A photograph of two elderly women smiling and embracing in a sunlit forest. The woman on the left wears a white knit beanie and glasses, while the woman on the right wears glasses and a pink jacket. The background is a soft-focus forest with sunlight filtering through the trees.

2017 Five Year Save As You Earn Scheme Maturity

**Your savings –
your choice.**

Save As You Earn - helping our colleagues
save money for 40 years

TESCO

A photograph of a man with a beard and short dark hair, wearing a red and white checkered shirt and blue jeans, sitting in a wheelchair. He is smiling and looking down at a black dog sitting on his lap. The dog is looking up at him. They are in a kitchen with wooden cabinets and a white stove in the background.

Your 2017 Save As You Earn Scheme has finished.

You have until 31 August 2023 to make your choice

Dear [Colleague_Name],

You've finished saving into your **2017 Five Year Save As You Earn Scheme*** – congratulations!

You joined this scheme in November 2017 with the discounted Option Price of £1.68.

You have between now and **31 August 2023** to decide what to do with your savings. You have four choices listed in this guide. Make sure you fully consider all your choices as once you have submitted your choice it cannot be changed.

If you have not made a choice by 31 August 2023 your savings will be returned to you and you'll miss out on being able to buy Tesco shares at the **discounted Option Price of £1.68**.

Your four choices.

1. Buy shares to keep
2. Buy shares to sell
3. Buy shares to transfer to an ISA
4. Take your savings back

Further information

Go to:
shareview.co.uk/clients/Tesco/SAYE
and read the FAQs that can be located in the Useful Links section on the Maturity page. Or call the Equiniti helpline on +44 (0) 371 384 2976.

* The Scheme End Date is 1 March 2023 if you've not missed any payments.

** Or, if you've missed one or more payments, you have until six months after your Scheme End Date to buy shares to keep.

2017 Five Year SAYE Statement.

This statement shows you how much you've saved and how many shares you can buy at the **discounted Option Price** of:

£1.68

Shares Portal Activation Code

99999999

Scheme Start Date

01-MAR-18

Scheme End Date

01-MAR-23

Number of Share Options

1,785

Details of your SAYE account, together with the amount payable if you take your savings back, are shown below:

Monthly savings (£)	Total saved (£)	Total payable (£)
50	3,000	3,000

Number of shares available to buy at the discounted Option Price;

Number of shares available to buy at the discounted Option Price	Discounted Option Price (pence)	Last date to buy shares at the discounted Option Price*
1,785	219.0	31-AUG-23

* Please note if you've recently left Tesco, you only have **six months from your date of leaving to buy shares**.

In line with the Sharesave (SAYE) Prospectus issued by HM Revenue and Customs ('HMRC'), your savings held with Lloyds Bank plc, as the SAYE Savings Carrier, will attract no interest and no tax-free bonus is payable on the Scheme End Date. Lloyds Bank plc doesn't act as agent, arranger or advisor in relation to exercising your option to buy shares. If you have any queries about your SAYE account or require more information, please contact Equiniti Limited ('Equiniti') on +44 (0) 371 384 2976. Lines are open 8.30am to 5.30pm, Monday to Friday (excl. public holidays in England and Wales). Calls to 03 numbers cost no more than a national rate call to 01 or 02 numbers.

Your savings – your choice.

1. Buy shares – to keep

By keeping your shares:

- Your shares will be valued at the current Tesco Share Price, even though you'll pay £1.68 for them.
- You can receive dividends on the shares, if they're available.
- Your shares will be held electronically in the Tesco Share Account (see page 11) until you want to sell them.

2. Buy shares – to sell

By selling your shares:

- Your shares will normally be sold on the dates shown below. You will have no control over the sale price, which will be dependent on the Tesco Share Price on that day.

Instruction by (6pm)	Sale Date
21 February 2023	1 March 2023
24 February 2023	2 March 2023
3 March 2023	9 March 2023
Weekly every Friday	Weekly every Thursday*

*Unless the Thursday is a public holiday in England and Wales in which case shares will be sold the next UK working day

- Your money, minus charges, will be paid by BACS into the bank account you receive your pay, within two weeks. Read about charges on page six.
- If you decide to sell some of your shares and keep the rest, the shares will be sold through a Tesco Share Account (one will be opened for you if you don't already have one). The rest will be held in this account.
- The sale service is provided by Equiniti Financial Services Limited.

Remember, share prices can go down as well as up.

You'll make money if the Tesco share price is higher than the discounted Option Price of £1.68 when the shares are sold, subject to dealing charges.

3. Buy shares – to transfer to ISA

By transferring your shares:

- Your shares will be valued and then transferred to the EQi Flexible Stock and ISA normally on the dates shown below. You will have no control over the value, which will be dependent on the Tesco Share Price on that day.

Instruction by (6pm)	ISA Transfer Date
21 February 2023	1 March 2023
24 February 2023	2 March 2023
3 March 2023	9 March 2023
Weekly every Friday	Weekly every Thursday*

*Unless the Thursday is a public holiday in England and Wales in which case shares will be sold the next UK working day.

- This choice can only be selected online.
- If you sell your shares from an ISA, any profit won't be subject to Capital Gains Tax (see page 6).
- There are restrictions on the amount you can put into an ISA, for details read the FAQs in the Useful Links section on the Maturity page.
- Any shares that go over the ISA limit will be transferred to the Tesco Share Account.
- You won't be charged to transfer shares into an ISA, but ISA admin fees and share dealing charges apply. You can read more about this in the FAQs.
- The transfer to ISA choice is only available for the first six months from the normal maturity date. The last date you can make this instruction is 31 August 2023.

4. Take your savings back

By taking your savings back:

- You won't benefit from buying shares at the discounted Option Price of £1.68.
- Your savings will be returned to you by BACS to the same bank account you receive your pay.
- Call the Equiniti helpline to request this.
- If you change your mind and the Tesco Share Price is above the discounted Option Price of £1.68, you can still choose to buy shares at £1.68 before the 'Last date to buy shares at the discounted Option Price' shown on your statement on page three.

If you don't do anything

If you don't take any action by 31 August 2023 (or within six months of your Scheme End Date if you've missed one or more payments), you won't be able to benefit from buying Tesco shares at the discounted Option Price of £1.68. Instead you'll have your savings automatically returned to you. So don't miss out!

Things to remember.

Charges

- If you choose to buy shares at the discounted Option Price and sell some or all of them at the same time, Equiniti Financial Services Limited (EFSL) will charge 0.5% (minimum £15) to sell them for you.
- The charge is taken from the total sale amount at the end. For example, if the sale is £3,600, then EFSL will charge £18.00.
- If the Share Price falls after you've made your choice, you may end up with less money after charges are applied, than if you'd asked for your money back.
- If you choose to keep your shares in a Tesco Share Account and sell them online at a later point, EFSL currently charge 1% (minimum £20) to sell those shares.

Paying tax

- You don't pay Income Tax or National Insurance Contributions (NIC) on your savings or on your shares when you buy them.
- If you sell your shares, you may have to pay Capital Gains Tax (CGT) if the total profit you make in a tax year is more than the CGT 'annual exemption' amount. This is £12,300 for 2022/23 tax year, and for the tax year 2023/24 it has been announced the CGT annual exemption will reduce to £6,000. See example two on page seven. Total profit can include gains from selling other shares or assets.
- If you think you'll go over the CGT exemption amount, you may wish to sell a smaller number of shares in that tax year or sell through an ISA. Please see details on CGT on the FAQs at shareview.co.uk/clients/Tesco/SAYE.
- You may be required to submit a self-assessment form if you're affected by CGT. Read more at gov.uk/capital-gains-tax.
- If you buy shares to keep, you may need to pay tax on your dividend payments. Tax is payable on dividends if the total

amount of dividends you receive from your shares in a tax year, together with the dividends paid on any other shares you hold including cash dividends paid on Share Incentive Plan Shares, is more than the dividend allowance. The dividend allowance is £2,000 for the 2022/23 tax year. Read more at gov.uk/tax-on-dividends.

The value of shares can go up and down

- In the time between making your choice and when it's processed, the value of Tesco shares may go up or down (see page 10).
- This can be affected by political and world events such as Coronavirus and sometimes can be significant.
- This means that the amount you receive could be less than you expected.
- If the Share Price falls below the discounted Option Price at the time your choice is processed, it won't be processed and your choice will be carried forward to the following week. If the Share Price stays below the discounted Option Price, Equiniti will contact you.


Selling shares

- You can't set a specific Tesco Share Price to sell at.
- The Share Price will be the price you receive when the sale is placed in the market.
- Your shares will only be sold if the Share Price is more than the Option Price of £1.68.
- Dealing restrictions may apply if you're a colleague subject to the Tesco Share Dealing Code. You'll have been informed if you're restricted from dealing, however, if you need any further information, please visit the Tesco Insider Portal at tescoinsiderportal.com.

Selling shares examples

	Example One	Example Two
Amount you saved every four weeks	£50.00	£500.00
Total savings after five years (60 payments)	£3,000.00	£30,000.00
The number of shares you can buy at the Option Price of £1.68	1,785 shares	17,857 shares
Sale amount if you sold all shares you bought at the discounted Option Price of £1.68 at £2.40 a share	£4,284.00	£42,856.80
Selling charges	£21.42	£214.29
Profit (sale amount minus cost of the Option Price shares sold and selling charges)	£1,262.78	£12,642.53
Capital Gains Tax charge if you sold all shares in 2022/23 tax year?	No – profit is less than £12,300	Yes – profit is more than £12,300. Any profit over this will be taxable.

These are just examples and assume you sell all of your shares at once and haven't made any other profit in the tax year that could be taxable.



How to make your choice.

Online

shareview.co.uk/tesco

- You need to make sure you're registered for the Shares Portal, and then you can make your choice online.
- If you haven't already registered, you'll need your Activation Code which you can find on page three.
- Tesco colleagues can also access the Shares Portal through your Total Reward Statement too at: ourtesco.com/total-reward-statement

All Terms & Conditions can be found at shareview.co.uk/clients/Tesco/SAYE. Please read these carefully before making your choice, as they form the basis on which services will be provided to you by Equiniti and Equiniti Financial Services Limited. If there's anything you don't understand or if you need an alternative format such as braille or audio please call the Equiniti Helpline.

You must be aged 18 or over and reside in the UK, EEA, Isle of Man, Channel Islands, Switzerland or Gibraltar in order to hold shares in the Tesco Share Account.

The ISA and shares selling facilities for this scheme are provided by Equiniti Financial Services Limited until 6pm on 31 August 2023.

If you buy Tesco shares at the discounted Option Price you can donate to charity any money left in your account, that can't be used to buy a whole share.

Remember that once you've made your choice to buy shares to keep, sell or transfer, you can't change it.



The online, and text services open at **9am on 10 February 2023**

You'll be asked for your **Employee Number** and your **Date of Birth**

Text*

84247**

(Or +44 7984369534 if sending from outside the UK)

- The text message must include the details shown on the right, with a space between each piece of information.

Text example one: I want to buy shares at the Option Price to keep. My Date of Birth is 1 Jan 1980. I want to donate what's left in my account to charity. I am a UK national and I don't have dual nationality.

Tescomat5 12345678 01011980 2017 5 Keep Y Y N

Text example two: I want to buy shares at the Option Price and sell 100 shares. My birthday is 1 Jan 1980. I don't want to donate what's left to charity. I am a UK national and I don't have dual nationality.

Tescomat5 12345678 01011980 2017 5 Sell 100 N Y N

How to format your text message:

- **Tescomat5**
- **Your 8 digit employee number** (including leading zeros if applicable)
- **Date of Birth** (to be entered DDMMYYYY)
- **2017** (as you're in the 2017 scheme)
- **5** (as you're in the five year scheme)
- **Keep or Sell** (If selling shares you must specify how many you want to sell. Details of how many you have to sell are on page three. Ts & Cs apply)
- **Y or N** (confirm if you want any cash left over, that's not enough to buy a full share, donated to charity)
- **Y or N** (confirm if you have UK nationality)
- **Y or N** (confirm if you have dual nationality)

* If you have dual nationality or non-UK nationality, you can only use the Shares Portal to make your choice. This is because the Market in Financial Instruments Directive II (MIFID II) requires companies such as Equiniti Financial Services Limited to provide additional information to the Financial Conduct Authority (FCA) about share transactions. The aim is to increase customer protection and prevent market abuse. Because of this, Equiniti may need to collect additional information from you when processing your transaction.

** Texts will be charged at your standard network rate. Please note that the Text service is only available until 31 August 2023.



Key dates.

21 Feb 2023

Tell us what you want to do by 6pm on this date so that it's dealt with at the earliest opportunity

1 Mar 2023

This is Scheme End Date* and the earliest that Equiniti can buy shares at the discounted Option Price for you

31 Aug 2023

This is the final date to buy shares to keep, sell or transfer. If you miss this date then your savings will be returned to you*

Buy shares to keep

Shares will appear in your Tesco Share Account by 2 Mar 2023

Buy shares to sell

The sale is expected to take place on 1 Mar 2023 and the money should reach you within 10 working days

Buy shares to transfer

Shares will be transferred to the EQi Flexible Stocks & Shares ISA by 8 Mar 2023

Any request received before 6pm on a Friday after 21 February 2023 will be processed the following Thursday. Please note that the sell and transfer to ISA choices are only available for the first six months from the normal maturity date.**

* This is six months after the Scheme End Date if you haven't missed any payments. Or, if you've missed one or more payments, you have until six months after your Scheme End Date to buy shares to keep.

**For the weeks with a UK public holiday on the Monday, the Thursday process date will be pushed out to the Friday. These are Friday 14 April, 5 May, 12 May and 2 June.

Taking your savings back

If you don't want to buy shares at the discounted Option Price and you want to take your savings back as soon as possible (1 March 2023), you need to tell us by 21 February 2023. After this, requests will take up to three working days to process and your savings will reach the same bank account you receive your pay within three working days via BACS.



Tesco Share Account (TSA).

A simple way to manage your shares

The Tesco Share Account (TSA) lets you hold your Tesco PLC shares electronically rather than keeping paper share certificates.

You also get:

- Special dealing rate (1% – with a minimum £20 charge when shares are sold online)
- Real time share dealing
- No annual fees
- Up to date Share Price information
- Ways to track your shares online
- Shares will appear in the TSA within two working days of buying them at the Option Price

If you've got existing share certificates and want to transfer all of your Tesco Ordinary Shares into the TSA, call +44 (0) 371 384 2977.

You can view your shares in the TSA at anytime, by logging into your Shares Portal account at [shareview.co.uk/tesco](https://www.shareview.co.uk/tesco).

For more information and Ts & Cs about this service, provided by Equiniti, please read the Tesco Share Account Employee Guide in the Useful Links section at www.shareview.co.uk/tesco.

If you're opening an account for the first time, any dividends you receive will be automatically reinvested into the Tesco Dividend Reinvestment Plan. You can change this after your account has been opened, if you'd rather receive your dividends as cash.

Shares held in the TSA can only be sold using Equiniti. Details on this, along with your Shareholder Reference will be included on your Opening or Quarterly Statement.

