

**COMPLETED ACQUISITION BY TESCO PLC OF THE CO-OPERATIVE GROUP
(CWS) LIMITED'S STORE IN UXBRIDGE ROAD, SLOUGH**

**Directions issued pursuant to article 7 of the order made by the Competition
Commission on 7 August 2007**

To preserve the possibility of restoring effective competition in the market or markets affected by the completed acquisition by Tesco of the Co-operative Group (CWS) Limited store in Uxbridge Road, Slough;

To supervise the establishment of any additional mechanisms necessary for ensuring compliance with the Order, to monitor compliance by Tesco with certain elements of the Order, and, so far as possible, to ensure Tesco's continued full and effective compliance;

Further to the appointment of a Monitoring Trustee by Tesco on 22 June 2007 in compliance with Directions issued by the CC on 14 June 2007;

The Competition Commission (CC) now issues written directions under article 7 of the Order that, for the purpose of securing compliance with the Order pending final determination of the reference, Tesco shall continue its appointment of the Monitoring Trustee in accordance with the terms provided for in the annex and Tesco shall comply with the obligations set out in the annex.



Peter Freeman
Chairman
7 August 2007

1. To supervise the establishment of any additional mechanisms necessary for ensuring compliance with the Order pending final determination of the reference, to monitor compliance by Tesco with the Order, and, so far as possible, to ensure Tesco's continued full and effective compliance with the Order, Tesco shall continue its appointment of Crump Newberry & Partners as the Monitoring Trustee (MT). The functions of the MT shall be as set out below. The MT shall act on behalf of the CC and shall be under an obligation to the CC to carry out its functions to the best of its abilities.
2. Tesco shall cooperate fully with the MT, in particular as set out below.

General

3. The terms and conditions of appointment of the MT shall, to the extent possible, be as recorded in the letter of appointment from Tesco plc to Crump Newberry & Partners dated 22 June 2007 (letter of appointment). Within three business days of the Order, Tesco shall provide the CC with draft amendments to the letter of appointment, incorporating such modifications as are necessary to ensure that the letter of appointment is referable to the Order and these directions. Within two business days of receiving the draft amendments to the letter of appointment, the CC must either:

- (a) approve the draft amendments to the letter of appointment; or
- (b) issue a modified version of the amended letter of appointment.

Tesco shall then enter into the amended letter of appointment as issued or approved by the CC.

4. The MT shall neither have, nor become exposed to, a conflict of interest.
5. The MT shall be remunerated and reimbursed by Tesco for all reasonable costs properly incurred in accordance with the terms and conditions of its appointment. This shall be done in a way that does not impede its independence or its ability effectively to carry out its functions.

Primary functions

6. The primary functions of the MT shall be:
 - (a) to monitor compliance by Tesco with articles 2(a), (b)(i) and (iii) of the Order;
 - (b) the monitoring of communications (including written and electronic communications, telephone conversations and meetings) between Tesco (or its subsidiaries) and its agents, advisors and contractors and/or Slough Borough Council and any other planning authority, as the MT considers reasonably necessary for the fulfilment of the MT's Primary Functions;
 - (c) to supervise the establishment of any additional mechanisms necessary for ensuring compliance with the Order pending final determination of the reference; and

- (d) so far as possible, to ensure Tesco's continued full and effective compliance with the Order during the MT's term of appointment.
7. The MT shall take all steps that it reasonably considers to be necessary in order for it effectively to carry out the primary functions. Those steps may include, but shall not be limited to:
- (a) attending any meetings involving Tesco or its subsidiaries and any agents, advisers or contractors involved in construction on the site;
 - (b) communicating with representatives of Tesco or its subsidiaries, or agents, advisers and contractors of Tesco or its subsidiaries and/or Slough Borough Council or any other planning authority; and
 - (c) monitoring communications (including written and electronic communications and telephone conversations) between Tesco or its subsidiaries and/or agents, advisers and contractors of Tesco or its subsidiaries and/or Slough Borough Council or any other planning authority.
- If the MT has communicated with agents, advisers or contractors of Tesco or its subsidiaries, then it must inform Tesco of the existence of these communications as soon as is reasonably practicable after the communications have concluded, and must provide Tesco with a copy of any correspondence.
8. Notwithstanding paragraph 7 of these directions, for the purpose of promoting occupational health and safety:
- (a) the MT must provide Tesco with reasonable notice of the date of any visits to the site;
 - (b) the MT must observe safety regulations at all times while on the site; and
 - (c) the MT must not impede or obstruct the works on the site, nor issue any directions to any agents, advisers or contractors of Tesco or its subsidiaries.
9. The MT shall comply with any requests made by the CC for the purpose of ensuring the full and effective compliance by Tesco with the Order.

The obligations of Tesco

10. Tesco (including all employees, officers, directors, advisers and consultants) shall cooperate, and shall use its best endeavours to procure that its agents, advisers and contractors cooperate, fully with the MT, in particular by providing the MT with all cooperation, assistance and information as the MT may reasonably require, including but not limited to:
- (a) the provision of such facilities as are necessary for the discharge by the MT of the MT's functions; and
 - (b) the provision of full and complete access to all personnel (including personnel of agents, advisers and contractors), books, records, communications, documents, facilities and information as the MT may reasonably require.
11. If Tesco has any reason to suspect that the Order might have been breached, it shall notify the MT and the CC immediately.

Reporting functions

12. On a twice-monthly basis, the MT shall provide the CC with a declaration stating whether or not, in its view, Tesco has complied with the Order. At the same time, the MT shall provide the CC with a report setting out its views in relation to the following matters:
 - (a) the reasons why the MT has concluded that the Order has or has not been complied with. In particular, the MT shall set out and explain whether: (i) anything has caused it to be concerned as to whether Tesco has complied with the Order and, if so, what steps it has taken so as to satisfy itself as to Tesco's compliance; (ii) it has any remaining doubts or uncertainties as to whether Tesco has complied with the Order; and (iii) anything causes it to be concerned about a possible future breach of the Order (whether deliberate or inadvertent);
 - (b) the extent to which the MT considers that it is in a good position to monitor the compliance of Tesco with the Order. The MT shall set out and explain if there is anything that it considers would assist in monitoring the compliance of Tesco with the Order; and
 - (c) the extent to which Tesco has cooperated with the MT in its task of monitoring compliance with the Order. The MT shall set out and explain if there are any aspects of the cooperation of Tesco that it considers could be improved.
13. The MT shall notify the CC immediately if it forms a reasonable suspicion that the Order has been breached, or if it considers that it is not in a position effectively to carry out its functions. In that situation, the MT shall set out the reasons for its view and attach relevant supporting evidence (so far as this is permitted by paragraphs 14 and 15 of these directions).
14. All communications between the MT and the CC (including the declarations and reports of the MT referred to in paragraphs 12 and 13) shall be confidential and shall not be disclosed to Tesco, save with the express written permission of the CC. In relation to the possibility of disclosure of such communications to third parties, the CC shall act in accordance with the provisions of Part 9 of the Act. The MT shall not disclose such communications to third parties.
15. Nothing in the functions of the MT shall require the disclosure to the MT or to the CC by Tesco or its subsidiaries information or documents that Tesco or its subsidiaries would be entitled to withhold from the CC on the grounds of legal professional privilege.

Interpretation

16. For the purpose of these directions:

'the Order' means the interim order made by the CC on 7 August 2007 under section 81 of the Act; and

'Primary Functions' means the functions of the MT set out in paragraph 6 of these directions.

Terms and expressions defined in the Order shall have the same meaning in these directions, save as the context otherwise requires.