



Sharesave 2016

Stronger together

What will your savings
turn into?

What is Sharesave?

Saving made easy

Sharesave is an easy way to save money every period/month*, straight from your pay.

There is also an added benefit. Sharesave gives you the opportunity to buy Sainsbury's shares at a 20% discounted price that is set at the start of the plan – you could benefit if the Sainsbury's share price rises over your saving term.

Whether you are saving for a house deposit, family holiday, or just for some extra financial security, Sharesave could help.

To join Sharesave you need to have been employed with us on or before 9 September 2016.

* Depending if you get paid per period or on a monthly basis



How does it work?

A closer look

Enrolment

You save a fixed amount:

- **£5 - £250 per period/month***
- **For 3 or 5 years**

✓ **Your money is held securely**

✓ **You are not tied in to the plan**

You cannot change your monthly savings amount, but you can withdraw your savings at any point and your money will be returned to you. Even if you leave our company, you will get all of your money back.

You can join as many Sharesave plans as you like, as long as your total savings each pay period/month* do not exceed the overall limit of £250.

* Depending if you get paid per period or on a monthly basis

Maturity

At the end of your chosen savings term (3 or 5 years), you can either:

- **Buy Sainsbury's shares at a 20% discount to the price they were when you joined the plan.** This price was fixed on 10th November 2016 - it's known as the option price and can be found on your invitation letter or email. If the share price has risen over the three or five year term, you can sell your shares and take the profit or keep them and become a Sainsbury's shareholder.

Or

- **Take back the money you've saved.** If the share price falls below the option price during your savings term you don't have to buy shares through Sharesave, you can simply withdraw your savings and receive back all of the money you've paid in.

How does it work?

What could my savings be worth?

Option price 2016: £1.85

1. Type in the amount you want to save per period/month*:

£

Total 3 year saving:

£

Total 5 year saving:

£

Total share Options
available after 3 years:

Total share Options
available after 5 years:

2. Select a Maturity price below to see how much your shares could be worth after 3 or 5 years!

£2.50 £3.00 £3.50

Share value at
Maturity after 3 years:

£

Share value at
Maturity after 5 years:

£

Potential gain
after 3 years:

£

Potential gain
after 5 years:

£

* Depending if you get paid per period or on a monthly basis



What could my
savings be worth?

How do I join Sharesave?

If you are unable to apply online or by text message, please contact Computershare on 0344 472 6110 to request a paper application form.

Online

Visit: www.computershare.co.uk/sainsburys

1. Enter your SRN and PIN**
(included on your invitation email)
2. Follow the simple online instructions

If you have never used the Computershare online service you will immediately be asked to change your PIN.

**If you have never used the employee online website your PIN is your eight digit date of birth (DDMMYYYY). If you cannot remember your PIN, log onto the website using your SRN, click on "Forgotten PIN?" and follow the instructions to receive a new one.

Please read the [terms and conditions](#) for participating in the Sharesave 2016 and the [text message application terms](#) if applying by text. They can also be found at www.computershare.co.uk/sainsburys under 'Plan Documentation' or alternatively by calling the helpline on 0344 472 6110 to request a copy. You will be deemed to have read these documents and that you agree to all terms and conditions if you apply.

* Depending if you get paid per period or on a monthly basis

Text message

You can join by sending the following.

1. SAYE (followed by a space)
2. Your SRN, included on your invitation email (followed by a space)
3. Add the number 3 or 5 (followed by a space)
This indicates the savings term.
4. How much you want to save each period/ month* in pounds
5. Then send this message to: **07860035254**

Call charges will vary depending on the service provider. Lines are open from 08.30 - 17.30 Monday - Friday (excluding public holidays). Text messages will be charged at your standard network rate.



How do I join
Sharesave?

Key dates

Your window of opportunity...



10 November

Option price set

The 20% discount is applied to the share price

14 November

Invitation opens

You will receive your invitation with your Shareholder Reference Number (SRN) and details on how to apply

01 December

Invitation closes

You must make your application by 5:30pm on this date



February

You make your first payment directly from your salary

01 March

Your first payment is added to your Sharesave account

Frequently asked questions

Plus a few more, just in case.

Getting started

Will I always be able to save the amount I want to?

In most cases yes, however if the total applications exceed the maximum number of shares available, the amount you have applied to save each pay period /month* may be reduced – this is known as a scale down. If we think we'll have to do this we'll let you know at the start of the plan, not at the end. If this should happen, it's likely that only those saving the higher amounts would have to be scaled down.



* Depending if you get paid per period or on a monthly basis

Making payments

When do I make my first payment and how many will I make?

Payments start in February 2017. So it will be a little while before you'll spot them on your payslip and you certainly won't be affected over Christmas.

For the 3 year plan you will make 36 payments in total and 60 payments if you're in the 5 year plan. Payments are taken directly from your pay after tax, you don't have to do a thing.

Can I change the amount I save?

Once you have joined Sharesave you cannot increase or decrease your payments. However, you can leave the plan at anytime and you'll always get back the money you put in.

My existing Sainsbury's Sharesave plan finishes on 1 March 2017, does it count towards the maximum savings limit?

These savings will not count towards the maximum monthly/period* savings limit providing you have not missed any contributions. Also, the savings from other Sharesave plans you cancel before this year's invitation closes on 1 December 2016 will not count towards the maximum savings limit.

Can I miss payments?

You can miss up to 6 payments and still continue with your Sharesave plan. However, if you miss a 7th, HMRC rules state that your contract will lapse and you'll no longer be able to buy shares. You can ask Computershare to return your savings by calling their helpline on 0344 472 6110 or email sainsburysshare@computershare.co.uk. If you miss 6 or less you can make them up at the end of your normal savings term by saving for further periods/months* but your maturity date will be delayed. Please email shareholder.services@sainsburys.co.uk for more information.

What happens if I go on maternity/long term sick leave?

Provided that you are receiving sufficient salary to cover your chosen contribution amount, your payments will continue to be taken as normal. If you are worried that your pay will not cover your contributions, you are able to miss up to 6 payments (see above question) or you can close your plan and take your savings. If you require a standing order form to continue to make payments please contact Computershare on 0344 472 6110.

Frequently asked questions

Plus a few more, just in case.

Leaving before the end of the Sharesave term

What happens if I need to close Sharesave early?

Don't worry, the most important thing is that you'll always get back the money you put in. If you need to close your account, you can do so online by visiting www.computershare.co.uk/sainsburys and following the onscreen instructions (log in details are on your invitation letter or email). Alternatively you can call the Computershare helpline on 0344 472 6110. If you close your account you will lose the option to buy Sainsbury's shares through Sharesave.

What happens if I leave the Company?

If you leave due to redundancy, retirement, TUPE transfer or medical dismissal you can:

1. continue saving for a maximum of 6 further payments from your leave date (or until all payments have been made if this is earlier) then use your savings to buy shares at the discounted option price; or
2. take the savings at any time. You will have 6 months from your date of leaving to decide what to do and we'll write to you to explain your choices. If you leave for any other reason you will not be able to buy shares at the option price but you can take back all the money you have saved.

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At the end of the fixed savings term

What happens at the end of the savings term?

Before the maturity date, you'll receive an information pack explaining the choices available to you (around mid-February) and the action you need to take. You'll then be able to buy shares at the option price (on the maturity date or within 6 months of this) or take your savings in cash at any time.

Will my savings receive any interest or maturity bonus?

Sharesave interest and bonus rates are set by HM Revenue & Customs to broadly reflect the savings marketplace. Currently Sharesave rates are nil and no interest or bonus will be paid.

If I choose to buy shares, how will I receive them?

You can either request a paper certificate which will be sent to your home address, or you can choose to hold them in a VSA (Vested Share Account). The VSA is an online account that is set up to hold your shares electronically on your behalf. The VSA allows you to hold your shares safely and securely without the need for paper certificates, and gives you access to an online share dealing service. You'll still receive your dividends in cash.

Do I have to buy Sainsbury's shares when I've finished saving?

Absolutely not, because we all know that share prices can go down as well as up. But we'll inform you of all your choices when you've finished saving.

What if the Sainsbury's share price is below the option price at the end of the Sharesave term?

You should check the price of Sainsbury's shares before deciding whether or not to buy shares through Sharesave. Even if the Sainsbury's share price is below the option price, you do not lose out because you do not have to buy shares through Sharesave, you can simply choose to have all your money returned to you.

Frequently asked questions

Plus a few more, just in case.

Miscellaneous

How is the option price calculated?

The option price is a 20% discount of the Sainsbury's share price on 10th November 2016. This is the maximum discount that HMRC allow us to apply.

What notification will I get when I join?

An option certificate will be available in January. The certificate has all the details of your Sharesave plan.

How do I keep track of my savings?

You can access your online account at any time at www.computershare.co.uk/sainsburys and see your savings to date, maturity date and option price for each plan you are in (log in details are on your invitation letter or email). We'll also send you an annual statement.

What tax will I pay?

Under normal circumstances you will not have to pay income tax when you decide to buy shares at the option price. If income tax does become payable you will be notified. Capital Gains Tax might be payable when you come to sell any of the shares, depending on when you sell them, the amount of any profit (the difference between the option price and the sale price) and your personal circumstances. There is an annual allowance available (the allowance is currently £11,100 for 2016/2017) so sometimes you may have no tax to pay even if you do make a profit. For advice you should consult a qualified Independent Financial Advisor.

Are my savings safe?

Your savings are held with Bank of Scotland. These are your own and are covered by the Financial Services Compensation Scheme (FSCS).

What if my contact details change?

If your home address changes, please contact HR who will update your record and this will be passed to Computershare to update your Sharesave plan. You can update your email address online at www.computershare.co.uk/sainsburys

If you have any other questions about Sharesave 2016 please call the Computershare Helpline: 0344 472 6110 or email sainsburysshare@computershare.co.uk

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FAQs

About Computershare Plan Managers

The Sainsbury's Sharesave Plan will be administered by Computershare Plan Managers.

This brochure explains how the Sharesave Plan and your Sharesave account work. It does not include any conditions. The savings are held by Bank of Scotland PLC and their most recent Sharesave Scheme Prospectus ('Prospectus'), which is available on request, has been approved by HMRC. In the event of any conflict between the information contained in this documentation and the plan rules and relevant legislation, the Plan rules and relevant legislation will take precedence. This brochure is designed to give a clear understanding of Sharesave and does not constitute the full legal rules, or give any financial advice. If you are in any doubt as to the implications of this Sharesave plan you should consult a qualified Independent Financial Advisor. In the event of a dispute the rules will apply. Receipt of this brochure does not in itself mean that you are eligible to participate in Sharesave. Employment conditions must be satisfied. If you have any questions regarding your eligibility, please contact your HR representative.

Computershare Plan Managers is a trading name of:

1. Computershare Investor Services PLC (registered in England, Company No. 3498808); and
2. a group of entities comprising amongst others EES Corporate Trustees Limited (registered in England, Company No. 2045938), EES Capital Trustees Limited (registered in England, Company No. 3275677), EES Trustees Limited (registered in England, Company No. 576832) and EES Services (UK) Limited (registered in England, Company No. 4075753).

Computershare Investor Services PLC is authorised and regulated by the Financial Conduct Authority, Registered Office: 25 The North Colonnade, Canary Wharf, London E14 5HS. Computershare Investor Services PLC is on the Financial Conduct Authority Register with registration number 188534. Computershare Investor Services PLC is registered in England & Wales, Company No. 3498808, Registered Office: The Pavilions, Bridgwater Road, Bristol BS13 8AE. The main business of Computershare Investor Services PLC is the provision of share registry and shareholder services.

Please visit the following website to read the Computershare legal notice: <http://www.computershare.com/disclaimer/emea001CSN3226>



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