

The 1 + 1 Sharing in Our Future Plan Employee Tax Information – Isle of Man

When you participate in the 1 + 1 Sharing in Our Future Plan there are tax consequences. The purpose of this note is to provide you with some information about the tax position in the country in which you work.

Your Purchased Shares

Whilst it is very important that you read all the details below, in overview it is unlikely that you will have to take any actions in respect of the taxation of your Purchased Shares.

| Date | Action | Any tax consequences for you? |
|-------------------------|-------------------------------|---|
| By 20 January 2021 | Joining the Plan | No |
| March 2021 to June 2021 | Payroll deductions made | No Deductions are made from your pay that has already been taxed. |
| July 2021 | Buying your Purchased Shares | No Your shares are purchased at their full market value. |
| Anytime | Selling your Purchased Shares | No There is no capital gains tax in the Isle of Man. |

Your Matching Shares

It is very important that you read all the details below. In overview it is likely that you will have to take action in respect of the taxation of your Matching Shares.

| Date | Action | Any tax consequences for you? |
|-----------------|---|--|
| July 2021 | Award of Matching Shares | <p style="text-align: center;">Yes</p> <p>You will be subject to income tax and social security at your marginal rates on the market value of your Matching Shares when they are awarded to you in July 2021.</p> <p>Your employer is required to withhold the income tax and social security due under the Income Tax Instalment Payment (ITIP) system. To do this, ownership of a number of your Matching Shares will transfer to you when they are awarded, and these Kingfisher shares will be automatically sold to cover the taxes due. The amounts will be processed through payroll and any small adjustments made to ensure you have paid the right amount of tax. The taxes will be paid to the tax authorities on your behalf so that you should not have to take any action.</p> <p>You should report income received under the Plan in your annual tax return. The filing date, whether the tax return is paper or electronically filed, is 6 October following the end of the tax year (a tax year runs from 6 April to 5 April) in which the taxable event occurs, and any tax liability is payable by the following 6 January (or 30 days after the issue of the assessment by the tax authorities, if later). If you file your tax return online, details from your T14 (populated by your employer) are automatically populated into the online return.</p> |
| July 2022 | Ownership of Matching Shares transferred to you | <p style="text-align: center;">No</p> <p>No tax is due when ownership of the Matching Shares transfers to you.</p> |
| After July 2022 | Selling your Matching Shares | <p style="text-align: center;">No</p> <p>There is no capital gains tax in the Isle of Man.</p> |

Your Dividend Purchased Shares

It is very important that you read all the details below. In overview it is likely that you will have to take action in respect of the taxation of your Dividend Purchased Shares.

| Date | Action | Any tax consequences for you? |
|---------------------------------|------------------------------------|--|
| Between July 2021 and July 2022 | Award of Dividend Purchased Shares | <p style="text-align: center;">Yes</p> <p>You will be subject to income tax on the market value of your Dividend Purchased Shares at the point of reinvestment, on the basis that this value will comprise dividends arising on the shares already held.</p> <p>You should report the value of the dividends reinvested into Dividend Purchased Shares in your annual tax return. The filing date, whether the tax return is paper or electronically filed, is 6 October following the end of the tax year (a tax year runs from 6 April to 5 April) in which the taxable event occurs, and any tax liability is payable by the following 6 January (or 30 days after the issue of the assessment by the tax authorities, if later). If you file your tax return online, details from your T14 (populated by your employer) are automatically populated into the online return.</p> |
| After July 2022 | Future dividend payments | <p style="text-align: center;">Yes</p> <p>Dividends received in cash after July 2022 are subject to income tax at your marginal rates at the point the dividend is paid to you.</p> <p>You should report dividends received in your annual tax return. The filing date, whether the tax return is paper or electronically filed, is 6 October following the end of the tax year (a tax year runs from 6 April to 5 April) in which the taxable event occurs, and any tax liability is payable by the following 6 January (or 30 days after the issue of the assessment by the tax authorities, if later).</p> |
| Anytime | Sale of Dividend Purchased Shares | <p style="text-align: center;">No</p> <p style="text-align: center;">There is no capital gains tax in the Isle of Man.</p> |

Your Dividend Matching Shares

It is very important that you read all the details below. In overview it is likely that you will have to take action in respect of the taxation of your Dividend Matching Shares.

| Date | Action | Any tax consequences for you? |
|---------------------------------|--|---|
| Between July 2021 and July 2022 | Award of Dividend Matching Shares | <p style="text-align: center;">Yes</p> <p>You will be subject to income tax and social security at your marginal rates on the market value of your Dividend Matching Shares when they are awarded to you.</p> <p>Your employer is required to withhold the income tax and social security due under the Income Tax Instalment Payment (ITIP) system. The taxable amount will be processed through the payroll and deductions of the income tax and social security due made from your pay. The amounts will be processed through payroll and any small adjustments made to ensure you have paid the right amount of tax. The taxes will be paid to the tax authorities on your behalf so that you should not have to take any action. Note that the value of the Dividend Matching Shares you are awarded is likely to be small, and the tax and social security due will not be significant.</p> <p>You should report income received under the Plan in your annual tax return. The filing date, whether the tax return is paper or electronically filed, is 6 October following the end of the tax year (a tax year runs from 6 April to 5 April) in which the taxable event occurs, and any tax liability is payable by the following 6 January (or 30 days after the issue of the assessment by the tax authorities, if later). If you file your tax return online, details from your T14 (populated by your employer) are automatically populated into the online return.</p> |
| July 2022 | Ownership of Dividend Matching Shares transferred to you | <p style="text-align: center;">No</p> <p>No tax is due when ownership of the Dividend Matching Shares transfers to you.</p> |
| After July 2022 | Selling your Dividend Matching Shares | <p style="text-align: center;">No</p> <p>There is no capital gains tax in the Isle of Man.</p> |

Important information

The information in this document assumes that you remain employed by Kingfisher and that you are resident in the Isle of Man for taxation purposes during the period of your award under the Plan.

If you are an internationally mobile employee and/or have transferred countries in this period, you may be subject to tax in more than one country and you may have reporting obligations in more than one country.

Further details regarding the treatment for leavers will be provided at the relevant time.

The information in this document is based on prevailing tax law and practice as at May 2022 and may be subject to change. Your taxation depends on your personal circumstances. Accordingly, you should seek your own tax advice if you are in any doubt about your own tax position.