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Important
Information

TESCO

Save As You Earn
2015

Your personal invitation to join!

Brochure Front Cover



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PO BOX No. 1155, Lancing, United Kingdom. BN99 6RB



Please recycle this pack securely
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Brochure Back Cover

QUESTIONS & ANSWERS

Who can join the scheme?

All Tesco colleagues who have completed one year's continuous service as at 23 October 2015.

How can I find out the Option Price?

The Option Price for the 2015 scheme will be displayed on posters at your location from Friday 23 October.

Can I cancel my existing schemes so that I can put more into this year's scheme?

Yes, if you submit your instruction on-line or by phone you will have the opportunity to cancel any existing schemes during the application process.

When would my payments start?

Your savings will be taken from your net pay starting in January 2016.

Are there any risks?

Shares can go down in value as well as up but with Save As You Earn your savings are protected, so you will always get back what you've put in. There will be no charge to have your savings refunded in full.

Are my savings safe with Barclays Bank PLC?

Yes, your savings are protected under the UK's Financial Services Compensation Scheme.

When will salary deductions stop?

Deductions will stop from salary in August 2018 and September 2020 for the three and five year schemes respectively dependant on tax weeks and payroll cycle.

What happens at the end of my savings period?

The end of your savings period is called Maturity. At Maturity your tax-free bonus* will be added to your savings and you will have the option to take back your money and bonus or buy shares. You must exercise your option within six months of your maturity date. More information will be sent to you when your scheme matures in three or five years.

What if I want to suspend my savings?

You can suspend up to six contributions; each four weekly contribution missed will result in the maturity of your savings contract being deferred. If you miss more than six payments into the scheme your option to buy shares lapses and your account closes. Equiniti will write to you advising your account is due to be closed; you will then need to sign a form as confirmation to close your account and return it to Equiniti.

If you go on maternity leave you can continue making payments through your payroll.

Can I cancel my existing schemes so that I can put more into this year's scheme?

Yes, but remember you may lose any tax-free bonus payable. If you submit your application online or by phone you will have the opportunity to cancel any existing schemes during the application process.

What if I want to stop saving?

Even though this scheme has a three or five year term – it doesn't mean your money is tied up. You can take your savings back at any time, although if you do you'll lose your option to buy discounted shares. If you do need to stop saving please speak to your personnel manager.

Will I be able to save €500 each year going forward?

No, the maximum amount set by the Department of Finance that you can save into SAYE at any time is €500 per 4 weeks or €125 per week across all schemes you save into. If you choose to save €500 per 4 weeks or €125 per week this year, you will not be able to participate in any future schemes until you either cancel this scheme or your scheme reaches its end date. Therefore think about the amount you choose to contribute this year as it may mean you will not be able to contribute into future schemes until this year's scheme is completed. If your 2015 application along with your existing schemes exceeds the maximum €500 per 4 weeks then your 2015 application will be reduced to reflect this.

Can I change my savings amount and the length of time I save for after the invitation period closes?

No, you won't be able to reduce or increase the amount or change the savings period, you will however be able to cancel the scheme if you can no longer afford to make these payments.

What happens if I leave Tesco?

If you leave Tesco, or take a career break, before the end of your saving period then you'll get all your money back OR you can choose to carry on saving privately into your Save As You Earn account. However you'll not be able to buy shares at the Option Price if you leave within three years of the option grant date.

If you leave Tesco at any time during your saving period because you're made redundant, or retire, you may be able to buy a reduced number of Tesco shares within six months of leaving.

What are the tax-free bonus rates for 2015?

There is no tax-free bonus on the three year scheme, for the five year scheme the tax-free bonus is 0.5 x your four weekly contribution, please see page two for

more details.

What tax will I pay?

When you save every pay period your savings are taken from your after-tax (net) salary. At the end of your savings contract you have the following options:

Option 1) Take cash

You can take the cash you have saved plus the tax free bonus*. There are no income tax, USC or PRSI implications should you choose to take cash.

Option 2) Acquire shares

If you use your savings to buy shares there are no income tax implications. However, you will be subject to USC and PRSI on the potential profit or Exercise Gain. The Exercise Gain is calculated as the difference between the actual share price on the date you buy the shares in three or five years time and the Option Price. The USC and PRSI will be deducted from your net pay via payroll. However, if you leave Tesco and are able to buy a reduced number of shares at the option price, you will be responsible for reporting and payment of these charges through the Self-Assessment system.

Sell shares acquired

Should you subsequently decide to sell the shares you acquired under the SAYE scheme you may be subject to capital gains tax if the gain/profit on all disposals in any one tax year is more than €1,270. The current capital gains tax rate is 33%. Should this apply, you will be responsible for reporting and paying the capital gains tax to Irish Revenue.

Want to know more?

Please call the Tesco SAYE Helpline on: +44 121 415 0266. Lines are open 8.30am to 5.30pm Monday to Friday.

What happens if lots of people decide to join?

There is a limit to the number of shares available when we grant an option to you. If there is a higher demand for the scheme than the number of shares available, we will review and reduce everyone's application by the same percentage, unless this reduction takes you below the minimum savings amount. In this case, your application will be reduced to the minimum savings amount.

If you choose to only save the minimum amount we will not scale back your application.

Your option certificate sent in December will confirm the amount you will save every pay period and the number of shares you have been granted.

* applicable only for 5 year scheme

See posters for this year's Option Price

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SAVE AS YOU EARN PARTICIPATION AGREEMENT

Tesco PLC Irish Savings-Related Share Option Scheme (2000)

Important document please retain this in a safe place

Please note the price of shares and any income from them may go down as well as up

SCHEME TERMS AND CONDITIONS SAVE AS YOU EARN CONTRACT

I apply to open a Save As You Earn account with Barclays Bank PLC ('the Bank'). I authorise the Bank and Equiniti Limited ('Equiniti') as scheme administrators to provide Tesco PLC with information relevant to the Save As You Earn Scheme. These instructions remain in force until cancelled by me in writing and I agree to be bound by the conditions below. The payments under this contract shall not start earlier than 1 February 2016.

If my application is accepted I authorise my employer to make the deductions indicated above from my net pay for the period of my Save As You Earn contract and deposit such amount in my Save As You Earn account.

I apply to be granted an Option to acquire Ordinary Shares of Tesco PLC in accordance with the terms and conditions of the Scheme, with the proceeds including bonus of my Save As You Earn contract with the Bank.

I authorise the Company to reduce the amount of contributions and amend my application form accordingly under the terms of the Scheme if there are insufficient Shares available to satisfy all applications in full.

DECLARATION

I understand that a copy of the Barclays Bank PLC Save As You Earn Certified Contractual Savings Scheme (May 2015) is available on request to Tesco Share Schemes, Cirrus A, Floor 3, Pillar B, Shire Park, Welwyn Garden City, AL7 1AB, United Kingdom and that Equiniti Limited will administer the scheme on behalf of Tesco PLC. Barclays Bank PLC will act as the savings carrier for the scheme.

I declare:

- that I am 16 years of age or over;
- that I am eligible to participate in the Scheme relevant to this application which has been arranged by my employer;
- that this savings contract will not breach the restrictions in paragraph 21 of the Barclays Bank PLC prospectus.

I understand that if this declaration is untrue in any respect, any interest or bonus payable under this Scheme will be forfeited.

DATA PROTECTION

Your personal information will be treated as confidential and will only be disclosed outside of Equiniti in the following circumstances: where the law permits or it is in the public interest; to investigate or prevent fraud, to Equiniti agents in connection with running accounts and services for you; at your request or with your consent; to Tesco PLC so they may update their own records about you. In accordance with the Data Protection Act you are entitled, on payment of a fee, to a copy of the information that Equiniti hold about you. You should let Equiniti know if you think any information they hold about you is inaccurate, so they can correct it.

BARCLAYS BANK PLC

Barclays is a UK-based financial services group, with a large international presence in Europe, the USA, Africa and Asia. It is engaged primarily in banking, investment banking and investment management. In terms of market capitalisation, Barclays is one of the largest financial services companies in the world.

Barclays Bank PLC is registered in England and authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered No. 1026167. Registered Office: 1 Churchill Place, London E14 5HP. The main business of BBPLC is banking.

1. Your Information

1.1 Barclays will store and process your information on Barclays computers and in any other way. By "your information" Barclays means personal and financial information Barclays obtains from you, your Employing Company and other Barclays group companies or other organisations in anticipation of you applying and being accepted for a Savings Contract, during the term of the Savings Contract and in relation to the exercise of the Option under the Scheme.

1.2 Barclays will use your information to manage and administer your Savings Contract and Option, give you statements, and to develop and improve Barclays' services to you and other customers and protect the Barclays' interest.

1.3 Barclays may give information about you and your Savings Contract to the following:

- The Employing Company and its agents or service providers where disclosure is necessary to enable Barclays to discharge its duties and obligations in the management and administration of the Savings Contract and Option on the understanding that they will keep the information confidential.
- People who provide a service to Barclays or who are acting as its agents, on the understanding that they will keep the information confidential.
- Equiniti Limited in connection with running accounts and services for you.
- Tesco PLC so they may update their own records about you.
- Anyone to whom Barclays transfers or may transfer its rights and duties under this agreement.
- Where Barclays has a duty to do so or if the law allows Barclays to do so. Otherwise Barclays will keep information about you confidential.

1.4 Your information will be held in the UK. If Barclays transfers your information to a service provider or agent in another country, Barclays will make sure that the service provider or agent agrees to apply the same levels of protection as Barclays is required to apply to information held in the UK and to use your information only for the purpose of providing the service to Barclays.

1.5 You are entitled to a copy of your information held by Barclays and if any details are inaccurate you can request to have them changed. Please be advised that Barclays may charge you for a copy of your information. Please contact Barclays Share Plans 00 44 121 4150153.

2. European Savings Directive.

2.1 I understand that if I am an individual who is or becomes resident in a member state of the European Union (other than Ireland) or another territory which is subject to the European Savings Directive ("ESD"), Barclays may be obliged to pass certain information about any savings income payment Barclays makes or has made to me to Irish Revenue Commissioners who will pass it on to the relevant tax authority in my country of residence. This information includes (but is not limited to) the amount of interest or bonus payment paid or credited to me, my name, address and country of residence.

2.2 I understand that I may be required to provide Barclays with further information regarding my identity and status.

2.3 I understand that Barclays' determination of whether I am or am not subject to the ESD can be changed at any time.

2.4 I understand that Barclays will only be liable to me for any loss I may suffer if Barclays makes an ESD related disclosure or incorrect determination of whether I shall be treated as being subject to ESD or if Barclays changes its determination if such loss is caused by Barclays' negligence, wilful default or fraud.

3. Financial Services Compensation Scheme

3.1 Savings held by Barclays Bank PLC in Ireland are covered by the UK's Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors – including most individuals and small businesses – are covered by the scheme. In respect of deposits, an eligible depositor is entitled to claim up to the equivalent of £85,000. For joint accounts each holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed would be £85,000 each (making a total of £170,000). The £85,000 limit relates to the combined amount in all an eligible depositor's accounts with Barclays Bank PLC, including their share of any joint account, and not to each separate account. For further information about the scheme (including the amounts covered and eligibility to claim) please ask at your local branch, refer to the FSCS website www.FSCS.org.uk or call +44 (0) 207741 4100.



YOUR SHAREHOLDER ACCOUNT NUMBER IS:
XXXXXXXXXXXX



Dear [first name]

I am pleased to invite you to join the 2015 Save As You Earn scheme.

Save As You Earn is our share scheme just for colleagues which offers you the opportunity to save directly from your net pay, for a period of three or five years. At the end of the period you get the choice to either buy Tesco shares, or take your savings back in cash. Your savings are held for you by Barclays Bank PLC, and if you want to stop saving you can take your money back at any time.

When you apply to join Save As You Earn, you get a discount on the current share price (known as the Option Price). The great news is that to recognise your ongoing commitment we're offering the maximum discount of **20%** again this year and the maximum amount you can save across all schemes will remain at **€500** per pay period, making your money go that little bit further.

After three or five years, if our share price is higher than the Option Price and you choose to buy shares, you'll benefit from the increase. If it's lower than the Option Price, you can take your savings back. Either way, at the end of your chosen savings period you can get back what you've paid in.

The Option Price is set on 23 October 2015 and is available to view on www.ourtesco.ie where you can also find other useful information.

If you want to join, you just need to decide how much you want to save and for how long, then sign up between 23 October and 12 November. Please take time to read this booklet which explains how the scheme works, how to apply, and what choices you have if you already participate in existing schemes or if you're already saving the maximum amount.

Save As You Earn is just one of the benefits you receive for being part of the Tesco team, I hope you'll take the opportunity to join this year.

Andrew Yaxley
Chief Executive
Tesco Ireland

JOIN BY
5pm on
12 November
2015

Join by 5pm 12 November 2015

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SO HOW DOES SAVE AS YOU EARN WORK?

What is Save As You Earn?

It's a plan which allows you to save, directly from your pay, for either three or five years. It's a simple way to save cash or invest in shares at a discount price of 20% this year.

HOW DOES THE SAVINGS PART WORK?

The maximum amount you can save this year is €500 per 4 weeks or €125 per week, which means you can choose to save between €12 and €500 per 4 weeks which will be deducted from your pay from January 2016 and paid to your Save As You Earn (SAYE) account that is held with Barclays Bank PLC. You can choose to stop saving and can take your money back at any time free of charge.

The maximum amount set by the Department of Finance that you can save into SAYE at any time is €500 per 4 weeks or €125 per week. The maximum you can save across any existing schemes you may be saving into and the 2015 scheme would be €500 in total.

For example if you were already saving €200 per

4 weeks, the maximum you contribute this year would be €300 per 4 weeks or alternatively you could cancel all your existing schemes and save the maximum of €500 per 4 weeks for just one scheme.

If you choose to save the maximum of €500 this year it will mean you will not be able to participate in any future schemes until you either cancel this scheme or you reach the end of the scheme.

HOW DOES THE SHARES PART WORK?

After three or five years, you'll have the choice to then take all your money as cash or use it to buy Tesco shares at the Option Price that was set when you started your SAYE scheme. If the share price is higher than the Option Price

you can choose to buy Tesco shares with your savings and benefit from any increase. If the share price is lower than the Option Price you can either take your savings back or you'll have the choice of buying shares at the market price at that time. All the shares bought outside this scheme are subject to normal rules and are not included in the current scheme.

For more on this, turn to page 3.

THE TAX FREE BONUS

After your five year savings term is up, Barclays Bank PLC will add a guaranteed tax-free bonus. The bonus payable on the five year scheme is 0.5 times your four weekly contribution and there is no bonus option on the three year scheme.

Important Tax Information

USC and PRSI

At the end of your savings contract, if you use your savings to buy shares, the potential profit or Exercise Gain will be subject to USC and PRSI. The Exercise Gain is calculated as the difference between the actual share price on the date you buy the shares in three or five years time and the Option Price. The USC and PRSI will be deducted from your net pay via payroll. If you take your savings as cash no USC or PRSI is triggered.

See posters for this year's Option Price

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HOW YOUR SAVINGS BUILD UP

You can save anything from €12 to the cap of €500 every four weeks. As you can see, even a little can really add up! Plus your money is not tied-in, you can get it back at any time if you need to.

Once you've chosen the amount you want to save every four weeks (deducted directly from your net pay), you won't be able to change it later on – so it's worth thinking carefully now about how much you can afford to save!

Amount you save every four weeks	Your savings after three years	Your savings & bonus after five years
€12	€432	€726
€20	€720	€1,210
€80	€2,880	€4,840
€500	€18,000	€30,250

HOW DOES THE SHARE DISCOUNT WORK?

When you join Save As You Earn, we give you a discount on the Tesco share price (known as the Option Price – you'll see this on posters around your location from 23 October).

If at the end of your three or five year savings term the actual share price is above this, you can choose to use your savings to buy shares and potentially make a profit.

If the share price is below the Option Price at the end of the three or five year savings term you can still have your savings repaid to you. There is no charge to have your savings repaid.

Here's an example of how it might work if you saved €60 every four weeks:

	THREE YEAR SCHEME	FIVE YEAR SCHEME
SAVINGS AT THE END OF THE SAVINGS PERIOD (INCLUDING BONUS)	€2,160	€3,630
IF THE OPTION PRICE OF THE SHARES WAS €1.80, THE NUMBER OF SHARES YOU COULD BUY IS	1,200 shares	2,016 shares
IF THE ACTUAL SHARE PRICE IN THREE OR FIVE YEARS TIME IS €2.50 PER SHARE, YOUR SHARES WOULD BE WORTH	€3,000	€5,040
POTENTIAL PROFIT (REFER TO PAGE 2 FOR DETAILS OF HOW THE POTENTIAL PROFIT IS TAXED)	€840	€1,410

Please note:

- For a three year scheme you make 36 four-weekly contributions which is equivalent to 144 weekly contributions and in a five year scheme you make 60 four-weekly contributions which is equivalent to 240 weekly contributions.
- There is no tax-free bonus on the three year scheme, for the five year scheme the tax-free bonus is 0.5 x your four weekly contribution.
- The maximum number of shares is determined by your savings, the share price and the exchange rate at the time of the grant.

- All figures are for example purposes only. Figures have been rounded to the nearest £ or € and calculations based on an exchange rate of 1 Euro to 1 Pound Sterling, and assume no change in exchange rates over time.

- If the Euro weakens you can use all the funds saved plus bonus to buy shares. This will be less than the maximum number of shares over which your option was granted.
- If the Euro strengthens, you can acquire up to a maximum number of shares over which your option was granted. The excess savings will be refunded to you.

HOW DO I APPLY?

Choose from two simple ways to apply by 5pm on 12 November – by telephone or online.

All you'll need is your Shareholder account number (shown on page 1) and your Date of Birth.

ONLINE

Visit www.shareview.co.uk/clients/tescoireland and follow the on-screen instructions.

Once you have submitted your application you will see a confirmation page, please review and print or save this page and keep it until you receive your Option Certificate in the post.

When you apply online you will be given the choice to cancel your existing schemes allowing you to save the maximum of €500 in this year's scheme.

BY TELEPHONE

Call 1890 812 730* and follow the instructions you hear

The call should take no more than three minutes and can be made at any time of the day. At the end of the call you'll need to take note of the confirmation number, and keep it until you receive your Option Certificate in the post.

When you apply by phone you will be given the choice to cancel your existing schemes allowing you to save the maximum of €500 in this year's scheme.

* For eircom landline customers calls cost 6.15 cents per minute (peak time) and 1.57 cents per minute (off peak). Please check with your own service provider for your call rates.

At Tesco, we are always trying to find ways to make our communications greener, use less paper and create less waste. Therefore we have not sent you a paper application form, if you would still like a paper application form please call Equiniti on +44 121 415 0266.

Save As You Earn options are offered to you by Tesco PLC in accordance with the terms of the Tesco PLC Irish Savings Related Share Option Scheme (2000) which are summarised in this booklet. Full details of the scheme are in the legal rules and if there is any conflict between this booklet and the rules, then the rules will prevail. Copies of the full rules and the Barclays Bank PLC prospectus are available on request from UK Reward, Tesco Stores Ltd, Cirrus A, Shire Park, Welwyn Garden City, Herts, AL7 1AB.

Join by 5pm 12 November 2015

