

This document is important and requires your immediate attention. If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 immediately. If you have sold or transferred all your ordinary shares in J Sainsbury plc, you should pass this document to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Chairman's Letter to Shareholders and 2020 Notice of Annual General Meeting

J Sainsbury plc

Registered Office
33 Holborn
London
EC1N 2HT
Registered number 185647

15 May 2020

Dear Shareholder

2020 Annual General Meeting

I am writing to you about this year's Annual General Meeting (AGM), which we are planning in the continuing extreme circumstances of the COVID-19 pandemic.

The health and safety of our shareholders and colleagues is our priority in making the arrangements for the meeting. Unfortunately, we are not therefore able to hold our AGM in the usual way. The AGM will be held at our registered office, **33 Holborn, London EC1N 2HT**, at **11.00am on Thursday, 2 July 2020** and, in light of the current measures put into place by the UK Government to combat COVID-19, **shareholders should not attend in person**.

Shareholders' views are always very important to us and we hope that you will use the arrangements described below to vote on the resolutions and submit your questions for the Board, particularly by using our dedicated email address, **agm@sainsburys.co.uk**. Further details are set out below and any updates to these arrangements will be made available on our website **www.about.sainsburys.co.uk** prior to the meeting.

Board changes

There have been several changes to the Board over the last year, as described in my letter at the front of the Annual Report.

Mike Coupe will stand down from the Board at the AGM after fifteen years at Sainsbury's, with six of those as Chief Executive Officer. Mike's knowledge and understanding of the retail sector and customer behaviour is second to none, and he has been bold and ambitious on behalf of our shareholders, customers and our colleagues. We wish him well for the future.

We were delighted to announce Simon Roberts as Mike's successor. Simon is a dedicated, determined and enthusiastic champion of our customers and of our colleagues, and has overseen sustained improvements in the grocery business during his time so far. He is ideally placed to lead and develop our strategy for the future. The Board and I are looking forward to working closely with him over the coming years.

I would also like to repeat my thanks to Matt Brittin and Jean Tomlin as they step down from the Board at the AGM, both of whom have made an outstanding contribution to our business.

Since the date of our Annual Report, we have announced the appointment of two new Non-Executive Directors, Keith Weed and Tanuj Kapilashrami. Their biographies are set out on pages 9 and 10 below. We are delighted to welcome them as Non-Executive Directors and I am confident that they will both make a valuable contribution to Sainsbury's. Keith is an exceptionally capable marketing and digital leader who has championed new ways of integrating sustainability into business and building brands with purpose. He will play an important role as we focus on helping our customers to live well for less. Tanuj is a thoughtful and energetic HR leader who has significant international insights. She will be an excellent addition to the Board as we continue to adapt our business, and support our colleagues in a rapidly changing marketplace.

Final dividend

The COVID-19 pandemic has had a significant impact on our business since early March, as described in detail in our Annual Report. At this very early point in our financial year, it is impossible to predict the full nature, extent and duration of the financial impact it will have over the course of the year and there is a wide range of potential profit outcomes, both in the short and medium term. Therefore, the Board believes it is prudent to defer any dividend payment decisions until later in the year, when there will be improved visibility on the potential impact of COVID-19 on the business.

Impact of COVID-19 on AGM arrangements

At the time of writing this letter and preparing the Notice of AGM, the UK Government has passed measures into law that restrict non-essential travel and prohibit public gatherings of more than two people (save where the gathering is essential for work purposes), in order to help to combat COVID-19. The evolving situation and related UK Government restrictions significantly impact the ability of shareholders to attend our AGM this year and will restrict our ability to follow our usual AGM format.

The AGM will be held at our registered office with the minimum number of persons present to be quorate and in order to enable the business of the AGM to be conducted. The meeting will include only the formal business of the AGM to comply with the relevant legal requirements and, once this is concluded, we will hold a question and answer session as described below. There will be no presentations or refreshments at this year's AGM.

In light of these arrangements and the current UK Government measures, **shareholders should not attend the AGM in person**. If, at the time of the AGM, the current measures have been amended by the UK Government, the Board may put in place other arrangements or restrictions to ensure the safety and security of attendees, and would still urge shareholders that **they should not attend the AGM in person** in order to reduce the health risks to all involved.

We appreciate that the AGM is an opportunity for shareholders to express their views directly to the Board and, despite these necessary changes to the format of the AGM, the Board is keen to ensure that shareholders continue to have opportunities to engage with them. To support engagement with our shareholders in these exceptional circumstances, the Company intends to provide a telephone facility to allow shareholders to listen to the business of the meeting. Any such shareholder participation via the telephone facility will not constitute formal attendance at the AGM, and shareholders will not be able to vote on any resolutions. We, therefore, encourage you to register your vote in advance in the ways described below.

Shareholders are encouraged to submit questions or raise matters of concern with your Board by emailing **agm@sainsburys.co.uk** by **6.30pm on Tuesday, 30 June 2020**. Please include your full name and your Shareholder Reference Number in your email.

Following the conclusion of the formal business of the AGM, members of the Board intend to respond to these pre-submitted questions, after which, and if time permits, shareholders will be able to use the telephone facility to ask questions that have not been addressed. The Board's responses to your questions will be published on our website as soon as is practicable after the AGM.

Please note that you will need your Shareholder Reference Number (Username) to use the telephone facility, which can be found on your Proxy Form or other correspondence regarding your shareholding. In order to use the telephone facility, duly appointed proxies and corporate representatives will need to contact the Company's Registrar before **11.00am on Wednesday, 1 July 2020** to receive their unique Username.

Further details in relation to these arrangements, including the telephone number, will be made available on our website **www.about.sainsburys.co.uk** prior to the meeting.

Your vote

Your vote is important, and in light of the evolving situation due to COVID-19, I would strongly encourage you to exercise your right to vote by submitting a proxy appointment either electronically or by post, and to **appoint the chairman of the AGM as your proxy**, rather than a third party.

You may submit your proxy vote by completing, signing and returning the enclosed Proxy Form to the Company's Registrar at Equiniti, Aspect House, Spencer Road, Lancing BN99 6DA. You may also register your proxy appointment electronically by accessing our Registrar's website **www.sharevote.co.uk** or through the CREST proxy voting system if your shares are held in CREST. Proxy appointments should be provided as soon as possible and must be received by the Company's Registrar no later than **11.00am on Tuesday, 30 June 2020** in order to be valid.

Recommendation

In addition to our standard AGM resolutions, shareholders are invited to vote to approve resolutions regarding the Directors' Remuneration Policy, the Share Incentive Plan Rules and Trust Deed, and amendments to the Company's Articles of Association.

Your Directors are of the opinion that all resolutions which are to be proposed at the AGM are in the best interests of the Company and shareholders and therefore unanimously recommend that you vote in favour of the resolutions, as they intend to do in respect of any shares which they beneficially own.

Thank you for your understanding as we all work together to keep everyone safe and support our customers, colleagues and you, our shareholders.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Scicluna', written in a cursive style.

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 at 33 Holborn, London EC1N 2HT at 11.00am on Thursday, 2 July 2020 for the purpose of considering and, if thought fit, passing the resolutions set out in this Notice of Annual General Meeting (the 'Notice'). Voting on all resolutions will be by way of a poll.

The resolutions numbered 1 to 15, 18 and 20 will be proposed as ordinary resolutions, and must each receive more than 50% of the votes cast in order to be passed (not counting votes 'Withheld'). Resolutions 16, 17, 19, 21 and 22 will be proposed as special resolutions and must each receive at least 75% of the votes cast in order to be passed (not counting votes 'Withheld').

Ordinary business

Report and Accounts

1. To receive and adopt the Company's audited Annual Report and Financial Statements for the 52 weeks to 7 March 2020, 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 and Directors' Remuneration Policy

2. To approve the Annual Report on Remuneration set out on pages 78 to 89 (inclusive) of the Company's Annual Report and Financial Statements for the 52 weeks to 7 March 2020.
3. To approve the Directors' Remuneration Policy set out on pages 90 to 95 (inclusive) of the Company's Annual Report and Financial Statements for the 52 weeks to 7 March 2020.

These resolutions relate to the remuneration of the Directors and seek approval of the Annual Report on Remuneration and the new Directors' Remuneration Policy (the 'Policy') respectively.

Resolution 2 seeks shareholder approval for the Annual Report on Remuneration, which can be found on pages 78 to 89 (inclusive) of the Annual Report and Financial Statements for the 52 weeks to 7 March 2020. The Annual Report on Remuneration discloses how the Company's existing Directors' remuneration 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.

Resolution 3 seeks shareholder approval for the Policy as set out on pages 90 to 95 (inclusive) of the Annual Report and Financial Statements for the 52 weeks to 7 March 2020. In accordance with the Companies Act 2006, this resolution is a binding vote. The Policy sets out the Company's forward looking policy of Directors' remuneration. If approved, the Policy will replace the policy approved in 2017, becoming effective following the AGM and valid for three years until replaced by a new or amended Directors' remuneration policy. Any future changes to the Policy will require shareholder approval. Once approved, all payments to Directors and former Directors will be in accordance with the Policy unless a payment has been separately approved by shareholders. If Resolution 3 is not approved, the Directors' remuneration policy previously approved in 2017 would continue to apply until the shareholders approve a revised Directors' remuneration policy.

Election and Re-election of Directors

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

In accordance with the current 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. Simon Roberts, who was appointed to the Board with effect from 1 June 2020, is accordingly seeking appointment by shareholders. Similarly, Tanuj Kapilashrami and Keith Weed, who were both appointed to the Board with effect from 1 July 2020, are 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 Mike Coupe, Matt Brittin and Jean Tomlin, who will each 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 effectively and demonstrates commitment to the role.

The biographical details of each of the Directors can be found on pages 8 to 10 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, has 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 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 £211,484,000, 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 2021 or at the close of business on 6 September 2021, 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 £211,484,000 which is equivalent to approximately one third of the total issued ordinary share capital of the Company as at 13 May 2020. As at 13 May 2020, 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 2021 or at the close of business on 6 September 2021.

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 £31,722,000,

such authority to expire at the end of the annual general meeting of the Company in 2021 or at the close of business on 6 September 2021, 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 amount 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 £31,722,000; 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 2021 or at the close of business on 6 September 2021, 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 £31,722,000 which is equivalent to approximately 5% of the total issued ordinary share capital of the Company (exclusive of treasury shares) as at 13 May 2020 (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 £31,722,000 which is equivalent to approximately 5% of the total issued ordinary share capital of the Company (exclusive of treasury shares) as at 13 May 2020 (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% 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 2021 or at the close of business on 6 September 2021, whichever is the earlier.

Special business

Political donations

18. That

- (i) in accordance with Part 14 of the 2006 Act, the Company and any company which is, or becomes, a subsidiary of the Company during the period to which this resolution relates are authorised to:
 - (a) make political donations to political parties and/or independent election candidates, not exceeding £50,000 in total;
 - (b) make political donations to political organisations other than political parties, not exceeding £50,000 in total; and
 - (c) incur political expenditure, not exceeding £50,000 in total, during the period beginning with the date of the passing of this resolution and ending on the date of the annual general meeting of the Company in 2021 or at the close of business on 6 September 2021, whichever is the earlier;
- (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 2021 or at the close of business on 6 September 2021. 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 7 March 2020.

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 28½ 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 222,059,000;
- (b) the minimum price which may be paid for an ordinary share is 28½ 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 2021 or at the close of business on 6 September 2021, 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 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 28½ pence each at a price (exclusive of expenses) of not less than 28½ 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 222,059,000 shares, being approximately 10 per cent of the Company's issued ordinary share capital as at 13 May 2020 and will expire at the end of the annual general meeting of the Company in 2021 or at the close of business on 6 September 2021, 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 interest 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 the date of this Notice 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 13 May 2020, being the latest practicable date prior to the publication of this Notice, was 73,187,892 which, if exercised, would represent 3.30 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 13 May 2020 would represent 3.66 per cent of the reduced issued ordinary share capital.

Approval of J Sainsbury plc Share Incentive Plan Rules and Trust Deed

20. That:

- (a) the Rules and Trust Deed of the J Sainsbury plc Share Incentive Plan (the 'SIP') (including the Sainsbury's Argos Share Purchase Plan 2017 as a sub-plan to the SIP), described below and in the form produced in draft to the meeting and for the purpose of identification initialled by the chairman of the meeting, be and are hereby approved and adopted; and
- (b) the Directors of the Company and Argos Limited be and are hereby authorised (i) to do all such things as may be necessary or desirable to carry the SIP into effect, including making any changes to the Rules and/or Trust Deed of the SIP necessary or desirable in order to ensure that the Directors can make a valid declaration to HM Revenue & Customs that the SIP satisfies the requirements of Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003; and (ii) to adopt further plans based on the SIP but (where required) modified to take account of local tax, exchange control or securities law in overseas territories, provided that any shares made available under such further plans are treated as counting against any limits on individual or overall participation in the SIP.

Resolution 20 is to authorise the adoption of the Rules and Trust Deed of the SIP. The SIP is an all employee share incentive plan, which takes advantage of the tax beneficial status of share incentive plans which comply with Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003. Participation will be open to all employees of participating companies. The SIP was initially approved by shareholders on 26 July 2000, and such approval was renewed on 14 July 2010, with such approval expiring on 14 July 2020. If this resolution is passed, approval for the SIP will be renewed for a further 10 years from the date of the AGM. The Rules and Trust Deed of the SIP are substantially the same as the existing Rules and Trust Deed, subject to amendments to take into account changes to the relevant legislation. Argos Limited will also operate the Sainsbury's Argos Share Purchase Plan 2017 (the 'Argos SIP') as a sub-plan to the SIP in respect of employees of Argos Limited and its subsidiaries.

The terms of the Argos SIP are broadly equivalent to those of the SIP. A summary of the main terms of the SIP is set out on pages 11 and 12 of this Notice.

The Rules and Trust Deed of the SIP will be available for inspection during normal business hours on Monday to Friday (excluding bank holidays) at 33 Holborn, London EC1N 2HT from the date of this Notice until the close of the AGM, and on the Company's website at www.about.sainsburys.co.uk.

Approval of amendments to the Articles of Association

21. That the Articles of Association produced to the meeting and for the purpose of identification initialled by the chairman of the meeting be adopted as the Articles of Association of the Company (the 'New Articles') in substitution for, and to the exclusion of, the existing Articles of Association (the 'Existing Articles').

The principal changes to the Existing Articles are summarised in the summary of the principal changes to the Company's Articles of Association on pages 12 and 13 of this Notice. Other changes which are of a minor, technical, procedural or clarificatory nature have not been summarised there. Generally, the proposed amendments are to reflect recent developments in market practice and to bring clarity to the language in the Existing Articles.

The New Articles showing all the changes as compared to the Existing Articles will be available for inspection during normal business hours on Monday to Friday (excluding bank holidays) at 33 Holborn, London EC1N 2HT from the date of this Notice until the close of the AGM, and on the Company's website at www.about.sainsburys.co.uk.

Notice period for general meetings other than annual general meetings

22. 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). Before the law was amended in 2009, the Company was able to call general meetings (other than annual general meetings) on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, Resolution 22 seeks such approval (a similar authority was sought and approved at the 2019 annual general meeting). If this resolution is passed, the authority will expire at the end of the annual general meeting of the Company in 2021, when it is intended that a similar resolution will be proposed.

You should note that in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. 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.

By order of the Board

Tim Fallowfield OBE

Company Secretary and Corporate Services Director
15 May 2020

Directors' biographies



Martin Scicluna * ♥

Chairman

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 is Chairman of RSA Insurance Group plc and was previously Chairman of Great Portland Estates plc. He brings a wealth of past and current experience from over 25 years' service as an executive and non-executive board director in a wide range of companies.

Career experience: Previous roles include 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.

Current directorships/business

interests: Chairman of RSA Insurance Group plc.

Specific contributions to the

Company: Martin has held board positions for over 25 years, with extensive experience as a Chair. In addition, 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 next Chief Executive Officer.

Key to Committee members

- Audit Committee
- ♥ Corporate Responsibility and Sustainability Committee
- * Nomination Committee
- ◆ Remuneration Committee
- ♥*◆ Denotes Chair of Committee



Simon Roberts ♥

Chief Executive Officer

Appointment to the Board: 1 June 2020.

Skills and experience: Simon joined Sainsbury's and the Operating Board in July 2017 as Retail and Operations Director responsible for Stores, Central Operations and Logistics. He brought a wide range of experience and leadership skills to the Board from previous executive and non-executive roles.

Career experience: Simon has over 30 years' experience leading major UK retail brands, having spent 15 years at M&S and 13 years at Boots. 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 UK 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.

Current directorships/business

interests: Non-Executive Chairman at the Institute of Customer Service.

Specific contributions to the

Company: Simon led Sainsbury's industry leading store operations restructure and digitisation throughout 2018, which is now delivering improved customer satisfaction, market leading productivity and further investment in value for customers. Simon recently took responsibility for Argos's retail operations as part of our continued integration. Simon is a dedicated, determined and enthusiastic champion of the customer and of our colleagues. He is a champion of diversity and inclusion and has enabled a significant transformation in capabilities and leadership across Sainsbury's operations.

Retirement in 2019/20

John Rogers retired from the Board on 31 October 2019

Retirements in 2020/21

Matt Brittin will retire from the Board on 2 July 2020

Mike Coupe will retire from the Board on 2 July 2020

Jean Tomlin will retire from the Board on 2 July 2020



Kevin O'Byrne

Chief Financial Officer

Appointment to the Board: 9 January 2017.

Skills and experience: Kevin brings a wealth of retail and finance experience to the Board from his various 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 Limited 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.

Current directorships/business

interests: Non-Executive Director and Chairman of the Audit Committee of Centrica plc.

Specific contributions to the

Company: Kevin is a skilled Chief Financial Officer, with extensive UK and 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, driving the performance of the business.



Brian Cassin ●*

Non-Executive Director

Appointment to the Board: 1 April 2016.

Skills and experience: Brian brings present day experience of running a FTSE 30 group with knowledge of big data and analytics, both topics of key importance to Sainsbury's. As CEO of Experian plc, Brian brings with him 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.

Current directorships/business

interests: 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 sector provide valuable industry insight.



Jo Harlow ♥*♦

Non-Executive Director

Appointment to the Board: 11 September 2017.

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

Career experience: Jo most recently held the position of Corporate Vice President of the Phones Business Unit at Microsoft Corporation. She was previously 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.

Current directorships/business

interests: Jo currently serves as 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 a Member of the Supervisory Board of Ceconomy AG.

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 the business's sustainability strategy. She also brings current external Remuneration Committee experience.



Tanuj Kapilashrami *♦

Non-Executive Director

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 is currently Group Head of HR at Standard Chartered Bank. Tanuj joined Standard Chartered in 2017 from HSBC, where she spent 17 years in key global and regional HR leadership roles.

Current directorships/business

interests: Group Head of HR for Standard Chartered Bank and Trustee of Asia House.

Specific contributions to the

Company: She will be an excellent addition to the Board as we continue to adapt our business and support our colleagues in a rapidly changing marketplace.



David Keens ●*

Non-Executive Director

Appointment to the Board: 29 April 2015.

Skills and experience: David has extensive retail experience and knowledge of consumer-facing businesses, together with core skills in finance.

Career experience: David was formerly Group Finance Director of NEXT plc from 1991 to 2015 and their Group Treasurer from 1986 to 1991. Previous management experience includes nine years in the UK and overseas operations of multinational food manufacturer Nabisco and, prior to that, seven years in the accountancy profession.

Current directorships/business

interests: Non-Executive Director, Senior Independent Director and Chair of the Audit Committee of Auto Trader Group plc.

Specific contributions to the

Company: David contributes with his expertise in finance and the industry knowledge that he has gained over almost 30 years as a board member, providing continuity and knowledge to our long-term decision-making processes as Chair of the Audit Committee. He plays a key role in monitoring the integrity of financial information provided to shareholders and the systems of internal controls and risk management.



Dame Susan Rice ♦*

Senior Independent Director

Appointment to the Board: 1 June 2013.

Susan has been the Senior Independent Director since 6 July 2016.

Skills and experience: Susan has extensive experience as a non-executive director, as well as in retail banking, financial services, leadership and sustainability. Her career in retail banking is particularly relevant to the ownership of Sainsbury's Bank and Argos Financial Services.

Career experience: Susan has been a member of the Scottish First Minister's Council of Economic Advisors, a Managing Director of Lloyds Banking Group Scotland and Chief Executive, and then Chairman, of Lloyds TSB Scotland plc. She has also held a range of non-executive directorships, including at the Bank of England and SSE plc.

Current directorships/business

interests: Chair of Scottish Water and Business Stream, Chair of the Banking Standards Board, Chair of the Scottish Fiscal Commission and Senior Independent Director of the North American Income Trust.

Specific contributions to the

Company: Susan provides insight to the Board from her extensive experience gained as Chair, Senior Independent Director and Non-Executive Director of various businesses. As Chair of the Remuneration Committee, she has played a key role in revising the Remuneration policy and strategy, which will be presented for approval by shareholders at this year's Annual General Meeting. Susan also led the selection process to recruit the current Chairman. She is an expert in financial services, which is invaluable to the Board as part of its oversight of Sainsbury's Bank and Argos Financial Services.



Keith Weed ●♥*

Non-Executive Director

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 groundbreaking sustainability programme globally. While at Unilever, Keith led different parts of Unilever's businesses, including Unilever's Home and Personal Care business in the UK in the early 2000s, where he worked closely with Sainsbury's and other retailers. He has strong international experience and knowledge, having run international businesses and worked in other countries.

Current directorships/business

interests: Non-Executive Director of WPP PLC, President of the Advertising Association, Trustee Director of Business in the Community and proposed President of the Royal Horticultural Society.

Specific contributions to the

Company: Keith will play an important role as we focus on helping our customers to live well for less and building our Net Zero by 2040 plan. He has an excellent understanding of digital and the ways that technology is transforming businesses.

Summary of the main terms of the J Sainsbury plc Share Incentive Plan (the 'SIP')

Under Resolution 20, the Company is proposing to adopt the Rules and Trust Deed of the SIP. The Rules and Trust Deed of the SIP are substantially the same as the existing Rules and Trust Deed, subject to amendments to take into account changes to the relevant legislation. Set out below is a summary of the SIP.

General

The SIP is a share incentive plan designed to take advantage of the tax beneficial status of share incentive plans which comply with Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003 ('Schedule 2').

The SIP shall be administered by the board of Directors of the Company (the 'Board') or a duly authorised committee of the Board.

Argos Limited will also operate the Sainsbury's Argos Share Purchase Plan 2017 (the 'Argos SIP') as a sub-plan to the SIP, in respect of employees of Argos Limited and its subsidiaries. The terms of the Argos SIP are broadly equivalent to those of the SIP.

Eligibility

All employees of the Company and participating subsidiaries who have been employed for a minimum period (not exceeding the period specified from time to time in Schedule 2) and who otherwise satisfy the eligibility requirements in Schedule 2 are entitled to participate in the SIP.

How the SIP may be operated

The Board can operate the SIP in a number of ways. It can:

- make an award of 'free shares'; and/or
- give employees the opportunity to invest in 'partnership shares'; and
- make an award of 'matching shares' to those employees who have invested in 'partnership shares' (free shares, partnership shares and matching shares – together the 'Plan Shares'); and/or
- require or allow employees to re-invest any dividends paid on their Plan Shares in further ordinary shares (the 'Dividend Shares').

Free shares

The Company may award free shares up to a maximum annual value specified in Schedule 2 from time to time. The current maximum annual value is £3,600 per employee. If the Company wishes, the award of free shares can be based on the achievement of individual, team, divisional or corporate performance measures which must be fair and objective. Otherwise, free shares must be awarded to employees on the same terms, although awards can vary by reference to remuneration, length of service or hours worked.

Partnership shares

The Company may provide employees with the opportunity to acquire partnership shares from their gross monthly salary, up to a maximum value specified in Schedule 2 from time to time, currently £1,800 per year. The Company may set a minimum monthly deduction which may not be greater than £10 (or such other amount specified in Schedule 2 from time to time). Ordinary shares will be acquired on behalf of employees within 30 days after each deduction at the market value of the ordinary shares on the date they are acquired. Alternatively, deductions can be accumulated during any accumulation period of up to 12 months. In this case, ordinary shares will be acquired on behalf of employees within 30 days after the end of the accumulation period, at the lower of the market value of the ordinary shares at the beginning of the accumulation period or the date when they are acquired.

Matching shares

The Company may award matching shares for free up to a maximum number of matching shares for each partnership share acquired by the employee, as specified in Schedule 2 from time to time. The current maximum is two matching shares for each partnership share.

Dividend shares

The Company can either give employees the opportunity, or require employees, to re-invest any dividends paid on any of their Plan Shares in further ordinary shares.

Trust

The SIP operates through a trust, which will acquire ordinary shares by purchase, by subscription or by the acquisition of ordinary shares held in treasury and will hold the ordinary shares on behalf of the employees.

Awards of free shares

An award of free shares may only be made within the period of 42 days commencing on:

- the day on which the SIP is approved by shareholders;
- any day on which changes to the legislation affecting share incentive plans under Schedule 2 are announced, effected or made;
- the day following the end of a closed period under the Market Abuse Regulation;
- where the award is subject to restrictions imposed by statute, order, regulation or any dealing code adopted by the Company, the day following the lifting of such restrictions; or
- any day on which the Board determines that exceptional circumstances exist which justify an award of free shares.

Holding period

Free and/or matching shares must generally be held in trust for a period specified by the Company, which must not be less than three years nor more than five years from the date on which the shares are awarded to employees. Dividend Shares must generally be held in trust for three years.

Cessation of employment, forfeiture of shares and non-transferability

The Company may specify that free shares and/or matching shares are forfeited if employees cease employment with a member of the Group (other than because of certain circumstances such as death, redundancy, injury, disability, retirement, transfer of the employing business or change of control of the employing company) within the period of up to three years from the date on which shares were awarded. Employees can withdraw their partnership shares from the SIP at any time. The Company can stipulate that matching shares will be subject to forfeiture if the corresponding partnership shares are withdrawn within a specified period after they are awarded, not exceeding three years. To the extent not forfeited, Plan Shares and Dividend Shares must be withdrawn from the SIP trust if the participant ceases employment with a member of the Group.

Limits on the issue of shares

The use of newly issued ordinary shares under the SIP is limited to 10 per cent of the issued share capital of the Company from time to time, taking into account ordinary shares issued or to be issued over the previous 10-year period under the SIP and any other employees' share plans adopted by the Company.

For the purposes of calculating this limit, ordinary shares transferred from treasury will be treated the same as newly issued ordinary shares.

Amendments to the SIP

The Board will have authority to amend the SIP, provided that no amendment to the advantage of participants or qualifying employees may be made to provisions relating to eligibility, limits on participation and the number of new shares available under the SIP, the basis for determining a participant's entitlements in the event of a variation in the Company's share capital, and the amendment provisions themselves, without the prior approval of the shareholders in a general meeting (unless an amendment is minor and made to benefit the administration of the SIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Company, any participating company or for participants or qualifying employees).

Authority to operate the SIP

No invitations to participate in awards under the SIP may be issued after the 10th anniversary of its date of adoption by shareholders.

Awards non-pensionable

Benefits under the SIP are not pensionable.

Summary of the principal changes to the Company's Articles of Association

Under Resolution 21, the Company is proposing to adopt New Articles to replace the Existing Articles. Set out below is a summary of the principal changes proposed to be made in the New Articles as compared to the Existing Articles. Article references below are to the New Articles. The New Articles also include some other minor, technical, procedural or clarificatory amendments which have not been detailed below. Generally, the amendments proposed in the New Articles are to reflect recent developments in market practice and to bring clarity to the language in the Existing Articles.

(a) Untraced members (Articles 46, 47, 49 and 50):

The Company is proposing to simplify the procedure for contacting untraced members and selling the shares of such untraced members. Under both the Existing Articles and New Articles, a member or person entitled to shares is considered untraced following a 12-year period where no communication has been received by the Company from such member or person, no cheque or warrant sent by the Company has been cashed and at least three dividend payments have been unclaimed. Under the Existing Articles, the Company is required to place an advertisement in newspapers before considering a member to be untraced. The New Articles remove such requirement, and in accordance with current market practice, the New Articles require notice be sent to the last known physical address or email address for the member, or person entitled to shares, and use reasonable efforts to trace the member or person entitled to shares. If no response is received within three months of this notice, the Company is entitled to sell the shares. The Company may also sell any additional shares that were issued by the Company during the 12-year period that belong to the untraced member.

The New Articles provide for the proceeds of the sale to belong to the Company and the wording has been modernised to allow for simpler administration. The requirement for the Company to enter the relevant holder in the books of the Company as a creditor has been removed. The New Articles now provide that the net proceeds of the sale of shares belonging to untraced members may be applied in the business of the Company or in any such manner as the Directors may, from time to time, determine.

(b) Postponement of general meetings (Article 55A):

The Company is proposing to insert a new article that gives the Directors of the Company the ability to postpone, or move, a general meeting. Without express authority in the Articles of Association, Directors of the Company do not have the power to postpone a general meeting once notice has been given. The proposed amendment provides the Directors with flexibility to postpone, or move, a general meeting prior to the date on which the meeting is to be held except where such postponement or move would be contrary to applicable company law.

If the Directors exercise their discretion, notice of the postponed meeting does not need to be given again and any proxy appointments made for such meeting will remain valid if otherwise in accordance with the New Articles and received by the Company not less than 48 hours before the commencement of the postponed or moved meeting to which the appointment relates. This amendment is intended to provide flexibility to the Directors in certain circumstances, for example, where the business to be considered at a general meeting is no longer relevant or required or whether unforeseen or extraordinary circumstances mean that the Directors consider that it will be impractical, undesirable or unreasonable, to hold a general meeting at the place, time or on the date stated in the notice of meeting. The Directors currently intend for this power to be used only in certain exceptional circumstances.

(c) Combined physical and electronic general meetings (Articles 65D and 65E):

The New Articles give the Company greater flexibility to hold general meetings by allowing combined physical and electronic general meetings (also known as 'hybrid' meetings). These hybrid meetings would enable members to attend and participate in the business of the meeting by attending a physical location or by means of an electronic facility or facilities if the Directors decide to hold a combined physical and electronic general meeting.

The New Articles set out the procedures and processes for attendance at, and participation in, combined physical and electronic general meetings. This includes how attendance is determined and allowing Directors to make arrangements to enable attendees to exercise their rights to speak or vote. The New Articles provide that persons participating via an electronic platform shall be responsible for ensuring they have the facilities to access the meeting. Unless a meeting is adjourned by the chairman, the inability of a person to attend or participate via an electronic platform will not affect the validity of, or business conducted at, a general meeting.

The New Articles are not intended to permit the Company to hold general meetings wholly by electronic means. The New Articles include consequential changes to enable such combined physical and electronic general meetings. It is not the current intention of the Board to routinely hold combined physical and electronic general meetings. These amendments are being made to provide the Directors with the flexibility should they need to make alternative arrangements for participation in meetings (including where physical participation may be prevented or restricted).

(d) Borrowing powers (Article 98):

Following a recent change to International Financial Reporting Standard 16 (IFRS 16 Leases) which provided that from January 2019 leases must be accounted for as a liability on the lessee's balance sheet, the New Articles clarify that for the purposes of determining the Group's borrowing restrictions, such leases are excluded from the calculation of 'borrowings'. The proposed amendment to exclude lease liabilities from borrowings will ensure that the ratio of borrowings to adjusted capital and reserves is not artificially adversely impacted as a result of an accounting change.

(e) Unclaimed dividends (Article 147):

In line with market practice, the New Articles provide clarity on what constitutes unclaimed dividends and the treatment by the Company of such unclaimed dividends. The proposed amendments clarify that a dividend is to be treated as unclaimed if the payee does not specify an address, bank account or other details necessary in order to make a payment of a dividend, or if payment cannot be made by the Company using the details provided. Shareholders can claim their unclaimed dividends at any time up to the expiry of the 12-year period. Any dividend which has remained unclaimed after the 12-year period is forfeited and belongs to the Company. In parallel with the amendment to provisions regarding untraced members, the New Articles also provide that if the Company sells shares of an untraced member, any dividend relating to these shares that has not been cashed or claimed shall revert to the Company when such shares are sold. The proposed amendments in the New Articles entitle the Company to use such unclaimed dividends for the Company's benefit or in any manner that the Directors may from time to time think fit.

(f) Methods of paying dividends (Article 148):

The New Articles amend the Existing Articles to provide further flexibility to the manner in which dividends can be paid by the Company. The amendment gives the Company flexibility to pay dividends by cheque or warrant, through CREST or other relevant systems, or by bank transfer or any electronic means or such other means as the Directors may decide. The amendments to this provision are in line with market practice and reflect that increasingly cheques and warrants are no longer the Company's primary methods of paying dividends.

The New Articles showing all the changes as compared to the Existing Articles will be available for inspection during normal business hours on Monday to Friday (excluding bank holidays) at 33 Holborn, London EC1N 2HT from the date of this Notice until the close of the AGM, and on the Company's website at www.about.sainsburys.co.uk.

Meeting formalities and voting

Voting at the Annual General Meeting

At the time of preparing this Notice, the UK Government has passed measures into law that restrict non-essential travel and prohibit public gatherings of more than two people (save where the gathering is essential for work purposes), in order to help to combat COVID-19.

In light of the current UK Government measures, **shareholders should not attend the AGM in person**. We will provide a telephone facility to enable shareholders to listen to the business of the meeting and, following the conclusion of the formal business of the AGM, engage in a question and answer session with the Board.

To be entitled to vote at and, subject to the measures in place at the time of the AGM, to attend the meeting (and for the purposes of determining the number of votes shareholders may cast), shareholders must be entered on the Company's Register of Members at **6.30pm on Tuesday, 30 June 2020** or, if the meeting is adjourned, shareholders must be entered on the Company's Register of Members at 6.30pm two days before the time fixed for the adjourned meeting. In each case, changes to the Register of Members after such time will be disregarded.

The total number of issued ordinary shares in the Company on 13 May 2020, which is the latest practicable date before the publication of this document, is 2,220,591,595. As at 13 May 2020, the Company did not hold any shares in treasury. Therefore, the total number of votes exercisable as at 13 May 2020 is 2,220,591,595. On a vote by show of hands, every member who is present has one vote and every proxy present who has been duly appointed by a member entitled to vote has one vote. On a poll vote, every member who is present in person or by proxy has one vote for every ordinary share of which they are the holder. We will take all resolutions on a poll vote which is in line with best practice. On a poll, each shareholder has one vote for every share he, she or they hold. The results of the voting on the resolutions will be posted on the Company's website after the meeting and notified to the Financial Conduct Authority.

Appointment of a Proxy

Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to exercise all or any of his/her rights to attend, speak and vote at the AGM instead of them, 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 is enclosed, and further details are given on this form.

However, as mentioned in the Chairman's Letter to Shareholders, in light of the evolving COVID-19 situation and proposed AGM arrangements, to ensure that your vote counts, shareholders are strongly encouraged to **appoint the chairman of the AGM as their proxy** and then complete, sign and return the Proxy Form to Equiniti, Aspect House, Spencer Road, Lancing BN99 6DA as soon as possible but in any event no later than **11.00am on Tuesday, 30 June 2020**.

Although this Notice is sent to beneficial owners of shares under the Sainsbury's and Argos Share Purchase Plans, only holders of ordinary shares or their proxy are entitled to attend and vote at the meeting.

If you are not a shareholder but enjoy 'information rights' you should contact the person who nominated you to receive these rights to see if the agreement you have with them gives you the right to be appointed as a proxy. If you do not have this right, or do not wish to exercise it, you may still have the right to tell the person who nominated you how you would like them to vote.

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the 2006 Act ('Nominated Persons'). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

Please note that a vote 'Withheld' option is provided on the Proxy Form to enable you to abstain on any particular resolution. However, a vote 'Withheld' is not a vote in law and will not be counted in the calculation of the proportion of votes 'For' and 'Against' a resolution.

Electronic voting

If you would like to submit your proxy appointment online, you can do so by accessing our Registrar's website at **www.sharevote.co.uk** so as to be received no later than **11.00am on Tuesday, 30 June 2020**. In order to submit your proxy appointment electronically, you will require the Voting ID, Task ID and Shareholder Reference Number, printed on the Proxy Form, or, if you have received electronic notification of the AGM, detailed in the email bulletin that you have received. You can access this site from any internet-enabled computer, tablet or mobile phone.

CREST voting facility

Those shareholders who hold shares through CREST may choose to appoint a proxy or proxies using CREST. The CREST Proxy Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instruction as described in the CREST Manual available via **www.euroclear.com**. Personal or sponsored members and those with a voting service provider should request the sponsor or provider to take the appropriate action.

Time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which our Registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to a proxy appointed through CREST should be communicated to the appointee by other means. The Directors may treat a CREST Proxy Instruction which purports to be or is expressed to be sent on behalf of a shareholder as sufficient evidence of the authority of the person sending that instruction to send it on behalf of the holder.

CREST Proxy Instructions must be received by our Registrar (ID RA19) by **11.00am on Tuesday, 30 June 2020**.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear 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 or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider takes) 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.

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.

Corporate Sponsored Nominee

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, 29 June 2020**.

Corporate representatives

A corporate shareholder may authorise a person to act as its representative(s) at the AGM. In accordance with the provisions of the 2006 Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder of the Company, provided that they do not do so in relation to the same shares.

In light of the proposed AGM arrangements, to ensure that your vote counts, shareholders (including corporate shareholders) are strongly encouraged to **appoint the chairman of the AGM as their proxy** and then complete, sign and return the Proxy Form to Equiniti, Aspect House, Spencer Road, Lancing BN99 6DA no later than **11.00am on Tuesday, 30 June 2020**.

Website statement

Shareholders should note that, under Section 527 of the 2006 Act, 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 7 March 2020; or (ii) any circumstance connected with an auditor of the Company appointed for the 52 weeks to 7 March 2020 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.

Right to ask questions

Shareholders, their appointed proxies and authorised corporate representatives have the right to ask questions at the AGM relating to the business of the meeting. 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.

Pre-submitted questions

Given the proposed AGM arrangements in light of COVID-19, shareholders are encouraged to submit questions or raise matters of concern in advance of the AGM by emailing **agm@sainsburys.co.uk** by **6.30pm on Tuesday, 30 June 2020**. Shareholders should include their full name and Shareholder Reference Number in their email. Following the conclusion of the formal business of the AGM, members of the Board intend to respond to these pre-submitted questions, after which, and if time permits, shareholders will be able to use the telephone facility to ask questions that have not been addressed. The responses will be published on our website as soon as is practicable after the AGM.

Telephone Facility

A telephone facility will be provided to allow shareholders to listen to the business of the meeting. Shareholders will need their Shareholder Reference Number (Username) to use the telephone facility, which can be found on the Proxy Form or other correspondence regarding their shareholding. In order to use the telephone facility, duly appointed proxies and corporate representatives will need to contact the Company's Registrar before **11.00am on Wednesday, 1 July 2020** to receive the unique Username.

The Company's Registrar can be contacted at Equiniti, Aspect House, Spencer Road, Lancing BN99 6DA, or at the J Sainsbury plc Shareholder Helpline on 0333 207 6557* (UK calls) or +44 (0) 121 415 0959* (international calls).

Further details in relation to these arrangements, including the telephone number, will be made available on the Company's website **www.about.sainsburys.co.uk** prior to the meeting. Any such shareholder participation via the telephone facility will not constitute formal attendance at the AGM and shareholders will not be able to vote on any resolutions. Shareholders are encouraged to register their vote in advance in the ways described above.

Emails

No electronic addresses provided in this document (or any related documents) may be used to communicate with the Company for any purpose other than those expressly stated.

Documents on display

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

- (a) the Rules and Trust Deed of the SIP;
- (b) the existing Articles of Association of the Company;
- (c) the New Articles showing all changes to the Existing Articles; and
- (d) the service contracts and letters of appointment of the Directors.

Website information

A copy of this Notice, a copy of the Rules and Trust Deed of the SIP, a copy of the New Articles showing all changes to the Existing Articles and any other information required by Section 311A of the 2006 Act can be found at **www.about.sainsburys.co.uk**.

Further details on our AGM and any updates to these arrangements will be made available on our website **www.about.sainsburys.co.uk** prior to the meeting.

Annual Report and Financial Statements

A copy of the Annual Report and Financial Statements for the 52 weeks to 7 March 2020 can be found at **www.about.sainsburys.co.uk/ar2020**.

*Lines are open from 9.00am to 5.00pm (UK time), Monday to Friday, excluding public holidays in England and Wales.

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