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## Chairman's Letter to Shareholders and 2022 Notice of Annual General Meeting

## J Sainsbury plc

Registered Office  
33 Holborn  
London  
EC1N 2HT  
Registered number 185647

9 May 2022

### Dear Shareholder

#### 2022 Annual General Meeting

I am pleased to invite you to this year's Annual General Meeting (AGM) of J Sainsbury plc (the Company) to be held at **11:00am on Thursday, 7 July 2022** at our registered office, 33 Holborn, London EC1N 2HT. Shareholders have the choice of either joining the AGM online or in person. Full details of the meeting (including how to participate electronically) and the resolutions that will be put to shareholders are set out in the Notice of Annual General Meeting (Notice).

#### Living Wage Accreditation

A resolution has been put forward this year by a small group of shareholders, co-ordinated by ShareAction, directing the Company to become a Living Wage accredited employer. We have held constructive and open dialogue with ShareAction and a number of our shareholders over the past months, **but the Board does not support the Shareholder Resolution (Resolution 21) for the following reasons:**

##### Paying our colleagues fairly

We have always believed in paying our colleagues fairly and see ourselves as industry leaders regarding colleague pay. We have paid our colleagues above the government's National Living Wage for many years and since 2017 we have increased the pay of Sainsbury's front line colleagues by 25 per cent and have also increased Argos colleagues' pay by 31 per cent over the last five years and removed age-related pay.

Our pay rates are higher than many of our competitors and we were the first major retailer to pay our colleagues the Living Wage regardless of where they live in the UK.

We are very aware that our colleagues and our customers are struggling with the cost of living. We therefore brought forward our annual pay review announcement to January and have made an investment of over £100 million this year. Our base rate of pay increased to £10 per hour nationally in March, ahead of the Living Wage which is £9.90, and from May all colleagues working in a London borough will earn £11.05 per hour, in line with the London Living Wage.

We also provide colleagues with a comprehensive benefits package including colleague discount of 10 per cent off Sainsbury's and Argos and 15 per cent off Sainsbury's for five days every payday. On average, this benefit is worth around £300 each year. We also provide pension, a recognition programme and we significantly improved our family leave entitlement last year.

##### Balancing the needs of all of our stakeholders

We spend almost £4 billion paying our colleagues each year – the single largest operating cost in our business – and colleague pay is a key priority when setting our budget each year. As a business that makes a profit of around 3p in every £1, we have to consider all of our investment decisions very carefully and balance the needs of our customers, our colleagues and our shareholders.

At the same time that we are increasing pay for our colleagues, we are also trying to support our customers with the cost of living – and to grow our business – through investing in lower prices for customers. It is because of the huge emphasis that we have placed on improving value in our grocery offer that we are now growing volume market share and winning new customers. We believe strongly that this is the right thing to do – and that, by investing for customers, we will continue to have a healthy and thriving business which can continue to support the 171,000 colleagues we employ.

We also have an obligation to you, our shareholders – to ensure that we are able to pay an affordable dividend every year.

### Shareholder Resolution

We are committed to paying our colleagues a fair wage and have a strong track record in doing so. We always consider the Living Wage alongside the National Living Wage when setting pay, but we do not wish to be formally accredited as a Living Wage employer. Accrediting as a Living Wage employer would mean that a third party – the Living Wage Foundation – would decide our colleague pay changes each year. We want to ensure we have the flexibility to pay the right rate of pay and benefits to our colleagues, considering the needs of all our stakeholders and the specific circumstances and company performance at that time.

Accrediting as a Living Wage employer would also require us to have a plan in place to pay all of our third-party contractors the Living Wage. Across our UK operations we spend approximately £500 million on contractors and the majority of our contractors are already paid at or above the Living Wage. All our suppliers must meet our high ethical and sustainability standards. This includes offering safe, sustainable working conditions and we encourage all our partners to follow our lead and pay a fair wage that they can afford whilst ensuring the long-term viability of their business for their employees and their broader stakeholders.

We hope that our track record demonstrates that we are committed to paying a fair wage to our colleagues, whilst also acting in the best interest of all our stakeholders. We will continue to monitor pay and are continually and actively looking at how we can support our colleagues and our customers with the current cost of living crisis.

**Fundamentally, we believe it is right for the Company and our stakeholders to make independent decisions regarding pay and benefits, rather than have them determined by a separate external body. I hope the explanation in this letter helps you understand the Board's recommendation that you vote against the Shareholder Resolution at the AGM.**

### Board changes

The Board has appointed Jo Bertram as a Non-Executive Director with effect from 7 July 2022, subject to shareholder approval at the AGM. Jo brings significant and varied experience in leading transformation and change. I am confident that she will be a great addition to our Board.

Dame Susan Rice is stepping down from the Board following the AGM, after nine years' of service. I would like to thank Susan for her commitment and dedication to the Company over the years. Throughout her time with us, she has been steadfast in doing the right thing for our customers and colleagues. As Chair of the Remuneration Committee, Susan has played a vital role in ensuring our approach to pay reflects our culture and values at all levels of the organisation.

### AGM arrangements

The AGM is an opportunity for shareholders to express their views directly to the Directors of the Company. We remain committed to engaging with all of our stakeholders and have given careful consideration to the arrangements for this year's AGM. The health and safety of our shareholders, our colleagues and the wider communities in which we operate remain a key priority. We continue to monitor the situation and if any changes are required to the AGM arrangements, they will be published on our website at [www.about.sainsburys.co.uk/AGM2022](http://www.about.sainsburys.co.uk/AGM2022).

Our experience in modernising the traditional format of the AGM has been very positive and shareholders have been able to take part in recent meetings remotely, to ask questions and to vote during the meeting. Shareholders are able to attend and participate online via the Lumi AGM website at <https://web.lumiagam.com/140862214>. If you do choose to attend in person, we request you to register your intention on our website at [www.about.sainsburys.co.uk/AGM2022](http://www.about.sainsburys.co.uk/AGM2022) no later than **5:30pm on Tuesday, 5 July 2022**. Only registered shareholders and accompanying carers will be allowed entry to the meeting. There will be no exhibitions and only light refreshments at the meeting. Shareholders registered to attend in person will be able to access the building from **10:00am on Thursday, 7 July 2022** and should expect a longer wait to allow for health and safety and security measures to be completed.

### Voting and asking questions

However you decide to join the AGM this year, we value your vote and we encourage you to take the opportunity to provide us with your views. You can vote in a number of ways. Those attending online will be able to cast their vote via the digital AGM website. For those attending in person, voting cards will be made available. If you would like to vote in advance of the AGM, you can submit a proxy vote online or by returning the proxy form posted to you.

We strongly encourage you to appoint the chairman of the meeting as your proxy. You can submit your proxy appointments and voting instructions in advance of the AGM as follows:

- register your proxy votes electronically by logging on to the Company's Registrar website, [www.sharevote.co.uk](http://www.sharevote.co.uk), or by using the service offered by Euroclear UK & Ireland Limited for members of CREST; or
- complete and return a paper Proxy Form to the Company's Registrar at Equiniti, Aspect House, Spencer Road, Lancing BN99 6DA.

Proxies must be received by the Company's Registrar no later than **11:00am on Tuesday, 5 July 2022** in order to be valid.

**Voting on all resolutions at the AGM will be by way of a poll.**

Further information on how to appoint a proxy and information on corporate representatives and voting is set out on pages 13 to 14.

You are welcome to submit questions in advance of the AGM using the dedicated email address **agm@sainsburys.co.uk**. **All questions should be submitted by 6:00pm on Monday, 27 June 2022** and should include your full name and your Shareholder Reference Number. The Board will give priority to answering pre-submitted questions at the AGM and responses to these will be published on our website as soon as is practicable after the AGM. Please note that where a number of similar questions have been asked, we will group these accordingly.

#### **Business of the AGM**

The various resolutions to be proposed at the AGM are set out in the Notice together with explanations in each case.

**The Board believes that resolutions 1 to 20 are in the best interests of the Company and its shareholders and are unanimous in recommending that you vote in favour of each of them as we intend to do as fellow shareholders.**

In addition to the ordinary business items for the AGM, a group of shareholders, co-ordinated by ShareAction, has proposed a resolution which appears in the Notice as resolution 21, together with a supporting statement on page 9. **The Board does not support this resolution for the reasons outlined above and recommends that shareholders vote against it.**

#### **Results of the AGM**

The voting results will be announced through a regulatory information service shortly after the meeting and published on our website.

Yours sincerely



**Martin Scicluna**

Chairman

## Notice of Annual General Meeting

**Notice is hereby given that the Annual General Meeting (the 'AGM') of J Sainsbury plc (the Company) will be held electronically and at 33 Holborn, London EC1N 2HT at 11:00am on Thursday, 7 July 2022 for the transaction of the following business. Voting on all resolutions will be by way of a poll.**

**The resolutions numbered 1 to 15 and 18 will be proposed as ordinary resolutions and must each receive more than 50 per cent of the votes cast in order to be passed (not counting votes 'Withheld'). Resolutions 16, 17, 19, 20 and 21 will be proposed as special resolutions and must each receive at least 75 per cent of the votes cast in order to be passed (not counting votes 'Withheld').**

**The Board considers resolutions 1 to 20 to be in the best interests of the Company and its shareholders as a whole and recommends that you vote FOR these resolutions.**

**The Board does not consider resolution 21 to be in the best interests of the Company and its shareholders as a whole and recommends that you vote AGAINST this resolution.**

### Report and Accounts

1. To receive and adopt the Company's audited Annual Report and Financial Statements for the 52 weeks to 5 March 2022, together with the Reports of the Directors and auditor.

For each financial year, the Directors must present the Directors' Report, the audited Financial Statements and the independent auditor's report to shareholders at a general meeting.

### Directors' Remuneration Report

2. To approve the Annual Report on Remuneration set out on pages 84 to 95 (inclusive) of the Company's Annual Report and Financial Statements for the 52 weeks to 5 March 2022.

The Company is required to seek shareholder approval for the Annual Report on Remuneration which can be found on pages 84 to 95 (inclusive) of the Annual Report and Financial Statements for the 52 weeks to 5 March 2022. The Annual Report on Remuneration discloses how the Company's existing Directors' Remuneration Policy (the Policy) is implemented and sets out details of each Director's remuneration during the 52 weeks under review. In accordance with the relevant remuneration reporting rules, this resolution is an advisory vote. This means that the Company can still act according to the Annual Report on Remuneration as proposed and the Directors' entitlement to remuneration is not conditional upon the resolution being approved.

At the 2020 annual general meeting, shareholders approved the Policy with the resolution receiving 97 per cent of the votes cast (not counting votes withheld). As approval is required only once every three years, the Policy does not require approval at this year's AGM.

### Final Dividend

3. To declare a final dividend of 9.9 pence per ordinary share in respect of the 52 weeks to 5 March 2022.

The proposed dividend is declared as a final dividend and, as such, is dependent on shareholder approval. The Board has proposed a final dividend of 9.9 pence per share which will be paid on 15 July 2022 to shareholders on the Register of Members at the close of business on 10 June 2022.

### Election and Re-election of Directors

4. To elect Jo Bertram as a Director.
5. To re-elect Brian Cassin as a Director.
6. To re-elect Jo Harlow as a Director.
7. To re-elect Adrian Hennah as a Director.
8. To re-elect Tanuj Kapilashrami as a Director.
9. To re-elect Kevin O'Byrne as a Director.
10. To re-elect Simon Roberts as a Director.
11. To re-elect Martin Scicluna as a Director.
12. To re-elect Keith Weed as a Director.

In accordance with the Articles of Association of the Company, Directors appointed by the Board shall retire and be subject to election by shareholders at the first annual general meeting of the Company following their appointment. The Board has nominated Jo Bertram as a Director with effect from 7 July 2022. Jo Bertram is accordingly seeking appointment by shareholders.

The UK Corporate Governance Code 2018 recommends that all Directors should be subject to annual re-appointment by shareholders. In accordance with this, all the Directors other than those appointed since the last annual general meeting will be submitting themselves for re-election at the AGM, except Dame Susan Rice, who will retire at the conclusion of this AGM. Each Director will be standing for re-election by separate resolution.

Following a Board evaluation process, the Board is satisfied that each Non-Executive Director standing for re-election is independent, and each Director continues to perform very effectively and demonstrates their full commitment to the role. The biographical details of each of the Directors can be found on pages 10 to 12 of this Notice.

### Appointment of auditor

13. To re-appoint Ernst & Young LLP as auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

This resolution proposes the re-appointment of Ernst & Young LLP as auditor of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company, which will normally be at each annual general meeting. The Audit Committee is responsible for overseeing the Company's relationship with the external auditor. The performance and effectiveness of the auditor, which included an assessment of the auditor's independence and objectivity, have been evaluated by the Audit Committee which has recommended to the Board that Ernst & Young LLP be re-appointed.

The Board proposes the re-appointment of Ernst & Young LLP as the Company's auditor.

### Auditor's remuneration

14. To authorise the Audit Committee, for and on behalf of the Directors, to determine the auditor's remuneration.

This resolution seeks authority for the Audit Committee to set the auditor's remuneration in accordance with the Competition and Markets Authority Audit Order 2014 which came into force on 1 January 2015.

### Directors' general authority to allot shares

**15.** That, the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 (the 2006 Act) to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £222,850,100, such authority to apply in substitution for all previous authorities pursuant to Section 551 of the 2006 Act and to expire at the end of the annual general meeting of the Company in 2023 or at the close of business on 4 September 2023, whichever is the earlier, but, in each case, so that the Company may, before such expiry, make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority given by this resolution has expired.

The purpose of this resolution is to renew the Directors' power to allot shares. The authority will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into shares up to a nominal value of £222,850,100, which is equivalent to approximately one-third of the total issued ordinary share capital of the Company as at 5 May 2022. As at 5 May 2022, the Company did not hold any shares in treasury.

The Directors consider the authority given by Resolution 15 to be desirable and appropriate to provide the flexibility to respond to market developments as well as to enable allotments to take place if they believe it would be appropriate to do so in respect of business opportunities that may arise.

The Company has previously issued bonds convertible into ordinary shares in order to finance its business in an efficient manner. It is possible that the Company may do so again when refinancing existing debt and if so, would utilise some of this authority.

If this resolution is passed, the authority will expire on the earlier of the end of the annual general meeting of the Company in 2023 or at the close of business on 4 September 2023.

### General authority to disapply pre-emption rights

**16.** That, subject to the passing of Resolution 15, the Directors be authorised to allot equity securities (as defined in Section 560(1) of the 2006 Act) wholly for cash pursuant to the authority given by Resolution 15 above or to sell equity securities held by the Company as treasury shares for cash, as if Section 561 of the 2006 Act did not apply to any such allotment or sale, in each case:

- (i) in connection with a pre-emptive offer; and
- (ii) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £33,427,500,

such authority to expire at the end of the annual general meeting of the Company in 2023 or at the close of business on 4 September 2023, whichever is the earlier, but so that the Company may, before such expiry, make offers and enter into agreements which would, or might, require equity securities to be allotted and treasury shares to be sold after the authority given by this resolution has expired and the Directors may allot equity securities and sell treasury shares under any such offer or agreement as if the authority had not expired.

For the purposes of this resolution, a pre-emptive offer means an offer of equity securities and/or sale of treasury shares open for acceptance for a period fixed by the Directors:

- (a) to holders (other than the Company) of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings on the register on a record date fixed by the Directors; and
- (b) to the holders of other equity securities, as entitled by the rights attaching to those securities, or as the Directors otherwise consider necessary,

but subject in both cases to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory whatsoever. The nominal amounts of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

The explanatory note for Resolution 16 is underneath Resolution 17.

### Authority to allot equity securities for cash or to sell treasury shares other than on a pro rata basis to shareholders in connection with acquisitions or specified capital investments

**17.** That, subject to the passing of Resolution 15 and in addition to any authority granted under Resolution 16, the Directors be authorised to allot equity securities (as defined in Section 560(1) of the 2006 Act) wholly for cash pursuant to the authority given by Resolution 15 or to sell equity securities held by the Company as treasury shares for cash, as if Section 561(1) of the 2006 Act did not apply to any such allotment or sale, such authority to be:

- (i) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £33,427,500; and
- (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Pre-Emption Group's Statement of Principles on the disapplication of Pre-Emption Rights (the Statement of Principles) most recently published prior to the date of the Notice,

such power to expire at the end of the annual general meeting of the Company in 2023 or at the close of business on 4 September 2023, whichever is the earlier, but, in each case, so that the Company may, before such expiry, make offers and enter into agreements which would, or might, require equity securities to be allotted and treasury shares to be sold after the authority given by this resolution has expired, and the Directors may allot equity securities or sell treasury shares under any such offer or agreement as if the authority had not expired.

This explanatory note relates to both Resolutions 16 and 17.

If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme), the 2006 Act requires that these shares are offered first to shareholders in proportion to their existing holdings (known as pre-emption rights).

Resolution 16(i) seeks shareholder approval to allot a limited number of ordinary shares or other equity securities, or sell treasury shares, for cash on a pre-emptive basis but subject to such exclusions or arrangements as the Directors may deem appropriate to deal with certain situations.

Resolutions 16(ii) and 17 give the Directors the authority to allot a limited number of equity securities, or sell treasury shares, for cash without first offering them to existing shareholders in proportion to their existing holdings. The authority:

- a. pursuant to Resolution 16(ii) is limited to the aggregate nominal amount of £33,427,500, which is equivalent to approximately 5 per cent of the total issued ordinary share capital of the Company (exclusive of treasury shares) as at 5 May 2022 (being the latest practicable date prior to the publication of this Notice), without restriction as to the use of proceeds of those allotments; and
- b. pursuant to Resolution 17 is limited to a further aggregate nominal amount of £33,427,500 which is equivalent to approximately 5 per cent of the total issued ordinary share capital of the Company (exclusive of treasury shares) as at 5 May 2022

(being the latest practicable date prior to the publication of this Notice), to be used only in connection with an acquisition or specified capital investment (within the meaning of the Statement of Principles) which is announced contemporaneously with the allotment or sale, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue or sale.

In respect of the authority referred to in Resolution 16(ii), the Board also confirms its intention to follow the provisions of the Statement of Principles, including where the Statement of Principles provide that usage of such authority in excess of 7.5 per cent of the total issued ordinary share capital of the Company (excluding treasury shares) within a rolling three-year period should not take place without prior consultation with shareholders or in connection with an acquisition or specified capital investment as referred to above.

The Board considers the authorities given by Resolutions 16 and 17 to be appropriate on occasions when, in order to act in the best interests of the Company, the Directors need the flexibility to finance business opportunities as they arise or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emption provisions.

These authorities in Resolutions 16 and 17 will automatically expire at the conclusion of the next annual general meeting of the Company in 2023 or at the close of business on 4 September 2023, whichever is the earlier.

### Political donations

18. That,

- (i) in accordance with Section 366 of the Companies Act 2006, the Company, and any company which, at any time during the period for which this resolution has effect, is a subsidiary of the Company, be and are authorised during the period beginning with the date of the passing of this resolution and ending at the conclusion of the AGM to be held in 2023 or at the close of business on 4 September 2023, whichever is earlier:
  - (a) to make political donations to political parties and/or independent election candidates, not exceeding £50,000 in total;
  - (b) to make political donations to political organisations other than political parties, not exceeding £50,000 in total; and
  - (c) to incur political expenditure, not exceeding £50,000 in total.
- (ii) all existing authorisations and approvals relating to political donations or expenditure under Part 14 of the 2006 Act are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisation or approval; and
- (iii) words and expressions defined for the purpose of the 2006 Act shall have the same meaning in this resolution.

Part 14 of the 2006 Act requires companies to obtain shareholders' authority for donations to registered political parties and other political organisations totalling more than £5,000 in any 12-month period, and for any political expenditure, subject to limited exceptions.

The Company has a policy that it does not make donations to, or incur expenditure on behalf of, political parties, other political organisations or independent election candidates. However, the 2006 Act contains restrictions on companies making political donations or incurring political expenditure and it defines these terms very widely, such that activities that form part of the normal relationship between the Company and bodies concerned with policy review, law reform and other business matters affecting the Company may be included. Such activities, which are in shareholders' interests for the Company to conduct, are not designed to support or imply support for a particular political party, other political organisation or independent election candidate. The Company believes that the authority proposed under this resolution is necessary to ensure that it does not commit any technical breach that could arise from

the uncertainty generated by the wide definitions contained within the 2006 Act when carrying out activities in the furtherance of its legitimate business interests.

If this resolution is passed, the authority will expire on the earlier of the end of the annual general meeting of the Company in 2023 or at the close of business on 4 September 2023. Any political expenditure incurred which is in excess of £2,000 will be disclosed in the Company's annual report and financial statements for next year, as required by the 2006 Act.

The Company made no political donations in the 52 weeks to 5 March 2022.

### Authority to purchase own shares

19. That the Company be generally and unconditionally authorised for the purposes of Section 701 of the 2006 Act to make market purchases (within the meaning of Section 693(4) of the 2006 Act) of ordinary shares of 28<sup>4</sup>/<sub>7</sub> pence each in the capital of the Company ('ordinary shares') in such manner and upon such terms as the Directors may from time to time determine, provided that:

- (a) the maximum number of ordinary shares which may be purchased is 233,992,600;
- (b) the minimum price which may be paid for an ordinary share is 28<sup>4</sup>/<sub>7</sub> pence (being the nominal value of an ordinary share) exclusive of associated expenses;
- (c) the maximum price which may be paid for an ordinary share is an amount equal to the higher of: (i) 105 per cent of the average of the closing price of an ordinary share derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and (ii) the higher of the price of the last independent trade of an ordinary share and the highest current bid for an ordinary share on the trading venue where the purchase is carried out (exclusive of associated expenses); and
- (d) the authority to purchase hereby conferred shall expire at the end of the Company's annual general meeting in 2023 or at the close of business on 4 September 2023, whichever is the earlier, save that the Company may make a contract to purchase ordinary shares under this authority before the expiry of the authority which will or may be completed wholly or partly thereafter and a purchase of shares may be made in pursuance of any such contract.

The 2006 Act permits a company to purchase its own shares provided that the purchase has been authorised by the company in a general meeting. Whilst the Directors have no present intention of making such purchases, it is common practice for listed companies to seek such authority and the Directors consider that it is prudent for them to do so.

Resolution 19, if passed, would give the Company the authority to purchase its own issued ordinary shares of 28<sup>4</sup>/<sub>7</sub> pence each at a price (exclusive of expenses) of not less than 28<sup>4</sup>/<sub>7</sub> pence per share (being the nominal value of the ordinary shares) and not more than the higher of: (a) an amount equal to 105 per cent of the average of the closing price of the Company's ordinary shares as shown in the London Stock Exchange Daily Official List for the five business days immediately preceding the date the purchase is made; and (b) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out (exclusive of associated expenses). The authority is for the purchase of a maximum number of 233,992,600 shares, being approximately 10 per cent of the Company's issued ordinary share capital as at 5 May 2022 and will expire at the end of the annual general meeting of the Company in 2023 or at the close of business on 4 September 2023, whichever is the earlier. The Directors presently intend that a resolution to renew this authority will be proposed at each succeeding annual general meeting.

The Directors would not propose to exercise their authority to make purchases other than for the purposes of the Company's employee

share plans or unless the expected effect of the purchase would be to increase the earnings per share of the remaining shares in the capital of the Company and the purchase is in the best interests of the shareholders generally.

Any shares purchased under this authority may be either treated as cancelled and the number of shares in issue reduced accordingly, or held as treasury shares in accordance with the 2006 Act. The 2006 Act allows listed companies, with authorisation from shareholders, to buy and hold their shares instead of cancelling them immediately. Shares purchased under this authority and held in treasury can in the future be cancelled, re-sold or used to provide shares for employee share plans. No treasury shares are held by the Company as at 5 May 2022 and it is not intended that any shares purchased pursuant to this authority will be held in treasury, although the decision whether to cancel any shares purchased by the Company or hold such shares as treasury shares, could be made by the Directors at the time of the purchase, on the basis of shareholders' best interests.

The total number of options to subscribe for shares outstanding as at 5 May 2022 (being the latest practicable date prior to the publication of this Notice) was 77,565,964 which, if exercised, would represent 3.31 per cent of the issued ordinary share capital at that date. If the Company were to buy back the maximum number of shares permitted pursuant to this resolution, then the total number of options to subscribe for shares as at 5 May 2022 would represent 3.68 per cent of the reduced issued ordinary share capital.

#### Notice period for general meetings other than annual general meetings

**20.** That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

Under the 2006 Act, all general meetings must be held on 21 days' notice unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Annual general meetings will continue to be held on at least 21 clear days' notice. Resolution 20 seeks approval to call general meetings (other than annual general meetings) on 14 clear days' notice without obtaining shareholder approval. A similar authority was sought and approved at the 2021 annual general meeting. If this resolution is passed, the authority will expire at the end of the annual general meeting of the Company in 2023, when it is intended that a similar resolution will be proposed.

The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole.

#### Shareholder Resolution

##### The Board recommends that shareholders vote against this resolution

**21.** To promote the long-term success of the Company, given developing expectations on rewarding key workers, the opportunities and risks associated with the increased costs of living for workers in the UK, and growing expectations that responsible businesses pay the real Living Wage, we as shareholders direct the Company to accredit as a Living Wage Employer by July 2023<sup>1</sup>.

A commitment to pay the real Living Wage to all workers is in line with recent investments by Sainsbury's in direct employees' pay. This should be done at reasonable expense and nothing in this resolution should be read as limiting the Board's discretion to take decisions in the best interest of the Company.

The statement in support of the resolution submitted by ShareAction can be found on page 9.

<sup>1</sup> The 'real Living Wage', as overseen by the Living Wage Foundation, is based on the cost of living in the UK and is voluntarily paid by 50 FTSE 100 companies amongst over 9,500 employers. The rates are currently £9.90 per hour in the UK and £11.05 in London.

The above resolution has been put forward this year by a small group of shareholders, co-ordinated by ShareAction, directing the Company to become a Living Wage accredited employer. Management has held constructive and open dialogue with ShareAction and a number of our shareholders over the past months, **but the Board does not support resolution 21 for the following reasons:**

#### Paying our colleagues fairly

We have always believed in paying our colleagues fairly and see ourselves as industry leaders regarding colleague pay. We have paid our colleagues above the government's National Living Wage for many years and since 2017 we have increased the pay of Sainsbury's front line colleagues by 25 per cent and have also increased Argos colleagues pay by 31 per cent over the last five years and removed age-related pay.

Our pay rates are higher than many of our competitors and we were the first major retailer to pay our colleagues the Living Wage regardless of where they live in the UK.

We are very aware that our colleagues and our customers are struggling with the cost of living. We therefore brought forward our annual pay review announcement to January and have made an investment of over £100 million this year. Our base rate of pay increased to £10 per hour nationally in March, ahead of the Living Wage which is £9.90, and from May all colleagues working in a London borough will earn £11.05 per hour, in line with the London Living Wage.

We also provide colleagues with a comprehensive benefits package including colleague discount of 10 per cent off Sainsbury's and Argos and 15 per cent off Sainsbury's for five days every payday. On average, this benefit is worth around £300 each year. We also provide pension, a recognition programme and we significantly improved our family leave entitlement last year.

#### Balancing the needs of all of our stakeholders

We spend almost £4 billion paying our colleagues each year – the single largest operating cost in our business – and colleague pay is a key priority when setting our budget each year. As a business that makes a profit of around 3p in every £1, we have to consider all of our investment decisions very carefully and balance the needs of our customers, our colleagues and our shareholders.

At the same time that we are increasing pay for our colleagues, we are also trying to support our customers with the cost of living – and to grow our business – through investing in lower prices for customers. It is because of the huge emphasis that we have placed on improving value in our grocery offer that we are now growing volume market share and winning new customers. We believe strongly that this is the right thing to do – and that, by investing for customers, we will continue to have a healthy and thriving business which can continue to support the 171,000 colleagues we employ.

We also have an obligation to you, our shareholders – to ensure that we are able to pay an affordable dividend every year.

#### Living Wage Accreditation

We are committed to paying our colleagues a fair wage and have a strong track record in doing so. We always consider the Living Wage alongside the National Living Wage when setting pay, but we do not wish to be formally accredited as a Living Wage employer. Accrediting as a Living Wage employer would mean that a third party – the Living Wage Foundation – would decide our colleague pay changes each year. We want to ensure we have the flexibility to pay the right rate of pay and benefits to our colleagues, considering the needs of all our stakeholders and the specific circumstances and company performance at that time.

Accrediting as a Living Wage employer would also require us to have a plan in place to pay all of our third-party contractors the Living Wage. Across our UK operations we spend approximately £500 million on contractors and the majority of our contractors are already paid at or above the Living Wage. All our suppliers must meet our high ethical and sustainability standards. This includes offering safe, sustainable working conditions and we encourage all our partners to follow our lead and pay a fair wage that they can afford whilst

ensuring the long-term viability of their business for their employees and their broader stakeholders.

We hope that our track record demonstrates that we are committed to paying a fair wage to our colleagues, whilst also acting in the best interest of all our stakeholders. We will continue to monitor pay and are continually and actively looking at how we can support our colleagues and our customers with the current cost of living crisis.

**Fundamentally, we believe it is right for the Company and our stakeholders to make independent decisions regarding pay and benefits, rather than having them determined by a separate external body.**

By order of the Board

**Tim Fallowfield OBE**

Company Secretary and Corporate Services Director  
9 May 2022

## ShareAction statement in support of Resolution 21

As a large retail group, operating over 600 supermarkets and 800 convenience stores throughout the UK and the Argos and Habitat brands, Sainsbury's directly employs more than 189,000 workers. Investors recognise the company's stated aim – to “always focus on doing the right thing for our people”<sup>1</sup> and its recent progress on basic hourly rate of pay for directly employed staff.

In January 2022, Sainsbury's uplifted rates for directly employed staff to £10.00 per hour outside of London (exceeding the real Living Wage rate of £9.90) and matched the Living Wage rate for employees in inner London (£11.05). In April, they took the further step of matching the Living Wage in Outer London.

Nonetheless, Sainsbury's have not matched the rate for third party contractors and there is no ongoing commitment to match the real Living Wage, which accreditation would ensure.

To promote the long-term success of the company, this resolution asks Sainsbury's to become an accredited Living Wage Employer.

### Investor expectations of supermarket retailers

During the Covid-19 lockdowns of 2020-21, supermarket workers were designated 'key workers', in recognition of their role in ensuring people across the UK could keep food on the table. As a result, there are strong public expectations that they should be rewarded appropriately.

Yet workers in the sector are one of the largest groups of low-paid workers in the UK. 42 per cent of all supermarket workers (366,000 people) earn less than the real Living Wage, with female and ethnic minority workers disproportionately affected. 49 per cent of female workers and 44 per cent of minority workers earn less than the real Living Wage, compared to 35 per cent of men and 41 per cent of white workers<sup>2</sup>.

During a cost-of-living crisis, with the combination of higher National Insurance contributions, Universal Credit cuts and a freeze on the income tax personal allowance, the average supermarket worker will be £1,040 worse off in 2022<sup>3</sup>. In the current high-inflation environment, price increases will have a disproportionate impact on lower paid households, who spend a larger proportion on items such as gas, electricity, and food.

Living Wage accreditation is a public commitment that all staff who work for a company, directly and indirectly, will earn a wage sufficient to live on. There are already more than 9,500 accredited Living Wage Employers across the UK, including 50 FTSE 100 companies and the large retailer IKEA.

Investors recognise that, despite tight profit margins in the sector, there is a strong business case for adopting higher base rates of pay. Research by the MIT Sloan School of Management shows that retailers adopting a Good Jobs Strategy<sup>4</sup>, including base rate pay above minimum wages, can drive increased service quality, productivity, and a reduction of costs in the long term. Research from the Cardiff Business School has shown that 93 per cent of accredited Living Wage Employers have reported business benefits on issues such as recruitment, retention, and productivity<sup>5</sup>.

Supermarkets are facing a challenging horizon, with rising prices due to increasing raw material costs and supply chain challenges. Nonetheless, investors believe that all supermarkets should set ambitious and supportive reward strategies with base pay at or above the real Living Wage and ensure that all workers routinely providing a service are covered.

Ultimately, low pay and the income inequality it drives are a drag on national economic output and growth and drive political polarisation and societal instability. As such, low pay creates costs to society that are ultimately borne elsewhere by highly diversified investors.

### Investor expectations of the company

Investors remain concerned that the company has extended its commitment to cover third-party contract staff, who regularly provide a service. Third-party staff such as cleaners are amongst the lowest paid, most vulnerable workers in the most insecure work<sup>6</sup>. Furthermore, without accreditation, there is no ongoing commitment to pay the Living Wage for any workers.

Research conducted by Organise found that 1 in 3 Sainsbury's workers regularly worry about putting food on the table<sup>7</sup>. Living Wage accreditation would make a huge difference to Sainsbury's workers throughout the country, guaranteeing them a wage that covers the cost of living, meaning they can live a life of dignity.

Investors believe it is in the company's best interests to become an accredited Living Wage Employer and, specifically, to:

1. Ensure all direct workers, in London and across the UK, are paid at least the real Living Wage rate now and in future;
2. Conduct an analysis (by July 2023) of third-party contractors used by the company to find out how many workers earn below the real Living Wage rate for their region and agree a timescale for contracts to be uplifted to the real Living Wage;
3. Work with third-party contractor providers to lift all subcontracted workers to the real Living Wage rate by July 2026 and to agree a wage floor of the real Living Wage on an ongoing basis.

Nothing in this resolution precludes the company continuing to set different rates for inner and outer London, providing these both at least match the real Living Wage for London.

Investors understand that Sainsbury's will need to undertake work to understand the cost implications of third-party contractors matching the Living Wage. Recognising this, Living Wage accreditation allows for Living Wage rates for contractors to be implemented over a period of up to three years as the contracts come up for renewal.

Real Living Wage rates are re-calculated each year based on cost of living data and taking into account changes in public policy that may have an impact on workers' ability to meet those costs (e.g. tax and benefits)<sup>8</sup>. To help with sustainability and affordability there is a cap of CPI+3 per cent increase for the Living Wage in a year. The calculations are overseen by the Living Wage Commission, which includes representatives from business, unions, civil society and academics. Part of the remit of the Commission is to manage any rate volatility. The approach offers greater predictability than employers enjoy with respect to rises in the national minimum wage.

1 [www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/reports-and-presentations/esg-event-2021.pdf](http://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/reports-and-presentations/esg-event-2021.pdf)

2 [www.livingwage.org.uk/news/over-two-fifths-all-supermarket-workers-earn-below-real-living-wage](http://www.livingwage.org.uk/news/over-two-fifths-all-supermarket-workers-earn-below-real-living-wage)

3 [www.theguardian.com/politics/2021/sep/13/higher-taxes-low-paid-frontline-workers-worse-off](http://www.theguardian.com/politics/2021/sep/13/higher-taxes-low-paid-frontline-workers-worse-off)

4 [goodjobsinstitute.org/what-is-the-good-jobs-strategy/](http://goodjobsinstitute.org/what-is-the-good-jobs-strategy/)

5 [www.livingwage.org.uk/sites/default/files/Cardiff%20Business%20School%202017%20Report\\_2.pdf](http://www.livingwage.org.uk/sites/default/files/Cardiff%20Business%20School%202017%20Report_2.pdf)

6 [api.shareaction.org/resources/reports/Insecure-work-in-insecure-times-briefing-final.pdf](http://api.shareaction.org/resources/reports/Insecure-work-in-insecure-times-briefing-final.pdf)

7 [www.livingwage.org.uk/news/over-two-fifths-all-supermarket-workers-earn-below-real-living-wage](http://www.livingwage.org.uk/news/over-two-fifths-all-supermarket-workers-earn-below-real-living-wage)

8 [www.resolutionfoundation.org/publications/calculating-the-real-living-wage/](http://www.resolutionfoundation.org/publications/calculating-the-real-living-wage/)

## Directors' biographies



### Martin Scicluna

Chairman

C (N)

**Appointment to the Board:** 1 November 2018. Martin joined the Board as Chairman Designate and Non-Executive Director on 1 November 2018. He was appointed Chairman of the Board on 10 March 2019.

**Skills and experience:** Martin brings a wealth of experience from over 25 years' service as an executive and non-executive board director at a wide range of companies.

**Career experience:** Previous roles include Chairman of RSA Insurance Group plc, Chairman of Great Portland Estates plc, Senior Independent Director and Chair of the Audit Committee of Worldpay Inc., and Non-Executive Director and Chair of the Audit Committee of Lloyds Banking Group plc. He was a partner at Deloitte LLP for 26 years, serving as Chairman from 1995 to 2007, where his clients included Dixons, WH Smith, Alliance Unichem and Cadbury.

**External appointments:** None.

**Specific contributions to the Company:** Martin has extensive experience as a Chair. He brings valuable knowledge and skills in developing strategy and evaluating business opportunities, along with understanding of the financial services sector and how it operates. Martin also led a robust selection process, culminating in the appointment of Simon Roberts as Sainsbury's Chief Executive Officer.

**Independent:** Upon appointment.

#### Key to Committee members

A Audit Committee

C Corporate Responsibility and Sustainability Committee

N Nomination Committee

R Remuneration Committee

(A) (C) (N) (R) Denotes Chair of Committee



### Simon Roberts

Chief Executive Officer

C

**Appointment to the Board:** 1 June 2020. Simon was appointed as Chief Executive Officer on 1 June 2020, having joined Sainsbury's and the Operating Board in July 2017 as Retail & Operations Director, with responsibility for Stores, Central Operations and Logistics.

**Skills and experience:** Simon brings a wide range of experience and leadership skills to the Board from previous executive and non-executive roles. He has over 30 years' experience leading major UK retail brands, having spent 15 years at Marks and Spencer and 13 years at Boots.

**Career experience:** Prior to joining Sainsbury's, Simon was Executive Vice President of Walgreens Boots Alliance and President of Boots UK and Ireland. During his tenure, Simon led Boots to achieve growth in sales and transactions, increased retail gross margin and doubled sales online. Before Boots, Simon was at Marks and Spencer Group plc, where he started his career in stores.

**External appointments:** Non-Executive Chairman of the Institute of Customer Service.

#### Specific contributions to the

**Company:** Simon is leading Sainsbury's new plan to put food back at the heart of the business and making good progress. One year into the plan we offer improved value, have achieved our target to triple the number of new products on our shelves and our colleagues are delivering great service in our stores and online. In recognition of their extraordinary efforts, in January this year we announced an investment of over £100 million in colleague pay and all Sainsbury's and Argos store colleagues are paid at least £10 per hour.

Our plan is underpinned by our portfolio of Brands that Deliver – Argos, Habitat, Tu, Nectar and Sainsbury's Bank and our Save to Invest priority. Under Simon's stewardship, Sainsbury's has also launched our sustainability Plan for Better, which is integrated into our strategy and includes a bold commitment to become Net Zero across our own operations by 2035. Simon is a dedicated, determined and enthusiastic champion of customers and colleagues. He is the Operating Board Sponsor of diversity and inclusion within Sainsbury's.

**Independent:** No.



### Kevin O'Byrne

Chief Financial Officer

**Appointment to the Board:**

9 January 2017.

**Skills and experience:** Kevin brings a wealth of international retail and finance experience to the Board from his previous Chief Executive and Chief Financial Officer roles. His skills and experience in leading finance and driving performance improvement provide the business with valuable expertise in pursuing its strategy.

**Career experience:** Kevin was previously Chief Executive Officer of Poundland Group PLC until December 2016 and held executive roles at Kingfisher plc from 2008 to 2015, including Divisional Director UK, China and Turkey, Chief Executive Officer of B&Q UK & Ireland and Group Finance Director. Prior to this, he was Group Finance Director of Dixons Retail plc and European Finance Director of Quaker Oats. He was a Non-Executive Director of Land Securities Group PLC from 2008 to September 2017, where he was Chairman of the Audit Committee and Senior Independent Director.

**External appointments:** Non-Executive Director and Chairman of the Audit Committee of Centrica plc. Kevin will be appointed as Senior Independent Director of Centrica plc with effect from 1 June 2022.

#### Specific contributions to the

**Company:** Kevin is a skilled Chief Financial Officer, with extensive international retail and finance experience gained during previous and current executive and non-executive positions. He has applied this knowledge to the Finance, Internal Audit, Investor Relations, Property, Procurement and Strategy functions at Sainsbury's, driving the performance of the business. Kevin is the Operating Board Sponsor for the LGBT+ inclusion stream within Sainsbury's.

**Independent:** No.



**Jo Bertram**  
Non-Executive Director  
N C

**Appointment to the Board:** To be appointed on 7 July 2022.

**Skills and experience:** Jo is a highly talented strategic business leader with significant experience leading transformation and change.

**Career experience:** Prior to becoming Managing Director, Business & Wholesale, Virgin Media O2, Jo held senior Director and Strategy roles at O2. Between 2013 and 2017 she held the position of Regional General Manager, Northern Europe at Uber. Jo has previously worked at McKinsey and Accenture and holds an MBA from INSEAD.

**External appointments:** Managing Director, Business & Wholesale, at Virgin Media O2.

**Specific contributions to the Company:** Jo has worked in growing hi-tech sectors which will benefit our customers as we explore new ways to use digital solutions to make shopping easy and convenient.

**Independent:** Yes.



**Brian Cassin**  
Non-Executive Director  
A N

**Appointment to the Board:** 1 April 2016.

**Skills and experience:** Brian brings relevant experience of running a FTSE 100 group with knowledge of big data and analytics, both areas of key importance to Sainsbury's. As Chief Executive Officer of Experian plc, Brian brings strong leadership experience and a substantial background in operating within a regulated environment.

**Career experience:** Brian joined Experian plc as Chief Financial Officer in April 2012, a post he held until his appointment as Chief Executive Officer in July 2014. Prior to this, Brian spent his career in investment banking at Greenhill & Co, where he was Managing Director and Partner. Brian has also held various roles at Baring Brothers International and at the London Stock Exchange.

**External appointments:** Chief Executive Officer of Experian plc.

**Specific contributions to the Company:** Brian's experience as a current chief executive and his work in the financial and technology sectors provide valuable industry insight.

**Independent:** Yes.



**Jo Harlow**  
Non-Executive Director  
C N R

**Appointment to the Board:** 11 September 2017.

**Skills and experience:** Jo brings a wealth of experience in consumer-facing businesses and the telecoms and technology industries, both in the UK and internationally.

**Career experience:** Jo was Corporate Vice President of the Phones Business Unit at Microsoft Corporation and before that was Executive Vice President of Smart Devices at Nokia Corporation, following a number of senior management roles at Nokia from 2003. Prior to that, she held marketing, sales and management roles at Reebok International Limited from 1992 to 2003 and at Procter & Gamble Company from 1984 to 1992.

**External appointments:** Non-Executive Director and Chair of the Remuneration Committee of InterContinental Hotels Group plc, Non-Executive Director and Chair of the Remuneration Committee of Halma plc and Director of Chapter Zero.

**Specific contributions to the Company:** Jo has broad experience from executive and non-executive roles and as Chair of the Corporate Responsibility and Sustainability Committee, she has helped the business deliver and evolve its sustainability strategy. She also brings current external Remuneration Committee experience.

**Independent:** Yes.

**Key to Committee members**

- A Audit Committee
- C Corporate Responsibility and Sustainability Committee
- N Nomination Committee
- R Remuneration Committee
- (A) (C) (N) (R) Denotes Chair of Committee

**Board changes**

Subject to shareholder approval, Jo Bertram will be appointed as a Non-Executive Director with effect from 7 July 2022.

After nine years' service as a Non-Executive Director, Dame Susan Rice will step down from the Board at the conclusion of the AGM on 7 July 2022.

Following Susan's retirement from the Board, Brian Cassin will be appointed as Senior Independent Director, Jo Harlow will become Chair of the Remuneration Committee and Keith Weed will be appointed as Chair of the CR&S Committee.



**Adrian Hennah**  
Non-Executive Director

**A** **N**

**Appointment to the Board:** 1 April 2021.

**Skills and experience:** Adrian has significant financial and strategic expertise leading the performance and strategy of many large companies.

**Career experience:** Adrian started his career working in audit and consultancy with PwC and Stadtsparkasse Köln, the German regional bank. Adrian spent 18 years in Chief Financial Officer roles at three FTSE 100 companies. He was Chief Financial Officer at Reckitt Benckiser (RB) for seven years and held the same position at Smith & Nephew and Invensys. Prior to this he spent 18 years at GlaxoSmithKline working in both finance and operations. He was also previously Non-Executive Director and Chair of the Audit Committee at RELX.

**External appointments:** Non-Executive Director of Oxford Nanopore Technologies plc, a Non-Executive Director of Unilever plc, an external member (NED) of the Finance Committee (Board) of Oxford University Press and a Trustee of Our Future Health.

**Specific contributions to the Company:** Adrian brings extensive financial and leadership experience to Sainsbury's gained from Chief Financial Officer positions held in some of the UK's largest companies, notably at RB, which produces leading hygiene, health and nutritional brands.

**Independent:** Yes.

**Key to Committee members**

**A** Audit Committee

**C** Corporate Responsibility and Sustainability Committee

**N** Nomination Committee

**R** Remuneration Committee

**A C N R** Denotes Chair of Committee



**Tanuj Kapilashrami**  
Non-Executive Director

**N R**

**Appointment to the Board:** 1 July 2020.

**Skills and experience:** Tanuj is a highly experienced HR professional with significant experience in talent and change management both in the UK and internationally.

**Career experience:** Tanuj joined Standard Chartered Bank in 2017 and is currently the Group Head of HR. Prior to this, she spent 17 years in key global and regional HR leadership roles within HSBC.

**External appointments:** Group Head of HR at Standard Chartered Bank, Trustee of Asia House and a Director of Financial Services Skills Commission Limited.

**Specific contributions to the Company:** Tanuj is a valuable member of the Board as the business continues to adapt and support its colleagues in a rapidly changing marketplace.

**Independent:** Yes.



**Keith Weed CBE**  
Non-Executive Director

**A C N**

**Appointment to the Board:** 1 July 2020.

**Skills and experience:** Keith is an exceptionally capable marketing and digital leader. He has championed new ways of integrating sustainability into business and building brands with purpose.

**Career experience:** Keith has a strong business background, having spent 36 years at Unilever, most recently as Chief Marketing and Communications Officer, which included leading the company's ground-breaking sustainability programme globally. Whilst at Unilever, Keith led different parts of the business, during which time he worked closely with Sainsbury's and other retailers. He has strong international experience and knowledge, having run international businesses both in the UK and overseas.

**External appointments:** Non-Executive Director of WPP PLC, Trustee Director of Business in the Community, Trustee Director of Leverhulme Trust and President of the Royal Horticultural Society. He is also a trustee of Grange Park Opera. Keith was awarded a CBE for services to the advertising and marketing industry in the 2021 New Year Honours List.

**Specific contributions to the Company:** Keith plays an important role in Sainsbury's strategic focus on putting food back at the heart of the business and delivering the Plan for Better. He has an excellent understanding of both sustainability and digital, and the ways that technology is transforming businesses.

**Independent:** Yes.

## Further information about the AGM

### Entitlement to attend and vote

1. Only those shareholders registered on the Company's register of members at **6:30pm on Tuesday, 5 July 2022** (or in the event of an adjournment, **6:30pm** on the date two days (excluding non-working days) before the time of the adjourned meeting) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Changes to the register of members after the relevant deadlines shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. In the case of joint holders, the vote of the senior joint holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of the holders stand in the register.
3. Shareholders are able to attend and participate online via the Lumi AGM website at <https://web.lumiagm.com/140862214>. Shareholders are able to view a live broadcast of the AGM, vote online and submit questions to the Board in writing or by telephone. Further details on joining online can be found on pages 15 to 17. Details of the telephone line will be available on the website once shareholders log into to attend the AGM. Shareholders are required to have an active internet connection at all times in order to attend and participate in the AGM electronically.
4. To attend the AGM in person, shareholders are asked to submit their intention to do so on the Company's website at [www.about.sainsburys.co.uk/AGM2022](http://www.about.sainsburys.co.uk/AGM2022) no later than **5:30pm on Tuesday, 5 July 2022**.

### Website giving information regarding the AGM

5. Information regarding the AGM, including the information required by section 311A of the Companies Act 2006, is available at [www.about.sainsburys.co.uk/AGM2022](http://www.about.sainsburys.co.uk/AGM2022).

### Duly appointed proxies and corporate representatives

6. To join the AGM online, please contact the Company's Registrar before **11:00am on Wednesday, 6 July 2022** by emailing [hybrid.help@equiniti.com](mailto:hybrid.help@equiniti.com) for your unique Shareholder Reference Number (SRN) and PIN. Mailboxes are monitored 9:00am to 5:00pm, Monday to Friday (excluding public holidays in England and Wales).
7. To join the AGM in person, duly appointed proxies and corporate representatives are asked to submit their intention to do so on the Company's website at [www.about.sainsburys.co.uk/AGM2022](http://www.about.sainsburys.co.uk/AGM2022) no later than **5:30pm on Tuesday, 5 July 2022**.

### Appointment of proxies

8. To be valid, any proxy form or other instrument appointing a proxy must be received at the office of the Registrar no later than **11:00am on Tuesday, 5 July 2022**.
9. A member who is entitled to vote at the AGM may appoint one or more proxies to vote instead of him/her, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Registrar at the address given on page 15 of this Notice.
10. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in note 13 below) will not prevent a shareholder attending the AGM in person or online and voting themselves should they wish to do so.
11. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against a resolution. If no voting indication is given, your proxy will vote or abstain from voting at their discretion.

### Electronic submission of proxy form

12. It is possible for you to submit your proxy votes online by logging onto [www.sharevote.co.uk](http://www.sharevote.co.uk), so as to be received no later than **11:00am on Tuesday, 5 July 2022**. Further information on this service can be found on your proxy form, or if you receive communications from us electronically, within your email broadcast.

### Appointment of proxies through CREST

13. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do for this AGM and any adjournment(s) of it by using the procedures described in the CREST Manual (available from [www.euroclear.com](http://www.euroclear.com)). CREST Personal members or other CREST sponsored members, and those CREST voting members who have appointed a voting service provider(s), should request to the CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & International Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuers agent (ID RA19) by **11:00am on Tuesday, 5 July 2022**. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member of has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### Appointment of proxies through Proxymity

15. Institutional shareholders may be able to appoint a proxy or proxies electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io).
16. Proxies must be lodged by **11:00am on Tuesday, 5 July 2022** to be considered valid. Before an institutional shareholder can appoint a proxy via this process, they will need to have agreed to Proxymity's associated terms and conditions. It is important that shareholders read the terms and conditions carefully as shareholders will be bound by the terms and conditions and they will govern the electronic appointment of the shareholder's proxy.

### Appointment of proxy by joint holders

17. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointed proxy submitted by the most senior holder (i.e. the first-named joint holder recorded in the Company's register of members) will be accepted.

### Changing proxy instructions

**18.** To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact the Registrar by emailing **hybrid.help@equiniti.com**. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### Termination of proxy appointments

**19.** In order to revoke a proxy instruction, you will need to inform the Company using one of the following methods:

- By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Equiniti, Aspect House, Spencer Road, Lancing BN99 6DA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
- By sending an email with the subject header of “J Sainsbury plc – Termination of Proxy Appointment” to **help.hybrid@equiniti.com**. Please note that this email address can only be used for the termination of previously registered proxy appointments (any other instructions included in the email will not be actioned). In order for the termination to be effective, the email must include the security details from the form of proxy (Control Number and SRN). In order that we may contact you to verify the termination of the proxy appointment, please provide a contact telephone number and where possible, attach to the email a letter signed by the registered holder to enable the verification to be affected.

In either case, the revocation notice must be received by no later than **11:00am on Tuesday, 5 July 2022**. Appointment of a proxy does not preclude you from attending the AGM in person or online and voting yourself. If you have appointed a proxy to attend the AGM, your proxy appointment will automatically be terminated.

### Nominated Persons

**20.** Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a Nominated Person) may, under an agreement between them and the shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

**21.** The statement of the rights of shareholders in relation to the appointment of proxies in notes 8 and 9 above does not apply to Nominated Persons. The rights described in these Notes can only be exercised by shareholders of the Company.

### Corporate Sponsored Nominee

**22.** Shareholders who have deposited ordinary shares with Equiniti Corporate Nominees Limited, being the nominee in connection with the Sainsbury's Corporate Sponsored Nominee (the 'Nominee'), may exercise their voting rights in respect of those shares by completing and returning their Form of Direction to Equiniti, Aspect House, Spencer Road, Lancing BN99 6DA or by submitting their vote via our Registrar's website at **www.sharevote.co.uk**, in either case so as to be received no later than **11:00am on Monday, 4 July 2022**.

### Corporate Representatives

**23.** A corporate shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all of its powers as a shareholder provided that no more than one corporate representative exercises powers over the same shares.

### Questions at the AGM

**24.** Shareholders, their appointed proxies and authorised corporate representatives have the right to ask questions at the AGM relating to the business of the meeting. Such persons will be able to ask questions at the AGM by: (a) submitting questions in advance of the AGM by email to **agm@sainsburys.co.uk** by **6:00pm on Monday, 27 June 2022**; (b) submitting questions in writing via the Lumi AGM website during the AGM at **https://web.lumiagm.com/140862214**; (c) asking questions by telephone on the day of the AGM; or (d) asking questions in person at the AGM. Further details about how to ask questions if attending electronically are provided on page 15 to 17 of this Notice.

**25.** Some questions may not be answered if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

**26.** Shareholders who submit questions in advance of the AGM should include their full name and SRN in their email. Members of the Board intend to prioritise responding to pre-submitted questions, followed by questions raised through the Lumi AGM website at **https://web.lumiagm.com/140862214**, over the telephone and then questions raised in the physical venue that have not been addressed already. The responses to the pre-submitted questions will be published on the Company's website as soon as is practicable after the AGM.

### Documents on display

**27.** Copies of the following documents will be available for inspection during normal business hours on Monday to Friday (excluding bank holidays) up to and including the date of the AGM at the Company's registered office at 33 Holborn, London EC1N 2HT:

- (a) the Articles of Association of the Company; and
- (b) the service contracts and letters of appointment of the Directors.

### Issued Shares and Total Voting Rights

**28.** As at 5 May 2022 (being the latest practicable date before the publication of this document), the total number of issued ordinary shares in the Company is 2,339,926,749. As at 5 May 2022, the Company did not hold any shares in treasury. Therefore, the total number of votes exercisable as at 5 May 2022 is 2,339,926,749. One share equals one vote. Details of the number of shares and voting rights in the Company are available on the Company's website **www.about.sainsburys.co.uk**.

#### Electronic addresses

**29.** You may not use any electronic addresses provided in this Notice to communicate with the Company for any purpose other than those expressly stated.

#### Shareholders' rights under section 527 of the Companies Act 2006

**30.** Under section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM for the 52 weeks to 5 March 2022; or (ii) any circumstance connected with an auditor of the Company appointed for the 52 weeks to 5 March 2022 ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 (requirements as to website availability) of the 2006 Act. Where the Company is required to place a statement on a website under Section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the annual general meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the 2006 Act to publish on a website.

#### Privacy statement

**31.** The Company may process personal data of participants at the AGM. This may include webcasts, photos, recordings, and audio and video links, as well as other forms of personal data. Please refer to the Company's privacy policy, which can be found at [www.about.sainsburys.co.uk/site-services/privacy-policy](http://www.about.sainsburys.co.uk/site-services/privacy-policy), for details of how the Company will process personal data.

## Attending the AGM electronically

#### Meeting access

Shareholders can participate in the meeting via the Lumi AGM website at <https://web.lumiagm.com/140862214>. This can be accessed online using most well-known internet browsers (such as Edge, Chrome, Firefox and Safari) on a PC, laptop or internet-enabled device (such as a tablet or smartphone).

On accessing the meeting website, you may be asked to enter a meeting ID, which is 140-862-214. After entering your meeting ID, you will be asked to enter your unique Shareholder Reference Number (SRN) and PIN, which is the first two and last two digits of your SRN. The SRN can be found printed on your Proxy Form, Form of Direction, Notice of Availability or other correspondence from Equiniti.

Shareholders are encouraged to log into the Lumi AGM website from **10:45am on Thursday, 7 July 2022**. Your ability to vote will not be enabled until the chairman of the AGM formally declares the poll open.

#### Broadcast

The AGM will be broadcast in video format with presentation slides. You will be able to watch and listen to the proceedings of the meeting on your device, as well as being able to see the slides of the meeting and the resolutions to be put forward to the AGM. These slides will change automatically as the meeting progresses.

#### Validity of meeting

In accordance with the Company's Articles of Association, under no circumstances shall the inability of one or more shareholders, proxies or corporate representatives to access, or continue to access, the electronic meeting platform despite adequate facilities being made available by the Company, affect the validity of the AGM or any business conducted at the AGM.

#### Duly appointed proxies and corporate representatives

If a duly appointed proxy or corporate representative would like to join the AGM electronically, they will need to contact the Company's Registrar. To receive your unique SRN and PIN, please contact the Company's registrar, Equiniti, by emailing [hybrid.help@equiniti.com](mailto:hybrid.help@equiniti.com). To avoid any delays accessing the meeting, contact should be made at least 24 hours prior to the meeting date and time.

\*Mailboxes are monitored 9:00am to 5:00pm Monday to Friday (excluding public holidays in England & Wales).

#### Requirements

An active internet connection is always required in order to allow you to cast your vote when the poll opens, submit questions and view the AGM proceedings. It is the user's responsibility to ensure they remain connected for the duration of the meeting. As well as having the latest internet browser installed, users must ensure their device is up to date with the latest software release.

#### Useful Contacts

Further information about the AGM is available, and will continue to be made available, at [www.about.sainsburys.co.uk/AGM2022](http://www.about.sainsburys.co.uk/AGM2022).

If you require assistance on the day, please email [hybrid.help@equiniti.com](mailto:hybrid.help@equiniti.com).\*

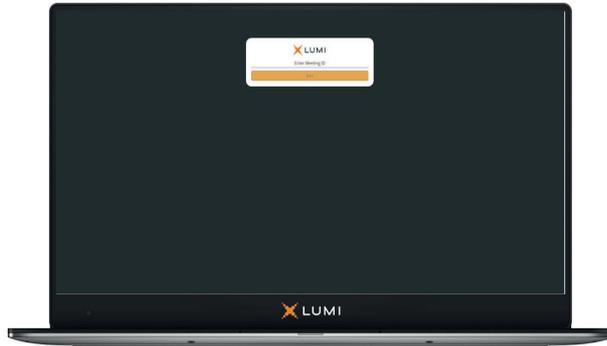
Registrar  
Equiniti  
Aspect House  
Spencer Road  
Lancing  
BN99 6DA

\*Mailboxes are monitored 9:00am to 5:00pm Monday to Friday (excluding public holidays in England & Wales).

## Voting and asking questions electronically at the AGM

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01



### Website

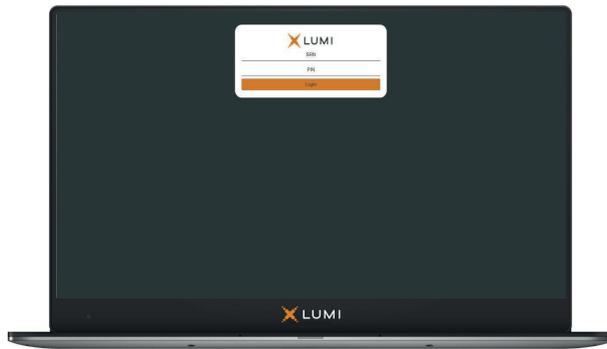
Go to [web.lumiagm.com/140862214](http://web.lumiagm.com/140862214).

You may be prompted to enter the meeting ID: 140-862-214.

Access to the meeting will be made available from

**10:00am on Thursday, 7 July 2022.**

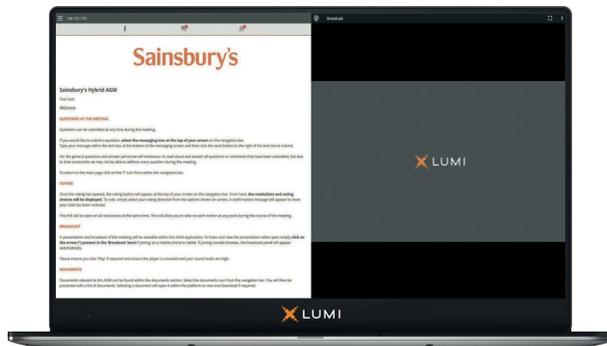
02



### Login credentials

After entering the meeting ID, you will be prompted to enter your unique Shareholder Reference Number and PIN, which is the first two and last two digits of your SRN.

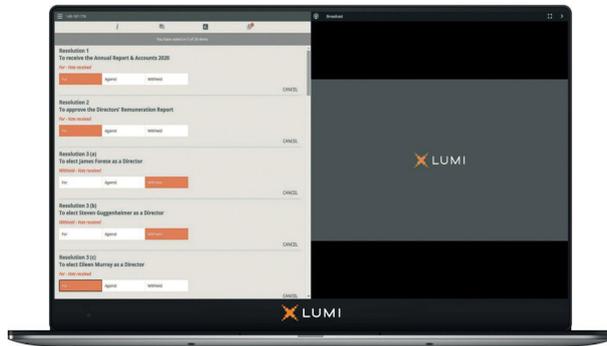
03



### AGM home screen

When successfully entered, you will be taken to the AGM home screen. The meeting presentation/panel will appear automatically if viewing through a web browser to the side of the page.

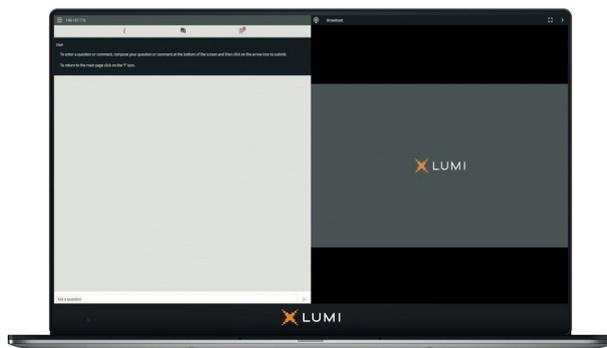
04



### Voting

Voting will be enabled on all resolutions once the chairman of the AGM formally opens the poll. The list of resolutions will appear on the screen along with the voting options available. Scroll through the list to view all resolutions. Select the option that corresponds with how you wish to vote: 'For', 'Against' or 'Withheld'. Once you have selected your choice, the option will change colour and a confirmation message will appear to indicate your vote has been cast and received. Please note that there is no submit button. If you make a mistake or wish to change your vote, select the revised choice. If you wish to cancel your vote, select the 'Cancel' button. You will be able to do this at any time whilst the poll remains open and before the chairman of the AGM announces its closure at the end of the meeting.

05



### Submitting a question

Any shareholder or duly appointed proxy or corporate representative attending electronically may ask questions via the Lumi AGM website by typing and submitting their question in writing. To do this, select the messaging icon from within the navigation bar and type your question at the bottom of the screen, and once finished, press the 'Send' icon to the right of the message box to submit your question.

Shareholders, duly appointed proxies and corporate representatives will also be able to submit their question via telephone. The telephone number to call will be available on the information page of the Lumi AGM website when you log in on the day of the AGM. You will need to provide your SRN to access the telephone service and be invited to speak by the chairman of the meeting.

During the meeting, questions will be moderated before being passed to the chairman of the AGM. Questions are combined from different sources to avoid repetition and to ensure an orderly meeting. Please note that where a number of similar questions have been asked, we will group these accordingly. There is no guarantee that your question will be answered during the meeting, as outlined on page 14 of this Notice.

## Attending the AGM in person

### Venue

The AGM will be held at our registered office, 33 Holborn, London EC1N 2HT. Shareholders can attend the meeting online via the Lumi AGM website or in person.

If you do wish to attend the AGM in person, we request you to register your intention on our website at [www.about.sainsburys.co.uk/AGM2022](http://www.about.sainsburys.co.uk/AGM2022) no later than **5:30pm on Tuesday, 5 July 2022**. Only registered shareholders and accompanying carers will be allowed entry to the meeting.

### Time

The AGM will start at **11:00am**. Please arrive no later than **10:45am** for registration. Shareholders registered to attend in person will be able to access the building from **10:00am on 7 July 2022** and should expect a longer wait for the health and safety and security measures to be completed.

### Voting at the AGM

Voting on each of the resolutions to be put to vote at the AGM will be taken on poll. On a poll, each shareholder has one vote for every share they hold.

Voting will be open from the time the chairman of the AGM declares the poll open until it is closed. The chairman of the AGM will notify those in attendance shortly prior to the poll closing so that they can cast their votes.

Shareholders will be provided with a paper poll card from the registration desk prior to the start of the AGM.

### Shareholders requiring assistance

The AGM venue is fully accessible. Shareholders attending the AGM in person may request accessibility assistance from the Concierge in the Atrium upon arrival. Please note that sign language interpreters will not be present at the AGM.

For shareholders joining the meeting electronically, the Lumi website is designed to work with the accessibility tools on your own device.

In advance of the AGM, queries relating to accessibility may be directed to [agm@sainsburys.co.uk](mailto:agm@sainsburys.co.uk).

### Photography

Photography is not permitted throughout the venue, and you may be asked to leave cameras or other recording devices with the Concierge in the Atrium. All mobile phones must be switched off for the duration of the AGM.

### Getting to the venue

The nearest underground station is **Chancery Lane** (Central Line), which is approximately five minutes' walk from 33 Holborn.

Further information on the AGM can be found at [www.about.sainsburys.co.uk/AGM2022](http://www.about.sainsburys.co.uk/AGM2022).

### Useful Contacts

Registrar  
Equiniti  
Aspect House  
Spencer Road  
Lancing  
BN99 6DA

If you require assistance on the day, please email [hybrid.help@equiniti.com](mailto:hybrid.help@equiniti.com)\*

\*Mailboxes are monitored 9:00am to 5:00pm Monday to Friday (excluding public holidays in England & Wales).

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