

# J Sainsbury plc

## J SAINSBURY PLC

(incorporated with limited liability under the laws of England and Wales with registered number 00185647)

**£5,000,000,000**

### **Euro Medium Term Note Programme**

Under this £5,000,000,000 Euro Medium Term Note Programme (the **Programme**), J Sainsbury plc (the **Issuer** or the **Company**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively **Bearer Notes** and **Registered Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “*Overview of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see “Risk Factors”.**

This Prospectus has been approved as a base prospectus by the Financial Conduct Authority (the **FCA**), as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) (the **UK Prospectus Regulation**). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus nor as an endorsement of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to the FCA for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the official list of the FCA (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange’s main market.

References in this Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange’s main market and have been admitted to the Official List. The London Stock Exchange’s main market is a United Kingdom (**UK**) regulated market for the purposes of Regulation (**EU**) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**).

**This Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the UK. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.**

The requirement to publish a prospectus under the Financial Services and Markets Act 2000 (FSMA) only applies to Notes which are admitted to trading on a UK regulated market as defined in UK MiFIR and/or offered to the public in the UK other than in circumstances where an exemption is available under section 86 of the FSMA. References in

this Prospectus to **Exempt Notes** are to Notes for which no prospectus is required to be published under the FSMA. The FCA has neither approved nor reviewed information contained in this Prospectus in connection with Exempt Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will (other than in the case of Exempt Notes, as defined above) be set out in a final terms document (the **Final Terms**) which will be delivered to the FCA and, where listed, the London Stock Exchange. Copies of the Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the **Pricing Supplement**).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Issuer has been rated Baa3 by Moody’s Investors Service Limited (**Moody’s**) and BBB by S&P Global Ratings UK Limited (**S&P**). The Programme is expected to be rated as (P)Baa3 by Moody’s and as BBB by S&P.

Each of Moody’s and S&P is established in the UK and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the **UK CRA Regulation**). Neither Moody’s nor S&P is established in the European Economic Area (the EEA) or has applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). Accordingly, the ratings issued by Moody’s and S&P have been endorsed by Moody’s Deutschland GmbH and S&P Global Ratings Europe Limited, respectively, in accordance with the CRA Regulation and have not been withdrawn. Each of Moody’s Deutschland GmbH and S&P Global Ratings Europe Limited is established in the EEA and registered under the CRA Regulation. As such, each of Moody’s Deutschland GmbH and S&P Global Ratings Europe Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable on Floating Rate Notes will be calculated by reference to one of SONIA, SOFR, €STR and EURIBOR, as specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes). As at the date of this Prospectus, the administrator of EURIBOR (which is the European Money Markets Institute) is included in the FCA’s register of administrators under Article 36 of Regulation (EU) No 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**). As far as the Issuer is aware, €STR (the administrator of which is the European Central Bank), SOFR (the administrator of which is the Federal Reserve Bank of New York) and SONIA (the administrator of which is the Bank of England) do not fall within the scope of the UK Benchmarks Regulation by virtue of Article 2 of that regulation.

Arranger

**NatWest Markets**

Dealers

**ABN AMRO**

**Barclays**

**HSBC**

**MUFG**

**Rabobank**

**Bank of China**

**BNP PARIBAS**

**Lloyds Bank Corporate Markets**

**NatWest Markets**

**UBS Investment Bank**

The date of this Prospectus 17 January 2025.

## IMPORTANT INFORMATION

This Prospectus comprises a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 8 of the UK Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"). This Prospectus shall be read and construed on the basis that those documents are incorporated in, and form part of, this Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FCA.

Neither the Dealers nor BNY Mellon Corporate Trustee Services Limited (the Trustee) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer, any of the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers or the Trustee.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, any of the Dealers or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to the date hereof or, as the case may be, the date upon which this Prospectus has been most recently amended or supplemented, that there has been no adverse change in the financial position of the Issuer since the date hereof or, as the case may be, the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their

**attention. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any parent company or affiliate of the Dealers is a licensed broker or dealer in that jurisdiction and so agrees, the offering shall be deemed to be made by the Dealers or such parent company or affiliate on behalf of the Issuer in such jurisdiction.**

**IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled “Prohibition of sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) (**MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended) (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT – UK RETAIL INVESTORS** – If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled “Prohibition of sales to UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MiFID II product governance/target market** – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) may include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**UK MiFIR product governance/target market** – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) may include a legend entitled “UK MiFIR product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution

of the Notes are appropriate. A distributor (as defined above) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

**NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE SFA)** – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the CMP Regulations 2018), the Issuer has, unless otherwise specified before an offer of Notes, determined and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes to be issued under the Programme are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFERS OF NOTES GENERALLY**

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealers and the Trustee do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the EEA, the UK and Singapore, see “*Subscription and Sale*”.

## **NOTICE TO CANADIAN INVESTORS**

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a

misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

## **PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

### **Presentation of Financial Information**

Unless otherwise indicated, the financial information in this Prospectus relating to the Issuer has been derived from the audited consolidated financial statements of the Issuer as of and for the 52-week period ended on 4 March 2023 and the 52-week period ended on 2 March 2024, or from the reviewed half-year financial statements of the Issuer as of and for the 28-week period ended on 14 September 2024 and the 16-week period ended on 4 January 2025 (together, the **Financial Statements**).

The Financial Statements have been prepared in accordance with international accounting standards which are adopted for use in the UK (**UK-IAS**).

### **Alternative Performance Measures**

The Group (as defined below) uses certain alternative performance measures (**APMs**) to assess the performance of its business (as described further below). These APMs are not calculated in accordance with UK-IAS or the International Financial Reporting Standards issued by the International Accounting Standards Board (the **IFRS**). The Group considers that these APMs provide useful information to enhance the understanding of the financial performance of the Group but APMs should not be regarded as a substitute for, or superior to, any IFRS measures of performance.

For further details on (i) an explanation of why such APMs provide useful information for investors and (ii) the relevant page reference(s) to the 2024/2025 Interim Results (as defined below), the 2024 Annual Report (as defined below) and the 2023 Annual Report (as defined below) for the basis of calculation, components, reconciliation and comparatives to previous reporting periods, please see the table below:

<b>APM</b>	<b>Explanation of Why Use of APM Provides Useful Information</b>	<b>2024/2025 Interim Results page reference</b>	<b>2024 Annual Report page reference</b>	<b>2023 Annual Report page reference</b>	<b>2022 Annual Report page Reference</b>	<b>2021 Annual Report page Reference</b>
Retail like-for-like sales	This measure is widely used in the retail sector	52	199	219	203	194
Retail underlying operating profit and margin	This is the lowest level at which the retail segment can be viewed from a management perspective, with finance costs managed for the Group as a whole	52	199	219	203	194
Underlying profit before tax	Provides additional insight into the year-on-year performance	52	132	134 to 137, 219	203	195
Underlying basic and diluted earnings per share	A key measure to evaluate the performance of the business and returns generated for investors	53	132, 155, 156	147, 220	131, 204	121,195
Retail underlying EBITDA	Used to review the retail segment's profit generation and	53	200	220	204	195

<b>APM</b>	<b>Explanation of Why Use of APM Provides Useful Information</b>	<b>2024/2025 Interim Results page reference</b>	<b>2024 Annual Report page reference</b>	<b>2023 Annual Report page reference</b>	<b>2022 Annual Report page Reference</b>	<b>2021 Annual Report page Reference</b>
	the sustainability of ongoing capital reinvestment and finance costs					
Underlying finance income and finance cost	Provides additional insight into the underlying net finance costs	53	153	143, 220	204	196
Underlying tax rate	Provides an indication of the tax rate across the Group before the impact of non-underlying items	53	154	144, 220	204	196
Net debt	This metric shows the liquidity and indebtedness of the Group and whether the Group can cover its debt commitments	56	181, 182	190 to 193, 223	207	198
Retail cash flow items in financial review	Retail free cashflow: Net cash generated from retail operations, after	53 to 55	200-201	221	205	196

APM	Explanation of Why Use of APM Provides Useful Information	2024/2025 Interim Results page reference	2024 Annual Report page reference	2023 Annual Report page reference	2022 Annual Report page Reference	2021 Annual Report page Reference
	cash capital expenditure and including payments of lease obligations, cash flows from joint ventures and associates. In respect of the 2024/2025 Interim Results this excludes capital injections to, dividends from, and any other exceptional cash movements with or on behalf of Sainsbury's Bank and its subsidiaries. <sup>1</sup> This measures cash generation, working capital efficiency and capital					

<sup>1</sup> The explanation of this APM has been amended in the 2024/2025 Interim Results. Previously, Retail free cashflow included capital injections to and dividends from Sainsbury's Bank and its subsidiaries. This change results in more relevant information as Retail Free Cash Flow will now solely represent Retail cash flows without any impacts of the changes to the Financial Services model, and enables management to assess solely the cash flows associated with its core Retail operations.

APM	Explanation of Why Use of APM Provides Useful Information	2024/2025 Interim Results page reference	2024 Annual Report page reference	2023 Annual Report page reference	2022 Annual Report page Reference	2021 Annual Report page Reference
	<p>expenditure of the retail business.</p> <p>Other retail cash flow: Individual cash flow line items segregated from Group cash flows to allow individual retail cash flows to be identified. This enables management to assess the cash generated from its core retail operations and to assess core retail capital expenditure in the financial year in order to review the strategic business performance</p>					
Underlying retail cash flow movements	Identifies cash movements in respect of retail non-underlying	56	202	n/a	n/a	n/a

<b>APM</b>	<b>Explanation of Why Use of APM Provides Useful Information</b>	<b>2024/2025 Interim Results page reference</b>	<b>2024 Annual Report page reference</b>	<b>2023 Annual Report page reference</b>	<b>2022 Annual Report page Reference</b>	<b>2021 Annual Report page Reference</b>
	items and also sets out a breakdown of items included in the summary cash flow statement set out in the financial review.					
Net debt/underlying EBITDA	Helps management measure the ratio of the business's debt to operational cash flow	57	203	223	207	198
Return on capital employed	Represents the total capital that the Group has utilised in order to generate profits. Management uses this to assess the performance of the business	57	203	223	207	198
Fixed charge cover	This helps assess the Group's ability	58	203	223	207	198

<b>APM</b>	<b>Explanation of Why Use of APM Provides Useful Information</b>	<b>2024/2025 Interim Results page reference</b>	<b>2024 Annual Report page reference</b>	<b>2023 Annual Report page reference</b>	<b>2022 Annual Report page Reference</b>	<b>2021 Annual Report page Reference</b>
	to satisfy fixed financing expenses from performance of business					
Underlying Group sales	Shows the annual rate of growth in the Group's sales and is considered a good indicator of how rapidly the Group's core business is growing	n/a	n/a	n/a	n/a	194
Underlying retail sales	Shows the annual rate of growth in the Group's retail business sales	n/a	n/a	n/a	n/a	194
Underlying working capital movements	Provides a reconciliation of the working capital movement in the financial statements to the underlying working capital movement in the financial review	n/a	n/a	222	206	197

<b>APM</b>	<b>Explanation of Why Use of APM Provides Useful Information</b>	<b>2024/2025 Interim Results page reference</b>	<b>2024 Annual Report page reference</b>	<b>2023 Annual Report page reference</b>	<b>2022 Annual Report page Reference</b>	<b>2021 Annual Report page Reference</b>
Net cash generated from retail operations	Enables management to assess the cash generated from its core retail operations	n/a	n/a	221	205	197
Core retail capital expenditure	Allows management to assess core retail capital expenditure in the period in order to review the strategic business performance	n/a	n/a	221	205	197

An explanation of each such APM's components and calculation method can be found at pages 52 to 58 (incorporated by reference herein) of the 2024/2025 Interim Results, pages 199 to 203 (incorporated by reference herein) of the 2024 Annual Report, pages 219 to 223 (incorporated by reference herein) of the 2023 Annual Report, pages 202 to 207 (incorporated by reference herein) of the 2022 Annual Report and pages 194 to 298 (incorporated by reference herein) of the 2021 Annual Report.

### **Prospectus Supplement**

If at any time the Issuer shall be required to prepare a prospectus supplement pursuant to Article 23 of the UK Prospectus Regulation, the Issuer will prepare and make available an appropriate amendment or supplement to this Prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the London Stock Exchange's main market, shall constitute a prospectus supplement as required by Article 23 of the UK Prospectus Regulation.

### **Third Party Information**

Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of any third party information is identified where used.

### **Certain Defined Terms and Conventions**

Capitalised terms which are used but not defined in any particular section of this Prospectus will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Prospectus. In addition, the following terms as used in this Prospectus have the meanings defined below:

In this Prospectus, all references to:

- *U.S. dollars*, *U.S.\$* and *\$* refer to United States dollars;
- *Sterling* and *£* refer to pounds sterling; and
- *euro* and *€* refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Certain figures and percentages included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In this Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

## **SUITABILITY OF INVESTMENT**

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets;
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (vi) understands the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the Notes.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

#### **CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS**

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include, but are not limited to, statements regarding the intentions of the Issuer and beliefs or current expectations concerning, among other things, the business, results of operations, financial position and/or prospects of the Issuer.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance. The financial position and results of operations of the Group, and the development of the markets and the industries in which members of the Group operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Prospectus. In addition, even if the Group's results of operations and financial position, and the development of the markets and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements. See "*Risk Factors*" below.

## TABLE OF CONTENTS

	<b>Page</b>
OVERVIEW OF THE PROGRAMME.....	18
RISK FACTORS.....	23
DOCUMENTS INCORPORATED BY REFERENCE .....	39
FORM OF THE NOTES .....	43
APPLICABLE FINAL TERMS .....	47
APPLICABLE PRICING SUPPLEMENT .....	58
STABILISATION .....	69
TERMS AND CONDITIONS OF THE NOTES.....	70
USE OF PROCEEDS.....	123
DESCRIPTION OF THE ISSUER.....	124
TAXATION .....	131
SUBSCRIPTION AND SALE .....	133
GENERAL INFORMATION.....	137

## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement).*

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Delegated Regulation (EU) No 2019/980 as it forms part of domestic law by virtue of the EUWA.

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this Overview.

<b>Issuer:</b>	J Sainsbury plc
<b>Issuer Legal Entity Identifier (LEI):</b>	213800VGZAAJIKJ9Y484
<b>Risk Factors:</b>	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series (as defined below) of Notes issued under the Programme. All of these are set out under “ <i>Risk Factors</i> ”.
<b>Description:</b>	Euro Medium Term Note Programme
<b>Arranger:</b>	NatWest Markets Plc
<b>Dealers:</b>	ABN AMRO Bank N.V. Bank of China Limited, London Branch Barclays Bank PLC BNP PARIBAS Coöperatieve Rabobank U.A. HSBC Bank plc Lloyds Bank Corporate Markets plc MUFG Securities EMEA plc NatWest Markets Plc UBS AG London Branch and any other Dealers appointed in accordance with the Programme Agreement.
<b>Certain Restrictions:</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”) including the following restrictions applicable at the date of this Prospectus.  <b>Notes having a maturity of less than one year</b> Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are

issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

<b>Principal Paying Agent:</b>	The Bank of New York Mellon, London Branch
<b>Registrar and Transfer Agent:</b>	The Bank of New York Mellon SA/NV, Dublin Branch
<b>Trustee:</b>	BNY Mellon Corporate Trustee Services Limited
<b>Programme Size:</b>	Up to £5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Subject to any applicable legal or regulatory restrictions, Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer.
<b>Method of Issue:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a <b>Series</b> ) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement).
<b>Maturities:</b>	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
<b>Issue Price:</b>	Notes will be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
<b>Form of Notes</b>	The Notes will be issued in either bearer or registered form as described in “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> .
<b>Fixed Rate Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day

Count Fraction as may be agreed between the Issuer and the relevant Dealer.

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined on the basis of the reference rate set out in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement).

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

**Benchmark discontinuation  
(Floating Rate Notes only):**

Other than for Floating Rate Notes for which the Reference Rate is specified as "SOFR" in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), if a Benchmark Event occurs, such that any Rate of Interest (or any component part thereof) cannot be determined by reference to the relevant Original Reference Rate, then the Issuer may (subject to certain conditions) be permitted to substitute such Original Reference Rate with a successor, replacement or alternative benchmark and/or screen rate (with consequent amendment to the terms of the Notes and the application of an adjustment spread (which could be positive, negative or zero)).

In respect of Floating Rate Notes for which the Reference Rate is specified as "SOFR" in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, then the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes and the Issuer will have the right (subject to certain conditions) to make Benchmark Replacement Conforming Changes from time to time.

**Step Up/Step Down Rating Change:**

The applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will specify whether Step Up/Step Down Rating Change will apply to the Notes, in which case the rate of interest (in the case of Fixed Rate Notes) or the margin (in the case of Floating Rate Notes) may be subject to adjustment as specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) in accordance with Condition 5.3.

**Exempt Notes:**

The Issuer may agree with any Dealer and the Trustee that Exempt Notes may be issued in a form not contemplated by

the “*Terms and Conditions of the Notes*”, in which event the relevant provisions will be included in the applicable Pricing Supplement.

**Redemption:**

The applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer at certain times or in certain circumstances upon giving notice to the Noteholders, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see “*Certain Restrictions - Notes having a maturity of less than one year*” above.

**Redemption or purchase on change of control:**

The Notes of a Noteholder may be redeemed or purchased prior to their stated maturity at the option of such Noteholder on a change of control and rating downgrade, as further described in Condition 7.4.

**Denomination of Notes:**

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “*Certain Restrictions - Notes having a maturity of less than one year*” above, and save that the minimum denomination of each Note (other than an Exempt Note) will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

**Taxation:**

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Relevant Jurisdiction as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.

**Negative Pledge:**

The terms of the Notes will contain a negative pledge provision as further described in Condition 4.

**Cross Default:**

The terms of the Notes will contain a cross default provision as further described in Condition 10.

**Status of the Notes:**

The Notes will constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves. The payment obligations of the Issuer under the Notes shall (subject to Condition 4 and

to such exceptions as exist by statute) at all times rank equally with all other unsecured and unsubordinated obligations of the Issuer.

**Rating:** The Programme is expected to be rated as (P)Baa3 by Moody's and as BBB by S&P. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Listing:** Application has been made to the FCA for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the Official List of the FCA and to the London Stock Exchange for such notes to be admitted to trading on the London Stock Exchange's main market.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. For considerations in relation to Notes which are neither listed nor admitted to trading, see "*Taxation*".

The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

**Governing Law:** The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.

**Selling Restrictions:** There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA, the UK and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

**United States Selling Restrictions:** Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes).

## **RISK FACTORS**

*The following are certain aspects of the activities of the Issuer about which prospective investors should be aware. The occurrence of any of the events described below could have a significant adverse impact on the business, financial condition or the results of the operations of the Issuer and could affect the ability of the Issuer to fulfil its obligations under the Notes. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. Prospective investors should read the detailed information set out elsewhere in this Prospectus prior to making any investment decision. Further, any prospective investor should take its own legal, financial, accounting, tax and other relevant advice as to the structure and the viability of the investment.*

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER OR IN CONNECTION WITH THE NOTES ISSUED UNDER THE PROGRAMME**

#### **RISKS RELATING TO THE ISSUER AND ITS BUSINESS**

##### **Economic and Financial Risk**

*An adverse change in macroeconomic conditions, whether domestically or internationally, may adversely affect the costs of conducting business, the Group's relative competitive position, cash liquidity and its financial performance*

As the great majority of the Group's revenues are generated from retailing and associated activities in the UK, the Group's business, results of operations, financial condition and prospects are, and will continue to be, particularly affected by the prevailing economic conditions in the UK, where there continues to be macroeconomic uncertainty relating to geopolitics and other global events such as wars and civil unrest, terrorism, elections, government restrictions, cost and wage inflation, as well as energy supply issues resulting in an increase in operational costs for the Group and its suppliers. The cost of conducting business could also be materially affected as a result of, amongst other things, the increasing costs of, or volatility in the cost of, raw materials or commodities, including foods, petroleum, electricity and other fuels, adverse exchange rate movements, cross-border trade complexities and changes to taxation and tariffs (resulting in unpredictable tax exposures).

The Group manages the risk of macroeconomic conditions impacting its own liquidity through a range of strategies including: (i) maintaining an infrastructure of systems, policies and reports to ensure discipline and oversight on all financial matters including tax, treasury, financial reporting and performance; (ii) managing market factors, commodity prices and currency fluctuations in line with its Group treasury and energy hedging policies; (iii) maintaining regular reviews of liquidity levels, sources of cash and access to committed credit facilities and debt capital markets; and (iv) monitoring proposed changes to tax legislation. However, there can be no assurance that these strategies will be successful and there may be an adverse impact on the Group's cash liquidity or its ability to continue to fund its operations.

Any combination of the above could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

*Uncertainties in the macroeconomic and geopolitical conditions put pressure on customers' budgets and may impact customer behaviour in a way in which the Group is unable to respond*

There remains uncertainty as to the impact on the economy, employment rates and household budgets. Changes in macroeconomic conditions impact the Group's customers' budgets and may impact customer behaviour. In this climate, a failure to ensure that the Group is competitive on price, range, supply and service (through store and online channels) could lead to a potential loss of market share and a fall in revenues as customer purchases are made with competitors, and/or the Group is unable to build and

sustain customer loyalty. Furthermore, there remains ongoing uncertainty in the wider macroeconomic environment, mainly as a result of geopolitical tensions, including wars and civil unrest, terrorism, elections, government restrictions and the risk of potential future pandemics, which may cause major disruption to the Group's business through global supply chain challenges. The Group has leveraged its strong supplier relationships and the variety and breadth of its supply base to maintain good levels of availability for customers. Nonetheless, any of these factors could have a material and adverse effect on the Group's business, results of operations, competitiveness, financial condition and prospects.

*A failure to maintain the Group's credit rating may impact the Group's ability to access capital markets and the cost of borrowing in those markets*

The Group currently has a long-term issuer rating of Baa3 (stable outlook) from Moody's and a long-term issuer rating of BBB (stable outlook) from S&P. The Group's ability to access capital markets, and the cost of borrowing in those markets, is dependent on its credit ratings. The rating agencies may review their ratings for possible downgrades including in circumstances where there has been a deterioration in the Group's financial position. Any downgrades would likely increase the Group's cost of capital, potentially limiting its access to sources of financing which could have a negative and adverse impact upon the Group's business and financial results.

*The Company is the holding company of the Group*

As the holding company of the Group, the Company primarily conducts its operations through its subsidiaries and is dependent on the financial performance of its subsidiaries and intercompany cash-flows (both advances and repayments) from these subsidiaries to meet its debt obligations, including its ability to fulfil its obligations under the Notes issued under the Programme. Generally, creditors of a subsidiary, including trade creditors, secured creditors and creditors holding indebtedness and guarantees issued by the subsidiary, and preferred shareholders (if any) of the subsidiary, will be entitled to the assets of that subsidiary before any of those assets can be distributed to its shareholders upon its liquidation or winding up. The Company's subsidiaries may have other liabilities, including contingent liabilities, which could be substantial. Since Noteholders are not creditors to such subsidiaries, their claims to the assets of the subsidiaries that generate the Company's income are subordinated to the creditors of such subsidiaries.

## **Business Execution and Supply Chain Risk**

*If the Group fails to deliver an effective, coherent and consistent strategy (including the execution of change activities linked to the strategy) to respond to competitors and changes in market conditions it may lose market share and fail to improve and/or experience declining profitability*

The Group faces a changing competitive landscape and price pressure across its markets (for example grocery and general merchandise) from a diverse range of retailers and wholesalers who operate different models and formats through a variety of physical, digital and integrated distribution channels and who offer a range of distinct product propositions from the premium to the value end of the market.

The Group regularly develops and challenges its strategic direction in order to enhance its ability to remain competitive on price, range and service, putting focused response strategies in place. This includes developing multiple formats (including online channels) to compete in different markets and engaging in market scanning and competitor analysis to refine its customer proposition. If the Group fails to deliver an effective, coherent and consistent strategy (and the change activities) to respond to competitors and broader market changes, or fails to adapt to technological developments to improve the customer experience as effectively as its competitors, it may lose market share and fail to improve and/or experience declining profitability, which could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

*A cyber security incident could lead to a leakage of sensitive information, a loss of critical assets, an adverse impact on trade, and reputational damage*

A cyber security incident could take the form of an unauthorised access to, or misuse of, the Group's information systems, technology, or data. There continues to be a growing level of sophistication and scale of targeted cyber incidents, therefore the risk of a cyber-attack is still prevalent for the Group and its supply chain.

Whilst the Group has put a focus on cyber-security, by ensuring robust governance and control frameworks are implemented (for example the NIST (National Institute of Standards and Technology) framework), conducting risk-based security testing to identify and address vulnerabilities and requiring all colleagues to complete training on how to keep the Group's information safe, the risk of a cyber security incident cannot be ruled out.

Despite such mitigatory steps, a successful cyber-attack could lead to negative consequences for the Group, including a leakage of sensitive information, a loss of critical assets, an adverse impact on operations and trade, and reputational damage. These could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

*The Group may fail to mitigate adequately the environmental risks to which it is exposed*

Climate change is a widely acknowledged global emergency, with the need to act faster becoming evident. The Group is exposed to physical, financial, regulatory, people and reputational risks associated with climate change.

A failure by the Group to take appropriate action to limit its negative impact on climate change (for example, through efficiency improvements, innovation, renewables, waste minimisation, policy advocacy, the sustainable management of natural resources and ecosystems), could damage its brand and reputation, or result in a loss of trust and goodwill amongst its customers and suppliers, which could result in a material adverse effect on the Group's results of operations, financial condition and prospects. The Group's 'Plan for Better' puts its responsibilities towards the planet and people at the core of its purpose and business. The Group performs scenario analysis on the potential financial impact of climate-related risks to support its plan for building a more resilient business. Nonetheless, the Group may fail to adequately mitigate the environmental risks to which it is exposed.

Separately, the physical and transition impacts of climate change on the Group are already being felt and the longevity and prosperity of the business of the Group depends intrinsically on the health of the natural environment. Even if manageable, the effect of climate change will be quite profound for all businesses, and the various measures taken globally will themselves have a significant impact on economies and the choices people make. This could lead to changes to general economic conditions, increased costs, adverse currency impacts and increased regulatory burdens and any combination of these adverse changes could also adversely affect the Group's business, results of operations, financial condition and prospects.

*Failure to maintain robust business continuity processes may result in a loss of operating capabilities, adverse financial impacts, and negatively impact business reputation*

The Group addresses significant incidents through an incident response team to manage the response and any risk to the business. Additionally, the Group maintains an Operational resilience committee which includes representatives from across the Group to implement operational resilience policies and strategies. Group-wide resilience exercises are undertaken to simulate real-life business continuity scenarios and test the ability to respond effectively.

Key business processes are assessed for operational resilience impacts against a set of minimum standards. The operational resilience team performs a programme of assurance reviews over these

assessments and contingency measures are regularly tested. See also “*Risk Factors: Failure to design, build, operate and maintain resilient key IT systems and infrastructure may result in a loss of operating capabilities, adverse financial impacts and negatively impact business reputation*”.

However, a major incident or catastrophic event could adversely affect the Group’s ability to operate effectively, possibly for a prolonged period of time, and could also damage its brand and reputation, and/or result in a loss of trust and goodwill amongst its customers and suppliers, any of which could have a material adverse effect on its business, results of operations, financial condition and prospects.

*Failure to design, build, operate and maintain resilient key IT systems and infrastructure may result in a loss of operating capabilities, adverse financial impacts and negatively impact business reputation*

The Group relies on its own and third party IT infrastructure and IT systems for its day-to-day business operations, including for, amongst other things, processing in-store and online customer transactions, maintaining its websites and other information systems, storing and accessing commercial and operational data, utilising product ordering and other procurement systems, distributions and logistics and maintaining its administrative and back-office functions. Any failure of, or disruption to, IT infrastructure and IT systems (including those of any third party payment processing service providers), could adversely affect the Group’s ability to operate effectively, possibly for a prolonged period of time, and could also damage its brand and reputation, and/or result in a loss of trust and goodwill amongst its customers and suppliers, any of which could have a material adverse effect on its business, results of operations, financial condition and prospects.

*A failure of the Group to attract, develop and retain the required talent and capabilities may materially and adversely impact the Group’s business, results of operations, financial condition and prospects*

The Group’s employment policies, remuneration and benefits packages are regularly reviewed and are designed to be fair, consistent and competitive and colleague sentiment and views are sought through regular surveys, direct colleague engagement and engagement with trade unions to build trust and engagement with colleagues. A failure of the Group to attract, retain and develop the required talent and capabilities may materially and adversely impact the Group’s business, results of operations, financial condition and prospects.

*A failure by the Group to create brand reappraisal opportunities to improve customer perceptions of quality, value and service may affect its ability to meet customer expectations and remain competitive.*

If the Group fails to manage its brands or offer products of the quality and value that customers expect, this may affect its ability to consolidate loyalty and build trust, creating a perception that may result in a loss of market share (including where the event which caused the brand damage was unfounded or was outside the knowledge or control of the Group). The Group continually monitors customer attitudes, behaviours and satisfaction, and market trends to ensure the actions it takes as a business align with expectations. A failure to listen to customers, and to update the customer proposition to react effectively to the changing marketplace, could result in a loss of market share or unfavourable effects on its ability to conduct business which could have a material and adverse effect on the Group’s business, financial condition and prospects. See also “*Risk Factors - Uncertainties in the macroeconomic and geopolitical conditions put pressure on customers’ budgets and may force them to reappraise the concepts of value in a way in which the Group is unable to respond*”.

*The business of the Group is generally dependent on the supply of products by an extensive network of domestic and international suppliers*

The business of the Group is generally dependent on the supply of products supplied by an extensive network of suppliers located in the UK and internationally. The business of the Group relies on its network of domestic and international suppliers to supply products of sufficiently high-quality at the right prices to meet the high expectations of its customers and to ensure appropriate product availability and timelines

for the delivery of products. The supply of products could be disrupted by a wide variety of factors and events impacting these key suppliers including disruptions due to adverse macroeconomic conditions, geopolitical events, and/or a loss of resilience in the Group's key suppliers' network. Disruption to supply chains may be exacerbated further as a result of inclement weather patterns, crop failures, logistical disruptions, conflict between countries, issues affecting shipping and other transport availability or cost, unfavourable exchange rate fluctuations impacting procurement costs, increasing costs of raw materials being passed through supply chains or a decline in supplier credit availability affecting product production, and/or available payment terms or a failure by the Group to develop and maintain effective supplier relationships of mutual trust. Any one or more of these factors could result in the Group being unable to source sufficient volumes of products from key suppliers on acceptable terms (including as to price), in a timely way, or at all, which could result in a decline in reputation, customer satisfaction, customer loyalty and a loss of market share, loss of sales and erosion of expected profit margins which could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

## **Legal, Regulatory and Compliance Risk**

*As changes materialise in the global regulatory landscape, the costs of conducting business are increasing for the Group as a result of having to comply with more onerous and/or a greater number of rules and regulations and any failure to comply with legal or regulatory requirements may result in fines, criminal penalties and/or consequential litigation*

Changes in the global regulatory environment mean there is a trend towards increased requirements governing the business activities of the Group. The Group is subject to a wide variety of laws and regulations with key regulatory risks impacting the business operations including competition law, pricing and promotional requirements (including High Fat, Salt and Sugar pricing and promotion restrictions, the Grocery Suppliers Code of Practice, the Bribery Act 2010, the General Data Protection Regulation (Regulation (EU) 2016/679) (as applicable in the UK), the Digital Markets, Competition and Consumer Act, financial reporting and disclosure accounting laws, regulation and guidance (including Restoring Trust in Audit and Corporate Governance), the Windsor Political Declaration by the European Commission and the Government of the United Kingdom, the Modern Slavery Act 2015, the anticipated provisions of the Employment Rights Bill, environmental regulation and sustainability and health (environmental and social) legislation).

A consequence of the trend towards increased regulation is that the costs of conducting business are increasing for the Group as a result of having to comply with more onerous and/or a greater number of rules and regulations, which may have a detrimental impact on financial performance if it is not possible to pass on any such additional costs of business to customers in the form of higher prices (which may influence customer spending decisions and priorities, and adversely impact the Group's relative competitive position). Although policies and procedures are in place to monitor and guide legal, regulatory and tax compliance, and to engage with government, regulatory and tax authorities, there is also a risk that the Group may fail to comply with an applicable law or regulation and may consequently be subject to financial, regulatory or criminal fines and penalties, may be adversely impacted by a change in law or regulation or in the judicial interpretation of law or regulation, or may fail to adapt its business appropriately to such a change. The occurrence of any one or more of these factors could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

*Failure to comply with legal or regulatory requirements relating to data security or data privacy may result in the Group suffering reputational damage, fines or other adverse consequences*

The Group's technology systems involve the storage and transmission of sensitive data, as well as customer data (including through Nectar), colleague personal data and supplier data. Whilst the Group has in place clear data governance and information security policies, technical controls including data classification, encryption, tokenisation, data loss prevention and provides structured training to its staff to

improve awareness of, and avoid, data breaches, there remains a risk of security breaches. Any security breaches resulting from a failure by the Group or its colleagues and/or its third parties to comply with legal or regulatory requirements relating to data security or data privacy, however caused, may result in technology platforms and/or websites and mobile applications being unavailable. They could also result in significant disruption to the operations of the Group and reputational damage, leading to loss of customer trust, fines or other adverse consequences, including financial and criminal penalties and consequential litigation, with a material adverse impact on the Group's business, results of operations, financial performance and prospects.

*If there is a failure to meet workplace health and safety or other legal standards, injury or loss of life for customers, colleagues or third parties may lead to a loss of customer trust and confidence, as well as litigation and/or financial or other regulatory penalties being imposed*

The Group has a safety management framework, policies and procedures in place detailing the controls required to manage health and safety across the business, aligned to Assurance Primary Authority advice, to comply with all applicable laws and regulations. Governance and oversight of such matters is established in the form of the Group Safety Committee. However, deficiencies or failures in the application of any of these policies or procedures (including as a result of an event or external condition outside the Group's knowledge or control, for example, the continued rise in theft and violence may impact the safety of the Group's colleagues) could lead to injury, illness or, in extreme cases, death of a customer, colleague or third party and/or the risk of litigation and/or financial and/or other regulatory penalties being imposed and/or a loss of customers, and/or reputational damage, any of which could have a material and adverse effect on the Group's results of operations, financial condition and prospects.

*A failure to meet regulatory standards and customer expectations related to product safety, traceability, integrity, packaging, labelling or other legal standards may lead to injury or loss of life, reputational harm and significant costs in relation to product recall, litigation and/or financial or other regulatory penalties being imposed*

The Group has policies and procedures in place for stores, depots and suppliers designed to ensure that all products are safe, properly packaged and labelled, comply with applicable health and safety standards, and are responsibly sourced, including ensuring that the human rights of workers are respected. In particular, the Group has clear policies and procedures in place to communicate product safety standards to suppliers and to verify compliance through audit programmes. However, deficiencies or failures in the application of any of these policies or procedures (including as a result of an event or external condition outside the Group's knowledge or control, for example, if errors are made in relation to packaging and labelling which result in information being provided to customers that is unsafe or misleading) could lead to injury, illness or, in extreme cases, death of a customer, colleague or third party, product recalls, supply chain disruption, regulatory breaches or negative reputational effects. The occurrence of any one or more of these factors could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

*The Group may be subject to litigation or other legal or investigatory proceedings from time to time*

As with all businesses, there is a risk that the Group could be subject to material civil or criminal litigation, regulatory or other investigations, or other complaints that could result in the Group being required to pay material damages or fines or material amounts in order to settle or satisfy any such claims, requiring significant management time to be incurred and material damage being done to the Group's reputation, brand or customer or supplier trust leading to a loss of market share (even if the Group is able to successfully defend or rebuff the litigation or investigation). In particular, along with other retailers, the Group is currently subject to claims from current and ex-employees in the Employment Tribunal for equal pay under the Equality Act 2010 and/or the Equal Pay Act 1970. Completion of this litigation is likely to take many years, which will involve hearings and appeals. It is not possible to predict a final date with any

certainty. There are substantial factual and legal defences to these claims and the Group intends to defend them vigorously. If the Group is unsuccessful at the end of the litigation, the liability could be material, but due to the complexity and multitudinous factual and legal uncertainties, the Group is not in a position to predict an outcome, quantum or impact at this stage.

Further, any such litigation or other legal or investigatory proceedings could be expensive and time-consuming and cause a significant diversion of management time. In addition, the outcome of litigation or an investigation can be difficult to predict with any certainty, and so there is a risk that the Group may underestimate or overestimate the materiality of a particular claim, which could result in the selection of an inefficient or ineffective defence strategy. Any of these factors alone or in combination could result in a material adverse effect on the Group's business, results of operations, financial condition and prospects.

## **RISKS RELATING TO SAINSBURY'S BANK PLC**

*The Group's move to a model whereby financial services that are complementary to the Group's core grocery retail offer will be provided by third parties exposes the Group to certain operational and transactional risks*

In January 2024, the Group announced the completion of the financial services strategic review, resulting in the Group moving to a model where financial services that are complementary to the Group's core grocery retail offer will be provided by third parties. In June 2024, the Group reached an agreement on the terms of a proposed sale of its personal loan, credit card and retail deposit portfolios to NatWest Group. Completion of the sale is conditional on court sanction and regulatory approval, with completion expected to occur in the first half of calendar year 2025.

In September 2024, the Group announced the sale of its ATM estate assets to NoteMachine and entered into a partnership for the ongoing provision of ATM services. The transfer of assets is expected to be completed by May 2025.

In November 2024, the Group announced the sale of the Argos Financial Services cards portfolio to NewDay Group. A partnership with NewDay was also announced that will create a digital credit proposition for Argos customers which will in time replace the current Argos credit card propositions. The sale is expected to complete in the first half of 2025.

See also "*Description of the Issuer – Financial Services*".

The completion of these transactions is subject to counterparty risk, and certain regulatory approvals and conditions. If these approvals and conditions are not met, or the counterparties are unable to complete the transactions, then alternative strategies would need to be pursued. This could impact the timing and quantum of the expected surplus capital that is forecast to be returned to the Group.

Unforeseen delays in the completion of these transactions and the operational risks associated with these transactions could also cause additional costs affecting the capital surplus and therefore the Group's performance. Any of these factors alone or in combination could result in a material adverse effect on the Group's business, results of operations, financial condition and prospects.

## **Legal, Regulatory and Compliance Risk**

*Sainsbury's Bank operates in a highly regulated industry and is subject to significant legislative and regulatory oversight and scrutiny*

Sainsbury's Bank is authorised by the Prudential Regulation Authority (**PRA**), regulated and supervised by the PRA and the FCA and is subject to a wide variety of laws, regulations and rules including requirements to have adequate financial and other resources to operate its business. There is a risk that Sainsbury's Bank may fail to comply with an applicable law, regulation or rule which could expose Sainsbury's Bank to

substantial regulatory intervention, financial or other regulatory penalties each of which could have a material adverse effect on Sainsbury's Bank's, and the Group's, business, results of operations, financial condition and prospects.

*The legal and regulatory environment in which Sainsbury's Bank operates is subject to significant change and regulators can apply a wide range of sanctions to firms (and individuals working for firms) found to be operating in breach of relevant regulations*

Sainsbury's Bank is subject to various risks associated with the provision of financial services, until the withdrawal from core banking activities is complete. These include the risk of increasing regulation, risks associated with transfer of business to external parties, and proactive and intrusive supervision by the PRA and FCA. Legal and regulatory developments could adversely impact the businesses of Sainsbury's Bank by significantly increasing compliance and associated costs to implement and comply with new rules and could thereby have a material adverse impact on the business, results of operations, financial condition and prospects of Sainsbury's Bank and the Group.

## **Economic and Financial Risk**

*As a UK bank, Sainsbury's Bank is exposed to certain financial risks that are inherent to financial institutions, including liquidity risk and credit risk*

*Liquidity risk* – liquidity risk is the risk that Sainsbury's Bank, although solvent, either does not have sufficient financial resources available to enable it to meet its obligations as they fall due or can secure such resources only at excessive cost.

*Credit risk* – credit risk is the risk that a borrower or counterparty will default on a debt or obligation by failing to meet financial obligations. Sainsbury's Bank has largely eliminated credit risk to retail customers through the completion of the transactions outlined above; however, if the sales do not complete then this risk would revert to Sainsbury's Bank. Sainsbury's Bank is also exposed to various securities and derivatives transactions and arrangements where payments and commissions are due to Sainsbury's Bank.

The materialisation of any of the above risks could have a material adverse impact on the business, results of operations, financial condition and prospects of Sainsbury's Bank and the Group.

## **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

### **Risks related to the structure of a particular issue of Notes**

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

*If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return*

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at

an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned*

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

*Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates*

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility, as compared to more conventional interest-bearing securities with comparable maturities.

*The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”*

Interest rates and indices which are deemed to be “benchmarks”, (including the euro interbank offered rate (**EURIBOR**), the Sterling Over Night Indexed Average (**SONIA**), the Euro Short-Term Rate (**€STR**) and the Secured Overnight Financing Rate (**SOFR**)) are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The UK Benchmarks Regulation, among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant “benchmark”.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements.

The euro risk-free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. On 4 December 2023, the working group issued its final statement, announcing completion of its mandate.

Such factors may have (without limitation) the following effects on certain “benchmarks”: (i) discouraging market participants from continuing to administer or contribute to a “benchmark”; (ii) triggering changes in the rules or methodologies used in the “benchmark”; and/or (iii) leading to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, or referencing, or otherwise dependent (in whole or in part) upon, a “benchmark” and the secondary market for such Notes.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the Terms and Conditions of the Notes) or a Benchmark Transition Event (as defined in the Terms and Conditions of the Notes) occurs in respect of the Original Reference Rate or the then-current Benchmark (each as defined in the Terms and Conditions of the Notes), as applicable, and/or any page on which such benchmark may be published (or any other successor service) becomes unavailable. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate, an Alternative Rate or a Benchmark Replacement (as applicable) (each as defined in the Terms and Conditions of the Notes), with the application of an Adjustment Spread or a Benchmark Replacement Adjustment (as applicable) (each as defined in the Terms and Conditions of the Notes) (which could be positive, negative or zero), and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the new benchmark, all as more fully described at Condition 5.2(C) and 5.2(B)(iii)(c), as applicable.

It is possible that the adoption of a Successor Rate, an Alternative Rate or a Benchmark Replacement, as applicable, including any Adjustment Spread or Benchmark Replacement Spread, as applicable, may result in any Notes linked to or referencing an Original Reference Rate or a Benchmark, as applicable, performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate or Benchmark, as applicable, were to continue to apply in its current form. There is also a risk that the relevant fallback provisions may not operate as expected or intended at the relevant time.

Furthermore, in certain circumstances, the ultimate fallback for the purposes of the calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes. Due to the uncertainty concerning the availability of Successor Rates, Alternative Rates and Benchmark Replacement, as applicable, the involvement of an Independent Adviser (as defined in the Terms and Conditions of the Notes) where relevant and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under any Notes referencing

a “benchmark” or could have a material adverse effect on the value or liquidity of, and the amount payable under, any Notes referencing a “benchmark”.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions in respect of the Notes in making any investment decision with respect to any Notes referencing a “benchmark”.

*The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates*

Investors should be aware that the market continues to develop in relation to SONIA, SOFR and €STR as reference rates continue to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of Notes referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Terms and Conditions of the Notes and used in relation to Notes that reference risk-free rates issued under the Programme. The Issuer may in the future also issue Notes referencing SONIA, SOFR and €STR that differ materially in terms of interest determination when compared with any previous Notes issued by it under the Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference a risk-free rate issued under the Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the Terms and Conditions of the Notes, will gain widespread market acceptance.

In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market’s forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SONIA, SOFR and €STR or any related indices.

*Risk-free rates may differ from EURIBOR and other inter-bank offered rates in a number of material respects and have a limited history*

Risk-free rates may differ from EURIBOR and other inter-bank offered rates in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such inter-bank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on inter-bank lending. As such, investors should be aware that risk-free rates may behave materially differently to inter-bank offered rates as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding

transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be more difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes.

*The administrator of SONIA, SOFR, €STR or any related indices or other reference rates may make changes that could change the value of SONIA, SOFR, €STR or any related index or other reference rates, or discontinue SONIA, SOFR, €STR or any related index or other reference rates*

The Bank of England, the Federal Reserve Bank of New York or the European Central Bank (or their successors) as administrators of SONIA, SOFR and €STR, respectively, or the administrator of any other reference rate, may make methodological or other changes that could change the value of these rates, including changes related to the method by which such rate is calculated, eligibility criteria applicable to the transactions used to calculate such rate, or timing related to the publication of such rate. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of any such rate (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such rate.

*Investors are relying solely on the creditworthiness of the Issuer*

The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves and the payment obligations of the Issuer under the Notes will (subject to Condition 4 and to such exceptions as exist by statute) at all times rank equally with all other unsecured and unsubordinated obligations. Sainsbury's Bank and its subsidiaries, for the avoidance of doubt, are excluded from the provisions of Condition 4. For further information, see "*Terms and Conditions of the Notes*".

Each investor in the Notes is relying on the creditworthiness of the Issuer and no other person.

Investment in the Notes involves the risk that subsequent changes in actual or perceived creditworthiness of the Issuer may adversely affect the market value of the Notes.

## **Risks related to Notes generally**

Set out below is a description of material risks relating to the Notes generally:

*The "Terms and Conditions of the Notes" contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.*

The “*Terms and Conditions of the Notes*” contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The “*Terms and Conditions of the Notes*” also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer in the circumstances described in Condition 16.

*A Restructuring Plan implemented pursuant to Part 26A of the Companies Act 2006 may modify or disapply certain terms of the Notes without the consent of the Noteholders.*

Where the Issuer encounters, or is likely to encounter, financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern, it may propose a restructuring plan (a **Plan**) with its creditors under Part 26A of the Companies Act 2006 (introduced by the Corporate Insolvency and Governance Act 2020) to eliminate, reduce, prevent or mitigate the effect of any of those financial difficulties. Should this happen, creditors whose rights are affected are organised into creditor classes and can vote on any such Plan (subject to being excluded from the vote by the English courts for having no genuine economic interest in the Issuer and certain exclusions where the Plan is proposed within the 12-week period following the end of a moratorium). Providing that one class of creditors (who would receive a payment, or have a genuine economic interest in the Issuer) has approved the Plan, and in the view of the English courts any dissenting class(es) who did not approve the Plan are no worse off under the Plan than they would be in the event of the “relevant alternative” (such as, broadly, liquidation or administration), then the English court can sanction the Plan where it would be a proper exercise of its discretion. A sanctioned Plan is binding on all creditors and members, regardless of whether they approved it. Any such sanctioned Plan in relation to the Issuer may, therefore, adversely affect the rights of Noteholders and the price or value of their investment in the Notes, as it may have the effect of modifying or disapplying certain terms of the Notes (by, for example, writing down the principal amount of the Notes, modifying the interest payable on the Notes, the maturity date or dates on which any payments are due or substituting the Issuer).

*The value of the Notes could be adversely affected by a change in English law or administrative practice.*

The Terms and Conditions of the Notes are governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

*Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with

the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination, such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

*Holders of Notes held through Euroclear and Clearstream, Luxembourg must rely on procedures of those clearing systems to effect transfers of Notes, receive payments in respect of Notes and vote at meetings of Noteholders.*

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a Common Depositary or Common Safekeeper for Euroclear and Clearstream, Luxembourg (each as defined under “*Form of the Notes*”). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

### **Risks related to the market generally**

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

*An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes.*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies, are being issued to a single investor or a limited number of investors, or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. In addition, should the Issuer be in financial distress, this is likely to have a further significant impact on the secondary market for the Notes and investors may have to sell their Notes at a substantial discount to their principal amount.

*If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition*

*of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.*

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

*Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.*

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and filed with the London Stock Exchange, are incorporated in, and form part of, this Prospectus in accordance with the cross-reference list for information incorporated by reference set out below:

- (A) the Company's annual report containing its audited consolidated financial statements for the 52-week period ended on 6 March 2021 (the **2021 Annual Report**) (available at <https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/reports-and-presentations/annual-reports/sainsburys-ar2021.pdf>);
- (B) the Company's annual report containing its audited consolidated financial statements for the 52-week period ended on 5 March 2022 (the **2022 Annual Report**) (available at <https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/reports-and-presentations/2022/Annual%20Report%202022/J%20Sainsbury%20plc%20Annual%20Report%20and%20Financial%20Statements%202022.pdf>);
- (C) the Company's annual report containing its audited consolidated financial statements for the 52-week period ended on 4 March 2023 (the **2023 Annual Report**) (available at <https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/reports-and-presentations/2023/annual-report-2023/annual-report-and-financial-statements-2023.pdf>);
- (D) the Company's annual report containing its audited consolidated financial statements for the 52-week period ended on 2 March 2024 (the **2024 Annual Report**) (available at <https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/reports-and-presentations/annual-reports/2024/sainsbury-annual-report-and-financial-statements-2024.pdf>);
- (E) the Company's interim results containing its unaudited condensed consolidated interim financial statements for the 28-week period ended on 14 September 2024 (the **2024/2025 Interim Results**) (available at <https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/j-sainsbury-plc-interim-results-2425-statement.pdf>); and
- (F) the Company's unaudited third quarter trading statement (**Q3 2024/2025 Trading Statement**) for the 16-week period ended on 4 January 2025 (available at: <https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/reports-and-presentations/2025/j-sainsbury-plc-Q3-24-25-trading-statement.pdf>).

### **Cross reference list:**

The following information contained on the pages set out below shall be incorporated by reference:

1.	<b>2021 Annual Report:</b>	Page(s)
<b>Audited historical consolidated financial information of the Company for the 52-week period ended on 6 March 2021</b>		
A.	Independent Auditor's Report to the Members of J Sainsbury plc by Ernst & Young LLP	93 to 99
B.	Consolidated income statement	100
C.	Consolidated statement of comprehensive income/(loss)	101
D.	Consolidated balance sheet	102
E.	Consolidated cash flow statement	103
F.	Consolidated statement of changes in equity	104

G.	Notes to the consolidated financial statements	105 to 183
H.	Company balance sheet	184
I.	Company statement of changes in equity	185
J.	Notes to the Company financial statements	186 to 190
<b>Other Information Incorporated from the 2021 Annual Report</b>		
K.	Alternative performance measures	194 to 198

<b>2.</b>	<b>2022 Annual Report:</b>	
		<b>Page(s)</b>
<b>Audited historical consolidated financial information of the Company for the 52-week period ended on 5 March 2022</b>		
A.	Independent Auditor's Report to the Members of J Sainsbury plc by Ernst & Young LLP	101 to 107
B.	Consolidated income statement	108
C.	Consolidated statement of comprehensive income/(loss)	109
D.	Consolidated balance sheet	110
E.	Consolidated cash flow statement	111
F.	Consolidated statement of changes in equity	112
G.	Notes to the consolidated financial statements	113 to 193
H.	Company balance sheet	194
I.	Company statement of changes in equity	195
J.	Notes to the Company financial statements	196 to 199
<b>Other Information Incorporated from the 2022 Annual Report</b>		
K.	Alternative performance measures	203 to 207

<b>3.</b>	<b>2023 Annual Report:</b>	
		<b>Page(s)</b>
<b>Audited historical consolidated financial information of the Company for the 52-week period ended on 4 March 2023</b>		
A.	Independent Auditor's Report to the Members of J Sainsbury plc by Ernst & Young LLP	119 to 125
B.	Consolidated income statement	126
C.	Consolidated statement of comprehensive income/(loss)	127
D.	Consolidated balance sheet	128
E.	Consolidated cash flow statement	129
F.	Consolidated statement of changes in equity	130
G.	Notes to the consolidated financial statements	131 to 209

H.	Company balance sheet	210
I.	Company statement of changes in equity	211
J.	Notes to the Company financial statements	212 to 215
<b>Other Information Incorporated from the 2023 Annual Report</b>		
K.	Alternative performance measures	219 to 223

<b>4.</b>	<b>2024 Annual Report:</b>	
		<b>Page(s)</b>
<b>Audited historical consolidated financial information of the Company for the 52-week period ended on 2 March 2024</b>		
A.	Independent Auditor's Report to the Members of J Sainsbury plc by Ernst & Young LLP	124 to 131
B.	Consolidated income statement	132
C.	Consolidated statement of comprehensive income/(loss)	133
D.	Consolidated balance sheet	134
E.	Consolidated statement of changes in equity	135
F.	Consolidated cash flow statement	136
G.	Notes to the consolidated financial statements	137 to 193
H.	Company balance sheet	194
I.	Company statement of changes in equity	195
J.	Notes to the Company financial statements	196 to 198
<b>Other Information Incorporated from the 2024 Annual Report</b>		
K.	Performance Highlights	1
L.	Chair's Letter	2 to 3
M.	Chief Executive's Letter	4 to 7
N.	Our Business Model	8 to 9
O.	Our Strategy	10 to 11
P.	Delivering on our outcomes	12 to 14
Q.	Climate Transition Plan	30 to 40
R.	Alternative performance measures	199 to 203

<b>5.</b>	<b>2024/2025 Interim Results:</b>	
		<b>Page(s)</b>
<b>Unaudited historical condensed consolidated interim financial information of the Company for the 28-week period ended on 14 September 2024</b>		
A.	Group income statement	18 to 19
B.	Group statement of comprehensive income/(loss)	20
C.	Group balance sheet	21

D.	Group statement of changes in equity	22 to 23
E.	Group cash flow statement	24
F.	Notes to the condensed group interim financial statements	25 to 50
G.	Independent Review Report to J Sainsbury plc	51
<b>Other Information Incorporated from the 2024/2025 Interim Results</b>		
H.	Alternative performance measures	52 to 58

<b>6.</b>	<b>Q3 2024/2025 Trading Statement:</b>	
		<b>Page(s)</b>
<b>Information Incorporated from the Q3 2024/2025 Trading Statement</b>		
A.	Strategic Highlights	2-4

Parts of the above referenced documents whose information is not incorporated by express reference are either not relevant for potential investors or are covered elsewhere in the Prospectus.

To the extent that any document or information incorporated by reference into this Prospectus, itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this Prospectus for the purposes of the UK Prospectus Regulation, except where such information or documents are stated within this Prospectus as specifically being incorporated by reference or where this Prospectus is specifically defined as including such information.

For the avoidance of doubt the content of the websites referred to in the Prospectus does not form part of the Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes.

Following the publication of this Prospectus, a supplement may be prepared by the Issuer and approved by the FCA in accordance with Article 23 of the UK Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

## FORM OF THE NOTES

*Any reference in this section to “applicable Final Terms” shall be deemed to include a reference to “applicable Pricing Supplement” where relevant.*

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes and Registered Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**).

### **Bearer Notes**

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Bearer Global Note** and, together with a Temporary Bearer Global Note, each a **Bearer Global Note**) which, in either case, will:

- (a) if the Bearer Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and
- (b) if the Bearer Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear and Clearstream, Luxembourg.

Where the Bearer Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Bearer Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Global Notes are to be so held does not necessarily mean that the Bearer Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein for interests in a Permanent Bearer Global Note of the same Series against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system satisfactory to the Trustee is available or (iii) the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form and a certificate to such effect signed by two directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes) and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

## Registered Notes

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a Registered Global Note and, together with the Bearer Global Notes, the **Global Notes** and each a **Global Note**).

Registered Global Notes will be deposited with a Common Depository or, if the Registered Global Notes are to be held under the new safe-keeping structure (the **NSS**), a Common Safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the Common Depository of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the Common Safekeeper, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Where the Registered Global Note issued in respect of any Tranche is intended to be held under the NSS, the applicable Final Terms will indicate whether or not such Registered Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for a Registered Global Note held under the NSS will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent, the Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for a Common Depository or a Common Safekeeper for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no alternative clearing system satisfactory to the Trustee is available or (iii) the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Notes represented by the Registered Global Note in definitive form and a certificate to that effect signed by two directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

## **General**

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the

Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms and as may be approved by the Issuer, the Principal Paying Agent, the Trustee and, if applicable, the Registrar.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, (i) fails so to do within 60 days, or (ii) is unable for any reason so to do, and the failure or inability shall be continuing.

The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the "*Terms and Conditions of the Notes*", in which event, other than where such Notes are Exempt Notes, a new Prospectus or a supplement to this Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

## APPLICABLE FINAL TERMS

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or [more/both]) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) (**MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II[./; or (iii) not a qualified investor as defined in Regulation (EU) No 2017/1129]<sup>2</sup>. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended) (the **PRiIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRiIPs Regulation.]<sup>3</sup>

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or [more/both]) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (**FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA[./; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA]<sup>1</sup>. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRiIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRiIPs Regulation.]<sup>4</sup>

<sup>5</sup>**[MiFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended) (**MiFID II**)]~~[MiFID II]~~; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

<sup>4</sup>**[UK MiFIR product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect

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<sup>2</sup> Part (iii) of the PRiIPs legend can be deleted in relation to a transaction with a minimum denomination of €100,000 or equivalent, in which case “more” can be changed to “both” earlier in the legend.

<sup>3</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute “packaged” products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>4</sup> Legend to be included on the front of the Final Terms if the Notes potentially constitute “packaged” products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>5</sup> Legend to be included on front of the Final Terms if following the ICMA 1 “all bonds to all professionals” target market approach.

of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018 (**EUWA**)/EUWA]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

**[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE SFA)** - [To insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].<sup>6</sup>

[Date]

**J Sainsbury plc**

**Legal entity identifier (LEI): 213800VGZAAJIKJ9Y484**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the £5,000,000,000  
Euro Medium Term Note Programme**

#### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 17 January 2025 [and the supplement[s] to it dated [date] [and [date]]] which [together] constitute[s] a base prospectus for the purposes of [Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the **UK Prospectus Regulation**)/the UK Prospectus Regulation] (the **Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Prospectus in order to obtain all the relevant information. The Prospectus has been published on Issuer’s website at <https://www.about.sainsburys.co.uk/>.

[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.]

1	Issuer:	J Sainsbury plc
2	(a) Series Number:	[•]
	(b) Tranche Number:	[•]

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<sup>6</sup> Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

(c)	Date on which the Notes will be consolidated and form a single Series:	[The Notes will be consolidated and form a single Series with <i>[identify earlier Tranches]</i> on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph [22] below, which is expected to occur on or about <i>[date]</i> ]/[Not Applicable]
3	Specified Currency or Currencies:	[•]
4	Aggregate Nominal Amount:	
	(a) Series:	[•]
	(b) Tranche:	[•]
5	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]
6	(a) Specified Denominations:	[•] <i>(N.B. Notes must have a minimum denomination of €100,000 (or equivalent))</i> <i>(Note – where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:</i> <i>“€100,000 and integral multiples of €1,000 in excess thereof up to (and including) €199,000. No Notes in definitive form will be issued with a denomination above €199,000.”)</i>
	(b) Calculation Amount (in relation to calculation of interest in global form or Registered definitive form see Conditions):	[•]  <i>(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)</i>
7	(a) Issue Date:	[•]
	(b) Interest Commencement Date:	[specify/Issue Date/Not Applicable]
8	Maturity Date:	[Specify date or for Floating Rate Notes – Interest Payment Date falling in or nearest to <i>[specify month and year]</i> ]
9	Interest Basis:	[[•] per cent. Fixed Rate] [[[•] month [EURIBOR]]/[SONIA]/[SOFR]/[€STR] +/- [•] per cent. Floating Rate] (see paragraph [14]/[15] below)

- 10 Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount
- 11 Change of Interest Basis: [*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 15 and identify there*][Not Applicable]
- 12 Call Options: [Issuer Call]  
[Clean-up Call]  
[(see paragraph [17]/[18] below)]  
[Not Applicable]
- 13 [Date [Board] approval for issuance of Notes obtained: [●] [and [●], respectively]]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 14 Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [Subject as provided in Condition [5.3],] [●] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [●] in each year up to (and including) the Maturity Date  
*(Amend appropriately in the case of irregular coupons)*
- (c) Fixed Coupon Amount(s) (and, in relation to Notes in global form or Registered definitive form, see Conditions): [Unless a Step Up Rating Change has occurred and no subsequent Step Down Rating Change has occurred,] [●] per Calculation Amount
- (d) Broken Amount(s) (and, in relation to Notes in global form or Registered definitive form, see Conditions): [Unless a Step Up Rating Change has occurred and no subsequent Step Down Rating Change has occurred,] [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[●] in each year][Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
- (g) Step Up/Step Down Rating Change: [Applicable/Not Applicable]

		<i>(If not applicable, delete the remaining subparagraph of this paragraph)</i>
	(i) Step Up Margin:	[•] per cent. per annum
15	Floating Rate Note Provisions	[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(a) Specified Period(s)/Specified Interest Payment Dates:	[•] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
	(b) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
	(c) Additional Business Centre(s):	[•]
	(d) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[•] (the <b>Calculation Agent</b> ) <i>(If the Reference Rate is EURIBOR, a Calculation Agent should always be specified)</i>
	(e) Screen Rate Determination:	
	(i) Reference Rate:	[SONIA] [SOFR] [€STR] [•] month [EURIBOR]
	(ii) Term Rate	[Applicable/Not Applicable]
	(iii) Overnight Rate	[Applicable/Not Applicable]
	▪ Index Determination:	[Applicable/Not Applicable]
	▪ D:	[360/365/[•]]/[Not Applicable]
	▪ Observation Method:	[Lag/Observation Shift/Not Applicable]
	▪ p:	[5/[•]] [London Banking Days] [U.S. Government Securities Business Days] [TARGET Business Days] [Not Applicable] <i>(NB: A minimum of 5 London Banking Days if SONIA, 5 U.S. Government Securities Business Days if SOFR or 5 TARGET Business Days if €STR, should be specified, unless otherwise agreed with the Principal Paying Agent or Calculation Agent, as applicable)</i>
	▪ Relevant Decimal Place:	[5/7[•]]
	(iv) Interest Determination Date(s):	[•]

(Second day on which T2 is open prior to the start of each Interest Period if EURIBOR and the first London Banking Day falling after the last day of the relevant Observation Period if SONIA and the first U.S. Government Securities Business Day falling after the last day of the relevant Observation Period if SOFR and the first TARGET Business Day falling after the last day of the relevant Observation Period if €STR)

- (v) Relevant Screen Page: [•]  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (f) Linear Interpolation: [Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (g) Margin(s): [Subject as provided in Condition [5.3].] [+/-] [•] per cent. per annum
- (h) Minimum Rate of Interest: [•] per cent. per annum
- (i) Maximum Rate of Interest: [•] per cent. per annum
- (j) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]
- (k) Step Up/Step Down Rating Change: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraph of this paragraph)*
- (i) Step Up Margin: [•] per cent. per annum

**PROVISIONS RELATING TO REDEMPTION**

- 16 Notice periods for Condition 7.2: Minimum period: [30] days  
Maximum period: [60] days
- 17 Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [•]
- (b) Optional Redemption Amount: [[•] per Calculation Amount in respect of the Optional Redemption Date(s) falling in the Par Call Period]  
[[[•] per Calculation Amount][Sterling Make Whole Redemption Amount]][Make Whole Redemption

		Amount][in respect of the Optional Redemption Date(s) not falling in the Par Call Period]]
(c)	Redemption Margin:	[•]
(d)	Reference Bond:	[•]
(e)	Quotation Time:	[•]
(f)	Par Call Period:	[From (and including) [•] (the <b>Par Call Period Commencement Date</b> ) to (but excluding) the Maturity Date]/[Not Applicable]
(g)	Partial Redemption:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Minimum Redemption Amount:	[•]
	(ii) Maximum Redemption Amount:	[•]
(h)	Notice periods:	Minimum period: [15] days Maximum period: [30] days <i>(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.)</i>
18	Clean-up Call:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(a) Clean-up Call Redemption Amount:	[•] per Calculation Amount
	(b) Clean-up Call Threshold:	[•] per cent.
	(c) Notice periods:	Minimum period: [15] days Maximum period: [30] days <i>(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.)</i>
19	Change of Control Put Clean-up Threshold:	[•] per cent.
20	Final Redemption Amount:	[•] per Calculation Amount

- 21 Early Redemption Amount payable on redemption for taxation reasons or on Event of Default: [●] per Calculation Amount  
*(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 22 Form of Notes:  
 (a) Form: [Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes upon an Exchange Event]  
 [Permanent Bearer Global Note exchangeable for Definitive Notes upon an Exchange Event]]  
 [Registered Global Notes:  
 [Registered Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]
- (b) New Global Note: [Yes][No]
- 23 Additional Financial Centre(s): [Not Applicable/give details]  
*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(c) relates)*
- 24 Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

**THIRD PARTY INFORMATION**

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of J Sainsbury plc:  
 By: .....  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (a) Listing and Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's main market and to be listed on the Official List of the Financial Conduct Authority with effect from [●].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's main market and to be listed on the Official List of the Financial Conduct Authority with effect from [●].]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (b) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

- Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [insert details] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].*
- [Each of [defined terms] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).][Each of [defined terms] is established in the United Kingdom and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA.]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 23 of the UK Prospectus Regulation.)

**4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

(a) Reasons for the offer: [General corporate purposes]  
(See “Use of Proceeds” wording in Prospectus – if reasons for offer different from what is disclosed in the Prospectus, give details)

(b) Estimated net proceeds: [•]

**5. YIELD (Fixed Rate Notes only)**

Indication of yield: [•]

**6. OPERATIONAL INFORMATION**

(a) ISIN: [•]

(b) Common Code: [•]

(c) CFI: [See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(d) FISN [See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(e) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(f) Delivery: Delivery [against/free of] payment

(g) Names and addresses of additional Paying Agent(s) (if any): [•]

(h) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [include this text for Registered Notes which are to be held under the NSS] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper][*include this text for Registered Notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 7. DISTRIBUTION

- |     |   |  |
|-----|---|--|
| (a) | Method of distribution:   | [Syndicated/Non-syndicated]  |
| (b) | If syndicated, names of Managers:   | [Not Applicable/ <i>give names</i> ]   |
| (c) | Stabilisation Manager(s) (if any):  | [Not Applicable/ <i>give names</i> ]   |
| (d) | If non-syndicated, name of relevant Dealer:                               | [Not Applicable/ <i>give name</i> ]  |
| (e) | U.S. Selling Restrictions:  | [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]   |
| (f) | Prohibition of Sales to EEA Retail Investors:                             | [Applicable/Not Applicable]<br><i>(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the EEA, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared in the EEA, “Applicable” should be specified.)</i> |
| (g) | Prohibition of Sales to UK Retail Investors:                              | [Applicable/Not Applicable]<br><i>(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared in the UK, “Applicable” should be specified.)</i>   |
| (h) | Singapore Sales to Institutional Investors and Accredited Investors only: | [Applicable/Not Applicable]  |

## APPLICABLE PRICING SUPPLEMENT

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) (**MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) No 2017/1129 (the **Prospectus Regulation**). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended) (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>7</sup>

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (**FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]<sup>8</sup>

**[MiFID II/UK MiFIR product governance/target market** – *[appropriate target market legend to be included]*]

**[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE SFA)** - [To insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].<sup>9</sup>

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<sup>7</sup> Legend to be included on front of the Pricing Supplement if the Notes potentially constitute “packaged” products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>8</sup> Legend to be included on the front of the Pricing Supplement if the Notes potentially constitute “packaged” products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>9</sup> Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

[THE FINANCIAL CONDUCT AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THIS PRICING SUPPLEMENT.]

[Date]

**J Sainsbury plc**

**Legal entity identifier (LEI): 213800VGZAAJIKJ9Y484**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the £5,000,000,000  
Euro Medium Term Note Programme**

## **PART A – CONTRACTUAL TERMS**

[Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to either of Article 3 of the Prospectus Regulation or section 85 of the FSMA or to supplement a prospectus pursuant to either of Article 23 of the Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.]<sup>10</sup>

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Prospectus dated 17 January 2025 [as supplemented by the supplement[s] dated [date[s]]] (the **Prospectus**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Prospectus. Copies of the Prospectus may be obtained from [address].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Prospectus [dated 17 January 2025 [and the supplement dated [date]]] which are incorporated by reference in the Prospectus].<sup>11</sup>

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Pricing Supplement.]*

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.]*

1	Issuer:	J Sainsbury plc
2	(a) Series Number:	[•]
	(b) Tranche Number:	[•]
	(c) Date on which the Notes will be consolidated and form a single Series:	[The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph [22] below, which

<sup>10</sup> Include relevant legend wording here for the EEA and UK if the “Prohibition of Sales” legend and related selling restriction for that regime are not included/not specified to be “Applicable” (because the Notes do not constitute “packaged” products, or a key information document will be prepared, under that regime).

<sup>11</sup> Only include this language where it is a fungible issue and the original Tranche was issued under an Prospectus with a different date.

- is expected to occur on or about [date]]/[Not Applicable]
- 3 Specified Currency or Currencies: [•]
- 4 Aggregate Nominal Amount:
- (a) Series: [•]
- (b) Tranche: [•]
- 5 Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
- 6 (a) Specified Denominations:
- (b) Calculation Amount (in relation to calculation of interest in global form or Registered definitive form see Conditions): [•]  
*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
- 7 (a) Issue Date: [•]
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
- 8 Maturity Date: *Specify date or for Floating Rate Notes - Interest Payment Date falling in or nearest to [specify month and year]*
- 9 Interest Basis: [[•] per cent. Fixed Rate]  
[[[•] month [EURIBOR]]/[SONIA]/[SOFR]/[€STR]  
+/-[•] per cent. Floating Rate]  
[specify other]  
*(further particulars specified below)*
- 10 Redemption/Payment Basis: [Redemption at par]  
[specify other]
- 11 Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*[Not Applicable]
- 12 Call Options: [Issuer Call]  
[Clean-up Call]  
[*(further particulars specified below)*]
- 13 [Date [Board] approval for issuance of Notes obtained: [•] [and [•], respectively]]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 14 Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a)	Rate(s) of Interest:	[Subject as provided in Condition [5.3],] [●] per cent. per annum payable in arrear on each Interest Payment Date
(b)	Interest Payment Date(s):	[●] in each year up to (and including) the Maturity Date <i>(Amend appropriately in the case of irregular coupons)</i>
(c)	Fixed Coupon Amount(s) (and, in relation to Notes in global form or Registered definitive form, see Conditions):	[Unless a Step Up Rating Change has occurred and no subsequent Step Down Rating Change has occurred,] [●] per Calculation Amount
(d)	Broken Amount(s) (and, in relation to Notes in global form or Registered definitive form, see Conditions):	[Unless a Step Up Rating Change has occurred and no subsequent Step Down Rating Change has occurred,] [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]][Not Applicable]
(e)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)/specify other]
(f)	Determination Date(s):	[[●] in each year][Not Applicable] <i>(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)</i>
(g)	Step Up/Step Down Rating Change:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraph of this paragraph)</i>
(i)	Step Up Margin:	[●] per cent. per annum
(h)	Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes:	[None/Give details]
15	Floating Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(a)	Specified Period(s)/Specified Interest Payment Dates:	[●], subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]] [Not Applicable]
(c)	Additional Business Centre(s):	[●]
(d)	Manner in which the Rate of Interest and Interest Amount is to	[Specify]

be determined if different from the Conditions: *(Where different interest provisions are specified, consider adjusting or disapplying the Screen Rate Determination provisions in Condition 5.2(B) and including replacement provisions describing the manner in which the Rate of Interest and Interest Amount is to be determined)*

- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): **[•]** (the **Calculation Agent**)  
*(If the Reference Rate is EURIBOR, a Calculation Agent should always be specified)*
- (f) Screen Rate Determination:
- (i) Reference Rate: [SONIA]  
[SOFR]  
[€STR]  
**[•]** month [EURIBOR/specify other Reference Rate] *(Either EURIBOR or other, although additional information is required if other, including fallback provisions in the Agency Agreement.)*
  - (ii) Term Rate [Applicable/Not Applicable]
  - (iii) Overnight Rate [Applicable/Not Applicable]
    - Index Determination: [Applicable/Not Applicable]
    - D: [360/365/[•]]/[Not Applicable]
    - Observation Method: [Lag/Observation Shift/Not Applicable]
    - p: [5/[•]] [London Banking Days] [U.S. Government Securities Business Days] [TARGET Business Days] [Not Applicable]  
*(NB: A minimum of 5 London Banking Days if SONIA, 5 U.S. Government Securities Business Days if SOFR or 5 TARGET Business Days if €STR, should be specified, unless otherwise agreed with the Principal Paying Agent or Calculation Agent, as applicable)*
    - Relevant Decimal Place: [5/7/[•]]
  - (10) Interest Determination Date(s): **[•]**  
*(Second day on which T2 is open prior to the start of each Interest Period if EURIBOR and the first London Banking Day falling after the last day of the relevant Observation Period if SONIA and the first U.S. Government Securities Business Day falling after the last day of the relevant Observation Period if SOFR and the first TARGET Business Day falling after the last day of the relevant Observation Period if €STR)*
  - (v) Relevant Screen Page: **[•]**

*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

- (g) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (h) Margin(s): [Subject as provided in Condition [5.3,] [+/-] [●] per cent. per annum]
- (i) Minimum Rate of Interest: [●] per cent. per annum
- (j) Maximum Rate of Interest: [●] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)] [Other]
- (l) Step Up/Step Down Rating Change: [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraph of this paragraph)*
- (i) Step Up Margin: [●] per cent. per annum
- (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions: [●]

#### **PROVISIONS RELATING TO REDEMPTION**

- 16 Notice periods for Condition 7.2: Minimum period: [30] days  
Maximum period: [60] days
- 17 Issuer Call: [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[●] per Calculation Amount in respect of the Optional Redemption Date(s) falling in the Par Call Period]  
[[●] per Calculation Amount][Sterling Make Whole Redemption Amount][Make Whole Redemption Amount][in respect of the Optional Redemption Date(s) not falling in the Par Call Period][*specify other/see Appendix*]

	(c)	Redemption Margin:	[•]
	(d)	Reference Bond:	[•]
	(e)	Quotation Time:	[•]
	(f)	Par Call Period:	[From (and including) [•] (the <b>Par Call Period Commencement Date</b> ) to (but excluding) the Maturity Date]/[Not Applicable]
	(g)	Partial Redemption:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i)	Minimum Redemption Amount:	
	(ii)	Maximum Redemption Amount:	
	(h)	Notice periods:	Minimum period: [15] days Maximum period: [30] days <i>(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.)</i>
18		Clean-up Call:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(a)	Clean-up Call Redemption Amount:	[•] per Calculation Amount
	(b)	Clean-up Call Threshold:	[•] per cent.
	(c)	[Notice periods:	Minimum period: [15] days Maximum period: [30] days <i>(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.)</i>
19		Change of Control Put Clean-up Threshold:	[•] per cent.
20		Final Redemption Amount:	[[•] per Calculation Amount/specify other/see Appendix]
21		Early Redemption Amount payable on redemption for taxation reasons or on	[[•] per Calculation Amount/specify other/see Appendix]

Event of Default and/or the method of calculating the same (if required):

*(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 22 Form of Notes:
- (a) Form: [Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes upon an Exchange Event]  
[Permanent Bearer Global Note exchangeable for Definitive Notes upon an Exchange Event]  
[Registered Global Notes:  
[Registered Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]
- (b) New Global Note: [Yes][No]
- 23 Additional Financial Centre(s): [Not Applicable/give details]  
*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(c) relates)*
- 24 Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
- 25 Other terms or special conditions: [Not Applicable/give details]

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. *[[Relevant third party information]* has been extracted from *[specify source]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of J Sainsbury plc:

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

- 1 **LISTING** [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [specify market – note this must not be an EEA regulated market or the London Stock Exchange’s main market] with effect from [●].] [Not Applicable]  
(For considerations in relation to Notes which are neither listed nor admitted to trading, see “Taxation”.)
- 2 **RATINGS**  
Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [insert details] by [insert the legal name of the relevant credit rating agency entity(ies)].  
(The above disclosure is only required if the ratings of the Notes are different to those stated in the Prospectus)
3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**  
[Save for the fees payable to the [Managers named below/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business – Amend as appropriate if there are other interests]
4. **[REASONS FOR THE OFFER**  
Reasons for the offer: [General corporate purposes]  
(See “Use of Proceeds” wording in Prospectus – if reasons for offer different from what is disclosed in the Prospectus, give details])
5. **OPERATIONAL INFORMATION**
- (a) ISIN: [●]
- (b) Common Code: [●]
- (c) CFI: [See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (d) FISN: [See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (e) Any clearing system(s) other than Euroclear and Clearstream, [Not Applicable/give name(s) and number(s)]

Luxembourg and the relevant identification number(s):

- (f) Delivery: Delivery [against/free of] payment
- (g) Names and addresses of additional Paying Agent(s) (if any): [•]
- (h) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [include this text for Registered Notes which are to be held under the NSS] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]  
[No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [include this text for Registered Notes]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 6. DISTRIBUTION

- (a) Method of distribution: [Syndicated/Non-syndicated]
- (b) If syndicated, names of Managers: [Not Applicable/give names]
- (c) Stabilisation Manager(s) (if any): [Not Applicable/give names]
- (d) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (e) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
- (f) Additional selling restrictions: [Not Applicable/give details]
- (g) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]  
*(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged”*

*products and a key information document will be prepared in the EEA, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared in the EEA, “Applicable” should be specified.)*

- (h) Prohibition of Sales to UK Retail Investors:

[Applicable/Not Applicable]

*(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared in the UK, “Applicable” should be specified.)*

- (i) Singapore Sales to Institutional Investors and Accredited Investors only:

[Applicable/Not Applicable]

## **STABILISATION**

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) designated in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) as acting as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Notes. Reference should be made to "Applicable Pricing Supplement" for a description of the content of the Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by J Sainsbury plc (the **Issuer**) constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 17 January 2025 made between the Issuer and BNY Mellon Corporate Trustee Services Limited (the **Trustee**, which expression shall include any successor as Trustee).

References herein to the Notes shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form (each a **Bearer Global Note**); and
- (d) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for a Global Note in registered form) (each a **Registered Global Note**).

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 17 January 2025 and made between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as issuing and principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent and, together with any additional paying agents, the **Paying Agents**, which expression shall include any successor paying agents), The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the **Registrar**, which expression shall include any successor registrar) and a transfer agent (together with the Registrar and any additional transfer agents, the **Transfer Agents**, which expression shall include any successor transfer agents). The Principal Paying Agent, the Calculation Agent (if any is specified in the applicable Final Terms), the Registrar, the Paying Agents and the other Transfer Agents are together referred to as the **Agents**.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**) or, if this Note is a Note which is not admitted to trading on a UK regulated market as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, nor offered in the United Kingdom in circumstances where a prospectus is required to be published under the Financial Services and Markets Act 2000 (an **Exempt Note**), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are, unless otherwise

stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. Any reference in the Conditions to **applicable Final Terms** shall be deemed to include a reference to the applicable Pricing Supplement where relevant.

Interest bearing definitive Bearer Notes have interest coupons (**Coupons**) and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

The Trustee acts for the benefit of the Noteholders (which expression shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement (i) are available for inspection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent). If the Notes are to be admitted to trading on the main market of the London Stock Exchange, the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## **1 FORM, DENOMINATION AND TITLE**

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note or a Floating Rate Note, or a combination of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Trustee and any Agent will (except as otherwise ordered by a court of competent jurisdiction or required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such principal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee and any Agent as the holder of such principal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

In determining whether a particular person is entitled to a particular principal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

## **2 TRANSFERS OF REGISTERED NOTES**

### **2.1 Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

### **2.2 Transfers of Registered Notes in definitive form**

Subject as provided in paragraph 2.3 below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be

transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate principal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

### **2.3 Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

### **2.4 Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

## **3 STATUS OF THE NOTES**

The Notes and any relative Coupons constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves. The payment obligations of the Issuer under the Notes and any relative Coupons shall (subject to Condition 4 and to such exceptions as exist by statute) at all times rank equally with all other unsecured and unsubordinated obligations of the Issuer.

## **4 NEGATIVE PLEDGE**

### **4.1 Negative Pledge**

So long as any of the Notes remains outstanding (as defined in the Trust Deed), the Issuer will not create or permit to subsist, and it will ensure that no Subsidiary of the Issuer (other than a member of the SB Group) will create or permit to subsist, any mortgage, charge, lien (other than a lien arising by operation of law) or other encumbrance upon the whole or any part of its undertaking or assets, present or future, to secure payment of any present or future Relevant Indebtedness of the Issuer or of any other person or to secure any guarantee or indemnity in respect of any Relevant Indebtedness of the Issuer or of any other person, without at the same time according to the Notes and any Coupons and all amounts payable under the Trust Deed in respect of the Notes and any

Coupons, to the satisfaction of the Trustee, the same security as is created, or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity, or such other security or other arrangement as the Trustee shall in its absolute discretion deem not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

#### 4.2 Interpretation

For the purposes of the Conditions:

**Indebtedness for Borrowed Money** means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (1) money borrowed, (2) liabilities under or in respect of any acceptance or acceptance credit or (3) any notes, bonds, debentures, stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;

**Relevant Indebtedness** means any Indebtedness for Borrowed Money which is in the form of, or represented or evidenced by, bonds, notes, loan stock or other securities which, with the agreement of the issuer thereof, are quoted, listed, dealt in or traded on any regulated market or over the counter or other recognised securities market;

**SB Group** means Sainsbury's Bank plc and its Subsidiaries; and

**Subsidiary** means a subsidiary within the meaning of section 1159 of the Companies Act 2006 or a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

### 5 INTEREST

#### 5.1 Interest on Fixed Rate Notes

This Condition 5.1 applies to Fixed Rate Notes only, including, subject to the provisions of Condition 5.3, Fixed Rate Notes in respect of which "Step Up/Step Down Rating Change" is specified in the applicable Final Terms as being "Applicable". The applicable Final Terms contain provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 5.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are Bearer Notes in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Bearer Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding principal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes; or
- (B) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest, in accordance with this Condition 5.1:

- (A) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (a) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (b) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (B) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

**Determination Period** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

## 5.2 Interest on Floating Rate Notes

### (A) Interest Payment Dates

This Condition 5.2 applies to Floating Rate Notes only, including, subject to the provisions of Condition 5.3, Floating Rate Notes in respect of which “*Step Up/Step Down Rating Change*” is specified in the applicable Final Terms as being “Applicable”. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 5.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, the party who will calculate the amount of interest due if it is not the Principal Paying Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. The applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and, if applicable, Relevant Screen Page.

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, or the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) in any case where Specified Periods are specified in accordance with Condition 5.2(A)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply mutatis mutandis or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment

Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (b) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (c) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (d) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre (other than T2) specified in the applicable Final Terms;
- (b) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system (T2) is open; and
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open.

**(B) Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified below.

**(i) Screen Rate Determination for Floating Rate Notes - Term Rate**

This Condition 5.2(B)(i) applies where "*Term Rate*" is specified in the applicable Final Terms to be "Applicable".

The Rate of Interest for each Interest Period will, subject to Condition 5.2(C) and as provided below, be either:

- (a) the offered quotation; or
- (b) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as

determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

Subject to Condition 5.2(C), if the Relevant Screen Page is not available or if, in the case of 5.2(B)(i)(a) above, no offered quotation appears or, in the case of subclause 5.2(B)(i)(b) above, fewer than three offered quotations appear, in each case as at 11.00 a.m. (Brussels time), the Issuer (or an agent of the Issuer) shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR) at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which is the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market plus or minus (as indicated in the applicable Final Terms) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market plus or minus (as indicated in the applicable Final Terms) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period).

In the Conditions, **Reference Banks** means the principal Eurozone office of each of the four major banks engaged in the Eurozone interbank market, in each case selected by the Issuer (or by an agent of the Issuer) and notified to the Calculation

Agent provided that, once a Reference Bank has been selected by the Issuer, that Reference Bank shall not be changed unless and until, in the Issuer's reasonable opinion, it ceases to be capable of acting as such.

(ii) **Screen Rate Determination for Floating Rate Notes – Overnight Rate - Compounded Daily SONIA - Non-Index Determination**

This Condition 5.2(B)(ii) applies where the applicable Final Terms specifies: (1) "Overnight Rate" to be "Applicable"; (2) "SONIA" as the Reference Rate; and (3) "Index Determination" to be "Not Applicable".

- (a) The Rate of Interest for an Interest Period will, subject to Condition 5.2(C) and as provided below, be Compounded Daily SONIA with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by Principal Paying Agent or the Calculation Agent, as applicable, on each relevant Interest Determination Date.
- (b) For the purposes of this Condition 5.2(B)(ii):

**Compounded Daily SONIA** means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as the reference rate for the calculation of interest) and will be calculated by the Principal Paying Agent or the Calculation Agent, as applicable, on each relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right] \times \frac{D}{d}$$

where:

- d** is the number of calendar days in:
  - (i) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
  - (ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;
- D** is the number specified as such in the applicable Final Terms (or, if no such number is specified, 365);
- d<sub>o</sub>** means the number of London Banking Days in:
  - (i) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
  - (ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;
- i** is a **series** of whole numbers from one to "d<sub>o</sub>", each representing the relevant London Banking Day in chronological order from (and including) the first London Banking Day in:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period,

to (and including) the last London Banking Day in such Interest Period, or as the case may be, such Observation Period;

**London Banking Day** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**$n_i$**  for any London Banking Day “ $i$ ”, means the number of calendar days from (and including) such London Banking Day “ $i$ ” up to (but excluding) the following London Banking Day;

**Observation Period** means, in respect of an Interest Period, the period from (and including) the date falling “ $p$ ” London Banking Days prior to the first day of such Interest Period to (but excluding) the date which is “ $p$ ” London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling “ $p$ ” London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

**$p$**  means, for any Interest Period, the whole number specified in the applicable Final Terms (or, if no such number is so specified, five, provided that a number lower than five may only be so specified by the Issuer with the prior agreement of the Principal Paying Agent or the Calculation Agent, as applicable) representing a number of London Banking Days;

**Relevant Decimal Place** shall, unless otherwise specified in the applicable Final Terms, be the fourth decimal place, with 0.00005 being rounded upwards;

**SONIA Reference Rate** means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (**SONIA**) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

**SONIA <sub>$i$</sub>**  means, in respect of any London Banking Day “ $i$ ”, the SONIA Reference Rate for:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the London Banking Day falling “ $p$ ” London Banking Days prior to the relevant London Banking Day “ $i$ ”; or
  - (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant London Banking Day “ $i$ ”.
- (c) If, in respect of any London Banking Day on which an applicable SONIA Reference Rate is required to be determined, the Principal Paying Agent or the Calculation Agent, as applicable, determines that the SONIA Reference Rate

is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors (or as otherwise provided in the relevant definition thereof) or as published on the Bank of England's website at <https://www.bankofengland.co.uk/boeapps/database/> (or such other page or website as may replace such page for the purposes of publishing the SONIA Reference Rate), such SONIA Reference Rate shall, subject to Condition 5.2(C), be:

- (1) the sum of (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at close of business on such London Banking Day; and (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days in respect of which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
  - (2) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, either (A) the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day in respect of which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (B) if this is more recent, the latest rate determined under (1) above.
- (d) Subject to Condition 5.2(C), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(B)(ii), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin or any Maximum or Minimum Rate of Interest applicable to the first Interest Period).
- (iii) **Screen Rate Determination – Overnight Rate – Compounded Daily SOFR – Non-Index Determination**

This Condition 5.2(B)(iii) applies where the applicable Final Terms specifies: (1) "Overnight Rate" to be "Applicable"; (2) "SOFR" as the Reference Rate; and (3) "Index Determination" to be "Not Applicable".

- (a) The Rate of Interest for an Interest Period will, subject as provided below, be Compounded Daily SOFR with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all

as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

(b) For the purposes of this Condition 5.2(B)(iii):

**Compounded Daily SOFR** means, with respect to any Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the interest rate basis for the calculation of interest) as calculated by the Principal Paying Agent or the Calculation Agent, as applicable, in accordance with the following formula on each Interest Determination Date (and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SOFR_i \times n_i}{365} \right) - 1 \right] \times \frac{D}{d}$$

where:

- d** is the number of calendar days in:
- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
  - (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;
- D** is the number specified as such in the applicable Final Terms (or, if no such number is specified, 360);
- d<sub>o</sub>** is the number of U.S. Government Securities Business Days in:
- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
  - (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;
- i** is a series of whole numbers from one to “d<sub>o</sub>”, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in:
- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
  - (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;
- to (and including) the last U.S. Government Securities Business Day in such Interest Period or, as the case may be, such Observation Period;
- n<sub>i</sub>** for any U.S. Government Securities Business Day “i”, means the number of calendar days from (and including) such U.S. Government Securities

Business Day “i” up to (but excluding) the following U.S. Government Securities Business Day;

**Observation Period** means, in respect of an Interest Period, the period from, and including, the date falling “p” U.S. Government Securities Business Days prior to the first day in such Interest Period to (but excluding) the date falling “p” U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

**p** means, for any Interest Period, the whole number specified in the applicable Final Terms (or, if no such number is so specified, five, provided that a number lower than five may only be so specified by the Issuer with the prior agreement of the Principal Paying Agent or the Calculation Agent, as applicable) representing a number of U.S. Government Securities Business Days;

**Relevant Decimal Place** shall, unless otherwise specified in the applicable Final Terms, be the fifth decimal place, with 0.000005 being rounded upwards;

**SOFR** means, with respect to any U.S. Government Securities Business Day:

- (i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator’s Website at the SOFR Determination Time;
- (ii) subject to Condition 5.2(B)(iii)(c) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator’s Website;

**SOFR<sub>i</sub>** means, in respect of any U.S. Government Securities Business Day “i”, the SOFR for:

- (i) where “Lag” is specified in the applicable Final Terms as the Observation Method, the U.S. Government Securities Business Day falling “p” U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day “i”;
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant U.S. Government Securities Business Day “i”;

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

**SOFR Administrator** means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

**SOFR Administrator's Website** means the website of the SOFR Administrator, or any successor source; and

**SOFR Determination Time** means, for any U.S. Government Securities Business Day, 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day.

- (c) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Noteholders or Couponholders.

For the avoidance of doubt, the Trustee and the relevant Agents, as applicable, shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Noteholders or Couponholders, be obliged to use reasonable endeavours to effect such consequential amendments to the Trust Deed, the Agency Agreement and the Conditions as the Issuer determines and certifies (upon which certification the Trustee and the relevant Agents, as applicable, may rely without enquiry or liability) to the Trustee and the relevant Agents, as applicable, may be appropriate in order to give effect to this Condition 5.2(B)(iii)(c) and neither the Trustee nor the relevant Agents, as applicable, shall be liable to any party for any consequence thereof. Neither Noteholder nor Couponholder consent shall be required in connection with the execution of any documents, amendments or other steps taken by the Trustee and/or the relevant Agents (if required). Notwithstanding any other provision of this Condition 5.2(B)(iii)(c), the Trustee and a relevant Agent, as applicable, shall not be obliged to agree to or implement any such Benchmark Replacement Conforming Changes if the same would, in the sole opinion of the Trustee and/or the relevant Agent (as applicable), have the effect of imposing more onerous obligations upon it or exposing it to any additional duties, responsibilities or liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or reducing or amending the rights and/or the protective provisions afforded to the Trustee and/or the relevant Agent (as applicable) in the Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

Any determination, decision or election that may be made by the Issuer pursuant to this Condition 5.2(B)(iii)(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (1) will be conclusive and binding absent manifest error;
- (2) will be made in the sole discretion of the Issuer; and

- (3) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the Noteholders, Couponholders or any other party.

**Benchmark** means, initially, Compounded Daily SOFR, as such term is defined above; provided that if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded Daily SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then **Benchmark** shall mean the applicable Benchmark Replacement;

**Benchmark Replacement** means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (1) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;
- (2) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or
- (3) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

**Benchmark Replacement Adjustment** means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

**Benchmark Replacement Conforming Changes** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market

practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

**Benchmark Replacement Date** means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (2) in the case of clause (3) of the definition of “Benchmark Transition Event” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

**Benchmark Transition Event** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark (or such component), which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component)

announcing that the Benchmark (or such component) is no longer representative;

**ISDA Definitions** means the 2021 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (ISDA) and as amended and updated as at the Issue Date of the first Tranche of the Notes;

**ISDA Fallback Adjustment** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

**ISDA Fallback Rate** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark excluding the applicable ISDA Fallback Adjustment;

**Reference Time** means, with respect to any determination of the Benchmark (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

**Relevant Governmental Body** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

**Unadjusted Benchmark Replacement** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 5.2(B)(iii)(c) will be notified promptly by the Issuer to the Trustee, the relevant Agents (as applicable) and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Trustee and the relevant Agents (as applicable) of the same, the Issuer shall deliver to the Trustee and the relevant Agents (as applicable) a certificate signed by two directors of the Issuer:

- (1) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 5.2(B)(iii)(c); and
- (2) certifying that the relevant Benchmark Replacement Conforming Changes are appropriate to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

The Trustee and the relevant Agents (as applicable) shall be entitled to rely on such certificate (without liability to any person and without any obligation to verify or investigate the accuracy thereof) as sufficient evidence thereof.

If, in the case of any Benchmark Transition Event, Benchmark Replacement, Benchmark Replacement Adjustment and/or Benchmark Replacement Conforming Changes which are notified to the Principal Paying Agent or the Calculation Agent, as applicable, pursuant to this Condition 5.2(B)(iii)(c), the Principal Paying Agent or the Calculation Agent, as applicable, is in any way uncertain as to the application of such Benchmark Replacement, Benchmark Replacement Adjustment and/or Benchmark Replacement Conforming Changes in the calculation or determination of the Rate of Interest for future Interest Periods, it shall promptly notify the Issuer thereof and the Issuer shall direct the Principal Paying Agent or the Calculation Agent, as applicable, in writing as to which course of action to adopt in the application of such Benchmark Replacement, Benchmark Replacement Adjustment and/or Benchmark Replacement Conforming Changes in the determination of such Rate of Interest and the Principal Paying Agent or the Calculation Agent, as applicable, may rely on such direction (without enquiry or liability). If the Principal Paying Agent or the Calculation Agent, as applicable, is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Principal Paying Agent or the Calculation Agent, as applicable, shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(B)(iii)(c), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period or any Maximum or Minimum Rate of Interest applicable to the first Interest Period).

(iv) **Screen Rate Determination – Overnight Rate – SONIA/SOFR - Index Determination**

This Condition 5.2(B)(iv) applies where the applicable Final Terms specifies: (1) “Overnight Rate” to be “Applicable”; (2) “SONIA” or “SOFR” as the Reference Rate; and (3) “Index Determination” to be “Applicable”.

- (a) The Rate of Interest for an Interest Period will, subject to Condition 5.2(C) (where the Reference Rate is SONIA) and Condition 5.2(B)(iii)(c) (where the Reference Rate is SOFR) and as provided below, be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula on the relevant Interest Determination Date:

$$\left( \frac{\text{Compounded Index End}}{\text{Compounded Index Start}} - 1 \right) \times \frac{D}{d}$$

and rounded to the Relevant Decimal Place, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined and calculated by the Principal Paying Agent or the Calculation Agent, as applicable.

(b) In this Condition 5.2(B)(iv):

**Benchmark Event** has the meaning given to it in Condition 5.2(C);

**Benchmark Replacement Date** has the meaning given to it in Condition 5.2(B)(iii)(c);

**Benchmark Transition Event** has the meaning given to it in Condition 5.2(B)(iii)(c);

**Compounded Daily SONIA** has the meaning given to it in Condition 5.2(B)(iii)(c);

**Compounded Index** shall mean the SONIA Compounded Index (where the Reference Rate is specified in the applicable Final Terms as being SONIA) or the SOFR Compounded Index (where the Reference Rate is specified in the applicable Final Terms as being SOFR), as the case may be;

**Compounded Index End** means, in respect of an Interest Period, the relevant Compounded Index value on the day falling “*p*” Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

**Compounded Index Start** means, in respect of an Interest Period, the relevant Compounded Index value on the day falling “*p*” Index Days prior to the first day of the relevant Interest Period;

***d*** is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

**D** means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360, unless otherwise specified in the applicable Final Terms;

**Index Days** means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

**London Banking Day** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

***p*** means, for any Interest Period, the whole number specified in the applicable Final Terms (or, if no such number is so specified, five, provided that a number lower than five shall only be so specified by the Issuer with the prior agreement of the Principal Paying Agent or the Calculation Agent, as applicable) representing a number of Index Days;

**Relevant Decimal Place** shall, unless otherwise specified in the applicable Final Terms, be the fifth decimal place (with 0.000005 being rounded upwards),

provided that a number of decimal places lower than five may not be specified in the applicable Final Terms;

**SOFR Compounded Index** means the Compounded Daily SOFR rate as published at 3.00 p.m. (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source;

**SONIA Compounded Index** means the Compounded Daily SONIA rate as published at 10.00 a.m. (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source; and

**U.S. Government Securities Business Day** has the meaning given to it in Condition 5.2(B)(iii).

- (c) Provided that a Benchmark Event has not occurred in respect of SONIA or a Benchmark Transition Event and its related Benchmark Replacement Date has not occurred in respect of SOFR, as the case may be, if, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Compounded Index Start or Compounded Index End date, then the Principal Paying Agent or the Calculation Agent, as applicable, shall calculate the rate of interest for that Interest Period as if "*Index Determination*" was specified in the applicable Final Terms as "Not Applicable", and in each case "Observation Shift" had been specified in the applicable Final Terms as the Observation Method and, in the case of SONIA, the Relevant Screen Page will be determined by the Issuer. For the avoidance of doubt, if a Benchmark Event has occurred in respect of SONIA, the provisions of Condition 5.2(C) shall apply and, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, the provisions of Condition 5.2(B)(iii)(c) shall apply.

(v) **Screen Rate Determination – Overnight Rate – Compounded Daily €STR – Non-Index Determination**

This Condition 5.2(B)(v) applies where the applicable Final Terms specifies: (1) "*Overnight Rate*" to be "Applicable"; (2) "*€STR*" as the Reference Rate; and (3) "*Index Determination*" to be "Not Applicable".

- (a) The Rate of Interest for an Interest Period will subject to Condition 5.2(C) and as provided below, be Compounded Daily €STR with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.
- (b) For the purposes of this Condition 5.2(B)(v):

**Compounded Daily €STR** means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Principal Paying Agent or the Calculation Agent, as applicable, as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{€STR}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

**€STR reference rate**, in respect of any TARGET Business Day (**TBD<sub>x</sub>**), is a reference rate equal to the daily euro short-term rate (**€STR**) for such TBD<sub>x</sub> as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Business Day immediately following TBD<sub>x</sub> (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

**€STR<sub>i</sub>** means the €STR reference rate for:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the TARGET Business Day falling “*p*” TARGET Business Days prior to the relevant TARGET Business Day “*t*”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant TARGET Business Day “*t*”;

**d** is the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

**D** is the number specified as such in the applicable Final Terms (or, if no such number is specified, 360);

**d<sub>o</sub>** means:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of TARGET Business Days in the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of TARGET Business Days in the relevant Observation Period;

**i** is a series of whole numbers from one to “*d<sub>o</sub>*”, each representing the relevant TARGET Business Day in chronological order from (and including) the first TARGET Business Day in:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period,

to (and including) the last TARGET Business Day in such Interest Period or, as the case may be, such Observation Period;

***n<sub>i</sub>*** for any TARGET Business Day “*t*”, means the number of calendar days from (and including) such TARGET Business Day “*t*” up to (but excluding) the following TARGET Business Day;

**Observation Period** means, in respect of an Interest Period, the period from (and including) the date falling “*p*” TARGET Business Days prior to the first day in such Interest Period to (but excluding) the date falling “*p*” TARGET Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “*p*” TARGET Business Days prior to such earlier date, if any, on which the Notes become due and payable);

***p*** means for any Interest Period, the whole number specified in the applicable Final Terms (or, if no such number is so specified, five, provided that a number lower than five may only be so specified by the Issuer with the prior agreement of the Principal Paying Agent or the Calculation Agent, as applicable) representing a number of TARGET Business Days; and

**TARGET Business Day** means any day on which T2 is open.

- (c) Subject to Condition 5.2(C), if, where any Rate of Interest is to be calculated pursuant to Condition 5.2(B)(v) above, in respect of any TARGET Business Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Business Day shall be the €STR reference rate for the first preceding TARGET Business Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(B)(v)(c) but without prejudice to Condition 5.2(C), the Rate of Interest shall be calculated in accordance, *mutatis mutandis*, with the provisions of Condition 5.2(B)(ii)(d).

(C) **Benchmark Discontinuation**

Notwithstanding the foregoing provisions of this Condition 5.2, this Condition 5.2(C) applies where the applicable Final Terms specifies: (1) “*Floating Rate Note Provisions*” to be “Applicable” and (2) the “*Reference Rate*” to be anything other than SOFR.

- (i) Independent Adviser

If the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.2(C)(ii)(b)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5.2(C)(iv)) for the purposes of determining the Rate of Interest

applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5.2(C)). In making such determination, the Issuer shall act in good faith. In the absence of bad faith or fraud, the Issuer shall have no liability whatsoever to the Trustee, the Paying Agents, the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 5.2(C).

If (i) the Issuer is unable to appoint an Independent Adviser, (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate, in each case together with an Adjustment Spread, in accordance with this Condition 5.2(C)(i) or Condition 5.2(C)(ii) prior to the relevant Interest Determination Date or (iii) the Issuer determines that there is neither a Successor Rate nor an Alternative Rate, in each case the Rate of Interest applicable to the next succeeding Interest Period shall be determined in accordance with Condition 5.2(B) (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period). For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5.2(C)(i).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser, determines that:

- (a) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 5.2(C)); or
- (b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 5.2(C)).

(iii) Adjustment Spread

The applicable Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5.2(C) and the Issuer, following consultation with the Independent Adviser, determines (i) that amendments to the Conditions, the Agency Agreement and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread or to follow established market practice in respect of such Successor Rate, Alternative Rate and/or Adjustment Spread (any such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall use all reasonable

endeavours, subject to giving notice thereof in accordance with Condition 5.2(C)(v), without any requirement for the consent or approval of Noteholders or Couponholders, to vary the Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and the relevant Agents of a certificate signed by two directors of the Issuer pursuant to Condition 5.2(C)(v), the Trustee and the relevant Agents shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Noteholders or Couponholders, be obliged to use reasonable endeavours to effect any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed and/or the Agency Agreement) and neither the Trustee nor a relevant Agent (as applicable) shall be liable for any consequence thereof. Notwithstanding the above, neither the Trustee nor a relevant Agent (as applicable) shall be obliged to agree to any amendments which, in the sole opinion of the Trustee or the relevant Agent (as applicable), would have the effect of imposing more onerous obligations upon it or exposing it to any additional duties, responsibilities or liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or reducing or amending the rights and/or the protective provisions afforded to the Trustee or the relevant Agent in the Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

In connection with any such variation in accordance with this Condition 5.2(C)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5.2(C) will be notified promptly by the Issuer to the Trustee, the relevant Agents and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee and the relevant Agents of the same, the Issuer shall deliver to the Trustee and the relevant Agents a certificate signed by two directors of the Issuer:

- (a) confirming (a) that a Benchmark Event has occurred, (b) the Successor Rate or, as the case may be, the Alternative Rate, (c) the applicable Adjustment Spread and (d) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5.2(C); and
- (b) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread or to follow established market practice in respect of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee and the relevant Agents shall be entitled to rely on such certificate (without liability to any person and without any obligation to verify or investigate the accuracy thereof) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified

in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any)) be binding on the Issuer, the Trustee, the Agents, the Noteholders and the Couponholders.

(vi) Principal Paying Agent and/or Calculation Agent Instruction Request

Notwithstanding any other provision of this Condition 5.2(C), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or any specific terms of any Benchmark Amendments, in the Principal Paying Agent's or the Calculation Agent's (as applicable) opinion, there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5.2(C), the Principal Paying Agent or the Calculation Agent, as applicable, shall promptly notify the Issuer thereof and the Issuer shall direct the Principal Paying Agent or the Calculation Agent, as applicable, in writing as to which alternative course of action to adopt and the Principal Paying Agent or the Calculation Agent, as applicable, may rely on such direction (without enquiry or liability). If the Principal Paying Agent or the Calculation Agent, as applicable, is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Principal Paying Agent or the Calculation Agent, as applicable, shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

In this Condition 5.2(C):

**Adjustment Spread** means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (ii) the Issuer, following consultation with the Independent Adviser, determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate or (if the Issuer determines that no such spread is customarily applied);
- (iii) the Issuer, following consultation with the Independent Adviser, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be) or (if the Issuer determines that no such industry standard is recognised or acknowledged); or
- (iv) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate;

**Alternative Rate** means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser determines in accordance with Condition 5.2(C)(ii) is customarily applied in debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in

the same Specified Currency as the Notes or, if the Issuer determines that there is no such rate, such other rate as the Issuer determines following consultation with the Independent Adviser in its discretion is most comparable to the Original Reference Rate;

**Benchmark Amendments** has the meaning given to it in Condition 5.2(C)(iv);

**Benchmark Event** means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five consecutive Business Days or ceasing to exist or be administered; or
- (ii) the later of (a) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or that it will (on or before a specified date) cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (b) the date falling six months prior to the date specified in (a); or
- (iii) the later of (a) the making of a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be (on or before a specified date) permanently or indefinitely discontinued and (b) the date falling six months prior to the date specified in (a); or
- (iv) the later of (a) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be (on or before a specified date) prohibited from being used either generally or in respect of the Notes and (b) the date falling six months prior to the date specified in (a); or
- (v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative of an underlying market; or
- (vi) it has become unlawful, or will become unlawful prior to the next Interest Determination Date for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

**Independent Adviser** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 5.2(C)(i), provided that the Issuer shall not appoint the Principal Paying Agent or the Calculation Agent (in each case, in its capacity as such) for this purpose;

**Original Reference Rate** means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes or any Successor Rate or Alternative Rate (or component part thereof) determined pursuant to this Condition 5.2(C);

**Relevant Nominating Body** means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is

responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

**Successor Rate** means a successor to or replacement of the Original Reference Rate which is formally published, endorsed, approved, recognised or recommended by any Relevant Nominating Body.

(D) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (B) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (B) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(E) **Determination of Rate of Interest and calculation of Interest Amounts**

The Principal Paying Agent or the Calculation Agent, as applicable, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding principal amount of (A) the Notes represented by such Global Note or (B) such Registered Notes; or
- (ii) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Floating Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vii) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

(F) **Linear Interpolation**

Where “*Linear Interpolation*” is specified as “Applicable” in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if

there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as it determines appropriate.

**Designated Maturity** means the period of time designated in the Reference Rate.

(G) **Notification of Rate of Interest and Interest Amounts**

Except where the applicable Final Terms specifies “*Overnight Rate*” to be “Applicable”, the Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and the Trustee and the Issuer shall (if the relevant Notes are to be listed on a stock exchange and the rules of such stock exchange so require) notify any stock exchange on which the relevant Floating Rate Notes are for the time being listed and cause notice thereof to be published in accordance with Condition 14 as soon as possible after the Principal Paying Agent’s or the Calculation Agent’s, as applicable, determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14.

Where the applicable Final Terms specifies “*Overnight Rate*” to be “Applicable”, the Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and the Trustee and the Issuer shall (if the relevant Notes are to be listed on a stock exchange and the rules of such stock exchange so require) notify any stock exchange on which the relevant Floating Rate Notes are for the time being listed and cause notice thereof to be published in accordance with Condition 14 as soon as possible after the Principal Paying Agent’s or the Calculation Agent’s, as applicable, determination but in no event later than the second London Business Day thereafter. Each Rate of Interest, Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the relevant Interest Period. Any such amendment or alternative arrangements will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14.

For the purposes of this Condition 5.2(G), the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(H) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 by the Principal Paying Agent or the Calculation Agent, as applicable, shall (in the absence of manifest error) be binding on the Issuer, the Trustee, the Principal Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence of wilful default) no liability to the Trustee, the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

(l) **Trustee and Agents**

Notwithstanding any other provision herein, in no event shall the Trustee or any Agent be responsible for exercising discretion in determining any substitute for EURIBOR, SOFR, SONIA or €STR or other benchmark or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, interest determination dates or any other relevant methodology for calculating any such substitute or successor benchmark. In connection with the foregoing, the Trustee and any Agent will be entitled to conclusively rely on any determinations made by the Issuer and will have no liability for such actions taken at the direction of the Issuer.

Any determination, decision or election that may be made by the Issuer in connection with a Benchmark Event or Benchmark Transition Event or a EURIBOR, SOFR, SONIA or €STR or other benchmark replacement, including any determination with respect to a rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer's sole discretion, and, notwithstanding anything to the contrary in the Trust Deed, the Agency Agreement or the Conditions, will become effective without consent from any other party. Neither the Trustee nor any Agent will have any liability for any determination made by or on behalf of the Issuer in connection with a Benchmark Event or Benchmark Transition Event or a EURIBOR, SOFR, SONIA or €STR or other benchmark replacement.

Notwithstanding any other provision herein, none of the Trustee, any Paying Agent, Calculation Agent, Registrar or Transfer Agent shall be required to determine what conforming changes will need to be made to the Conditions or documentation related thereto which reference EURIBOR, SOFR, SONIA or €STR, or SOFR. Such changes shall be determined by the Issuer.

**5.3 Step Up/Step Down Rating Change**

This Condition 5.3 applies to Fixed Rate Notes and Floating Rate Notes in respect of which "*Step Up/Step Down Rating Change*" is specified in the applicable Final Terms as being "Applicable".

(A) **Fixed Rate Notes**

Subject as provided in this Condition 5.3, the Rate of Interest for Fixed Rate Notes to which this Condition applies will be the Rate of Interest specified in the applicable Final Terms (the **Initial Rate of Interest**).

For any Fixed Interest Period commencing on or after the first Interest Payment Date falling on or immediately following the date of a Step Up Rating Change (or a deemed Step Up Rating Change, as set out below), the Initial Rate of Interest will increase by the Step Up Margin specified in the applicable Final Terms.

In the event that a Step Down Rating Change (or a deemed Step Down Rating Change, as set out below) occurs after the date of a Step Up Rating Change (or a deemed Step Up Rating Change, as set out below) or on the same date but subsequent thereto, then for any Fixed Interest Period commencing on or after the first Interest Payment Date falling on or immediately following the date of such Step Down Rating Change (or deemed Step Down Rating Change), the Rate of Interest will decrease back to the Initial Rate of Interest.

(B) **Floating Rate Notes**

Subject as provided in this Condition 5.3, the Margin for Floating Rate Notes to which this Condition applies will be the Margin specified in the applicable Final Terms (the **Initial Margin**).

For any Interest Period commencing on or after the first Interest Payment Date falling on or immediately following the date of a Step Up Rating Change (or a deemed Step Up Rating Change, as set out below), the Initial Margin will increase by the Step Up Margin specified in the applicable Final Terms.

In the event that a Step Down Rating Change (or a deemed Step Down Rating Change, as set out below) occurs after the date of a Step Up Rating Change (or a deemed Step Up Rating Change, as set out below) or on the same date but subsequent thereto, then for any Interest Period commencing on or after the first Interest Payment Date falling on or immediately following the date of such Step Down Rating Change (or deemed Step Down Rating Change), the Margin will decrease back to the Initial Margin.

(C) **General**

The Issuer shall use all reasonable efforts to maintain a credit rating for the Notes from each of S&P and Moody's; *provided that* the Issuer may in its sole discretion substitute either such credit rating for the Notes with a credit rating for the Notes from the Substitute Rating Agency. If either such credit rating for the Notes is so substituted by the Issuer, references in this Condition 5.3 to S&P, Moody's or a Rating Agency, as the case may be, or the ratings thereof, shall be to the Substitute Rating Agency or, as the case may be, the equivalent ratings thereof.

In the event that either Rating Agency fails to, or ceases to, assign a rating to the Notes, the Issuer shall use all reasonable efforts to obtain a rating of the Notes from the Substitute Rating Agency and: (i) if such a rating is so obtained from the Substitute Rating Agency, references in this Condition 5.3 to S&P, Moody's or a Rating Agency, as the case may be, or the ratings thereof, shall be to the Substitute Rating Agency or, as the case may be, the equivalent ratings thereof; and (ii) if such a rating is not obtained from the Substitute Rating Agency, then, for the purposes of the interest rate adjustments described in this Condition 5.3, the rating assigned to the Notes by the remaining Rating Agency (if any) shall be deemed also to be the rating assigned to the Notes by the other Rating Agency.

In the event that both Rating Agencies fail to, or cease to, assign a rating to the Notes and the Issuer fails to obtain a rating for the Notes from the Substitute Rating Agency, a Step Up Rating Change will be deemed to have occurred on the date of such failure but not otherwise. If a rating of the Notes is subsequently assigned by one or more Rating Agencies, then if such rating (or ratings if more than one) is at least Investment Grade, a Step Down Rating Change will be deemed to have occurred on the date of such assignment.

The Rate of Interest or the Margin, as the case may be, will only increase by the Step Up Margin, as provided above, upon the first occurrence of a Step Up Rating Change (or a deemed Step Up Rating Change) on or after the Issue Date of the first Tranche of the Notes. A decrease to the Rate of Interest or the Margin by the Step Up Margin, as the case may be, following the occurrence of a Step Down Rating Change or a deemed Step Down Rating Change may only occur once and, in any event, only after the occurrence of the Step Up Rating Change or deemed Step Up Rating Change, as the case may be. For the avoidance of doubt, any such increase to the Rate of Interest or the Margin, as the case may be, and any such decrease to the Rate of Interest or the Margin, as the case may be, may each only happen once during the term of the Notes.

The Issuer shall cause each Rating Change (if any) and the relevant Rate of Interest or Margin, as the case may be, to be notified to the Principal Paying Agent, the Calculation Agent, the Trustee and any stock exchange or other relevant authority on which the Notes are for the time being listed and the Noteholders in accordance with Condition 14 as soon as practicable after such Rating Change. Promptly upon the Issuer exercising the substitution discretion described in the first paragraph of this Condition 5.3, the Issuer shall give notice thereof to the Trustee and the Noteholders in accordance with Condition 14.

Neither the Trustee nor any Agent shall be responsible for monitoring the rating of any Notes issued by the Issuer and the Trustee and the Agents shall not be liable to any person in relation thereto.

For the purposes of the Conditions:

**Fitch** means Fitch Ratings Ltd., or any successor;

**Investment Grade** means Baa3/BBB- or equivalent, or better;

**Moody's** means Moody's Investors Service Limited, or any successor;

**Rating Change** means a Step Up Rating Change (or a deemed Step Up Rating Change, as set out above) and/or a Step Down Rating Change (or a deemed Step Down Rating Change, as set out above) which results in an adjustment to the Rate of Interest or the Margin, as the case may be, as described in this Condition 5.3;

**S&P** means S&P Global Ratings (UK) Limited, or any successor;

**Step Down Rating Change** means, subject as provided above in relation to a deemed Step Down Rating Change, either:

- (i) the first public announcement by both Rating Agencies of an increase in the rating of the Notes to at least Investment Grade; or
- (ii) the first public announcement by either Rating Agency of an increase in the rating of the Notes to at least Investment Grade, where the rating of the Notes by the other Rating Agency is at least Investment Grade,

provided that, for the avoidance of doubt, any further increases in the credit rating of the Notes above Investment Grade shall not constitute a Step Down Rating Change; and

**Step Up Rating Change** means, subject as provided above in relation to a deemed Step Up Rating Change, the first public announcement by either Rating Agency or, as the case may be, both Rating Agencies of a decrease in the rating of the Notes to below Investment Grade. For the avoidance of doubt, any further decreases in the credit rating of the Notes below Investment Grade shall not constitute a Step Up Rating Change.

In this Condition 5.3:

**Rating Agency** means S&P, Moody's or the Substitute Rating Agency (as applicable); and

**Substitute Rating Agency** means (i) Fitch or (if applicable) S&P or Moody's to the extent previously substituted pursuant to the Issuer's substitution discretion described in the first paragraph of this Condition 5.3(C) or (ii) in the event that any of S&P, Moody's or Fitch ceases to operate its rating business without any successor, such other rating agency of equivalent international standing specified by the Issuer and agreed in writing by the Trustee (and the Trustee may (and shall if so required by the Issuer), in each case at the Issuer's expense and/or subject to it being indemnified and/or secured and/or prefunded to its satisfaction,

consult and may rely absolutely on advice from a reputable financial adviser in this regard and shall not be liable for such reliance).

#### **5.4 Exempt Notes**

In the case of Exempt Notes which are also Floating Rate Notes, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than EURIBOR, SONIA, SOFR or €STR, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement.

#### **5.5 Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (A) the date on which all amounts due in respect of such Note have been paid; and
- (B) as provided in the Trust Deed.

### **6 PAYMENTS**

#### **6.1 Method of payment**

Subject as provided below:

- (A) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (B) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer or its Agents are subject, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

#### **6.2 Presentation of definitive Bearer Notes and Coupons**

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Fixed Rate Notes in respect of which “*Step Up/Step Down Rating Change*” is specified in the applicable Final Terms as being “Applicable” and Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Fixed Rate Note in respect of which “*Step Up/Step Down Rating Change*” is specified in the applicable Final Terms as being “Applicable” or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose principal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the principal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

### **6.3 Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

### **6.4 Payments in respect of Registered Notes**

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream,

Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

## **6.5 General provisions applicable to payments**

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular principal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for their share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (A) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (B) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (C) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

## 6.6 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
  - (i) in the case of Notes in definitive form only, in the relevant place of presentation; and
  - (ii) in each Additional Financial Centre (other than T2) specified in the applicable Final Terms;
- (B) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which T2 is open; and
- (C) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open.

## 6.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (A) any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (B) the Final Redemption Amount of the Notes;
- (C) the Early Redemption Amount of the Notes;
- (D) the Optional Redemption Amount(s) (if any) of the Notes;
- (E) the Change of Control Put Redemption Amount of the Notes;
- (F) the Clean-up Call Redemption Amount (if any) of the Notes; and
- (G) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

## 7 REDEMPTION AND PURCHASE

### 7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

## **7.2 Redemption for tax reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable), the Trustee, the Principal Paying Agent and (in the case of Registered Notes) the Registrar, if the Issuer satisfies the Trustee immediately before the giving of such notice that:

(A) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, on the next Interest Payment Date, the Issuer would be required to pay additional amounts as provided or referred to in Condition 8; and

(B) the requirement cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be required to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee (i) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at the Early Redemption Amount specified in the applicable Final Terms together with interest accrued to (but excluding) the date of redemption.

## **7.3 Redemption at the option of the Issuer (Issuer Call)**

This Condition 7.3 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an Issuer Call. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 7.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If "*Issuer Call*" is specified as being "Applicable" in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 14, the Trustee, the Principal Paying Agent and (in the case of Registered Notes) the Registrar (which notice shall, subject as follows, be irrevocable and shall specify the date fixed for redemption but may (at the

option of the Issuer) be conditional on one or more conditions precedent being satisfied, or waived, by the Issuer), redeem all or some only (if “*Partial Redemption*” is specified in the applicable Final Terms as being “Applicable”) of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together with interest accrued to (but excluding) the relevant Optional Redemption Date. If “*Partial Redemption*” is specified in the applicable Final Terms as being “Applicable”, any such redemption must be of a principal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. The Optional Redemption Amount will either be the specified percentage of the principal amount of the Notes stated in the applicable Final Terms or, if either Sterling Make Whole Redemption Amount or Make Whole Redemption Amount is specified in the applicable Final Terms, will be:

- (A) if “*Sterling Make Whole Redemption Amount*” is specified as the Optional Redemption Amount in the applicable Final Terms, the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed and (ii) the principal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the Issuer, the Principal Paying Agent and the Trustee by the Determination Agent, at which the Gross Redemption Yield to the Maturity Date (or, if a Par Call Period is specified in the applicable Final Terms, the Gross Redemption Yield to the Par Call Period Commencement Date) on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond plus the Redemption Margin; or
- (B) if “*Make Whole Redemption Amount*” is specified as the Optional Redemption Amount in the applicable Final Terms, the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed and (ii) the sum of the present values of the principal amount outstanding of the Notes to be redeemed (assuming if a Par Call Period is specified in the applicable Final Terms, that the Notes are redeemed on the Par Call Period Commencement Date) and the Remaining Term Interest on such Notes (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual, a semi-annual or such other basis as is equivalent to the frequency of interest payments on the Notes (as determined by the Determination Agent) at the Reference Bond Rate plus the Redemption Margin, as reported to the Issuer, the Principal Paying Agent and the Trustee by the Determination Agent,

all as determined by the Determination Agent.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption.

In this Condition 7.3:

**DA Selected Bond** means a government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes to the Maturity Date (or, if a Par Call Period is specified in the applicable Final Terms, to the Par Call Period Commencement Date) that would be utilised, at the time of selection and in accordance with

customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term of the Notes to the Maturity Date (or, if a Par Call Period is specified in the applicable Final Terms, to the Par Call Period Commencement Date);

**Determination Agent** means an investment bank or financial institution of international standing selected by the Issuer and notified to the Trustee;

**Gross Redemption Yield** means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the UK Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields", page 4, Section One: Price/Yield Formulae "Conventional Gilts"; "Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published 8 June 1998, as amended or updated from time to time) on a semi-annual compounding basis converted (in the case of Notes with annual Interest Payment Dates) to an annualised yield or (in the case of Notes which do not have annual or semi-annual Interest Payment Dates) to a yield on such basis as shall be equivalent to the frequency of interest payments on the Notes (as determined by the Determination Agent) and rounded up (if necessary) to four decimal places or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Determination Agent (and, for the avoidance of doubt, when calculating the Gross Redemption Yield on the Notes any increase in the Rate of Interest which has occurred pursuant to the provisions of Condition 5.3 due to the occurrence of a Step Up Rating Change without a subsequent Step Down Rating Change prior to the relevant Reference Date shall be taken into account);

**Par Call Period** shall be as specified in the applicable Final Terms;

**Quotation Time** shall be as specified in the applicable Final Terms;

**Redemption Margin** shall be as specified in the applicable Final Terms;

**Reference Bond** shall be as specified in the applicable Final Terms or the DA Selected Bond;

**Reference Bond Price** means, with respect to any date of redemption, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

**Reference Bond Rate** means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such date of redemption;

**Reference Date** will be set out in the relevant notice of redemption;

**Reference Government Bond Dealer** means each of the five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

**Reference Government Bond Dealer Quotations** means, with respect to each Reference Government Bond Dealer and any date of redemption, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer; and

**Remaining Term Interest** means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note to the Maturity Date (or, if a Par Call Period is specified in the applicable Final Terms, to the Par Call Period Commencement Date) determined on the basis of the rate of interest applicable to such Note (as adjusted in accordance with Condition 5.3 in the event that a Step Up Rating Change has occurred prior to the relevant Reference Date without a subsequent Step Down Rating Change) from (and including) the date on which such Note is to be redeemed by the Issuer pursuant to this Condition 7.3.

#### 7.4 Redemption at the option of the Noteholders following a Change of Control

- (A) A **Put Event** will be deemed to occur if:
- (i) any Person or any Persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in section 1159 of the Companies Act 2006, as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer or any holding company of the Issuer, shall become interested (within the meaning of Part 22 of the Companies Act 2006, as amended) in (a) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (b) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer (such event being a **Change of Control**); provided that a Change of Control shall not be deemed to have occurred if the relevant event which would otherwise have resulted in a Change of Control has been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; and
  - (ii) on the date (the **Relevant Announcement Date**) that is the earlier of (x) the date of the first public announcement of the relevant Change of Control; and (y) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry from any of S&P or Moody's or any other rating agency (for the purposes of this Condition 7.4, each, a **Substitute Rating Agency**) of equivalent international standing specified by the Issuer from time to time and agreed in writing by the Trustee (and the Trustee may (and shall if so required by the Issuer), in each case at the Issuer's expense and/or subject to it being indemnified and/or secured and/or prefunded to its satisfaction consult and may rely absolutely on advice from a reputable financial adviser in this regard and shall not be liable for such reliance) or any such Substitute Rating Agency's successor (for the purposes of this Condition 7.4, each, a **Rating Agency**):
    - (a) on a solicited basis, an Investment Grade credit rating, and such rating from any Rating Agency is within the Change of Control Period either downgraded to below Investment Grade or withdrawn and is not within the Change of Control Period subsequently (I) (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an Investment Grade credit rating by such Rating Agency or (II) replaced by an Investment Grade credit rating by a Substitute Rating Agency; or
    - (b) on a solicited basis, a credit rating below Investment Grade, and such rating from any Rating Agency is within the Change of Control Period downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and is not within the Change of Control Period subsequently (I) (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency or (II) replaced by a

credit rating from a Substitute Rating Agency that is equivalent to or better than such Rating Agency's earlier credit rating; or

- (c) no credit rating on a solicited basis and a Negative Rating Event also occurs within the Change of Control Period,

provided that (x) if on the Relevant Announcement Date the Notes carry a credit rating from more than one Rating Agency on a solicited basis, at least one of which is Investment Grade, then sub-paragraph (a) will apply and (y) any such credit rating which is provided on an unsolicited basis will be disregarded for the purposes of sub-paragraphs (a), (b) and (c); and

- (iii) in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement. Upon receipt by the Issuer or the Trustee of any such written confirmation, the Issuer shall forthwith give notice of such written confirmation to the Noteholders in accordance with Condition 14.

If the rating designations employed by any of S&P or Moody's are changed from those which are described in paragraph (ii) of the definition of "Put Event" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of S&P or Moody's or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of S&P or Moody's and this Condition 7.4 shall be read accordingly.

Neither the Trustee nor any Agent shall be responsible for monitoring the rating of any Notes issued by the Issuer and the Trustee and Agents shall not be liable to any person in relation thereto.

- (B) If a Put Event occurs, the holder of any Note will have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) such Note on the Put Date (as defined below) at an amount equal to its principal amount (the **Change of Control Put Redemption Amount**), together with interest accrued to (but excluding) the date fixed for redemption or purchase.
- (C) Promptly upon the Issuer becoming aware that a Put Event has occurred and in any event within 14 days of the occurrence of the relevant Put Event, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested in writing by the holders of at least one-fifth of the principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a **Put Event Notice**) to the Noteholders (and, in the case of the Issuer, to the Trustee) in accordance with Condition 14 specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 7.4.
- (D) To exercise the right to require redemption of this Note under this Condition 7.4 the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the period (the **Put Period**) of 60 days after a Put Event Notice is given, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent or, as the case may be, the Registrar (a **Change of Control Put Notice**) and

in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the principal amount thereof to be redeemed and, if less than the full principal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Change of Control Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Change of Control Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the Put Period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on their instruction by Euroclear, Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Change of Control Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 7.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.4.

- (E) Without prejudice to Condition 7.5, if applicable, if the Change of Control Put Clean-up Threshold or more of the principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 7.4, the Issuer may, on not less than 30 or more than 60 days' notice to the Noteholders given within 30 days after the Put Date, redeem or, at its option, purchase (or procure the purchase of) the remaining Notes as a whole at an amount equal to their principal amount, together with interest accrued to (but excluding) the date fixed for redemption or purchase.

Prior to the publication of any notice of redemption pursuant to this Condition 7.4(E), the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that, as at the date of the certificate, the Change of Control Put Clean-up Threshold or more of the principal amount of the Notes then outstanding have been redeemed or purchased pursuant to Condition 7.4 and the Trustee shall be entitled to accept the certificate (without enquiry or liability) as sufficient evidence of the satisfaction of the condition set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

- (F) In this Condition 7.4:

**Change of Control Period** means the period commencing on the Relevant Announcement Date and ending 120 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 120 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

a **Negative Rating Event** shall be deemed to have occurred, at any time, if at such time there is no rating assigned to the Notes by a Rating Agency on a solicited basis (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the relevant Change

of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes from a Rating Agency on a solicited basis; or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such rating of at least Investment Grade by the end of the Change of Control Period;

**Person** means, any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government or any agency or political subdivision thereof or any other entity;

**Put Date** means the date which is fifteen days after the expiration of the Put Period; and

**Relevant Potential Change of Control Announcement** means any public announcement or statement by the Issuer, any actual or potential bidder or any advisor thereto relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

## 7.5 Clean-up Call

This Condition 7.5 applies to Notes where “*Clean-up Call*” is specified in the applicable Final Terms as being “Applicable”, such option being referred as a **Clean-up Call**.

The applicable Final Terms contains provisions applicable to any Clean-up Call and must be read in conjunction with this Condition 7.5 for full information on any Clean-up Call. In particular, the applicable Final Terms will identify the Clean-up Call Redemption Amount, the Clean-up Call Threshold and the applicable notice periods.

If Clean-up Call is specified as being applicable in the applicable Final Terms and at any time after the Issue Date of the first Tranche of the Notes, the Clean-up Call Threshold or more of the aggregate principal amount of any Series of Notes originally issued (and, for these purposes, any further securities issued pursuant to Condition 18 so as to be consolidated and form a single series with the Notes will be deemed to have been originally issued) has been purchased by the Issuer or any of its Subsidiaries and cancelled pursuant to the Conditions, then the Issuer may, having given not less than the minimum period nor more than the maximum period of notice in accordance with the notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14, the Trustee, the Principal Paying Agent and (in the case of Registered Notes) the Registrar (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes outstanding at the Clean-up Call Redemption Amount specified in the applicable Final Terms, together with interest accrued to (but excluding) the relevant date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 7.5, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that, as at the date of the certificate, the Clean-up Call Threshold or more of the aggregate principal amount of the Series of Notes originally issued has been purchased by the Issuer or any of its Subsidiaries and cancelled and the Trustee shall be entitled to accept the certificate (without enquiry or liability) as sufficient evidence of the satisfaction of the conditions set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

## 7.6 Purchases

The Issuer or any of its Subsidiaries (as defined below) may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) in any manner and at any price. All Notes which are purchased by or on behalf of the Issuer or any of its Subsidiaries pursuant to this Condition 7.6 may, at the Issuer's

option, be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith), held, resold or reissued.

## 7.7 Cancellation

All Notes which are redeemed, or which are purchased pursuant to Condition 7.4, will be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption or purchase).

## 8 TAXATION

All payments of principal and interest in respect of the Notes and Coupons (including, for the avoidance of doubt, any purchase price payable pursuant to Condition 7.4), by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of the Relevant Jurisdiction unless the withholding or deduction for, or on account of, the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes or Coupons after the withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (A) presented for payment by or on behalf of a holder who is liable to the Taxes in respect of such Note or Coupon by reason of the holder having some connection with any Relevant Jurisdiction other than the mere holding of such Note or Coupon; or
- (B) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Payment Day (as defined in Condition 6.6).

Notwithstanding any other provision of the Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

- (i) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14; and
- (ii) **Relevant Jurisdiction** means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it in respect of the Notes and Coupons.

## 9 PRESCRIPTION

The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

## 10 EVENTS OF DEFAULT AND ENFORCEMENT

### 10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth of the principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but, except in the case of sub-paragraphs (A) and (insofar as they relate to the Issuer) (D) and (E) below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each, together with, where applicable, the certification by the Trustee as referred to above, an **Event of Default**) shall occur:

- (A) there is a failure to pay the principal of, or any interest on, any of the Notes when due and such failure continues for a period of 7 days (in respect of principal) or 14 days (in respect of interest); or
- (B) the Issuer fails to perform or observe any of its other obligations under the Notes or the Trust Deed and (except where in any such case the Trustee considers such failure to be incapable of remedy when no such notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (C)
  - (i) any Indebtedness for Borrowed Money of the Issuer or any Principal Subsidiary is not paid when due (after the expiry of any originally applicable grace period); or
  - (ii) any Indebtedness for Borrowed Money of the Issuer or any Principal Subsidiary is declared to be or otherwise becomes prematurely due and payable as a result of an event of default (howsoever described); or
  - (iii) default is made by the Issuer or any Principal Subsidiary in making any payment due under any guarantee and/or indemnity given by it in respect of any Indebtedness for Borrowed Money;

where the aggregate amount of all such Indebtedness for Borrowed Money in respect of which one or more events as are referred to in sub-paragraphs (i) to (iii), inclusive, occurs is not less than £50,000,000 (or its equivalent in other currencies); or

- (D) any order shall be made by any competent court or resolution passed for winding up the Issuer or any Principal Subsidiary, or the Issuer or any Principal Subsidiary stops payment or threatens to stop payment of its obligations generally or ceases or threatens to cease to carry on the whole or substantially the whole of its business (except for the purpose of a reconstruction or amalgamation (a) on terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution or (b) in the case of any Principal Subsidiary, a voluntary solvent winding up in connection with the transfer of all or the major part of the business, undertaking and assets of such Principal Subsidiary to the Issuer or a Subsidiary); or

- (E) the Issuer or any Principal Subsidiary is unable to pay its debts within the meaning of Section 123(1)(e) of the Insolvency Act 1986 or makes a general assignment for the benefit of its creditors or any kind of composition, scheme of arrangement, compromise or other similar arrangement involving the Issuer or any Principal Subsidiary and the creditors of any of them generally (or any class of such creditors) is entered into or made; or
- (F) an encumbrancer takes possession of the whole or any material part of the assets of the Issuer or any Principal Subsidiary or a distress or execution is levied or enforced upon or sued out against any material part of the assets of the Issuer or any Principal Subsidiary and is not removed, discharged or paid out within 60 days (or such longer period as the Trustee may permit) (provided the aggregate market value of the relevant assets exceeds £50,000,000 (or its equivalent in other currencies)); or
- (G) an administrative or other receiver, manager, administrator or other similar official is appointed or an administration order made with respect to the Issuer or any Principal Subsidiary of the whole or a material part of the assets of the Issuer or any Principal Subsidiary and is not removed, discharged or paid out within 60 days (or such longer period as the Trustee may permit); or
- (H) the security for any Indebtedness for Borrowed Money of the Issuer or any Principal Subsidiary (or under any guarantee and/or indemnity given by the Issuer or any Principal Subsidiary in respect of any Indebtedness for Borrowed Money) over any of its material assets is enforced (provided that the aggregate market value of the relevant assets exceeds £50,000,000 (or its equivalent in other currencies)); or
- (I) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

## 10.2 Enforcement

### (A) Enforcement by the Trustee

The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes and any Coupons or otherwise, but it shall not be bound to take any such proceedings or any other steps or action or to take any other steps or action under or pursuant to the Trust Deed unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth of the principal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

### (B) Limitation on Trustee actions

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

### (C) Enforcement by the Noteholders

No Noteholder or Couponholder shall be entitled to (i) take any steps or action against the Issuer to enforce the performance of any of the provisions of the Trust Deed, the Notes or

any Coupons or (ii) take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer, in each case unless the Trustee, having become bound so to take any such action, steps or proceedings, fails or is unable so to do within 60 days and the failure or inability is continuing.

### 10.3 Definitions

For the purposes of the Conditions:

**Principal Subsidiary** means, at any time, a Subsidiary of the Issuer (other than a member of the SB Group):

- (A) whose total assets or gross revenues (or, where the Subsidiary in question prepares consolidated accounts, whose total consolidated assets or gross consolidated revenues, as the case may be) attributable to the Issuer represent not less than 10 per cent. of the total consolidated assets or the gross consolidated revenues of the Issuer, all as calculated by reference to the then latest audited accounts (or consolidated accounts as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer; or
- (B) to which is transferred all or substantially all the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary.

A certificate signed by two directors of the Issuer that, in their opinion, a Subsidiary is or is not or was or was not at any particular time a Principal Subsidiary accompanied by a certificate from the Auditors (as defined in the Trust Deed) of the Issuer confirming to the Trustee that the figures used to make such calculation have been correctly extracted from the most recent consolidated accounts of the Issuer (whether audited annual or unaudited semi-annual) that are made available to the public, shall, in the absence of manifest error, be conclusive and binding on all parties.

## 11 REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

## 12 AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (A) there will at all times be a Principal Paying Agent and a Registrar; and
- (B) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

### **13 EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

### **14 NOTICES**

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the Financial Times in London. The Issuer shall also publish notices in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this paragraph.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published by the Issuer on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the custodian and/or the sub-custodian banks of the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published by the Issuer on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such

manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **15 MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION**

### **15.1 Meetings of Noteholders**

The Trust Deed contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. of the principal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 per cent. of the principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds of the principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-quarter of the principal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths of the principal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths of the principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Couponholders.

### **15.2 Modification, Waiver, Authorisation and Determination**

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, provided that in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error.

The Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Replacement Conforming Changes or Benchmark Amendments required in order to give effect to Condition 5.2(B)(iii) or Condition 5.2(C) (as applicable) without the consent of the Noteholders or Couponholders.

### **15.3 Trustee to have Regard to Interests of Noteholders as a Class**

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

#### **15.4 Notification to the Noteholders**

Any modification, abrogation, waiver, authorisation or determination shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 14.

### **16 SUBSTITUTION**

The Trustee may, without the consent of the Noteholders or Couponholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Coupons and the Trust Deed of any of the Issuer's Subsidiaries, subject to:

- (A) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and
- (B) certain other conditions set out in the Trust Deed being complied with.

Any substitution shall be binding on the Noteholders and the Couponholders and shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 14.

### **17 INDEMNIFICATION AND PROTECTION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER**

#### **17.1 Indemnification and protection of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer, the Noteholders and the Couponholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

#### **17.2 Trustee Contracting with the Issuer**

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia, (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any

of its Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## **18 FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **19 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **20 GOVERNING LAW**

### **20.1 Governing law**

The Trust Deed, the Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and the Coupons are governed by, and construed in accordance with, English law.

### **20.2 Submission to jurisdiction**

- (A) Subject to Condition 20.2(C) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (B) For the purposes of this Condition 20.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (C) To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

### **20.3 Other documents**

The Issuer has in the Trust Deed and Agency Agreement submitted to the jurisdiction of the English courts.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which may include, without limitation, making a profit and refinancing of existing indebtedness. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms or the applicable Pricing Supplement, as the case may be.

## DESCRIPTION OF THE ISSUER

The Company was incorporated as a public limited company on 10 November 1922 in England and Wales under the Companies Acts of 1908 to 1917 (registered number: 00185647).

The Company's registered office is at 33 Holborn, London EC1N 2HT, United Kingdom.

### Overview of the Issuer

The Company and its subsidiaries (the **Group**) trade principally in the UK grocery sector. The Company is the Group's holding company. The Company is listed on the London Stock Exchange. As at 15 January 2025, the Company had a market capitalisation of £6,011.32 million. The Group currently has a long-term issuer rating of Baa3 (stable outlook) from Moody's and a long-term issuer rating of BBB (stable outlook) from S&P.

After its founding in 1869, the Group's business has grown to become one of the UK's largest grocery retailers. The business was founded on a strong set of values – quality, value and provenance (“quality perfect, prices lower”) that are still at the heart of its business and day-to-day operations. These values remain integral to the Group's relationships with suppliers, colleagues and other stakeholders, differentiating it from its competitors and providing a competitive advantage. The Group remains focused on developing its grocery proposition to ensure it serves customers well through a variety of channels.

As of 2 March 2024, the Group operated 1,431 Sainsbury's stores comprising 597 supermarkets (of which around 60 per cent. are freeholds) and 834 convenience stores and 659 Argos Limited (**Argos**) stores and employed approximately 148,000 colleagues. The Group's focus is on being the first choice for food for customers, attracting more people to choose Sainsbury's as the place they come to for great food. The Group sells food, clothing and general merchandise products to customers across supermarkets, convenience stores, Argos stores (within Sainsbury's and standalone stores) and online. The Group also sells fuel from petrol filling stations and offers electric vehicle (**EV**) charging from charging bays adjacent to some of its stores. The Group's proprietary loyalty programme, Nectar, had over 22.3 million active users over the 52-week period ended on 2 March 2024.

The Group includes Sainsbury's Bank, which currently provides banking products, insurance and travel money services in the UK. In January 2024, the Group announced the completion of the financial services strategic review resulting in the Group's strategy to move to a model where financial services that are complementary to the retail offer will be provided by third parties. The Group has subsequently announced the sale of a number of activities related to that strategic announcement (see “*Financial Services*” below).

For the 52-week period ended on 2 March 2024, the Group (i) generated an underlying revenue of £32,721 million (excluding VAT); (ii) delivered underlying profit before tax of £701 million; and (iii) had total assets of £25,061 million.

### Strategy

The ‘Next Level Sainsbury's’ strategy launched in February 2024 (which runs over the three-year period to March 2027) aims to build on the Food First strategy, delivering further progress in the core Sainsbury's grocery business and investing to further strengthen its competitive position. The Group's strategy focuses on four key outcomes:

- **First choice for food:** delivering further grocery market volume share gains.
- **Loyalty everyone loves:** continuing to build a leading loyalty platform enhancing customer relationships and supporting growing retail media capabilities and income.

- **More Argos, more often:** building on Argos' strengths in convenience and value to drive improved customer frequency and spend trends while continuing to make efficiency gains.
- **Save and invest to win:** investing in technology and infrastructure to further transform operational capability and help deliver another £1 billion of structural cost reductions.

Over the course of the "Next Level Sainsbury's" strategy, the Group aims to deliver £1 billion of cost savings. This builds upon the £1.3 billion cost savings programme delivered over the three years to March 2024. These savings helped support an investment of £780 million over three years in improving Sainsbury's value position.

A full overview of the Group's strategy is available on pages 10 to 14 of the 2024 Annual Report incorporated by reference herein.

## Product portfolio

The Group offers a broad spectrum of retail products and related services. As part of the 'Next Level Sainsbury's' strategy (which runs over the three-year period to March 2027), the Group will continue to focus on the core Sainsbury's grocery business, whilst ensuring a complementary range of relevant products and services continues to be offered.

### Core Food

Sainsbury's sells a broad range of quality own-brand and branded grocery products through supermarkets, convenience stores and online. Its products include fresh, chilled and ambient food, household and pet products and health and beauty product ranges. For the 52-week period ended on 2 March 2024, the Group's total grocery sales amounted to £23.7 billion (inclusive of VAT).

In order to appeal to a wide cross-section of customers, Sainsbury's offers several own-brand food ranges including its entry-level "Stamford Street" brand, its core "by Sainsbury's" range and its premium "Taste the Difference" range. Sales of the Group's premium "Taste the Difference" range grew from £1.2 billion (inclusive of VAT) in 2019/2020 to £1.6 billion (inclusive of VAT) in 2023/2024.

### General Merchandise

The Group operates in the UK general merchandise sector which encompasses a wide range of product categories.

The Group's general merchandise business complements the core food offering. General merchandise is offered primarily through Argos (online and in stores) but also in supermarkets. It is largely focused on categories such as: consumer electronics, domestic appliances, technology, homewares, furniture, toys, stationery, entertainment and seasonal products. The Group's general merchandise business includes the Habitat brand, which offers furniture and homewares to customers.

For the 52-week period ended on 2 March 2024, the Group's general merchandise sales amounted to £6.0 billion (inclusive of VAT).

### Clothing

The Group sells a wide range of womenswear, childrenswear, menswear and lingerie across a range of price points in its supermarkets, Argos and online. The Group's primary clothing brand is Tu, launched in 2004. For the 52-week period ended on 2 March 2024, the Group's clothing sales amounted to £0.9 billion (inclusive of VAT).

## **Fuel and EV charging**

The Group also sells fuel from forecourts located adjacent to some of its supermarkets and convenience stores. For the 52-week period ended on 2 March 2024, the Group's fuel sales amounted to £5.1 billion (inclusive of VAT).

The Group has also expanded its portfolio to offering EV charging services via the Smart Charge network with over 500 charging bays at 62 supermarkets.

## **Nectar**

Sainsbury's Nectar ecosystem is split in two halves: Sainsbury's customer-facing Nectar loyalty scheme rewards customers with pricing and reward points to be spent at Sainsbury's or with one of Sainsbury's nine redemption partners while Nectar360 is Sainsbury's fully integrated loyalty, insights and media services agency.

Sainsbury's retail media business, part of Nectar360, allows brands to advertise to Sainsbury's customers in a tailored way to ensure both brands and customers benefit. Sainsbury's believes retail media has huge untapped potential in the UK and aims to build on its first-mover advantage and become world-leading in its capabilities. Sainsbury's expects Nectar360 to deliver an incremental £100 million of profit contribution over the next three years.

## **Financial Services**

In January 2024, the Group announced the completion of the financial services strategic review resulting in the Group's strategy to move to a model where financial services that are complementary to the retail offer will be provided by third parties. In June 2024, the Group reached agreement on the terms of a proposed sale of its personal loan, credit card and retail deposit portfolios to NatWest Group. Completion of the sale is conditional on court sanction and regulatory approval, with completion expected to occur in the first half of calendar year 2025.

In September 2024, the Group announced the sale of its ATM estate assets to NoteMachine and entered into a partnership for the ongoing provision of ATM services. The transfer of assets is expected to be completed by May 2025.

In November 2024, the Group announced the sale of the Argos Financial Services cards portfolio to NewDay Group. A partnership with NewDay was also announced that will create a digital credit proposition for Argos customers which will in time replace the current Argos credit card propositions. The sale is expected to complete in the first half of 2025.

Together, these transactions represent the Group's exit from the largest part of the financial services activity previously undertaken.

Once complete, Sainsbury's will continue to benefit from financial services income streams which have a strong connection to its retail offer, with a combination of commission income from insurance, travel money, product care and ATMs alongside income from the NewDay partnership.

## Group Structure

The Company is currently the ultimate holding company of the Group.<sup>12</sup> Relevant individual subsidiaries in the Group are Sainsbury's, Supermarkets Ltd, Argos, Sainsbury's Bank plc, Nectar 360 Limited and Nectar 360 Services LLP.

### Sainsbury's Supermarkets Ltd

The product portfolio offering described previously (excluding Argos and Sainsbury's Bank) is primarily offered by Sainsbury's Supermarkets Ltd.

### Argos

Argos is a retailer operating in the UK general merchandise sector which encompasses a wide range of product categories. It became part of the Group following the Company's acquisition of Home Retail Group plc in 2016. During the 52-week period ended on 2 March 2024 Argos had 19 million active customers and was the fourth most visited online retailer in the UK.

In the year ended 6 March 2021, the Group announced the launch of a restructuring programme to accelerate the structural integration of Sainsbury's and Argos by further closing standalone Argos stores and integrating Argos into the existing Sainsbury's store infrastructure to achieve efficiencies within the Group's supply chain and logistics network.

### Nectar 360 Limited and Nectar 360 Services LLP

Nectar 360 Limited manages the Nectar customer loyalty awards programme and Nectar 360 Services LLP carries out advanced data analysis. The Nectar offering has been covered in the "*Product Portfolio*" section.

### Channels to market

The Group has a variety of channels approaching the market including supermarkets, convenience stores, Argos stores and an online business of scale. Sainsbury's Bank also offers financial services (covered in the "*Product Portfolio*" section).

### Store Portfolio

As at 2 March 2024, the Group's portfolio of 1,431 Sainsbury's stores (excluding Argos) covered approximately 23 million sq. ft. of net selling space and is located throughout the UK. Stores are located in both town centre and out-of-town locations. The portfolio comprises a mix of both freehold, long leasehold and leasehold properties.

### Supermarkets

As at 2 March 2024, the Group operates in 597 supermarkets within the Group's portfolio ranging in size from around 5,000 sq. ft. up to 100,000 sq. ft. of net selling space. The smallest supermarkets offer mainly grocery products, while larger supermarkets additionally offer a range of clothing, general merchandise and potentially Argos store-in-stores.

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<sup>12</sup> For more details on the related undertakings, see Note 39 to the consolidated financial statements included in the 2024 Annual Report.

For the 52-week period ended on 2 March 2024, the Group's supermarket sales were £18.9 billion (inclusive of VAT).

### Convenience Stores

As at 2 March 2024, the Group operates in 834 convenience stores ranging in size from a micro convenience store that is 600 sq. ft. to 11,000 sq. ft. of net selling space. The Group's convenience stores provide customers with quality, fresh food at fair prices within walking distance of their home or workplace.

For the 52-week period ended on 2 March 2024, the Group's convenience store sales were £3.4 billion (inclusive of VAT).

### Argos

As at 2 March 2024, Argos operates in 659 stores of which 213 stores are standalone stores and 446 stores are integrated into existing Sainsbury's stores.

For the 52-week period ended on 2 March 2024, the Argos sales were £5.1 billion (inclusive of VAT).

### Online Sales Channels

The Group's principal websites (sainsburys.co.uk and argos.co.uk) focus on selling groceries, general merchandise and clothing.

The Group operates a 'pick from store' model for its online grocery offer which means that online orders are fulfilled direct from the customer's local supermarket.

Customers who use the Group's online grocery offer can choose to have their shopping delivered to their home within a pre-chosen delivery time slot or use a network of Click & Collect service points. The Group continues to invest in this channel to support its strategy of making sure that it can serve its customers whenever and wherever they want to shop.

For the 52-week period ended on 2 March 2024, the Group's online grocery sales were £3.3 billion (inclusive of VAT).

Argos has been transformed over time from a catalogue business to a digital-first retailer. Nearly 70 per cent. of Argos sales now start online, with customers able to get their purchases delivered to their home or use a network of Click & Collect service points. Nearly 70 per cent. of online Click and Collect orders are now available for same day collection at over 1,000 Argos collection points.

### Major Shareholdings

The Company is listed on the London Stock Exchange. As at 15 January 2025, the Company had a market capitalisation of £6,011.32 million. The number of the Company's shares in issue as of 15 January 2025 amounted to 2,339,127,968 and the number of shareholders 93,030.

As at 15 January 2025, the Company had been notified of the following disclosable interests held as a shareholder in accordance with DTR5 of the disclosure and transparency rules produced by the FCA, that are equal to or exceed five per cent. of the issued share capital:

Name	Percentage notified as held
Qatar Holding LLC	10.14
VESA Equity Investment S.à.r.l.	10.00

Blackrock, Inc.	6.89
Schroders plc	5.22
Pzena Investment Management, Inc	5.05
Bestway Group UK Limited	5.01

## Corporate Governance

The current officers of the Company as of the date of this Prospectus and their functions and principal activities outside the Group, where these are significant with respect to the Group, as at the date of this Prospectus, are as follows:

Name of Officer	Role	Principal activities outside of the Group
Martin Scicluna	Chair	None
Simon Roberts	Chief Executive	President of IGD, Member of the Government's Retail Sector Council and an Advisory Board Member of Diversity in Retail
Bláthnaid Bergin	Chief Financial Officer	Non-Executive Director of Haleon plc (upcoming) <sup>13</sup>
Jo Bertram	Non-Executive Director	Managing Director, Business & Wholesale at Virgin Media O2
Brian Cassin	Non-Executive Director and Senior Independent Director	Chief Executive Officer of Experian plc
Jo Harlow	Non-Executive Director	Non-Executive Director and Chair of the Remuneration Committee of Halma plc, Non-Executive Director and Chair of the Remuneration Committee and Nominations Committee at Centrica plc, and Director of Chapter Zero Limited
Adrian Hennah	Non-Executive Director	Non-Executive Director of Oxford Nanopore Technologies plc, a Non-Executive Director of Unilever plc and Trustee of Our Future Health
Tanuj Kapilashrami	Non-Executive Director	Chief Strategy and Talent Officer at Standard Chartered Bank, Associate Non-Executive Director of the Board of NHS England, member of the Asia House Board of Trustees, and on the Board of Autumn, an integrated digital

<sup>13</sup> The appointment of Bláthnaid Bergin to the board of Haleon plc as Non-Executive Director from 24 February 2025 was announced on 5 December 2024.

Name of Officer	Role	Principal activities outside of the Group
Keith Weed CBE	Non-Executive Director	wealth, health and lifestyle solutions start-up Non-Executive Director of WPP plc, Trustee Director of Business in the Community, Trustee Director of The Leverhulme Trust and President of the Royal Horticultural Society. He is also a Trustee of Grange Park Opera.

The business address is 33 Holborn, London EC1N 2HT, United Kingdom, telephone +44 207 695 6000.

There are no potential conflicts of interest between any duties to the Company in relation to the persons referred to above and their private interests and/or other duties.

Certain Directors hold Directorships outside the Group, all of which have been considered and authorised by the Board of Directors in accordance with the Companies Act 2006 and the Group has concluded there are no material conflicts resulting therefrom.

The Company Secretary of the Company is Nick Grant.

## TAXATION

Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Notes.

### UK TAXATION

*The following comments are of a general nature and are based on the Issuer's understanding of current UK law and published HM Revenue and Customs' (HMRC) practice which may not be binding on HMRC and are subject to change (possibly with retrospective effect), in each case as at the date of this Prospectus. They are not intended to be exhaustive. They describe only the UK withholding tax treatment of payments of interest (as that term is understood for UK tax purposes) in respect of Notes. They do not deal with any other UK taxation implications of acquiring, holding or disposing of Notes. They relate only to the position of persons who are the absolute beneficial owners of the Notes and may not apply to certain classes of persons such as dealers, persons connected with the Issuer, professional investors and persons who have acquired their Notes by reason of their employment, to whom special rules apply. Prospective Noteholders who may be subject to tax in a jurisdiction other than the UK or who may be unsure as to their tax position should seek their own professional advice.*

Payments of interest on the Notes may be made without deduction of or withholding for or on account of UK income tax provided that the Notes are and continue to be "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007. The Notes will constitute "quoted Eurobonds" while they carry a right to interest and are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on the Notes will be payable without deduction or withholding for or on account of UK tax.

Payments of interest on Notes may be made without deduction or withholding for or on account of UK tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be, or capable of remaining, outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a UK source on account of UK income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without withholding or deduction for or on account of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Where Notes are issued with a redemption premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest and, if so, may be subject to UK withholding tax as outlined in the preceding paragraphs.

Where Notes are issued at an issue price of less than 100 per cent. of their principal amount, any payments in respect of the accrued discount element on any such Notes may be made without deduction or withholding for or on account of UK income tax, as long as they do not constitute payments in respect of interest.

## FATCA DISCLOSURE

### *Foreign Account Tax Compliance Act*

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a **foreign financial institution** (including an intermediary through which Notes are held) may be required to withhold at a rate of 30 per cent. on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. A number of jurisdictions (including the UK) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Department of the Treasury indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes (as described under Condition 18) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 17 January 2025, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

## SELLING RESTRICTIONS

### ***United States***

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### ***Prohibition of sales to EEA Retail Investors***

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (A) the expression **retail investor** means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (B) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms (or Pricing Supplement, in the case of Exempt Notes) in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (C) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression **an offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### **United Kingdom**

#### *Prohibition of sales to UK Retail Investors*

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (A) the expression **retail investor** means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not

qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(B) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms (or Pricing Supplement, in the case of Exempt Notes) in relation thereto to the public in the UK except that it may make an offer of such Notes to the public in the UK:

(A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

#### ***Other regulatory restrictions***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(A) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

(B) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(C) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

## **Singapore**

Unless the Final Terms (or Pricing Supplement, in the case of Exempt Notes) in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the **MAS**). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Final Terms (or Pricing Supplement, in the case of Exempt Notes) in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

## **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the issue and performance of the Notes.

The establishment of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 12 December 2024 and a resolution of a committee of the Board of Directors of the Issuer dated 16 January 2025.

### Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's main market will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application has been made to the FCA for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's main market. The listing of the Programme in respect of Notes is expected to be granted on or before 23 January 2025.

### Documents available for inspection

Copies of the latest annual report and audited consolidated financial statements of the Company may be obtained at the specified offices of the Principal Paying Agent during normal business hours so long as any of the Notes issued by the Company are outstanding.

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available for inspection from <https://www.about.sainsburys.co.uk/investors>:

- (A) the memorandum and articles of association of the Issuer (as the same may be updated from time to time);
- (B) the Trust Deed and the Agency Agreement;
- (C) the 2023 Annual Report and the 2024 Annual Report, respectively, the 2024/2025 Interim Results and the unaudited Q3 2024/2025 Trading Statement;
- (D) a copy of this Prospectus; and
- (E) any future offering circulars, prospectuses, information memoranda, supplements, Final Terms and Pricing Supplements (in the case of Exempt Notes) (save that Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer or the Paying Agent as to its holding of Notes and identity) to this Prospectus and any other documents incorporated herein or therein by reference.

In addition to the above, (i) an electronic copy of this Prospectus is, and all supplements to this Prospectus will be, available on the website of the London Stock Exchange at <https://www.londonstockexchange.com/>, (ii) electronic copies of all the documents incorporated by reference in this Prospectus are available on the websites specified in relation to each such document in the section "Documents incorporated by reference" and (iii) electronic copies of any documents incorporated by reference into the Prospectus by any supplement will be available from the website specified in relation to such document in the relevant supplement.

For the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on any website does not form part of this Prospectus.

### **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes). If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes).

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

### **Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

### **Yield**

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

### **Significant or Material Change**

There has been no significant change in the financial performance or financial position of the Group since 14 September 2024 and there has been no material adverse change in the prospects of the Issuer since 2 March 2024.

### **Litigation**

Save as disclosed in Note 37 entitled "Contingent liabilities" on page 190 of the Company's 2024 Annual Report, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Company are aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer or the Group.

### **Auditors**

The auditors of the Issuer are Ernst & Young LLP. Ernst & Young LLP are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales. Ernst & Young LLP have audited the Issuer's consolidated financial statements, without qualification, in accordance with International Standards on Auditing (UK), as of and for the 52-week periods ended on 6 March 2021, 5 March 2022, 4 March 2023 and 2 March 2024.

### **Post-issuance information**

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

### **Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform financial advisory and other services for the Issuer or its affiliates in the ordinary course of business. Certain of the Dealers may from time to time also enter into swap and other derivative transactions with the Issuer and/or its affiliates. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the securities of the Issuer, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of the Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Trustee's action**

The Conditions and the Trust Deed provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Trustee is unable to take any action, the Noteholders are permitted by the Conditions and the Trust Deed to take the relevant action directly.

**ISSUER**

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United Kingdom

**TRUSTEE**

**BNY Mellon Corporate Trustee Services Limited**  
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London EC4V 4LA  
United Kingdom

**PRINCIPAL PAYING AGENT**

**The Bank of New York Mellon, London Branch**  
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United Kingdom

**REGISTRAR AND TRANSFER AGENT**

**The Bank of New York Mellon SA/NV, Dublin Branch**  
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Grand Canal Dock  
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Ireland

**LEGAL ADVISERS**

*To the Issuer as to English law*

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*To the Dealers and the Trustee as to English law*

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*To the Issuer*

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**DEALERS**

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**Coöperatieve Rabobank U.A.**  
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