

CtW Investment Group

For Immediate Release

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CtW Investment Group Asks Tesco Chairman-Elect to Review Strategy at Company's Fresh & Easy Subsidiary; Questions Tesco's Executive Incentive Pay Practices

WASHINGTON, D.C. – The CtW Investment Group is calling on incoming Tesco (TSCO:LN) Chairman Richard Broadbent to address investor concerns about mounting losses at Tesco's Fresh & Easy subsidiary by conducting an objective and independent strategic review of the US business and to publicly articulate a strategy for profitability.

In its 29 June letter, the CtW Investment Group also notes that under the new remuneration policy, US CEO Tim Mason's incentive pay will be substantially de-linked from Fresh & Easy's performance, raising questions about executive accountability for continuing losses in the US. The CtW Investment Group also points out that all executive directors will continue to have their incentive pay linked to profits from the sale and leaseback of property, which may potentially allow executives to "pick their number" in order to hit performance targets.

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