

Audit Committee – Terms of Reference

Approved by the Board on 5 March 2026

Note: References to “the Committee” shall mean the Audit Committee; references to “the Board” shall mean the Board of Directors; references to “the Company” shall mean J Sainsbury plc, references to the “Code” shall mean the applicable UK Corporate Governance Code, and references to the “Minimum Standard shall mean the Audit Committees and the External Audit: Minimum Standard

1. Purpose

- 1.1 The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the integrity of the financial information provided to shareholders, the Company’s risk management and internal control framework, the internal and external audit process and auditors and the process for compliance with laws, regulations and ethical codes of practice.

2. Constitution

- 2.1 The Committee was constituted as a committee of the Board in accordance with article 100 of the articles of association of the Company.
- 2.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.
- 2.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including without limitation, the establishment of sub-committees which are to report back to the Committee.

3. Membership

- 3.1 The Committee shall comprise at least three members, all of whom shall be independent non-executive directors. At least one member shall have recent and relevant financial experience and the Committee as a whole shall have competence relevant to the retail sector.
- 3.2 The Chair of the Board shall not be a member of the Committee.
- 3.3 The Board is responsible for the appointment of members to the Committee, for setting the term of members’ appointments and for the revocation of any such appointments.
- 3.4 Only members of the Committee have the right to attend Committee meetings. However, the Chair of the Board, Chief Executive Officer, Chief Financial Officer, Director of Group Audit, Risk and Resilience, Director of Group Finance, representatives from Sainsbury’s Bank and the external auditor will be invited to attend meetings of the Committee on a regular basis and other

individuals may be invited to attend all or part of any meeting as and when appropriate and necessary.

- 3.5 The Board shall appoint the Committee Chair who shall be an independent Non-Executive Director and shall remain independent throughout their tenure as Committee Chair. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting.

4. Secretary

- 4.1 The Company Secretary, or their nominee, shall act as secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

5. Quorum

- 5.1 The quorum necessary for the transaction of business shall be two members, one of whom should be the Committee Chair.

6 Frequency of meetings

- 6.1 The Committee shall meet at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.
- 6.2 Outside of the formal meeting programme, the Committee Chair will maintain a dialogue with key individuals involved in the Company's governance, including the Chair of the Board, Chief Executive Officer, Chief Financial Officer, the external audit partner and the Director of Group Audit, Risk and Resilience.

7 Minutes of Meetings

- 7.1 The Secretary shall minute the proceedings and decisions of all meetings of the Committee.
- 7.2 The minutes of the meeting shall be circulated in a timely manner to all members of the Committee and the Board.

8 Engagement with shareholders

- 8.1 The Committee Chair should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

9 Duties

9.1 Financial and narrative reporting

9.1.1 The Committee shall monitor the integrity of the financial statements of the Company, including its annual and half-year reports, preliminary announcements and any other formal announcement relating to its financial performance and review and report to the Board on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the external auditor.

9.1.2 In particular, the Committee shall review and challenge where necessary:

- (i) the consistency of, and any changes to, significant accounting policies;
- (ii) significant issues and how these were addressed;
- (iii) significant estimates and judgements;
- (iv) the clarity and completeness of disclosures in the Company's financial statements and the context in which the statements are made;
- (v) management's methodology, key assumptions and stress testing underpinning the going concern assessment and the longer-term viability statement, including the period selected for the viability statement; and
- (vi) all material information presented in the annual report and other financial statements, including the Strategic Report, and corporate governance statements relating to the audit and to risk management.

9.1.3 Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it should report its views to the Board.

9.1.4 The Committee should review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, and whether it informs the Board's statement in the annual report on these matters that is required under the Code.

9.2 Risk Management and Internal Controls Framework

The Committee shall assist the Board in establishing and maintaining an effective risk management and internal control framework. The Committee will oversee and seek suitable assurance regarding:

9.2.1 the principal and emerging risks that the Company is willing to undertake in order to achieve its long-term strategic objectives;

9.2.2 the likelihood and the impact of principal risks materialising, and the management and mitigation of principal risks to reduce the likelihood of their incidence or their impact;

9.2.3 the Company's ability to identify and manage new and emerging risks;

9.2.4 oversee management's processes for identifying ESG risks and internal controls processes to ensure the accuracy and completeness of ESG reporting; and

- 9.2.5 the effectiveness of management's processes for monitoring the effectiveness of risk management and internal control systems and ensuring corrective action is taken when necessary.

The Committee shall:

- 9.2.6 receive sufficient information from the Audit and Risk Committees of Sainsbury's Bank in order to review the controls and systems of Sainsbury's Bank.
- 9.2.7 review and approve the statements to be included in the annual report concerning internal control, risk management, including the assessment of principal risks and emerging risks, and the viability statement.

9.3 Compliance, whistleblowing and fraud

The Committee shall:

- 9.3.1 review the adequacy and security of the Company's arrangements for its colleagues, contractors and external parties to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters, ensuring that these arrangements allow proportionate and independent investigation of such matters, appropriate escalation to the Board, oversight of the outcomes of investigations and follow up action;
- 9.3.2 review the Company's procedures for detecting fraud and receive an update at meetings on significant issues;
- 9.3.3 review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance; and
- 9.3.4 review the Company's compliance with the Groceries Supply Code of Practice (GSCOP), monitor the work of the Company's Code Compliance Officer and approve the annual compliance report.

9.4 Internal Audit

The Committee shall:

- 9.4.1 monitor and review the effectiveness of the Internal Audit function and ensure its independence. To facilitate and maintain independence, the Director of Group Audit, Risk and Resilience shall have direct access to the Board Chair and report to the Chair of the Committee who will agree their targets. Functionally and administratively, they shall report to the Chief Financial Officer.
- 9.4.2 review and approve the remit of the Internal Audit function and ensure it has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate;

- 9.4.3 review and approve the annual Internal Audit plan to ensure it is aligned to the key risks of the business;
- 9.4.4 review and approve annually the Internal Audit charter, ensuring it is appropriate for the current needs of the organisation;
- 9.4.5 receive regular reports on the results of the Internal Audit's work;
- 9.4.6 review and monitor management's responsiveness to Internal Audit's findings and recommendations and the support provided for the effective working of the internal audit function;
- 9.4.7 ratify the appointment or termination of the Director of Group Audit, Risk and Resilience;
- 9.4.8 carry out an annual assessment of the effectiveness of the internal audit function;
- 9.4.9 monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management and internal control framework and the work of finance and the external auditor; and
- 9.4.10 consider whether an independent, third party review of processes is appropriate.

9.5 External Audit

The Committee shall:

- 9.5.1 Ensure compliance with the Minimum Standard;
- 9.5.2 consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, on the appointment, reappointment and removal of the Company's external auditor. Develop and oversee the selection procedure for the appointment of the audit firm in accordance with applicable Code and regulatory requirements;
- 9.5.3 oversee the audit tendering process, including the timing of audit tenders, and monitor compliance with applicable statutory and regulatory requirements on audit firm appointment and mandatory rotation;
- 9.5.4 approve and keep under review a policy on the engagement of the external auditor to supply non-audit services, and review and approve non-audit services provided by the external auditor in accordance with that policy;
- 9.5.5 if the external auditor resigns, investigate the issues leading to this and decide on any action to be taken;

- 9.5.6 agree with the Board a policy on the employment of former employees of the Company's auditor, taking into account the Ethical Standard and legal requirements, and review the application of this policy;
- 9.5.7 assessing annually the qualifications, expertise and resources of the external auditor and the independence and effectiveness of the audit process, including consideration of the external auditor's relationships with the Company, the provision of non-audit services and the level of audit and non-audit fees, and receive a report from the external auditor on their own internal quality procedures;
- 9.5.8 evaluate the risks to the quality and the effectiveness of the financial reporting process in the light of the external auditor's communications with the Committee;
- 9.5.9 determine and agree the scope of the audit engagement and approve the annual external audit plan ensuring that it is consistent with the scope of the audit engagement;
- 9.5.10 meet regularly with the external auditor, without management being present, to discuss the external auditor's remit and any issues arising from the audit;
- 9.5.11 review the findings of the audit with the external auditor;
- 9.5.12 review any representation letters requested by the external auditor before they are signed by management;
- 9.5.13 review the management letter and management's response to the external auditor's findings and recommendations; and
- 9.5.14 review the effectiveness of the audit process, and the auditor's response to questions from the Committee.

10 Reporting responsibilities

- 10.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting and shall also formally report to the Board on how it has discharged its responsibilities, which should include the significant issues that the Committee has considered.
- 10.2 The Committee shall approve the report on its activities in the Company's annual report which should include:
 - 10.2.1 the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed;
 - 10.2.2 all disclosure information requirements in accordance with the Code and the Minimum Standard.
- 10.3 The Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant, but should include at least those matters

that have informed the Board's assessment of whether the Company is a going concern and the inputs to the Board's viability statement.

11 Other matters

The Committee shall:

- 11.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required;
- 11.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 11.3 give due consideration to laws and regulations, the provisions of the Code and the requirements and published guidance, the requirements of the FCA's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate;
- 11.4 oversee any investigation of activities which are within its terms of reference;
- 11.5 work and liaise as necessary with all other Board Committees, ensuring interaction between committees and with the Board is regularly reviewed;
- 11.6 At least annually, carry out an assessment of its own performance and review its membership and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 11.7 undertake any other related duties as directed by the Board.

12 Authority

The Committee is authorised to:

- 12.1 seek any information it requires from any colleague in order to perform its duties;
- 12.2 call any colleague to be questioned at a meeting of the Committee as and when required;
- 12.3 obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so;