

Glossary

2014 ESOS — means the Ocado 2014 Executive Share Option Scheme.

Active Customers — means customers who have shopped with Ocado in the previous 12 weeks.

Administrative Expenses — means all IT costs, advertising and marketing expenditure, employment costs of all head office functions, which include legal, finance, human resources, marketing and procurement, rent and other property-related costs for the head office, all fees for professional services and the depreciation, amortisation and impairment associated with head office IT equipment, software, fixtures and fittings and expenses relating to the Group's share schemes.

Admission — means the admission of the ordinary shares of the Company to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities which occurred on 26 July 2010.

AGM — means the Annual General Meeting of the Company, which will be held on 4 May 2016 at 11 am at Peterborough Court, 133 Fleet Street, London, EC4A 2BB.

Annual Incentive Plan or AIP — means the Executive Director incentive plan for the Group applicable to a particular financial year.

Articles — means the articles of association of the Company.

Board — means the board of directors of the Company or its subsidiaries from time to time as the context may require.

Chairman's Share Matching Award — means a one-off award of shares to Lord Rose, made in May 2013.

Cash LTIP — means the Company's cash-based Long Term Incentive Plan for senior employees.

Code — means the UK Corporate Governance Code published by the FRC in September 2014, as amended from time to time.

Companies Act — means the Companies Act 2006.

Company — means Ocado Group plc, a company incorporated in England and Wales with registered number 07098618 whose registered office is at Titan Court, 3 Bishops Square, Hatfield Business Park, Hatfield, Hertfordshire, AL10 9NE.

Corporate Website — means www.ocadogroup.com.

CR — means Corporate Responsibility.

CSTM — means Customer Service Team Member, the title given to our customer facing delivery drivers.

Customer Fulfilment Centre or CFC — means a dedicated highly automated warehouse used for the operation of the business. The CFCs are: CFC1 in Hatfield, CFC2 in Dordon, CFC3 in Andover (under testing) and CFC4 in Erith (under construction).

Deloitte — means Deloitte LLP.

Directors — means the directors of the Company whose names are set out on pages 50 and 51, or the directors of the Company's subsidiaries from time to time as the context may require.

Directors' Remuneration Policy — means the remuneration policy which was approved by shareholders at the 2014 annual general meeting and is set out on pages 84 to 98.

Disclosure and Transparency Rules — means the disclosure rules and transparency rules made under Part VI of the Financial Services and Markets Act 2000 (as amended).

Distribution Costs — means all the costs incurred, excluding product costs, to the point of sale, usually the customer's home. This includes the payroll-related expenses for the picking, dispatch and delivery of product sold to the point of sale, the cost of making those deliveries, including fuel, tolls, maintenance of vehicles, the operating costs of the properties required for the picking, dispatch and onward delivery operations and all associated depreciation, amortisation and impairment charges, call centre costs and payment processing charges.

DPV — means deliveries per van per week.

EBITDA — means the non-GAAP measure which Ocado has defined as earnings before net finance costs, taxation, depreciation, amortisation, impairment and exceptional items.

EBT — as relating to the Income statement, means earnings before tax. As relating to share schemes, means employee benefit trust.

EBT Trustee — means the trustee from time to time of the employee benefit trust established for the purposes of the JSOS, currently Appleby Trust (Jersey) Limited.

EPS — means earning per share.

ESOS — means the HMRC-approved Ocado 2001 Executive Share Option Scheme and the Ocado 2001 Non-HMRC approved Executive Share Option Scheme.

Exceptional Items — means items that due to their material and non-recurring nature have been classified separately in order to draw them to the attention of the reader of the financial statements.

Executive Directors — means Tim Steiner, Neill Abrams, Duncan Tatton-Brown and Mark Richardson.

Fetch.co.uk — means the Group's dedicated online pet store.

Financial Period — means the 52 week period, or 53 week period where relevant, ending the closest Sunday to 30 November.

Financial Year or FY — see Financial Period.

FRC — means the Financial Reporting Council.

GAAP — means generally accepted accounting principles.

GHG — means greenhouse gas(es).

GIP — means the Growth Incentive Plan.

Gross Sales (Group) — means sales (net of returns), including charges for delivery, before deducting relevant vouchers, offers and value added tax. Gross sales also includes income received pursuant to the Morrisons agreement. Relevant vouchers and offers include money-off coupons, conditional spend vouchers and multi-buy offers, such as buy three for the price of two.

Gross Sales (Retail) — means sales of the Group's retail operation being Ocado.com, fetch.co.uk and sizzle.co.uk

Group — means Ocado Group plc, its subsidiaries, significant undertakings and affiliated companies under its control or common control.

HMRC — means Her Majesty's Revenue & Customs.

IAS — means International Accounting Standard(s).

IFRIC — means International Financial Reporting Standards Interpretations Committee.

IFRS — means International Financial Reporting Standard(s).

IGD — means the Institute of Grocery Distribution.

IP — means Intellectual Property.

ISA (UK & Ireland) — means International Standard on Auditing in the UK and Ireland.

John Lewis — means John Lewis plc, the parent company of Waitrose, incorporated in England and Wales with registered number 233462 whose registered office is at 171 Victoria Street, London, SW1E 5NN.

JSOS — means the Group's Joint Share Ownership Scheme. It comprises three issues called JSOS1, JSOS2 and JSOS3.

KPI — means key performance indicators.

KPMG — means KPMG LLP.

LIBOR — means the London Interbank Offered Rate.

Listing Rules — means the Listing Rules made by the UK Listing Authority under Part VI of the Financial Services and Markets Act 2000 (as amended).

LPP — means Low Price Promise, the Ocado vouchers scheme which entitles customers to receive discount vouchers where their shopping basket has cost more than it would have at selected competitors.

LTIP — means the Company's Long Term Incentive Plan for Executive Directors and selected senior managers.

Management Committee — means senior management responsible for managing the day-to-day operations of the business.

MHE — means mechanical handling equipment.

MHE JVCo — means MHE JVCo Limited, a company incorporated in England and Wales with registered number 8576462, whose registered office is at Titan Court, 3 Bishops Square, Hatfield Business Park, Hatfield, Hertfordshire, AL10 9NE. MHE JVCo is jointly owned by a Group subsidiary and Morrisons.

Morrisons — means Wm Morrison Supermarkets PLC, a company incorporated in England and Wales with registered number 353949, whose registered office is at Hilmore House, Gain Lane, Bradford, West Yorkshire, BD3 7DL.

Morrisons.com — means Morrisons' online retail business.

Net Finance Costs — means finance income less finance costs. Finance income is comprised principally of bank interest and other interest. Finance costs are comprised of interest on bank loans and overdrafts, interest on finance leases and interest on other financing arrangements.

NFDC — means the Non-Food Distribution Centre in Welwyn Garden City, a dedicated highly automated warehouse used for the operation of the business.

Non-Executive Directors — means the non-executive Directors of the Company designated as such on pages 50 and 51.

Notice of Meeting — means the notice of the Company's AGM.

Ocado.com — means the Group's online retail business.

Ocado Council — means the Ocado forum used to consult with our employees.

Ocado Smart Platform (or OSP) — means the end-to-end solution for operating online in the grocery market, which has been developed by the Group.

OPW — means orders per week.

Other Income — means primarily revenue for advertising services provided by Ocado to suppliers and other third parties on the Webshop, commission income and sublease payments. Other income is recognised in the period to which it relates on an accruals basis.

Participants — means eligible staff who participate in one of the Company's staff share schemes.

Prospectus — means the Company's prospectus dated 6 July 2010 prepared in connection with the Company's Admission.

PwC — means PricewaterhouseCoopers LLP, the Group's statutory auditors or the Group's advisers in respect of non-audit services.

R&D — means Research and Development.

Revenue — means online sales (net of returns) through the Webshop and Ocado on the Go, including charges for delivery, but excluding relevant vouchers, offers and value added tax. The recharge of costs to Morrisons and fees charged to Morrisons are also included in Revenue. Relevant vouchers and offers include money-off coupons, conditional spend vouchers and multi-buy offers, such as buy three for the price of two.

Shareholder — means a holder for the time being of ordinary shares in the Company.

Sharesave Scheme or SAYE Scheme — means the Ocado employee savings-related share option plan approved by HMRC. SAYE1 means the first invitations made under the scheme in 2010, SAYE2 means the second invitations made under the scheme in 2012, SAYE3 means the third invitations made under the scheme in 2013 and SAYE4 means the fourth invitations made under the scheme in 2015.

SIP — means the Share Incentive Plan.

Sizzle.co.uk — means the Group's dedicated online kitchen and dining store.

SKU — means a "stock keeping unit", that is each line of stock.

Smart Pass (previously Saving Pass) — means the Ocado pre-pay membership scheme which includes the delivery pricing scheme previously known as Delivery Pass and the discount membership scheme formerly known as Saving Pass.

Sourcing Agreement — means the various sourcing and branding agreements between Ocado, Waitrose and John Lewis.

Spoke — means the trans-shipment sites used for the intermediate handling of customers' orders.

Substitution — means an alternative product provided in place of the original product ordered by a customer.

TSR — means total shareholder return – the growth in value of a shareholding over a specified period, assuming that dividends are reinvested to purchase additional units of the stock.

UPH — means average units processed per labour hour.

USDAW — means the Union of Shop, Distributive and Allied Workers.

Waitrose — means Waitrose Limited, a company incorporated in England and Wales with registered number 00099405, whose registered office is at 171 Victoria Street, London, SW1E 5NN.

Webshop — means the customer facing internet-based virtual shop accessible via the website www.ocado.com, www.fetch.co.uk and www.sizzle.co.uk.