

9S1257

DATED 22 February 2005

TESCO ESTATES LIMITED

- and -

TESCO PLC

SET OFF AGREEMENT



THIS DEED is dated the 22 day of February 2005

BETWEEN:

- (1) **TESCO ESTATES LIMITED** (company number 00951257) whose registered address is Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL ("**Estates**"); and
- (2) **TESCO PLC** (company number 00445790) whose registered address is Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL ("**PLC**").

RECITALS

- (A) Estates is indebted to PLC in the amount of £24,908.00 (the "**Debt**").
- (B) PLC, the sole shareholder of Estates, has provisionally agreed to subscribe for further ordinary shares in Estates in an amount of £24,908.00 (the "**Subscription Amount**").
- (C) Since Estates has no bank account, PLC and Estates have provisionally agreed that the amount of the Subscription Amount payable to Estates would be satisfied by being set off against an equivalent amount of the Debt, and accordingly PLC and Estates have agreed to enter into this Deed.

NOW THIS DEED WITNESSES as follows:

1 Setting off of the Subscription Amount against the Debt

Each of PLC and Estates agrees that:

- (a) the amount of the Subscription Amount payable to Estates shall be satisfied when due by being set off against an equivalent amount of the Debt, such that no cash payments shall be required; and
- (b) the amount of the Debt shall simultaneously be reduced *pro tanto*.

2 Law

This Deed shall be governed by and construed in accordance with English Law.

In witness whereof the parties to this Deed hereto have caused this Deed to be duly executed and delivered on the date first above written.

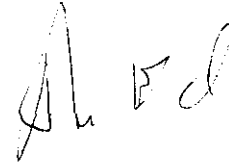
EXECUTED as a **DEED** by

as attorney duly authorised for and on behalf
of **TESCO ESTATES LIMITED** in the
presence of:



Witness: JUSTIN CLARK

Address: 91 Mansions Court, FRANK, Essex



EXECUTED as a **DEED** by

as attorney duly authorised for and on behalf
of **TESCO PLC** in the presence of:



Witness: JUSTIN CLARK

Address: 91 Mansions Court, FRANK, Essex

