

# Save As You Earn 2019 – 3 Year Maturity



## FAQs

### Q What are my choices?

#### A 1. Buy shares – to keep

Your shares will be valued at the current Tesco Share Price, even though you'll pay the discounted Option Price of £2.19 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 of your SAYE Guide) until you want to sell or transfer them. You'll make money if the Tesco Share Price is higher than the discounted Option Price, if you sell them in the future.

#### A 2. Buy shares – to sell

You'll make money if the Tesco Share Price is higher than the discounted Option Price of £2.19 when the shares are sold. Please check the Share Price before choosing the "sell" option. Your money, minus charges, will be paid by BACS into the bank account you receive your pay, within two weeks. Read more about charges on page six of your SAYE Guide. If you choose to only sell some of your shares, any shares left over will be held in the Tesco Share Account, you can see more information about this account on page 11 of your SAYE Guide.

#### A 3. Buy shares – to transfer to an ISA

If you sell shares from an ISA, this profit won't be subject to Capital Gains Tax. The maximum amount of shares you can transfer into an ISA for the current tax year 2022/23 is £20,000 (minus any money that has been paid to any other ISA). If you have an existing EQi Flexible Stocks & Shares ISA and you've withdrawn cash from your ISA you can now replace it in the same tax year, without affecting your annual subscription limit of £20,000.

Any shares that go over the ISA limit will be transferred to the Tesco Share Account, see page 11 of your SAYE Guide. There is no charge to transfer shares into an EQi ISA, but a Custody fee and share dealing charges apply. For more details, including charges, please go to [eqi.co.uk/info/isa/pricing](https://eqi.co.uk/info/isa/pricing). This choice can only be selected online.

#### A 4. Take your savings back

You won't benefit from buying shares at the discounted Option Price of £2.19. Your savings will be returned to you by BACS to the same bank account that you receive your pay. To request a repayment of your savings you should call the Equiniti helpline and speak to an agent. If you change your mind and the Tesco Share Price is above the discounted Option Price of £2.19, you can still choose to buy shares at £2.19 before the 'Last date to buy shares at the discounted Option Price' shown on your statement on page three of your SAYE Guide.

### Q What happens if I don't make a decision by 31 August 2023?

A If you don't take any action by 31 August 2023 (or within six months of your Scheme End Date shown on page three of your SAYE Guide) you won't be able to benefit from buying Tesco shares at the discounted Option Price of £2.19. Your savings will be automatically returned to you.

### Q When Equiniti process my choice, what additional information do they need from me?

A Equiniti will need to know your nationality. If you're a UK National, Equiniti already have the information they need from you and won't need anything else.

If you're a non-UK National, or hold dual Nationalities, you'll need to provide your National Client Identifier (NCI), which will typically be your passport number or national/personal identity number.

You can read more about your NCI at [nationalitycalculator.co.uk](https://nationalitycalculator.co.uk).

### Q I'm a non-UK national or I hold multiple nationalities and you say that the NCI information I'll need will typically be my passport number or my national/personal identity number, how can I find out in advance exactly what I'll need so I can have this to hand when I make my choice?

A Equiniti have set up an NCI calculator which you can access by going to [nationalitycalculator.co.uk](https://nationalitycalculator.co.uk).

### Q What happens if I have missed any payments during my Three Year SAYE scheme?

A For every payment (i.e. SAYE deduction from your four-weekly pay) missed, the maturity date of your scheme will be deferred and you'll continue to have deductions taken from your pay until you've completed your savings scheme contract duration. Page three of your SAYE Guide will show your Scheme End Date. **If your date is after 31 August 2023, you won't be able to select Choice Two or Choice Three as you won't have completed your savings scheme before the exercise and sell service and the ISA transfer facility closes.**

### Q Can I transfer my savings into a new SAYE scheme?

A No, the scheme rules don't allow you to transfer your savings from this scheme to a new scheme.

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## Q Can I re-invest in an ISA?

A You can transfer your shares to an EQi Flexible Stocks & Shares ISA (Individual Savings Account provided by Equiniti) at the same time you give an online instruction to buy shares at the discounted Option Price of £2.19.

There isn't a charge for transferring shares into the ISA, however there will be an ongoing quarterly Custody fee and commission on trades.

You won't be taxed on any dividends paid on shares held in an ISA or profit from selling your shares from an ISA. For more information about the Rates and Charges, please contact EQi's Flexible Stocks & Shares ISA Team on 0345 0700 720 (lines are open 08:00 to 17:30, Monday to Friday (excluding UK Public holidays)), or go to [eqi.co.uk/info/isa/pricing](https://eqi.co.uk/info/isa/pricing).

The deadline for entering your instruction to transfer your shares into an ISA is 31 August 2023.

## Q How much does it cost to sell my shares (Choice Two)?

A Commission is charged on the sale of shares. The commission is 0.5% of the value of the sale with a minimum fee of £15.00, and will be taken from the total of your sale. The sales facility is subject to achieving a minimum sale price of £2.19. Therefore, there is a small risk that you'll get back less than what you've saved.

Please check the current Share Price, as the amount you receive will be affected by the value of your shares at the time they're sold and the commission of at least £15 that will be deducted from the sales proceeds.

## Q How do I know what the current Share Price is?

A The Tesco Share Price can be found at [tescoplc.com](https://tescoplc.com)

## Q When will my shares be sold and what share price will I receive if I choose to sell my shares (choice two)?

A If you submit your request by 6pm 21 February 2023 your shares are expected to be sold on 1 March 2023 and will be sold at the share price from 1 March 2023, not the price when you submitted your choice. Any request received before 6pm on a Friday after 21 February 2023 will be processed the following Thursday, and will be sold

at the share price from the Thursday when they are sold, not the price when you submitted your choice.

For example, if you submitted your choice on Monday 6 March, your shares will be sold on Thursday 16 March.

## Q Why would I only want to sell some of the shares?

A You may want to keep some shares and benefit from a potential increase in share value, or you could sell some shares before 5 April 2023 and keep the rest to sell in the next tax year to manage any Capital Gains Tax liability.

## Q What tax will I pay?

A · You won't pay Income Tax or National Insurance Contributions (NIC) on your savings or, if you choose to buy Tesco shares (keep in TSA, sell immediately or keep in an ISA).

· Your savings have been taken from your pay after Income Tax and NIC have been deducted, so you're not taxed on the money you save.

· If you decide to buy Tesco shares you may have to pay Capital Gains Tax (CGT) after you've sold your shares if your total gains for the tax year exceeds the capital gains exemption (£12,300 in the 2022/23 tax year, and for the tax year 2023/24 it has been announced the CGT annual exemption will reduce to £6,000). If you have two SAYE schemes that mature at the same time, don't forget that the combined profit you make will be applied against the annual exemption amount for the tax year you are in when you sell your shares. You may be required to submit a self-assessment form if you're affected by CGT. Read more at [gov.uk/capital-gains-tax](https://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. Dividends paid on shares held in an ISA are not subject to tax. Read more at [gov.uk/tax-on-dividends](https://gov.uk/tax-on-dividends)

An example is shown below:

### Selling shares examples

	Example One	Example Two
<b>Amount you saved every four weeks</b>	£50.00	£500.00
<b>Total savings</b> after three years (36 payments)	£1,800.00	£18,000.00
<b>The number of shares</b> you can buy at the Option Price of £2.19	<b>821 shares</b>	<b>8,219 shares</b>
<b>Sale amount</b> if you sold all shares you bought at the discounted Option Price of £2.19 at <b>£2.40 a share</b>	<b>£1,970.40</b>	<b>£19,725.60</b>
<b>Selling fees</b>	£15.00	£98.63
<b>Profit</b> (sale amount minus cost of the Option Price shares sold and selling fee)	£155.40	£1,626.97

These are just examples and based on you selling all your shares at once you sell all of your shares at once.

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## **Q How will I receive my sale proceeds?**

- A Equiniti will arrange to send your sale proceeds by BACS to the same bank account that you receive your pay.

## **Q What if I choose to exercise my option to buy shares and the Share Price falls below the discounted Option Price before my instruction is carried out?**

- A If the Tesco Share Price is below the discounted Option Price when your instruction is carried out, your option will not be exercised and your instruction will be carried forward to the following week. Equiniti will contact you if this continues to happen.

## **Q What happens if I have my savings repaid and the Share Price is above the discounted Option Price?**

- A If the Share Price is higher than the discounted Option Price before your last exercise date, you'll still have the opportunity to return some or all of your savings to buy shares at the discounted Option Price. Your last exercise date is shown on your 2019 Three Year Statement on page three of your SAYE Guide.

## **Q How do I return my savings to buy shares at the discounted Option Price?**

- A You'll need to write to Equiniti confirming you want to exercise your option and include a cheque made out to 'Lloyds Bank plc re Tesco SAYE'. Please send your letter and cheque to:

Employee Share Plans

Equiniti Limited

Aspect House

Spencer Road

Lancing

West Sussex

BN99 6DA

United Kingdom

to be received by Equiniti no later than your 'Last date to buy shares at the discounted Option Price' shown on your 2019 Three Year Statement on page three of your SAYE Guide.

## **Q How do I sell my shares in the future if I've chosen to buy Tesco shares to keep in the Tesco Share Account (TSA) (Choice One)?**

- A If you've chosen to buy shares to keep in the Tesco Share Account (TSA) under Choice One, and you don't already hold shares in the TSA, a new account will be created for you and an Opening Statement will be issued to you giving you details of the shares you hold.

Shares held in the TSA can only be sold using Equiniti Financial Services Limited.

Details on how to sell your shares through Equiniti Financial Services Limited along with your Shareholder Reference will be included on your TSA Opening or quarterly Statement.

If you choose to transfer shares out of the TSA onto an Ordinary Share Certificate there isn't a fee, as long as the request is received by Equiniti within 90 days of the shares going into the TSA. After 90 days, a £10 admin fee will be charged for a paper certificate.

For more information read the Tesco Share Account Employee Guide which is available in the Useful Links section at [www.shareview.co.uk/tesco](http://www.shareview.co.uk/tesco)

## **Q Are there any risks?**

- A If you use your savings to buy Tesco shares at the discounted Option Price of £2.19, the value of shares and any income from them can go up as well as down. Therefore, you may get back less than the amount you invested. Past performance is not a guide to future performance.

Neither Tesco PLC or Equiniti Financial Services Limited provide advice or make recommendations about investments. If you have any doubts about an investment, you should seek advice from an authorised financial adviser.

## **Q What happens if I do nothing?**

- A Your option to buy shares at £2.19 will expire six months after your Scheme End Date (shown on page three of your SAYE Guide). Your savings will be returned to you and you won't be able to exercise your option. Your total savings will be paid by BACS to the same bank account that you receive your pay.

## **Q Will I get a tax-free bonus?**

- A In accordance with the Sharesave (SAYE) Prospectus issued by HM Revenue and Customs ('HMRC'), your savings held under the 2019 Three Year scheme with Lloyds Bank plc, as the SAYE Savings Carrier, won't receive a tax-free bonus.

## **Q How do I find out more?**

- A If you need more information about your Save As You Earn scheme please call the Equiniti Helpline on +44 (0) 371 384 2976. Lines are open 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales). Calls to 03 numbers cost no more than a national rate call to 01 or 02 numbers.