

Sainsbury's

Website

Sharesave
Frequently
Asked
Questions

FAQs

Your questions answered!

Sharesave FAQs

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1. Am I eligible for the Sharesave?

Sharesave is open to all UK based employees of Sainsbury's. To participate in the plan you must have completed three months continuous services at the Date of Grant which is usually in December each year.

2. Can I change my payments?

No. Once the Invitation Period has closed you cannot change the amount you save. However, you can close your account at any time and have your savings returned to you. Should you do this your option to buy shares will lapse.

3. What if I miss a payment?

If you wish to miss any payments please contact your payroll department. If you find you are unable to make a payment, or if you miss a payment one month, don't worry. Computershare Plan Managers (the Plan Administrator) will delay your Maturity Date (the date your savings contract comes to an end) by a month for each month missed to allow you to make the payment(s) up at the end of your savings period. The most you can miss is the equivalent of **six** monthly payments.

4. What happens if I miss more than 6 payments?

If you miss more than six monthly payments during your Savings Contract period, your Sharesave account will be closed and you will need to contact Computershare regarding the return of your savings.

5. How many payments will I make in total?

For the 3-year plan you will make 36 payments in total and 60 payments if you're in the 5-year plan.

6. Will I have to pay tax on my shares?

You will not normally have to pay income tax on exercising your option. You may have to pay Capital Gains Tax if you sell the shares and the money you make on all capital gains goes over the limit allowed each year. The 2015-16 limit is £11,100.

The tax laws change from time to time so you should check the position when you come to exercise the option or sell the shares.

7. What happens if I leave the company during the savings period?

If you leave due to redundancy, retirement aged 60 and over, TUPE transfer or medical dismissal you can:

- continue saving for a maximum of six 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
- take the savings at any time.

You will have six months from your date of leaving to decide what to do and we'll write to you within two weeks of your leave date 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.

8. What happens if I go on a career break from Sainsbury's?

If at the time of commencing your career break your plan is three years old or more you can:

- continue saving for a maximum of six further payments from the commencement of the career break (or until all payments have been made if this is earlier) then use your savings to buy shares at the discounted option price; or
- take the savings at any time.

If your plan is less than three years old at the commencement of your career break you will not be able to buy shares at the option price but you can take back all the money you have saved.

9. What if my contact details change?

Please log onto the Website and under 'My details' click on 'Personal Details' and amend/update your address. Please also ensure that you update Sainsbury's HRS direct department.

10. Are there any risks in joining the Plan?

If you exercise your option to buy shares following the Maturity Date, you must always remember that share prices can go down as well as up, particularly in the short term. Please note, we cannot guarantee our future share price.

11. If the company offers the plan again next year, can I join that one too?

Yes, however you need to take into account any other Sharesave contracts you are contributing to at that time. The maximum limit you can save per month across all Sharesave contracts is £250.

12. 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 the back of your invitation letter).

13. What will happen if the Sharesave Invitation is oversubscribed?

There is a limit to the number of shares available. If the total applications received mean that the maximum number of shares is exceeded, the amount you have applied to save each pay period will be reduced – this is known as a scale down. If we have to do this we will let you know at the start of the plan, not at the end. However it is likely that only those employees saving the higher amounts will be affected.

14. What if I am on holiday during the Sharesave Invitation Period?

Communications regarding the plan will begin prior to the invitation period opening. If you know that you will be on holiday during the invitation period then please contact your HR Manager. Applications can be made over the internet or by text so you should be able to apply from anywhere in the world!

15. What if I am on maternity/paternity leave or long term sick leave?

If you are on maternity/paternity leave or long term sick leave you will be sent a paper invitation letter and brochure to your home address advising how you can join Sharesave.

16. What notification will I get when I join?

After the Grant Date you will get an email confirming that your Option Certificate is available to view online. If Computershare do not hold an email address for you, they will post your Option Certificate to you. This certificate will show all the details of your Sharesave account including your account number, your savings amount and term, the number of shares you can buy following the maturity date and the price you can buy them for (the Option Price).

17. Are my savings safe?

Your Sharesave deposits are held with the Bank of Scotland plc and are covered by the Financial Services Compensation Scheme (FSCS). For further information please see the FSCS Information Sheet. You can view this under the 'Plan Documentation' page on the Computershare website.

18. What happens at the end of the savings period?

You will have a six month period to decide whether to buy shares at the Option Price or take your savings in cash. Shortly before the Maturity Date, you will receive an information pack from Computershare explaining the choices available to you and the action you need to take.

19. At maturity, what shares will I be buying?

You are saving to buy Sainsbury's ordinary shares, quoted on the London Stock Exchange. However, you do not have to buy Sainsbury's shares because we all know that share prices can go down as well as up.

20. What are my choices on maturity?

The choices available to you at maturity are:

- Take all of your savings and any bonus (if applicable) as cash and spend it as you like.
- Use your savings and any bonus (if applicable) to buy shares and sell them immediately; or
- Use all your savings and any bonus (if applicable) to buy shares and become a shareholder;

21. If I choose to buy all the shares and have residue cash left over, what happens to this surplus?

Surplus residue cash will be donated to the charity which Sainsbury's sponsors, unless you decide not to select this default at the point of exercise.

22. What fees will I pay if I decide to sell my shares at maturity?

If your shares are sold on the first available sale date a dealing fee of £10 will be charged. For sales taking place after the first available sale date, a dealing fee of £15 will be charged.

23. Are there any other charges?

There may be a PTM levy. This is a flat rate charge of £1 on all trades over £10,000, collected by the Broker and paid to the Panel of Take-overs and Mergers.