

SCHEDULE OF MATTERS RESERVED FOR THE BOARD OF J SAINSBURY PLC

The following schedule, approved by the Board of Directors of J Sainsbury plc (the "Board") on 6 March 2014, identifies those matters reserved to the Board. The Board may delegate specific authorities to committees but such delegation and the terms of reference must be approved by the Board.

Financial reporting and communications

1. Approval of the annual report and financial statements to ensure that they are consistent, fair, balanced and understandable.
2. Approval of interim and final financial statements, interim and annual reports and related shareholder documentation.
3. Approval of the interim dividend and recommendation of the final dividend.
4. Approval of any significant change in accounting policies or practices.
5. Remuneration of auditors and recommendations for appointment or removal of auditors.
6. Approval of all circulars to shareholders and listing particulars.
7. Approval of press releases concerning matters decided by the Board.
8. The making of any trading statement or other price sensitive announcement to the Stock Exchange in accordance with the communications policy.

Structure and capital

9. Changes relating to the Company's capital structure including reduction of capital, share issues (except under general employee share plans), share buy backs and the use of treasury shares.
10. Any changes to the Company's status as a public company.

Strategy/Remuneration/Risk Management

11. Approval of the Company's commercial strategy and the annual budget corporate plan and profit forecasts.
12. Approval of moves into material new businesses, expanding into new countries or ceasing to operate all or any material part of the Company's business.
13. Through the Audit Committee, review of the effectiveness of the Company's internal financial controls and the internal control and risk management systems.
14. Through the Remuneration Committee, setting the remuneration policy for Directors and certain senior members of executive management, setting the individual remuneration of Directors and monitoring such arrangements for the relevant senior executives.

15. The funding and governance of and significant changes to the Company's pension schemes; significant changes to the employee share schemes.
16. Approval of the Treasury policy (including foreign exchange exposures).
17. Approval of the Taxation policy.

Board membership, Board committees and the Company Secretary

18. Appointment or removal of Directors and the Company Secretary.
19. Agreeing the responsibilities of the Chairman and Chief Executive.
20. Approval of terms of reference and membership of board committees.
21. Carrying out a performance evaluation of the Board, its committees and individual directors.
22. Approval of appointments to the boards of main operating companies or Company representatives on joint ventures. (See Notes 1 and 2 below).

Capital Expenditure/Acquisitions/Disposals

23. Approval of:
 - I. The annual budget, with particular reference to profits, capital expenditure and debt levels;
 - II. Capital authorisation levels for the Group and any amendments; and
 - III. Any commitment or series of related commitments (including acquisitions and disposals and commitments for lease) where the projected expenditure or proceeds exceed £60 million or any other material commitments not included in the annual capital budget.
24. Approval of any acquisition, investment in, or disposal of any company where the total consideration, investment or sale proceeds exceed £60 million.

Any acquisition, investment or disposal for less than £60 million will not require Board approval provided that due diligence has taken place, including advice of the Group's Taxation and Legal departments. Any appointments of Directors to newly acquired companies shall be made in accordance with note 2 below.

If any Stock Exchange announcement or press release is to be made by the Company concerning any acquisition, investment or disposal for less than £60 million, Directors shall be notified in advance of any such announcement or release.

25. Material contracts not in the ordinary course of business, or in the ordinary course of business which bear a disproportionately high level of risk to the Company.

Miscellaneous

26. Prosecution, defence or settlement of litigation involving a claim or series of related claims exceeding £5 million.
27. Appointment of the key corporate advisers.
28. Approval of Directors' and officers' liability insurance cover.
29. Approval of CR policy.
30. Approval of the Safety policy.
31. Approval of policy regarding charitable donations and political donations.
32. Approval of the Communications policy.
33. Approval of Directors' conflicts of interests.
34. Approval of Code of Ethics and Hospitality policy.
35. Approval of any matter affecting Sainsbury's Bank which is reserved to the Board under its Reserved Powers.

Note

1. Main operating companies/subsidiaries are:

Sainsbury's Supermarkets Ltd
Sainsbury's Bank plc
Sainsbury's Pension Scheme companies
2. CEO and CFO will have the delegated authority of the Board to confirm the appointment of Directors to subsidiary companies other than those listed in 1 above.

Any changes to directorships of such companies will be reported to the Operating Board.
3. Previously approved by the Board on 12 November 2013, 1 November 2011, 3 February 2005, 14 September 2006 and 18 September 2008.