



Save As You Earn 2016 – Five Year Maturity

**Time to make
your choice.**





SAYE 2016 – Five Year Maturity

You have until 31 July 2022
to make your choice

Dear [Name],

You'll shortly reach the end of your Save As You Earn (SAYE) 2016 – Five Year scheme that you joined in November 2016 with the Option Price of £1.90. The scheme matures on 1 February 2022*.

You now have **four choices** around what to do with your savings and bonus. The bonus is 0.5 times the amount you saved in one pay period.

Choice
One



Buy Tesco shares at the Option Price of £1.90 and **keep them** in the Tesco Global Share Account (TGSA)

Choice
Two



Buy Tesco shares at the Option Price of £1.90 and **receive a share certificate**

Choice
Three



Buy Tesco shares at the Option Price of £1.90 and **sell all of the shares** (Please check the share price before choosing the "sell" option)

Choice
Four



Take your savings and bonus in **cash**

You need to make your choice by 31 July 2022**. If you don't you'll miss out on being able to buy Tesco shares at the Option Price set five years ago.



Start planning what you could do today.

If you **do not take any action within six months** of your Scheme End Date shown on page 7, your option to buy shares at £1.90 will automatically lapse. Your savings will continue to be held with Barclays Bank UK PLC for an additional two years. At the end of the two year period you will receive your savings and five year bonus in full and an additional bonus of 0.75 times the amount you saved in one pay period.

* This is the Scheme End Date if you have not missed any payments.

** If you have missed one or more payments, you will not be able to select Choice Three after 31 July 2022. The other choices will be available until six months after your Scheme End Date

Important Information

If you have dual nationality or non-Irish nationality, you can only use the Employee Share Plans (ESP) Portal to make your choice. This is because the Market in Financial Instruments Directive II (MiFID II) regulations 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. Please take a moment to read the FAQs section on page 10 which explain more.

What are my choices?

Choice One*

Buy Tesco shares at the Option Price to keep

You can use your savings and bonus to buy shares at the Option Price of £1.90 per share and hold them in the Tesco Global Share Account**.

Tesco Global Share Account (TGSA)

The TGSA allows you to hold and manage your shares electronically with no risk of losing share certificates.

For more information, please go to www.shareview.co.uk/clients/tescoireland to view the TGSA Colleague Guide and the TGSA Terms and Conditions.

If the Tesco share price at the time of processing your choice is below the Option Price of £1.90, your instruction will not be processed and will be carried forward to the following week. If the Share Price stays below the discounted Option Price, Equiniti will contact you.

Choice Two*

Buy Tesco shares at the Option Price and receive a Share Certificate

You can use your savings and bonus to buy shares at the Option Price of £1.90 per share and hold them as a share certificate.

Please note that it is becoming increasingly difficult to use share certificates to deal in Ireland and neither Tesco Ireland or Equiniti Group can take responsibility for any difficulties you may face.

If the Tesco share price at the time of processing your choice is below the Option Price of £1.90, your instruction will not be processed and will be carried forward to the following week.

Further information on when you will receive your cash or shares can be found on page 9.

* The number of shares you can buy at the Option Price of £1.90 may be reduced because of the movement in the exchange rates between the time your option was granted five years ago and when your maturity instruction is processed. More information around the impact of exchange rates is explained in the FAQs section on pages 10 and 11.

** **IMPORTANT:** You can only transfer shares to the Tesco Global Share Account (TGSA) if you are still employed by Tesco at the time of exercise. Once you leave Tesco, you can keep your shares in the TGSA for up to two years from your date of leaving. When you leave, Equiniti will write to you setting out the choices available.

Choice Three*

Buy Tesco shares at the Option Price and sell

You can use your savings and bonus to buy shares at the Option Price of £1.90 and sell them and benefit from any gain in the share price.

It may take up to two weeks to sell your shares after receiving your instruction depending on when we receive it. The sale price will be the share price achievable when the sale is placed in the market. Remember, share prices can go down as well as up.

Equiniti Financial Services Limited will arrange to sell your shares in accordance with the terms and conditions of the Share Sale Service. When the sale completes (normally two working days after the Share Sale date) your sale proceeds, minus sale charges, will be sent in Euro to your salary bank account (subject to provision of bank details). It can take up to five working days to reach your account.

You cannot set a price at which to sell your shares, however your shares will only be sold if a sale price of more than £1.90 can be achieved. If the Tesco share price falls below £1.90 your instruction will not be processed and will be carried forward to the following week.

Please check the current share price as the amount you receive will be affected by the value of your shares at the time they are sold and the commission of at least the Pounds Sterling equivalent of €32 that will be deducted from the sales proceeds.

Choice Four*


Take your savings and bonus in cash

If you choose this option you will not be buying Tesco shares. Your savings and bonus will be repaid to you by cheque in Euros to your home address.

If you want to have your cash repaid at the earliest opportunity you will need to submit your instruction to Equiniti by 21 January 2022.

If you don't do anything

Your total savings and five year bonus will automatically be held by Barclays Bank UK PLC for an additional two years after the Scheme End Date. At the end of the two year period you will receive an additional bonus of 0.75 times the amount you saved in one pay period. During this time, you can still request to have your savings repaid at any time.



What else do I need to think about?

Choice One and Two

Buy shares to keep in Tesco Global Share Account (TGSA) OR to receive a Share Certificate

Why might this be for me?

- Become a Tesco shareholder or increase your Tesco shareholding.
- You'd like to receive any dividends Tesco pays (at its discretion) to its shareholders in the future.
- You consider Tesco shares to be a good investment and you believe the share price will increase in the future.

What will happen next?

- If at the time your choice is due to be processed, the Tesco share price is above the Option Price of £1.90, your savings and bonus will be used to buy Tesco shares at the Option Price of £1.90 and your shares will be held either electronically in the TGSA or as a Share Certificate, depending on your choice.
- If at the time your choice is due to be processed the Tesco share price is below the Option Price of £1.90, your request will not be processed and your instruction will be carried over to the following week.

Other things to remember

- If you buy shares at the Option Price of £1.90 and hold them in the TGSA, you will be free to sell them any time you wish to using a dealing service (telephone and online) through Equiniti Financial Services Limited subject to any dealing restrictions, if you're a colleague who is subject to the Tesco Share Dealing Code.
- There is a risk of a decrease in share price between buying shares and selling at a later date.

What about taxes?

- Your savings and bonus aren't subject to Income Tax, Universal Social Charge ("USC") or Pay Related Social Insurance ("PRSI").
- If you buy shares within the six month timeframe, the exercise gain will be subject to USC and PRSI which will be deducted via payroll. Income Tax will not apply.
- If you choose to sell your shares, Capital Gains Tax may apply (currently at 33%). The gain/loss is calculated on the difference between the market value of the shares when you exercised your share options and the Market Value of the shares when disposed. If the gain/loss on disposal, when added to any other capital gains/losses incurred by you during the relevant tax year, is more than €1,270, Capital Gains Tax may be payable.

Additional Costs

- There are no fees payable for holding shares in the TGSA. However, fees will be payable if you wish to transfer shares out of the TGSA or transfer any funds from dividend payments or share sales to a non-UK bank account. More information about the TGSA is available in the TGSA Colleague Guide that can be viewed online at www.shareview.co.uk/clients/tescoireland
- Dealing fees will apply if you sell shares.

Choice Three and Four

Buy shares to sell OR take savings in cash

Why might this be for me?

- You want cash at the earliest opportunity.
- You do not want to be a Tesco shareholder.
- You believe you will get a better return by investing the cash elsewhere.

What will happen next?

- If you select Choice Three to buy shares at the Option Price of £1.90 and to sell them, and the sale price is above £1.90 at the time the shares are due to be sold, your savings and bonus will be used to buy Tesco shares at the Option Price of £1.90 and the shares will be sold.
- The sale proceeds minus commission will be paid to you electronically into the bank account you receive your pay (subject to provision of bank details). The sale proceeds will be sent two working days after the sale has completed, it may then take another five working days to appear in your bank account.
- If you select Choice Three, to buy shares to sell, and the minimum sale price of £1.90 cannot be achieved, your share option will not be exercised and your exercise instruction will be carried over to the following week.
- If you select Choice Four, to take your savings and bonus back in cash, your savings and bonus will be repaid to you by cheque in Euros to your home address.

Other things to remember

- If your savings and bonus have been repaid to you, and the Tesco share price is above the Option Price of £1.90, you can still exercise your option to buy shares at £1.90 before the last date to buy shares at the Option Price shown on your SAYE 2016 - Five Year Statement, page 7.
- If you select Choice Three to buy shares at the Option Price of £1.90 and to sell them please check the current share price as the amount you receive will be affected by the value of your shares at the time they are sold and the commission of at least the Pound Sterling equivalent of €32 that will be deducted from the sales proceeds.

What about taxes?

- Your savings and bonus aren't subject to Income Tax, Universal Social Charge ("USC") or Pay Related Social Insurance ("PRSI").
- If you buy shares within the six month timeframe, the exercise gain will be subject to USC and PRSI which will be deducted via payroll. Income Tax will not apply.
- If you choose to sell your shares, Capital Gains Tax may apply (currently at 33%). The gain/loss is calculated on the difference between the market value of the shares when you exercised your share options and the Market Value of the shares when disposed. If the gain/loss on disposal, when added to any other capital gains/losses incurred by you during the relevant tax year, is more than €1,270, Capital Gains Tax may be payable.

Additional Costs

- Dealing fees will apply if you sell shares.

SAYE 2016 – Five Year Statement.

This statement sets out details of your **Save As You Earn 2016 – Five Year scheme.**

The choices available to you, now that you are reaching the end of your scheme are explained on page 4 and 5 of this booklet.

If you have missed any payments, your Scheme End Date will be delayed by one month for each four-weekly payment you have missed and the Scheme End Date shown to the right will reflect this.

ESP Portal Activation Code

99999999

Scheme Start Date

01-FEB-17

Scheme End Date

01-FEB-22

Number of Share Options

2,274

PPS Number

999999999

Details of your SAYE account, together with the amount repayable, are shown below:

Monthly savings (€)	Total saved (€)	Bonus (€)	Total payable (€)
80.00	4,800.00	40.00	4,840.00

Details of how many shares you can buy if you exercise your option are shown below:

Share Options held	Option Price (pence)	Last date to buy shares at the Option Price*
2,274	190.00	31-JUL-22

*Please note if you have recently left Tesco you only have six months from your original date of leaving to exercise your option.

Please note that Barclays Bank UK 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 on +44 121 415 0266. Lines are open 8.30am to 5.30pm (UK time) Monday to Friday (excluding public holidays in England and Wales).

Financial Services Compensation Scheme.

Important information about compensation arrangements

Barclays Bank UK PLC is covered by the 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 £85,000. For joint accounts each account 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 the eligible depositor's accounts with the bank 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 the FSCS on telephone number +44 207 741 4100.

Barclays Bank UK PLC trades under the following names: Barclays Share Plans; Barclays Wealth Estates & Trust. Deposits accepted from an eligible depositor under these trading names are combined for the purposes of deposit compensation from the FSCS. The FSCS is not applicable to deposits held at branches in the Channel Islands or the Isle of Man

Equiniti Limited and Equiniti Financial Services Limited are part of the Equiniti Group. Their registered offices are Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom. Company share registration, employee scheme and pension administration services are provided through Equiniti Limited, which is registered in England and Wales with No. 6226088. Investment and general insurance services are provided through Equiniti Financial Services Limited, which is registered in England & Wales with No. 6208699 and is authorised and regulated by the UK Financial Conduct Authority No. 468631.



Choose from two simple ways to make your choice

The online and telephone services open at **9am on 14 January 2022**

You'll need your **Employee Number** (shown on your payslip) and your **Date of Birth**

Call

1890 812 730*

Call and follow the instructions. 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 make a note of your reference number.

Please note that the last day for using the telephone service is 31 July 2022. And if selecting Choice One (TGSA) you can only do this online.

Online

www.shareview.co.uk/clients/tescoireland

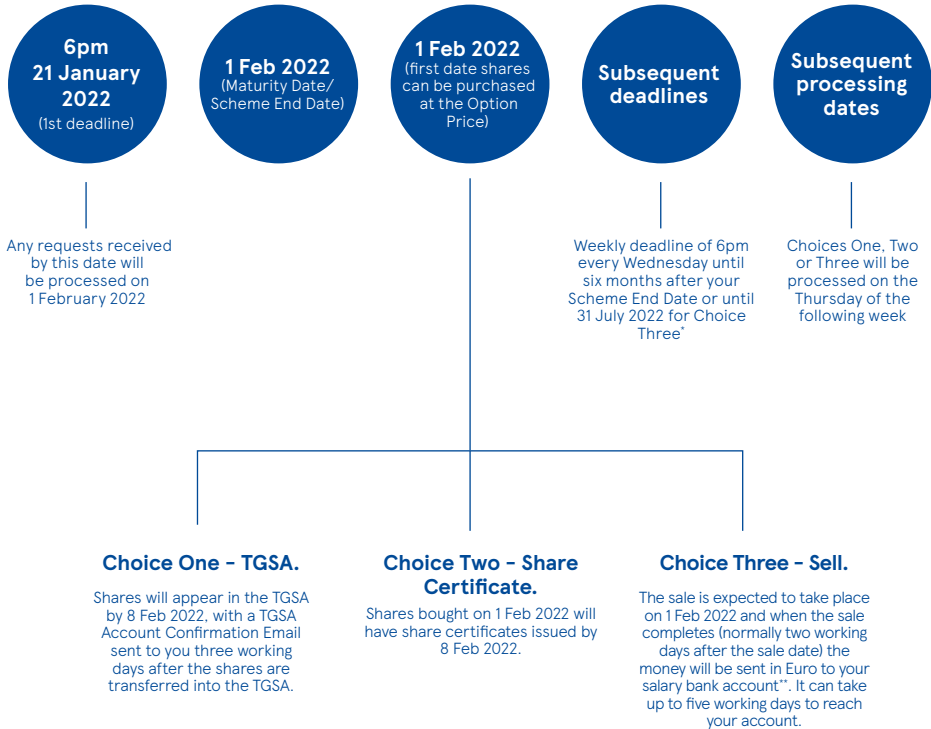
Follow the on-screen instructions. If you've not yet registered for the Employee Share Plans (ESP) Portal, you'll need your activation code, which is displayed on page 7.

Once you have submitted your choice you will see a confirmation page. Please review and print or save this page. You will also receive an email notification confirming your choice.

* You can only use the telephone service if you have sole Irish nationality. For colleagues who have dual nationality or non-Irish nationality you will need to use the Employee Share Plans (ESP) Portal.

Terms and Conditions for this Service: The Terms and Conditions covering the Maturity Service, the Share Sale Service and the Tesco Global Share Account can be found at www.shareview.co.uk/clients/tescoireland. For your own benefit you should read these carefully before giving an instruction as they form the basis on which services will be provided to you by Equiniti Financial Services Limited. If you do not understand any point please call +44 121 415 0266. Lines are open 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales).

Key dates.



Repayment of savings

If you decide to take a repayment of your savings and bonus, the latest you can tell us in order to have your savings and bonus repaid on 1 Feb 2022 will be 6pm 21 January 2022. After 1 February 2022 any requests for repayment received will be actioned within three working days.

If you don't take any action by the last date to buy shares at the Option Price shown on your Maturity Statement on page 7, your option will lapse and your savings will continue to be held with Barclays Bank UK PLC for an additional two years. At the end of the two year period you will receive your savings and five year bonus in full and an additional bonus of 0.75 times the amount you saved in one pay period.

* The deadline for submitting an instruction for Choice Three is 6pm on 31 July 2022 irrespective of when your Scheme End Date is.

** If you currently receive your pay in cash you will be requested to provide bank details to arrange for sales proceeds to be sent to you electronically. If you do not supply the necessary bank details by the time your instruction is due to be processed your sale will not take place and you will be issued with a share certificate.

Q Will I get a tax-free bonus?

A Yes, the bonus payable on the five year scheme is 0.5 times the amount you saved in one pay period and will be added to your savings on your Scheme End Date. If you decide to leave your savings for a further two years an additional bonus of 0.75 times the amount you saved in one pay period will be payable.

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

A The Market in Financial Instruments Directive II (MiFID II) regulations 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 including your nationality and National Client Identifier (NCI) when processing your transaction. Equiniti will need to know your nationality and National Client Identifier (NCI).

The good news is, for Irish nationals, the NCI will be the combination of your Name and Date of Birth and, as Equiniti hold this information, you will not need to provide anything further. If you're a non-Irish national or hold dual nationalities, for example, French or UK and Ireland, the NCI you will need to provide for your non-Irish nationality will typically be your passport number or national/personal identity number. As the NCI will differ for each country this information can only be collected online via the Employee Share Plans (ESP) Portal. Therefore, if you do not hold sole Irish nationality, you will not be able to use the telephone service to make your choice if you're selecting to Sell. To transfer shares to the Tesco Global Share Account you can only do this online via the ESP Portal.

Q I hold multiple nationalities and you say that the NCI information I will need will typically be my passport number or my national/personal identity number, how can I find out in advance exactly what I will 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 www.nationalitycalculator.co.uk.

Q How do I sell my shares in the future if I have chosen to buy Tesco shares to keep in the Tesco Global Share Account (TGSA) (Choice One)?

A If you have chosen to hold your shares in the TGSA you will be sent a confirmation email providing details on how to access your shares online via the ESP Portal. Within the ESP Portal you will also be able to sell your shares online.

More information about the TGSA including the dealing charge for selling shares is available in the TGSA Colleague Guide that can be viewed online at www.shareview.co.uk/clients/tescoireland

Q What happens if I have missed any payments?

A For every four-weekly payment missed, the maturity date of your scheme will be deferred by one month and you will continue to have deductions taken from your pay until you have completed your savings scheme contract duration. Your SAYE 2016 - Five Year Statement on page 7 will show your Scheme End Date. If your Scheme End Date is after 31 July 2022, you will not be able to select Choice Three as you will not have completed your savings scheme before the "buy share to sell" service closes.

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

A No, the scheme rules do not allow you to transfer your savings and bonus from this scheme to a new scheme.

Q What tax will I pay?

A If you choose to take your savings and bonus in cash, you will not pay Income Tax, Universal Social Charge (USC) or Pay Related Social Insurance (PRSI).

If you choose to maintain and exercise your option within the six month timeframe, the exercise gain will be subject to USC and PRSI. This will be deducted via payroll. Income Tax will not apply.

Selling Shares: When you choose to sell shares, Capital Gains Tax may apply (currently at 33%). The gain/loss is calculated on the difference between the market value of the shares when you exercised your share options and the Market Value of the shares when disposed. If the gain/loss on disposal, when added to any other capital gains/losses incurred by you during the relevant tax year, is more than €1,270, Capital Gains Tax may be payable.

Dividends: If you earn any dividend income from the shares, you are responsible for reporting and paying any Income Tax, USC and PRSI to Revenue. As tax law changes from time to time, it is advisable that you seek independent tax advice if you are in any doubt regarding your tax affairs.

Q How much does it cost to sell my shares using Choice Three?

A Commission is charged on the sale of these shares. The commission is 1.5% of the value of the sale with a minimum fee of €32. The sale will be placed in Pounds Sterling and commission will be deducted in Pounds Sterling equivalent to a minimum of €32. The net sale proceeds will then be converted to Euro and paid to your salaried bank account. The sales facility is subject to achieving a minimum sale price of £1.90 per share. Therefore there is a small risk that you could get back less than the amount you have saved.

Q How will I receive my sale proceeds?

A The sale proceeds minus commission will be sent electronically to the same bank account you receive your pay. If you currently receive your pay in cash you will be requested to provide bank details to arrange for sales proceeds to be sent to you electronically. If you do not supply the necessary bank details by the time your instruction is due to be processed your sale will not take place and you will be issued with a share certificate.

Q Why will my shares not be sold if the share price falls below £1.90?

A This limit has been put in place so you are not able to buy shares if the share price is below the Option Price. If the Tesco share price is below £1.90 your sale request will not be processed and your instruction will be carried forward to the following week.

Q What happens if I do nothing?

A Your option to buy shares at £1.90 will lapse six months after your Scheme End Date (shown on page 7). Your savings and five year bonus will continue to be held with Barclays Bank UK PLC for an additional two years. At the end of the two year period you will receive your savings and five year bonus in full and an additional bonus of 0.75 times the amount you saved in one pay period.

Remember that the Equiniti exercise and sale service (Choice Three) is only available until 6pm on 31 July 2022.

Q How do I know what the current share price is?

A The Tesco share price can be found at www.tescopl.com.

Q What if I choose to exercise my option to buy shares and the share price falls below the Option Price before my instruction is carried out?

A If the Tesco PLC share price is below the 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.

Q How does the Euro to Sterling exchange rate affect my option to buy shares at the Option Price?

A When you received your option certificate at the beginning of the Five Year SAYE scheme, it indicated the "maximum number of shares" under option in this scheme (i.e. the maximum number as indicated on your 2016 - Five Year Statement on page 7). This was determined by the amount to be saved, the Option Price of £1.90 and the exchange rate at that time (£1 = €1.11977). So, regardless of exchange rate movements, the maximum number of shares that you can buy is limited to the number of shares you would have received if the exchange rate did not change. If the Euro has strengthened against Sterling at the time of exercise, you can buy up to the maximum number of shares. Any excess cash that cannot be used to purchase shares on the date of exercise will be refunded to you by cheque in Euros by Barclays Bank UK PLC within six weeks. If the Euro has weakened against Sterling, the number of shares you can buy will be reduced. The number will be determined by your savings and bonus, the Option Price and the exchange rate at the time of exercise.

Q How do I find out more?

A If you need more information about your SAYE scheme please call the Equiniti helpline on +44 121 415 0266. Lines are open 8.30am to 5.30pm (UK time) Monday to Friday (excluding public holidays in England and Wales).

A B Sample
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