Leaver’s and Retirement Policy
Where to find things.

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Introduction

If you’re leaving or retiring this policy tells you what you need to do and what you can expect from us.

This policy may change from time to time so please make sure you’re reading the most up-to-date version.

1. Who’s this policy for?

This policy applies to anyone working directly for Tesco on a permanent basis. This policy doesn’t form part of your contract and may be amended or withdrawn at any time.

Leaving

2. What do I do if I want to leave the company?

If you decide to leave the company for whatever reason you need to provide your manager with written notice, this can be done by either e-mail or letter. It’s a good idea to tell your manager before you provide your notice in writing, just so they can talk to you about your reasons for leaving.

Your notice should include:

- The fact that you want to leave.
- The date that you want to leave (remember you’ll need to work your notice period) and
- The overall reason why you’re leaving.

3. How do I know how much notice to give?

You can find how much notice you need to give from your contract of employment or colleague handbook.

4. What happens once I have given in my notice?

Once you’ve handed in your notice, your Manager will inform the People Partner / Manager for your area who will make arrangements to process you as a leaver on the relevant system.

You will then be asked to attend a leaver’s interview or complete an online leaver’s survey so we can understand your reasons for leaving in more detail.

5. What are leaver’s interviews and why do we use them?

A leaver’s interview is an informal meeting held with either your manager or the People Partner / Manager to discuss the reasons why you’ve chosen to leave the Company.

It’s a real opportunity for us to understand the good and the not so good things that you may have experienced; therefore we’d really appreciate your honest feedback so we can understand what improvements we need to make to create a better place to work.

It’s also a good opportunity to ask any questions you have about leaving, such as questions about pay, holiday entitlement, share schemes etc.

Anything you say to us during the interview will be treated as confidential.

6. What happens to my pay and benefits when I leave?

Please see the separate guide to pay and benefits, Appendix A.

7. What do I need to do about any outstanding holiday?

You’ll be paid for any holiday you’ve earned and not taken in your final salary payment. If you’ve taken more holiday than you’re eligible for, the money will be deducted from your final payment.

8. What should I do with any company equipment when I leave?

Your manager should make arrangements for you to hand in any company equipment on your last day. This includes items such as:

- Any spare uniform
- Swipe or access cards or fobs
- Mobile phones / Laptops
- Company documentation
- Privilegecard

If you raise any concerns on your leaver’s survey we may invite you in for a face to face meeting to discuss these further.
The remainder of your uniform should be returned within one week of you leaving the Company.

9. **What should I do if I change my mind and want to stay?**

If you want to change your mind and withdraw your notice you need to speak to your manager as soon as possible and inform them of your decision. We may be able to accept the withdrawal, but please be aware in some circumstances (for example, where we’ve decided not to backfill the role and reallocate work) this may not be possible.

If you have actually left the company, and decide you want to come back within four weeks of leaving, speak to your manager who may agree to you being re-instated; this would not impact your continuity of service. Please note that you may not be able to come back to the same role or work level as before.

Anything you’ve told us as part of the leaver’s interview process will remain confidential even if you’re re-instated.

If it’s more than four weeks, then we’re unable to reinstate you and you would be treated as a new joiner in terms of service, benefits, etc.

10. **Can I still access my online pay slip once I have left?**

You will only be able to access your online pay slips for three months after you’ve left. Therefore you need to make sure you’ve printed off everything you’ll need before you leave.

11. **When will I get my P45?**

This will be sent to your home address either with your final pay slip or shortly afterwards. It’s a good idea to check that we have the correct address for you on the system, especially if you’ve been here a long time or recently moved house.

12. **How do I get a reference?**

You can get a reference by e-mailing external.enquiries@uk.tesco.com or sending a request in by post to the following address:

PBS Department
Tesco Stores Limited
Tesco House
PO Box 506
Cardiff
CF14 4TT

Please be aware that we only supply a standard employment reference confirming the dates you were employed and your most recent job title.

If you need a more detailed reference you can ask your manager to provide you with a personal or character reference. This will come directly from them and will clearly state that it’s a personal reference.

**Retirement**

13. **When can I retire?**

You can choose to retire any time after you’re 55. There’s no automatic retirement age.

For pension purposes, we have a normal pension age of 65, except for members of the senior pension scheme who currently have a normal pension age of 60. However, you can choose to start taking your pension early at the age of 55 and carry on working, see Section 17 for more information.

14. **Does the Company provide any information about retirement?**

Yes. If you’ve got more than ten years’ service you’ll be automatically invited to a pre-retirement seminar when you reach the age of 63. This doesn’t mean that we’re expecting you to retire; it’s just a way to give you more information about the options available to you when you’re ready to retire. The seminar covers things like:

- Financial planning and taxation
- Company and state pensions
- Making a will
- Health and wellbeing
- Occupying your free time
- Shares

They’re held regionally and are open to everyone regardless of age. If there are any places available once
the invitations have been accepted, they can be allocated on a first come first served basis, please speak to your People Partner/ Manager to register your interest.

15. Can I reduce my hours before I retire?

Yes, once you’ve got 10 years’ service you can reduce your working week by a fifth (that’s one day a week if you normally work five days), during the six months leading up to your retirement without any loss in pay or impact to your holiday entitlement.

If you’d like to take advantage of this benefit speak to your manager and People Partner / Manager to arrange it. You’ll receive confirmation in writing of your new working hours.

16. What’s the process for getting my pension?

You’ll receive a letter from the Pensions team six months before your normal pension date, which describes the pension options available to you. Once you have decided what you want to do, you need to contact the Pensions Team to tell them which option you have selected.

Alternatively you can contact the Pensions team on 0845 070 1113 or e-mail Pensions.dept@uk.tesco.com to discuss your options.

17. Can I choose to take my pension early?

Yes. You can choose to start taking your pension when you are 55 and either retire or carry on working for us.

If you choose to retire then please be aware that you’ll receive reduced pension benefits.

If you choose to carry on working, this involves opting out of the pension scheme. Once you’ve started to draw your pension, you will come out of the scheme and won’t be able to re-join. You’re life assurance cover will reduce from three times your salary to one times your salary.

Please refer to the Pensions Policy for more information.

18. What should I do when I’m ready to retire?

Retiring is basically the same as leaving the company, except normally you’re not going to be taking another job. You simply need to write to your manager, giving notice that you’re going to retire and confirming what your retirement date will be.

To find out how much notice you need to give see Section 3.

19. Do I get any kind of gift when I retire?

Yes. Anyone who has more than ten years’ service receives a retirement gift.

The value of the award is:

<table>
<thead>
<tr>
<th>Length of service</th>
<th>Value of award</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 – 19 years</td>
<td>£75</td>
</tr>
<tr>
<td>20-29 years</td>
<td>£200</td>
</tr>
<tr>
<td>30 years and over</td>
<td>£1000</td>
</tr>
</tbody>
</table>

You can choose to receive your gift as either Tesco shares or a gift from a brochure. You will receive a letter to your home address with six weeks of your retirement date giving you all the information you need to select your gift. You will also receive a framed retirement certificate.

What happens to my pay and benefits when I retire?

Please see the separate guide to pay and benefits, Appendix B.

20. How can I stay in touch after I’ve retired?

Retired Staff Association (RSA)

The Retired Staff Association is a group formed of retired Tesco Colleagues, that you may be invited to join upon retirement (if eligible).

When you are processed through the system as retiring, the data is sent to the central RSA team who will send you a letter and application form for you to fill in if you wish to join the association. The letter will also contain log-in details for the RSA website. Please note that depending on when you are processed as retiring it can take several weeks to receive the letter and application form.
To find out more about the association please visit the website at http://www.youretscorsa.co.uk/ or contact us on 01992 647089.

Alumni Network

The Alumni is our network for retired colleagues (who reach a certain level in the company for example a Director), to keep them updated with Tesco news and to ensure their valuable skills and expertise are still accessible to our business. If eligible, you’ll be invited to join upon retirement.

Please contact the Alumni Team on 01707 634397 or email: tesco.alumni@uk.tesco.com

To be eligible to join either Association you must have ten years continuous service;

- on the date of retirement, age 55 plus;
- on full or partial ill health retirement regardless of age;

Useful contacts

<table>
<thead>
<tr>
<th>Benefit / scheme</th>
<th>Contact details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accident Protection Cover</td>
<td>0121 454 3601 Email: <a href="mailto:enquiries@bhsf.co.uk">enquiries@bhsf.co.uk</a></td>
</tr>
<tr>
<td>Cars – general queries on car allowance scheme</td>
<td>01462 652270 Email: <a href="mailto:Car.enquiries@uk.tesco.com">Car.enquiries@uk.tesco.com</a></td>
</tr>
<tr>
<td>Cars – FIM Insurance for Driver history</td>
<td>0844 322 1550 Email: <a href="mailto:fiminsurance@fmgsupport.com">fiminsurance@fmgsupport.com</a></td>
</tr>
<tr>
<td>Cars – corporate or private leases</td>
<td>Alphabet 0370 505 0112 Email: <a href="mailto:directschemes@alphabet.co.uk">directschemes@alphabet.co.uk</a></td>
</tr>
<tr>
<td>Childcare vouchers</td>
<td>Care-4, 0844 800 1444, <a href="http://www.care-4.co.uk">www.care-4.co.uk</a></td>
</tr>
<tr>
<td>Cycle to work</td>
<td>0844 879 5101</td>
</tr>
<tr>
<td>Give as you Earn</td>
<td>01227 361960</td>
</tr>
<tr>
<td>Gym at Welwyn or Cheshunt</td>
<td>Email: <a href="mailto:wgc.gym@uk.tesco.com">wgc.gym@uk.tesco.com</a> or <a href="mailto:cheshunt.gym@uk.tesco.com">cheshunt.gym@uk.tesco.com</a></td>
</tr>
<tr>
<td>Pensions</td>
<td>0845 070 1113, <a href="mailto:Pensions.dept.uk@tesco.com">Pensions.dept.uk@tesco.com</a></td>
</tr>
<tr>
<td>Private Health Care</td>
<td>BUPA – existing claims and current treatment 0800 032 6315</td>
</tr>
<tr>
<td></td>
<td>Quotation for on-going healthcare after leaving 0800 0113 154 quoting F731 within 90 days of your leaving date.</td>
</tr>
<tr>
<td>Privilegcard – club card helpline for transferring points</td>
<td>0800 591 688</td>
</tr>
<tr>
<td>Retirement Awards</td>
<td>01992 808143 e-mail <a href="mailto:longservice.awards@uk.tesco.com">longservice.awards@uk.tesco.com</a></td>
</tr>
<tr>
<td>Shares – SAYE</td>
<td>Equiniti 0871 384 2976</td>
</tr>
</tbody>
</table>

- if made redundant aged 55 or over.
- WL3 or above (Alumni Network only)
- Signed off by the Exec Committee/People Manager as a ‘good leaver’ (Alumni Network only)

Associate membership is available to spouses or civil partners of deceased Retired Staff Association full members.

21. Does the company offer ill-health retirement?

Yes. If you have a long term illness or health condition which is preventing you from returning to work you may be eligible to apply for ill health retirement.

The decision on whether to award ill health retirement is made by the pension trustees who will consider each case individually. The trustees may award partial or full ill health retirement and can be made at any age. Where this is awarded you’re entitled to receive notice or payment for notice not served which is taxable.
Policy information.

<table>
<thead>
<tr>
<th>Version No.</th>
<th>Date of change</th>
<th>Summary of change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>29 June 2015</td>
<td>Leavers and Retirement merged into one policy. Policy fully reviewed and re-written. No major content changed.</td>
</tr>
<tr>
<td>1.1</td>
<td>October 2015</td>
<td>Clarified that following re-instatement you may not come back to the same role or level. Expanded the section on joining the RSA to give more clarity on the process.</td>
</tr>
<tr>
<td>1.2</td>
<td>November 2015</td>
<td>Introduction on an online leaver’s survey for the office only.</td>
</tr>
</tbody>
</table>

Policy owner: employment.policy@uk.tesco.com

Ownership and confidentiality

This document shouldn’t be shared with anyone externally without permission from your Director. This policy and any associated documentation remains the property of Tesco and should be returned if requested.

Appendix A – Guide to pay and benefits – leavers

<table>
<thead>
<tr>
<th>Cash bonus</th>
<th>You’ll receive this 12 weeks after leaving the company. It will be subject to tax and NI.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child care vouchers</td>
<td>Deductions will automatically stop after your final salary payment.</td>
</tr>
<tr>
<td>Colleague deals / discounts</td>
<td>Access to the deals stops on your leaving date, any deals taken out prior to leaving will be honoured.</td>
</tr>
<tr>
<td>Company car</td>
<td>Corporate lease car - Tesco will cover the early termination fee. Private lease – the financial arrangement is between yourself and the provider so Tesco will have no involvement</td>
</tr>
<tr>
<td>Company car – cash alternative</td>
<td>This will stop after you receive your final salary payment.</td>
</tr>
<tr>
<td>Company car - Fuel card</td>
<td>This will be cancelled after you receive your final salary payment.</td>
</tr>
<tr>
<td>Cycle to work</td>
<td>If there’s an outstanding balance remaining on their hire agreement, we will write to you to set up a payment plan.</td>
</tr>
<tr>
<td>Expenses</td>
<td>All expenses claims must be submitted before your leaving date.</td>
</tr>
<tr>
<td>Final payment</td>
<td>This will be made in line with normal pay dates.</td>
</tr>
<tr>
<td>Life insurance</td>
<td>This will automatically stop on your last day of employment.</td>
</tr>
<tr>
<td>Pension</td>
<td>Anyone leaving before retirement will be contacted in writing by the Pensions Department telling them what options are open to them.</td>
</tr>
<tr>
<td>Privilege Card</td>
<td>This gets cancelled when you’re made a leaver on the system. If your length of service plus age equals 80 years on your leaving date you’ll be entitled to a card for life.</td>
</tr>
<tr>
<td>Private medical cover</td>
<td>Your membership will stop on your last day of employment and treatment after this date will not be covered. To continue with cover you can take out a personal plan with BUPA, to take this up call the BUPA team on 08000 113 154* quoting F731 within 30 days of your final day of employment.</td>
</tr>
</tbody>
</table>
| Shares – buy as you earn (BAYE) | This stops after your final salary payment.

All remaining shares held in the trust are released. Equiniti will write to the individual within 4 weeks of leaving to ask if they want to take their shares in a certificate in their name or sell them straight away.

Tax treatment for shares released from the Trust will depend on how long the remaining shares have been held in trust for:

- Between 1 and 3 years: Income tax and national insurance will be payable, based on the market value of the shares on the release date.

- Between 3 and 5 years: Income tax and national insurance will be payable, either the market value on the release date or the market value on the award date, whichever is lower.

- After 5 years of being allocated the shares: No income tax or national insurance will be payable. |

| Shares – Save As You Earn (SAYE) | If you have been saving for less than 1 year, you can get your savings back. You will not receive any interest and will not be able to buy shares at the option price.

If you have saved between 1 and 3 years and you have left before the third anniversary of the date of grant (normally in November), you can get your savings back plus interest (if applicable). You will not be able to buy shares at the option price.

If you have chosen a 3 year scheme and you leave after the third anniversary of the date of grant but before the maturity date, you can get your savings back plus interest or you can use your savings to date plus interest (if applicable) to buy shares at the option price. You must do so within 6 months of leaving or your option to buy shares at the option price will lapse.

If you have chosen a 5 year scheme and you leave after the third anniversary of the date of grant, having saved for 3 years or more, you can get your savings back plus interest (if applicable) or you can use your savings to date to buy shares at the option price. You must do so within 6 months of leaving or your option to buy shares at the option price will lapse.

However long you have saved, you can continue saving to get the tax free bonus (if applicable). If you choose to continue saving for the bonus you will not be able to buy shares at the option price.

No income tax or national insurance is payable on exercise of options or repayment of savings.

Equiniti will write to you after you have left to confirm these choices. |

| Shares in success (SIS) | Participants will forfeit any SIS award from the May 2013 award onwards that they have held for less than 3 years. Awards made before May 2013 were forfeited if held for less than 12 months.

All remaining shares held in the trust are released. Equiniti will write to the individual within 4 weeks of leaving to ask if they want to take their shares in a certificate in their name or sell them straight away.

Tax treatment for shares released from the Trust will depend on how long the remaining shares have been held in trust for: |
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- Between 3 and 5 years: Income tax and national insurance will be payable, either the market value on the release date or the market value on the award date, whichever is lower.

- After 5 years of being allocated the shares: No income tax or national insurance will be payable.

**Shares – Executive Share Plans (Work Level 3 and above)**

No action needs to be taken prior to leaving. You will be sent a share statement by our share schemes administrators, Equiniti, after you have left, outlining how any Annual Bonus share awards, PSP awards or DSOP options that you hold will be treated.

**Tesco bank deals**

Access to the deals stops on your leaving date, any deals taken out prior to leaving will be honoured.

**Tesco/o2 Business Mobile Tariff**

If you wish to keep your phone you must migrate your handset from the Tesco mobile tariff to a consumer tariff by contacting tescopb@o2.com. If you choose to disconnect your mobile handset within the first 12 months a disconnection fee of £60 will be charged to your account.

**Tesco mobile deals**

Access to the deals stops on your leaving date, any deals taken out prior to leaving will be honoured.

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### Appendix B – Guide to pay and benefits - retirees

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash bonus</td>
<td>You'll receive this up to 12 weeks after leaving the company. It will be subject to tax and NI unless you leave through retirement or redundancy where it will be grossed up so that you receive the full award.</td>
</tr>
<tr>
<td>Child care vouchers</td>
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</tr>
<tr>
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<td>This will be cancelled after you receive your final salary payment.</td>
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<td>Cycle to work</td>
<td>If there's an outstanding balance remaining on their hire agreement, we will write to you to set up a payment plan.</td>
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<tr>
<td>Expenses</td>
<td>All expenses claims must be submitted before your leaving date.</td>
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<tr>
<td>Final payment</td>
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<td>This will automatically stop on your last day of employment.</td>
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<td>Pension</td>
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<tr>
<td>Private medical cover</td>
<td>Your membership will stop on your last day of employment and treatment after this date will not be covered. To continue with cover you can take out a personal plan with BUPA, to take this up call the BUPA team on 08000 113 154 quoting F731 within 30 days of your final day of employment.</td>
</tr>
<tr>
<td>Shares – buy as you earn (BAYE)</td>
<td>This stops after your final salary payment. Your BAYE shares will be released from the Trust without being subject to Income Tax and NI and you will be given the choice of either having a share certificate in your name or selling the shares immediately.</td>
</tr>
</tbody>
</table>
| Shares – Save As You Earn (SAYE) | If you leave through retirement, you will have three choices for SAYE:  
- You can use your savings plus interest (if applicable) to buy shares at the option price (you must do so within 6 months of leaving).  
- Have your savings plus any interest (if applicable) returned.  
- Continue to save to get the tax free bonus (if applicable). If you choose to continue saving for the bonus you will not be able to buy shares at the option price.  
Equiniti will write to you after you have left to confirm these choices. |
| Shares in success (SIS) | If you leave through retirement, your SIS shares will be released from the Trust without being subject to Income Tax and NI and you will be given the choice of either having a share certificate in your name or selling the shares immediately.  
- To be eligible for a SIS Award in 2015, colleagues need to be employed on 28 February 2014 and on the award date of 22 May 2015.  
- If you leave after 28 February 2015 but before the shares award date of 22 May 2015 you will be eligible for cash compensation instead of shares.  
- Eligible colleagues who leave after 22 May 2015 will be awarded shares which will be held in the trust and released on departure without being subject to Income Tax and NI. |
| Shares – Executive Share Plans (Work Level 3 and above) | No action needs to be taken prior to leaving. You will be sent a share statement by our share schemes administrators, Equiniti, after you have left, outlining how any Annual Bonus share awards, PSP awards or DSOP options that you hold will be treated. |
| Tesco bank deals | Access to the deals stops on your leaving date, any deals taken out prior to leaving will be honoured. |
| Tesco/o2 Business Mobile Tariff | If you wish to keep your phone you must migrate your handset from the Tesco mobile tariff to a consumer tariff by contacting tescopb@o2.com. If you choose to disconnect your mobile handset within the first 12 months a disconnection fee of £60 will be charged to your account. |
| Tesco mobile deals | Access to the deals stops on your leaving date, any deals taken out prior to leaving will be honoured. |