 per cent.<sup>11</sup> over the corresponding period in the previous year. For the 26 weeks ended 28 August, 2021, sales in Central Europe (excluding VAT and fuel) were £1,905 million, a decrease of 0.8 per cent. over the corresponding period in the previous year.

Operating profit before exceptional items and amortisation of acquired intangibles in Central Europe for the 52 weeks ended 27 February, 2021, was £124 million, a decrease of 29.5 per cent.<sup>11</sup> over the corresponding period in the previous year. Adjusted operating profit in Central Europe for the 26 weeks

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<sup>12</sup> Excludes Booker and franchise stores.

ended 28 August, 2021, was £68 million, an increase of 15.3 per cent.<sup>11</sup> over the corresponding period in the previous year.

As at 28 August, 2021, the Group had 183 stores in the Czech Republic<sup>13</sup>, 199 in Hungary and 154 in Slovakia.

### **Tesco Bank**

Tesco Bank began in 1997 as Tesco Personal Finance, a joint venture between Tesco and The Royal Bank of Scotland plc (“RBS”). In 2008, Tesco bought RBS’s share of the business and introduced the new trading name, Tesco Bank, in 2009. Total lending to customers at 28 August, 2021, was £6.4 billion, which, following completion of the sale of Tesco Bank’s mortgage business on 30 March, 2020, is comprised entirely of retail unsecured lending. Total customer deposits as at 28 August, 2021 were £5.0 billion. Tesco Bank is authorised by the PRA and regulated by the FCA and the PRA.

All banking and insurance products offered by Tesco Bank are available through online banking, the Tesco Bank Mobile App, or over the phone. Additionally, Tesco Bank has in-store services at a number of Tesco stores across the United Kingdom.

Tesco Bank offers a range of simple banking products, principally credit cards, personal loans, savings, travel money, and a range of insurance products, some of which are underwritten by Tesco Underwriting Limited. Tesco Bank’s products and services are available 24 hours a day, seven days a week, online, by phone, or on customers’ mobiles.

The Tesco ATM network represents one of the largest cash machine networks in the United Kingdom, accounting for 15 per cent. of all ATM cash withdrawals in the UK. Customers of any bank can withdraw cash or check their balance at Tesco Bank ATMs.

The COVID-19 pandemic has had a significant impact on performance across Tesco Bank’s business, as a material decline in customer spending led to lower levels of new business activity in loans and credit cards, lower credit card balances, and a reduction in ATM and travel money transactions. For the 52 weeks ended 27 February, 2021, Tesco Bank’s sales fell 31.2 per cent. compared to the corresponding period in the previous year. For the 26 weeks ended 28 August, 2021, Tesco Bank’s sales increased by 12.2 per cent. compared to the corresponding period in the previous year.

Following revised macro-economic assumptions regarding gross domestic product and unemployment levels, the Group has increased its provision for potential bad debts at Tesco Bank. This, in combination with the reduction in income, resulted in an operating loss of £175 million in the 52 weeks ended 27 February, 2021 (compared to a profit in the corresponding period in the previous year of £193 million). For the 26 weeks ended 28 August, 2021, Tesco Bank had an operating profit of £72 million (compared to a loss in the corresponding period in the previous year of £155 million). This included a £12 million contribution from Tesco Underwriting Limited, which is fully consolidated following its acquisition in May 2021. The significant year-on-year change was due to an increase in the provision for potential bad debts in 2020 driven by the expected macro-economic impact of COVID-19.

### **Capital Expenditure**

During the financial year ended 27 February, 2021, Group capital expenditure (excluding property buybacks) was £1 billion, (£88 million higher than for the corresponding period last year), primarily due to higher maintenance spend in UK stores and technology, including the Group’s investment in online capacity. During the 26 weeks ended 28 August, 2021, Group capital expenditure (excluding property buybacks) was £448 million (£74 million higher than for the corresponding period last year), primarily due to higher spend on in-store maintenance and the opening of new stores.

As at 28 August, 2021, the Group held 63.617 million square feet of space (excluding Booker and franchise stores), an increase of 16 thousand square feet from the position as at 27 February, 2021.

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<sup>13</sup> Excludes franchise stores.

## Board of Directors of Tesco

The current officers of Tesco, as at the date of this Offering Circular, are, and their functions and principal activities outside Tesco, where these are significant with respect to the Group, as at the date of this Offering Circular, were, as follows:

<b>Name of Officer</b>	<b>Role</b>	<b>Principal activities outside Tesco</b>
John Allan	Chairman	<ul style="list-style-type: none"> <li>• Chairman of Barratt Developments PLC;</li> <li>• Vice-President of the Confederation of British Industry;</li> <li>• Chair of the Council of Imperial College; and</li> <li>• Member of the Adult Advisory Group to Money and Pensions Service Board.</li> </ul>
Ken Murphy	Group Chief Executive	<ul style="list-style-type: none"> <li>• None.</li> </ul>
Imran Nawaz	Chief Financial Officer	<ul style="list-style-type: none"> <li>• None.</li> </ul>
Melissa Bethell	Independent Non-executive Director	<ul style="list-style-type: none"> <li>• Partner at Atairos and managing director of Atairos Europe;</li> <li>• Non-executive director and chair of the audit committee of Exor N.V.; and</li> <li>• Non-executive director of Diageo PLC.</li> </ul>
Bertrand Bodson	Independent Non-executive Director	<ul style="list-style-type: none"> <li>• Chief digital offer, Novartis;</li> <li>• Member of the Supervisory Board, Wolter Kluwer NV; and</li> <li>• Chief Executive Office of Keywords Studios PLC (with effect from 1 December 2021).</li> </ul>
Thierry Garnier	Independent Non-executive Director	<ul style="list-style-type: none"> <li>• Chief executive officer of Kingfisher plc.</li> </ul>
Stewart Gilliland	Independent Non-executive Director	<ul style="list-style-type: none"> <li>• Non-executive chairman of C&amp;C Group plc;</li> <li>• Non-executive chairman of IG Design Group plc;</li> <li>• Non-executive director and chair of the remuneration committee of Nature's Way Foods Ltd; and</li> <li>• Non-executive Director of Chapel Down Group plc.</li> </ul>
Steve Golsby	Independent Non-executive Director	<ul style="list-style-type: none"> <li>• Advisor to Thai Union Group PLC;</li> <li>• Honorary investment advisor to the Thailand Board of Investment; and</li> <li>• External advisor to Bain &amp; Company.</li> </ul>
Byron Grote	Senior Independent Director	<ul style="list-style-type: none"> <li>• Vice chairman of the supervisory board of Akzo Nobel NV;</li> <li>• Senior independent director of Anglo American PLC; and</li> <li>• Non-executive director of Standard Chartered PLC.</li> </ul>
Simon Patterson	Independent Non-executive Director	<ul style="list-style-type: none"> <li>• Managing director of Silver Lake Partners;</li> <li>• Board member of Dell Technologies, Inc.;</li> <li>• Board member of ZPG Limited;</li> <li>• Board member of FlixBus;</li> <li>• Trustee of the Natural History Museum; and</li> <li>• Trustee of the Royal Foundation of the</li> </ul>

		Duke and Duchess of Cambridge.
Alison Platt	Independent Non-executive Director	<ul style="list-style-type: none"> <li>• Non-executive director of Dechra Pharmaceuticals PLC;</li> <li>• Non-executive director of Spectrum Wellness Holdings Limited; and</li> <li>• Member of the steering group of the Hampton-Alexander Review</li> </ul>
Lindsey Pownall	Independent Non-executive Director	<ul style="list-style-type: none"> <li>• Non-executive director of Story Contracting Limited and Story Contracting Holdings Limited;</li> <li>• Senior Advisor of Paine Schwartz Partners LLC; and</li> <li>• Director of The Ho-So Initiative Limited.</li> </ul>
Karen Whitworth	Independent Non-executive Director	<ul style="list-style-type: none"> <li>• Non-executive director of The Rank Group plc;</li> <li>• Non-executive director of Tritax Big Box REIT plc; and</li> <li>• Independent adviser to GrowUp Urban Farms Limited.</li> </ul>

The business address of each of the above is Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, United Kingdom, AL7 1GA.

Except as described in the next paragraph, there are no potential or actual conflicts of interest between the private interests or other duties of the Directors of Tesco and their duties to Tesco.

All of the Non-Executive Directors are also directors of companies with which a member of the Group has or may have a business relationship and, as a result, may have potential conflicts of interest between their duties to Tesco and their duties to the companies of which they are directors. For example, a potential conflict of interest could arise if a Director is called upon to vote in relation to a transaction between Tesco and a company of which he or she is a director.

The Board of Directors monitors potential and actual conflicts of interest and has processes to deal with them. Directors of Tesco are required to disclose potential and actual conflicts of interest to the Board and the Board addresses potential and actual conflicts in accordance with legal requirements. Tesco maintains a register of authorised conflicts of interest which is reviewed annually by the Nominations and Governance Committee. If such conflicts exist, the Directors of Tesco excuse themselves from consideration of the relevant matter.

As a matter of English law, each director of Tesco is under a duty to act honestly and in good faith with regard to the best interests of Tesco, regardless of any other directorships such director may hold.

### **Audit Committee**

The Audit Committee provides independent assessment and oversight of financial reporting processes, including related internal controls, risk management and compliance, as well as overseeing the effectiveness of the internal and external audit functions; considering the appointment of the external auditors, their fees and independence.

The members of the Audit Committee as at the date of this Offering Circular, are: B. Grote (*Committee Chairman*), M. Bethell, K. Whitworth and S. Patterson.

### **Corporate Governance**

Tesco complies in all material respects with the United Kingdom Corporate Governance regime applicable to it.

## **Litigation**

In September 2020, two claimant law firms issued proceedings against Tesco PLC for matters arising out of or in connection with the overstatement of expected profits announced in 2014. These claims have now been settled and the Group has taken an exceptional charge in the amount of £193 million as a result of the settlement and associated legal costs.

TSL has received claims from current and former Tesco store colleagues alleging that their work is of equal value to that of colleagues working in the Tesco distribution centres and that differences in terms and conditions relating to pay are not objectively justifiable. The claimants are seeking the differential between the pay terms looking back, and equivalence of pay terms moving forward. A final determination of these claims is not expected for several years. At present, the likely number of claims that may be received and the merit, likely outcome and potential impact on the Group of any such litigation is subject to a number of significant uncertainties and therefore, the Group cannot make any assessment of the likely outcome or quantum of any such litigation at the date of this disclosure. There are substantial factual and legal defences to these claims and the Group intends to defend them.

Additionally, following the sale of Homeplus in 2015, Tesco Stores Limited and Tesco Holdings B.V. received claims from the purchasers relating to the sale of the business. In July 2020, an arbitral tribunal dismissed the majority of the claims. It made findings of liability in relation to the remaining claims and on 17 September, 2021, the tribunal made a final award of a payment from the Group to the purchasers of £119 million in damages, interest, and costs, with no further appeals. This was recognised as an adjusting post balance sheet event, with an exceptional discontinued charge increasing the provision held by £33 million. The final award was cash settled on 30 September, 2021.

## **Recent Developments**

On 6 October, 2021, the Group announced the start of an ongoing share buyback programme, with the first tranche of £500 million in shares to be repurchased by no later than October 2022.

## TAXATION

**Tax legislation, including in the country where the investor is domiciled or tax resident and in the relevant Issuer's and the Guarantor's country of incorporation, may have an impact on the income that an investor receives from the Notes.**

### IRISH TAXATION

**The following is a summary of the principal Irish withholding tax consequences for individuals and companies of ownership of the Notes based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with Noteholders who beneficially own their Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, such as dealers in securities, trusts etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.**

#### Withholding Tax

Each of the Issuers expects to be resident for tax purposes in the UK only and not in Ireland and as such, payments of interest on the Notes will not constitute Irish source interest. None of the Issuers will be obliged to withhold Irish income tax from payments of interest on the Notes where such payments do not constitute Irish source income.

Even if payments of interest on the Notes did have an Irish source, none of the Issuers would be required to withhold Irish income tax on such payments where the Notes are quoted Eurobonds, i.e. securities which are issued by a company (such as an Issuer), which are quoted on a recognised stock exchange (such as the London Stock Exchange,) and which carry a right to interest, and the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland either:

- (a) the Notes are held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or
- (b) the person who is the beneficial owner of the Notes is not resident in Ireland and has made a declaration to the relevant person (such as a paying agent located in Ireland) in the prescribed form.

### UNITED KINGDOM TAXATION

**The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuers' understanding of current law and HM Revenue & Customs ("HMRC") published practice in the United Kingdom as at the date of this Offering Circular relating only to United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of Notes and does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who are or may be unsure as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.**

#### Payment of Interest on the Notes

Payments of interest on the Notes may be made without deduction or withholding for or on account of United Kingdom income tax provided that the Notes carry a right to interest and are and continue to be listed on a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000 and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes carry a right to interest and are and remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom income tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom income tax where the maturity of the Notes is less than 365 days after issue and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any available exemptions and reliefs, including an exemption for certain payments of interest to which a company within the charge to United Kingdom corporation tax is beneficially entitled (unless HMRC direct otherwise). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the relevant Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Depending on the correct analysis of payments in respect of the Notes made by the Guarantor (in the case of Guaranteed Notes) as a matter of United Kingdom tax law, it is possible that such payments by the Guarantor which have a United Kingdom source would be subject to withholding on account of United Kingdom income tax, subject to any applicable exemptions or reliefs. Such payments by the Guarantor may not be eligible for the exemptions or reliefs described above.

### **THE PROPOSED FINANCIAL TRANSACTIONS TAX (“FTT”)**

On 14 February, 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, a “participating Member State”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article (5)(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate.

Prospective Noteholders are advised to seek their own professional advice in relation to the FTT.

### **FOREIGN ACCOUNT TAX COMPLIANCE ACT**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as “FATCA”, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting or related requirements. The Issuers may be foreign financial institutions for these purposes. A number of jurisdictions (including Ireland and the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt for U.S. federal income tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of an Issuer). However, if additional Notes (as described under “Terms and Conditions—Further Issues”) that are not distinguishable from previously issued Notes are issued after the

expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated dealer agreement dated 11 October, 2021 (as modified and/or supplemented and/or restated from time to time, the "Dealer Agreement") agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes" above. In the Dealer Agreement, the Issuers (failing which (in the case of Guaranteed Notes) the Guarantor) have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme.

### United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding paragraph and in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Tranche of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA D rules apply or whether TEFRA is not applicable.

Each issue of Exempt Notes which are also Index Linked Notes and Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer shall agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement. Each relevant Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will offer, sell or deliver such Notes only in compliance with such additional U.S. selling restrictions.

### Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms (or, in the case of Exempt Notes, the Pricing Supplement) in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the EU Prospectus Regulation; and

- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms (or Pricing Supplement, in the case of Exempt Notes) in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, (i) the expression an "offer of Notes to the public" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and (ii) the expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129.

## **United Kingdom**

### ***Prohibition of sales to United Kingdom Retail Investors***

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to United Kingdom Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (ii) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to United Kingdom Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of

the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision: (i) the expression “an offer of Notes to the public” in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and (ii) the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

#### ***Other regulatory restrictions***

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) in relation to any Notes having a maturity of less than one year from the date of their issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue or sale of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **Belgium**

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article 1.1 of the Belgian Code of Economic Law, as amended from time to time (a "Belgian Consumer") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

#### **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge that this Offering Circular has not been registered as a prospectus with the

Monetary Authority of Singapore (the “MAS”), and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the “Securities and Futures Act” or “SFA”). Accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that the Notes have not been offered or sold and will not be offered or sold or made the subject of an invitation for subscription or purchase nor will this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act) pursuant to Section 274 of the Securities and Futures Act, (ii) to a relevant person (as defined in Section 275(2) of the SFA) under Section 275(1) of the Securities and Futures Act, or to any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act or (iii) otherwise pursuant to, and in accordance with, the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act; or
- (ii) where no consideration is or will be given for the transfer; or
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the Securities and Futures Act; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the Securities and Futures Act or the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise stated in the applicable Final Terms, or the applicable Pricing Supplement, in the case of Exempt Notes, all Notes issued or to be issued under the Programme shall be “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “FIEA”) and each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan pursuant to an exemption from the registration requirements of and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## Ireland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended, the “**MiFID II Regulations**”), including, without limitation, Regulation 5 (Requirement for authorisation (and certain provisions concerning MTFs and OTFs)) thereof, any codes of conduct made under the MiFID II Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the Companies Act 2014 (as amended, the “**Companies Act**”), the Central Bank Acts 1942-2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of, the Notes otherwise than in conformity with the provisions of the EU Prospectus Regulation and any rules issued by the Central Bank of Ireland under Section 1363 of the Companies Act; and
- (d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of, the Notes otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules and guidance issued by the Central Bank of Ireland under Section 1370 of the Companies Act.

## General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuers, the Guarantor and any other Dealer shall have any responsibility therefor.

None of the Issuers, the Guarantor and any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### Authorisation

The update of the Programme has been duly authorised by a resolution of the Board of Directors of TCTS dated 22 April, 2021. The update of the Programme has been duly authorised by TCTSE by a resolution of the Board of Directors of TCTSE on 17 June, 2021. The update of the Programme has been duly authorised by a resolution of the Board of Directors of Tesco dated 13 April, 2021. The giving of the Guarantee has been duly authorised by a resolution of the Board of Directors of the Guarantor dated 13 April, 2021.

### Listing of Notes on the Official List

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's main market will be admitted separately as and when issued, subject only to the issue of a temporary global Note initially representing the Notes of such Tranche. Application has been made to the FCA for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's main market. Such application is expected to be granted on or around 14 October, 2021.

### Clearing Systems

The Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Clearstream, Luxembourg and Euroclear will be specified in the applicable Final Terms (or the applicable Pricing Supplement, in the case of Exempt Notes). If the Notes are to be cleared through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms or Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

### Conditions for Determining Price

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

### Significant or Material Change

There has been no significant change in the financial performance or financial position of TCTS since 27 February, 2021, or of Tesco or the Group since 28 August, 2021, and there has been no material adverse change in the prospects of TCTS, of Tesco or of the Group since 27 February, 2021.

There has been no significant change in the financial performance or financial position of TCTSE, and there has been no material adverse change in the prospects of TCTSE since 11 June 2021, being its date of incorporation.

### Material Contracts

None of the Issuers, the Guarantor or any of their respective subsidiaries has entered into any material contracts outside the ordinary course of business which could result in it being under an obligation or entitlement which is, or may be, material to the ability of the Issuers or (in the case of Guaranteed Notes) the Guarantor to meet their respective obligations in respect of the Notes.

### Governmental, Legal and Arbitration Proceedings

Except as set out in this Offering Circular on page 103 under the heading "*Litigation*", there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuers or the Guarantor are aware) in the 12 months preceding the date of this Offering Circular which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuers, the Guarantor or the Group.

## Auditors

Deloitte LLP audited the accounts for TCTS for the 52 weeks ended 27 February, 2021 and the consolidated accounts for the Group for the 52 weeks ended 27 February, 2021, and reviewed the consolidated accounts for the Group for the 26 weeks ended 28 August, 2021. Deloitte LLP also audited the accounts for TCTS for the 53 weeks ended 29 February, 2020 and the consolidated accounts for the Group for the 53 weeks ended 29 February, 2020, in each case in accordance with the generally accepted auditing standards in the United Kingdom and reported thereon without qualification. Deloitte LLP does not have a material interest in TCTS or Tesco.

Deloitte LLP was appointed on 17 June 2021 as the independent auditors of TCTSE for the initial accounting period of TCTSE, which commenced on 11 June 2021 (being its date of incorporation) and will end on 26 February, 2022. The financial statements of TCTSE will be audited in accordance with the International Financial Reporting Standards. Deloitte LLP does not have a material interest in TCTSE.

## Trust Deed

The Trust Deed provides that the Trustee may rely on certificates or reports from the Auditors (as defined in the Trust Deed) and/or any other expert in accordance with the provisions of the Trust Deed whether or not any such certificate or report or any engagement letter or other document entered into by the Trustee and the Auditors or such other expert in connection therewith contains any limit on the liability (monetary or otherwise) of the Auditors or such other expert. However, the Trustee will have no recourse to the Auditors in respect of such certificates or reports unless the Auditors have agreed to address such certificates or reports to the Trustees or otherwise entered into a reliance letter with the Trustee.

## Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published (if applicable), be available on the website of the Issuers as provided below:

- (i) the constitutional documents of each of the Issuers and the Guarantor (available at: <https://www.tescopl.com/investors/corporate-governance/> (in the case of Tesco), <https://www.tescopl.com/investors/debt-investors/tesco-corporate-treasury-services-plc/> (in the case of TCTS) and <https://www.tescopl.com/investors/debt-investors/tesco-corporate-treasury-services-europe-dac/> (in the case of TCTSE));
- (ii) the Trust Deed (available at: <https://www.tescopl.com/investors/debt-investors/outstanding-bonds/>);
- (iii) this Offering Circular (<https://www.tescopl.com/investors/debt-investors/outstanding-bonds/>); and
- (iv) any future offering circulars, prospectuses or information memoranda in respect of the Notes, any supplements thereto and any Final Terms and Pricing Supplements (in the case of Exempt Notes) (save that Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent as to its holding and identity) and any other documents incorporated herein or therein by reference (<https://www.tescopl.com/investors/debt-investors/outstanding-bonds/>).

## Dealers Transacting with the Issuers and the Guarantor

Certain of the Dealers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuers, the Guarantor and their respective affiliates in the ordinary course of business. Certain of the Dealers and their respective affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuers, the Guarantor and their respective affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuers, the Guarantor or their respective affiliates.

Certain of the Dealers or their respective affiliates that have a lending relationship with the Issuers and/or the Guarantor, routinely hedge their credit exposure to the Issuers and the Guarantor consistent with their customary risk management policies. Typically, such Dealers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**REGISTERED HEAD OFFICES OF THE ISSUERS AND THE GUARANTOR**

**Tesco PLC**

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

**Tesco Corporate Treasury Services PLC**

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

**Tesco Corporate Treasury Services Europe DAC**

Gresham House  
Marine Road  
Dun Laoghaire  
Co. Dublin  
Ireland

**THE TRUSTEE**

**Royal Exchange Trust Company Limited**

6th Floor, 140 London Wall  
London EC2Y 5DN

**PRINCIPAL PAYING AGENT**

HSBC Bank plc  
8 Canada Square  
London E14 5HQ

**PAYING AGENT**

**Banque Internationale à Luxembourg, société anonyme**

69 route d'Esch  
L-2953 Luxembourg

**LEGAL ADVISERS**

*To the Issuers and the Guarantor as to English law*

**Freshfields Bruckhaus Deringer LLP**

100 Bishopsgate  
London EC2P 2SR  
United Kingdom

*To the Issuers and the Guarantor as to Irish law*

**Arthur Cox LLP**

Ten Earlsfort Terrace  
Dublin 2  
D02 T380  
Ireland

*To the Dealers and the Trustee as to English law*

**Allen & Overy LLP**

One Bishops Square  
London E1 6AD  
United Kingdom

**AUDITORS TO THE ISSUERS AND THE GUARANTOR**

**Deloitte LLP**  
1 New Street Square  
London EC4A 3HQ

**DEALERS**

**Banco Santander, S.A.**  
Ciudad Grupo Santander  
Edificio Encinar  
Avenida de Cantabria s/n  
28660, Boadilla del Monte  
Madrid, Spain

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**BNP Paribas**  
16, boulevard des Italiens  
75009 Paris  
France

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Coöperatieve Rabobank U.A.**  
Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**Goldman Sachs International**  
Plumtree Court  
25 Shoe Lane  
London EC4A 4AU  
United Kingdom

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**Intesa Sanpaolo S.p.A.**  
Divisione IMI Corporate & Investment Banking  
Via Manzoni 4  
20121 Milan  
Italy

**Lloyds Bank Corporate Markets plc**  
10 Gresham Street  
London EC2V 7AE  
United Kingdom

**Lloyds Bank Corporate Markets  
Wertpapierhandelsbank GmbH**  
Thurn-und-Taxis Platz 6  
60313 Frankfurt am Main  
Germany

**MUFG Securities EMEA plc**  
Ropemaker Place  
25 Ropemaker Street  
London EC2Y 9AJ  
United Kingdom

**MUFG Securities (Europe) N.V.**  
World Trade Center, Tower H, 11th Floor  
Zuidplein 98  
1077 XV Amsterdam  
The Netherlands

**NatWest Markets Plc**  
250 Bishopsgate  
London EC2M 4AA  
United Kingdom

**RBC Europe Limited**  
100 Bishopsgate  
London EC2N 4AA  
United Kingdom

**SMBC Nikko Capital Markets Europe GmbH**  
Neue Mainzer Straße 52-58

**SMBC Nikko Capital Markets Limited**  
One New Change

60311 Frankfurt  
Germany

London EC4M 9AF  
United Kingdom

**Standard Chartered Bank**  
1 Basinghall Avenue  
London EC2V 5DD  
United Kingdom

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