




Save As You Earn 2015 – Five Year Maturity

**Your savings –
your choice.**

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

TESCO
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Your SAYE 2015 – Five Year Scheme has finished!

You have until 31 July 2021
to make your choice

Dear colleague,

You've finished saving into your **Save As You Earn (SAYE) 2015, Five Year Scheme*** – congratulations!

You joined this scheme in November 2015 with the discounted Option Price of £1.51.

You now have four choices around what to do with your savings.

You need to make your choice by **31 July 2021****. If you don't, 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 £1.51**.

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 colleague-help.ourtesco.com to read the FAQs or to watch a short video about SAYE. Or call the Equiniti Ltd. helpline on 0371 384 2976.

* The Scheme End Date is 1 February 2021 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.

SAYE 2015 – Five Year Statement.

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

£1.51

ESP Portal Activation Code

99999999

Scheme Start Date

01-Feb-16

Scheme End Date

01-Feb-21

Number of Share Options

3,973

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 (£)
100.00	6,000.00	6,000.00

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*
3,973	1.51	31-Jul-21

* 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 does not 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 Ltd on 0371 384 2976 (or +44 121 415 7119 if calling outside of the UK). Lines are open 9am to 5pm, 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

Buy Tesco shares at the discounted Option Price of £1.51 to keep or sell at a later date.

2. Buy shares – to sell

Buy Tesco shares at the discounted Option Price of £1.51 and sell some or all of them.

By keeping your shares:

- Your shares will be valued at the current Tesco share price, even though you'll pay £1.51 for them.
- You can receive dividends on the shares, if available.
- Your shares will be held electronically in the Tesco Share Account (see page 11) until you want to sell them.

By selling your shares:

- Your shares will be valued at the Tesco share price at the time they are sold, even though you'll pay £1.51 for them. 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 about charges on page 6.
- 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 remainder will be held in this account.
- The sale service is provided by Equiniti Financial Services Limited ('Equiniti').

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 £1.51 when the shares are sold, subject to dealing charges.

3. Buy shares – to transfer to ISA

Buy Tesco shares at the discounted Option Price of £1.51 and transfer them into an Equiniti (EQi) Individual Savings Account (ISA).

4. Take your savings back

Take your savings back and don't buy any Tesco shares.

By transferring your shares:

- Your shares will be valued at the current Tesco share price, even though you'll pay £1.51 for them.
- If you sell your shares from an ISA, this profit won't be subject to Capital Gains Tax. Read more on this on page 11.
- There are restrictions on the amount you can put into an ISA, for details read the FAQs at colleague-help.ourtesco.com.
- Any shares that go over the ISA limit will be transferred to the Tesco Share Account.
- There is no charge to transfer shares into an ISA, but ISA admin fees and share dealing charges apply.
- This choice can only be selected online.

By taking your savings back:

- You won't benefit from buying shares at the discounted Option Price of £1.51.
- Your savings will be returned to you by BACS to the same bank account you receive your pay.
- To request a repayment of your savings call the Equiniti Ltd helpline.
- If you change your mind and the Tesco share price is above the discounted Option Price of £1.51, you can still choose to buy shares at £1.51 before the 'Last date to buy shares at the discounted Option Price' shown on your statement on page 3.

If you don't do anything

If you don't take any action by 31 July 2021 (or within 6 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 £1.51. Instead you'll have your savings automatically returned to you. So don't miss out!

Things to remember.

Charges

- To buy Tesco shares at the discounted Option Price of £1.51 and sell some or all of them at the same time, Equiniti will charge 0.5% (min. £15) to sell your shares.
- The charge is taken from the total sale amount at the end. For example, if the sale is £3,600 then Equiniti will charge £18.00.
- Depending on what happens with the share price after you've made your choice, you may end up with less money after charges are applied, than if you had asked for your money back.
- If you choose to keep your shares in a Tesco Share Account and sell them at a later point, Equiniti currently charge 1% (minimum £15) 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 2020/21 tax year. See example two on page 7. 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 colleague-help.ourtesco.com.

- You may be required to submit a self-assessment form if you're affected by CGT. Read more at gov.uk/capital-gains-tax.

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 can sometimes be less than you expected.
- If the share price falls below the discounted Option Price at the time your choice is processed, it will not 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 at the time your sale is processed.
- Your shares will only be sold if the share price is more than the Option Price of £1.51.
- Tesco colleague 'insider dealing' restrictions apply.

Selling shares examples

	Example One	Example Two
Amount you saved every four weeks	£50	£425
Total savings after five years (60 payments)	£3,000	£25,500
The number of shares you can buy at the Option Price of £1.51	1,986 shares	16,887 shares
Sale amount if you sold all shares you bought at the discounted Option Price of £1.51 at £2.40 a share	£4,766.40	£40,528.80
Selling fees	£23.84	£202.64
Profit (sale amount minus cost of the Option Price shares sold and selling fee)	£1,742.56	£14,826.16
Capital Gains Tax charge if you sold all shares in 2020/21 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

Call*

0371 384 2976**

(Or +44 121 415 7119 from outside the UK)

- The call should take no more than three minutes and can be made at any time of day.

Online

shareview.co.uk/tesco

- To make your choice online you need to have registered for the Employee Share Plans (ESP) Portal.
- You'll need your Activation Code printed on page 3.
- You can now access this through your Total Reward Statement too at: **ourtesco.com/total-reward-statement**

* If you have dual nationality or non-UK nationality, you can only use the Employee Share Plans (ESP) Portal to make your choice. This is because the EU regulation known as the Market in Financial Instruments Directive II (MiFID II), requires companies such as Equiniti Financial Services Ltd. 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 Ltd. may need to collect additional information from you when processing your transaction.

** Calls to 03 numbers cost no more than a national rate call to 01 or 02 numbers. Texts will be charged at your standard network rate.

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. If there's anything you don't understand or if you need an alternative format such as braille or audio please call the Equiniti Ltd Helpline.

You must be aged 18 or over and resident in the EEA (including the UK), 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 Ltd. until 6pm on 30 July 2021.



The online, telephone and text services open at **9am on 15 January 2021**

You'll be asked for your **Employee Number** and your **date of birth**

Text*

84247**

(Or +44 7624808299 if sending from outside the UK)

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

Text example one: I want to buy shares at the Option Price to keep. My birthday 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 2014 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 2014 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)
- **2015** (as you're in the 2015 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 3. 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 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.

Key dates

25 Jan 2021

Tell us your choice by 6pm on this date so that your choice is dealt with at the earliest opportunity

1 Feb 2021

This is Scheme End Date* and the earliest that Equiniti can purchase shares at the discounted Option Price on your behalf

31 Jul 2021

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 TSA by 2 Feb 2021

Buy shares to sell

The sale is expected to take place on 1 Feb 2021 and the money should reach you within 10 working days

Buy shares to transfer

Shares will be transferred to the EQi ISA by 8 Feb 2021

Any request received before 6pm on a Friday after 25 January 2021 will be processed the following Thursday.

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

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 February 2021), you need to tell us no later than 25 January 2021. After this, requests will take no longer than 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.

The account also offers...

- Special dealing rate (1% – with a minimum £15 charge)
- 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 0371 384 2977.

You can view your shares in the TSA at anytime, by logging into your ESP 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.

