# Key Facts about 1 + 1 Sharing in our Future Plan (the “1+1 Plan”)

**Introduction**

This voluntary plan allows you to buy Kingfisher shares using money you contribute over a 6-month period between January 2021 and June 2021.

These shares are called your Purchased Shares and will be bought on your behalf in July 2021 and kept in an account set up for you by our plan administrator, Computershare, on their portal EquatePlus.

When your Purchased Shares are added to your account, you will also be given a right to receive the same number of additional free shares in July 2022. These are your Matching Shares. You will see how many Matching Shares have been awarded to you when you view the details of your EquatePlus account. Ownership of these shares will pass to you from July 2022 provided you keep all your Purchased Shares in your EquatePlus account until that date and are still a Kingfisher employee.

When ownership of the Matching Shares passes to you, a tax liability arises and Computershare will usually sell some of your Matching Shares to cover your tax liability and we will process this through your local payroll so that you don’t need to take any further action.

After July 2022, you can keep, sell or transfer all or some of the Kingfisher shares that you now own.

This document is a summary of the main terms of the 1+1 Plan. However, the detailed legal terms of the 1+1 Plan are set out in the terms and conditions and the rules of the 1+1 Plan. These documents are available on https://kingfisher-shareplan.com. If there are any differences between the terms as set out in this document and the terms and conditions and the rules of the 1+1 Plan, then the terms and conditions and the rules of the 1+1 Plan will prevail.

As with any investment, it is important to note that there are risks in owning your Purchased Shares and Matching Shares. While the trading price of these shares can go up, the trading price can go down as well.

**How it works**

You decide:

- if you want to join the 1+1 Plan
- If you do, how much you would like to contribute to the 1+1 Plan every month for 6 months starting in January 2021.

There are minimum and maximum contributions in each country, as set out in the table below. There may also be a limit on the amount you can contribute in the country in which you are employed, and we will let you know if that is the case.

You can change your contribution amount or choose to leave or join the 1+1 Plan as many times as you like during the enrolment period but once the enrolment period ends you cannot make further changes, so think carefully about what's the right contribution for you to make. If your circumstances change you can stop making contributions during the Contribution Period and receive a refund of contributions already made.
Once you have joined the 1+1 Plan, the amount you have elected to contribute will usually be deducted from your regular pay (after taxes) each pay period and sent to Computershare.

Your monthly contributions will be converted from your home country currency into Pounds Sterling each month and at the end of the 6 month contribution period will be used by Computershare to purchase Kingfisher shares on your behalf. These shares are called your "Purchased Shares" and they will be held in an account set up for you by Computershare in EquatePlus.

The number of shares in your Computershare account may increase over time in three different ways:

- **Adding Purchased Share dividends**
  Twice a year, Kingfisher may make a small payment to everyone who holds shares. This payment is called a dividend and your Purchased Shares attract these payments. These payments are not guaranteed. Any dividends you receive in relation to your Purchased Shares will be automatically reinvested in buying more Kingfisher shares on your behalf by Computershare. These Dividend Purchased Shares will be added to your EquatePlus account.

- **Adding Matching Shares**
  For every Purchased Share you have bought, Kingfisher will give you a Matching Share. These Matching Shares will be visible in your EquatePlus account. Ownership of these Matching Shares will be transferred to you if you have kept all your Purchased Shares and Dividend Shares in your EquatePlus account until July 2022. If you sell your Purchased Shares, or any related Dividend Shares, before July 2022 the Matching Shares will not transfer to you.

- **Adding Matching Share dividends**
  As you are not the owner of the Matching Shares until July 2022, you are not eligible to receive actual dividends on those shares. Under the 1+1 Plan, however, the value of dividends that would have been paid to you if you had owned the Matching Shares from July 2021 will be reinvested to add more **Dividend Matching Shares** automatically to your account provided you keep your Purchased Shares and Dividend Shares in your account until July 2022. At that point, you will be given ownership of both the Matching Shares and the additional Dividend Matching Shares.

You can leave the 1+1 Plan at any time although if you leave before July 2022 there will be an impact on the number of shares you hold in your Computershare account (see “Leaving the 1+1 Plan” section below). If you stay in the 1+1 Plan until July 2022, you are then free to decide whether to keep, sell or transfer all or some of the Kingfisher shares you now have in your EquatePlus account.

**There are tax consequences of participating in the 1+1 Plan which vary according to the country you live in. Full details are set out in the Tax Notes and you are advised to read them in full so that you understand the tax implications of participating in the Plan. These Tax Notes are on the 1+1 Plan microsite https://kingfisher-shareplan.com.**

Here’s some more information about the key elements of the 1+1 Plan:

**Who can join the plan?**

The 1+1 Plan offers Kingfisher colleagues the ability to buy Kingfisher shares and to share in our collective future.

You can join the 1+1 Plan if you are a permanent employee or on a fixed term contract at any company within the Kingfisher group, to which the 1+1 Plan is extended, on 22 September 2020. Full time and part time employees can join the 1+1 Plan. Contract workers (i.e. if you are not employed by the Kingfisher Group) are not eligible to join.

**How to join**

The 1+1 Plan is being administered by a company called Computershare via their EquatePlus employee portal which will be open to Kingfisher employees on October 12, 2020.

If you decide you would like to join, then you need to access your EquatePlus account using your user ID and password which you will receive in a letter in early October. For security reasons the password will be sent separately to the user ID.

Once you have accessed your account, to join the plan please follow these steps:

- Click on the “Enrol” button
- Confirm that you have read and accept the Terms and Conditions and Rules of the Plan
- Choose the amount that you want to contribute per month
- Review your enrolment
- Press ‘Save’

In some countries it is necessary for you to sign a paper enrolment agreement as well as signing up using the EquatePlus portal. If this impacts you, after the enrolment period has ended, you will be sent a copy of the form you need to fill in by your local HR team. Your enrolment will not be complete and you cannot participate in the Plan unless you complete and submit this form.

## Contributions that you make

To buy Kingfisher shares under the 1+1 Plan, you need to make contributions each month for 6 months between January 2021 and June 2021 and there are maximum and minimum monthly contributions in each country as follows:

| Country | Minimum contribution per month | Maximum contribution per month* |
|---|---|---|
| France | €10 | €250 |
| Republic of Ireland | €10 | €250 |
| Poland | ZL50 | ZL1,250 |
| Portugal | €10 | €250 |
| Spain | €10 | €250 |
| Turkey | TRY100 | TRY2,500 |
| United Kingdom | £10 | £250 |

*There may be a limit on the amount you can contribute in the country in which you are employed, and you will be notified if this is the case.

Once the enrolment period has ended you can no longer change your monthly contribution amount or pause your contributions during the 6-month contribution period.

If you wish to stop your contributions into the 1+1 Plan you can do so at any time and the previous contributions you have made will be returned to you via payroll as soon as possible. The contributions are held in Pounds Sterling and will be converted into your home currency using the prevailing exchange rate at the time. If there are changes in the exchange rate during the Contribution Period you may receive back a higher or lower amount to that which you contributed in your home currency due to fluctuations in exchange rates. You will stop being a member of the 1+1 Plan and will not receive any Purchased Shares or the additional Matching Shares in July 2022. You will not be able to restart your contributions into the 1+1 Plan.

## Contributing to the 1+1 Plan

We are committed to ensuring that all colleagues have the opportunity to own shares in Kingfisher.

If the 1+1 Plan is very popular with colleagues then we may need to reduce the amount that you are able to contribute every month so that the cost of the 1+1 Plan is within our budget and all colleagues who wish to participate are able to do so. We'll do this by reducing the monthly contribution amount for those who have chosen to contribute the largest amounts.

If this happens, we will let you know what your revised (lower) contribution is before the contribution period starts.

## Your Purchased Shares

In July 2021, Computershare will purchase shares with your contributions and hold them on your behalf in your own EquatePlus account. These are your Purchased Shares. Computershare can only buy a whole number of shares with your contributions so any of your contributions that couldn't buy a whole share will be returned to you via payroll as soon as reasonably possible.

Once the Purchased Shares are added to your Computershare account, you are free to sell or transfer some or all of them (subject to complying with Kingfisher's rules about when certain people can buy and sell their Kingfisher shares – you will be told if you are one of these people) but you should note that if you remove any of them from your Computershare account before July 2022 you will not be eligible to receive your Matching Shares.

If Kingfisher plc pays a dividend after July 2021, your Purchased Shares will earn these dividends while they are held in your EquatePlus account and they will be automatically reinvested to purchase more Kingfisher shares called Dividend Shares. These extra Dividend Shares will be added to your EquatePlus account.

Only whole Kingfisher shares can be purchased with the dividends so any amounts not used to purchase more Kingfisher shares for you will be kept by Computershare and added to any future dividend payments and used to buy more Kingfisher shares which will be added to your account.

**Your Matching Shares**

If you keep your Purchased Shares and Dividend Purchased Shares in your EquatePlus account until July 2022, we will double the number of shares you hold under the 1+1 Plan by transferring ownership of your Matching Shares to you.

When you become the owner of your Matching Shares, a tax charge will arise. Where there is an obligation for Kingfisher to pay these taxes over to the local authorities on your behalf, we will estimate the tax due and sell some of your Matching Shares to cover the liability. We'll then process the amounts through payroll and make any small adjustments to ensure you have paid the right amount of tax. We will then pay the taxes to the tax authorities on your behalf so that you should not have to take any action. The net number of Matching Shares will then be added to your EquatePlus account. In some countries it may be your personal responsibility to pay the taxes due to the tax authority, and we will provide you with the information you need in order to do this.

In addition, if any dividends are paid by Kingfisher after July 2021, we will add some extra Dividend Matching Shares that represent the value of any dividends that would have been paid on your Matching Shares if you had owned them from July 2021. These will also be subject to tax, as outlined above, when those Dividend Matching Shares are acquired by you in July 2022.

This means that in July 2022 your Computershare account may hold:

- the Purchased Shares bought with your contributions;

- some extra Dividend Purchased Shares equal to the value of any dividends paid on your Purchased Shares;
- your Matching Shares; and
- some extra Dividend Matching Shares equal in value to the value of any dividends that would have been paid on your Matching Shares if you had owned them from July 2021.

Where a tax charge arises on the above shares that the company must account for, the number of shares added to your account will be after appropriate deductions have been made for tax. See the Tax Note available on the 1+1 microsite https://kingfisher-shareplan.com.

**Becoming a shareholder**

Once your Purchased Shares are in your EquatePlus account in July 2021, you are a shareholder of Kingfisher plc.

As a shareholder, you are entitled to vote at Kingfisher's Annual General Meeting and any other shareholder meeting. If you hold your Purchased Shares on certain dates during the year then you will be entitled to receive any dividends that the company pays out in respect of its shares. These dividends will be reinvested into additional Dividend Purchased Shares and Dividend Matching Shares.

Your Purchased Shares will be eligible to receive dividends from July 2021 and these dividends will be automatically reinvested on your behalf into buying more Dividend Purchased Shares that will be added to your EquatePlus account.

You may be subject to tax on dividends which you receive on your Purchased Shares at the point that those dividends are reinvested. Payment of any taxes due in relation to such dividends will be your personal responsibility. Information on what you will need to do from a tax perspective when you receive dividends is included in the Tax Note available on the 1+1 microsite https://kingfisher-shareplan.com.

As with any investment, it is important to note that the value of your Kingfisher shares can go down as well as up.

**Holding, selling and transferring your Kingfisher shares**

If you remain in the 1+1 Plan until July 2022, you can hold all your shares – your Purchased Shares, Matching Shares, Dividend Shares and Dividend Matching Shares – in your EquatePlus account at no cost for as long as you remain employed by Kingfisher.

Once you receive your Purchased Shares (July 2021) and your Matching Shares (July 2022) you can sell them whenever you want (subject to you complying with Kingfisher's rules about when certain people can buy and sell their Kingfisher shares – you will be told if you are one of these people).

When you sell your shares, you will incur a trading fee of 0.25% subject to a minimum of £10. This fee will automatically be deducted from the proceeds of your share sale.

Remember that if you sell any of your Purchased Shares or Dividend Purchased Shares before July 2022 you will not become the owner of any Matching Shares.

If you decide to sell any of your Kingfisher shares, the proceeds generated from the sale will be delivered to the bank account that you designate in your EquatePlus account as soon as possible.

When you sell your shares, you may have to pay tax on any increase in the value of your Purchased Shares since they were purchased and any increase in the value of your Matching Shares since July 2022. This will be your personal responsibility. More details are included in the Tax Note available on the 1+1 microsite https://kingfisher-shareplan.com.

**Leaving Kingfisher**

If you leave Kingfisher during the 6-month contribution period, you cannot participate in the 1+1 Plan and your monthly contributions will be returned to you via payroll. The contributions are held in Pounds Sterling and will be converted into your home currency using the prevailing exchange rate at the time. If there are changes in the exchange rate during the Contribution Period you may receive back a different amount to that which you contributed in home currency.

If you leave once your contributions have been used to buy Purchased Shares but before July 2022, then you must usually sell or transfer your Purchased Shares out of your EquatePlus account within 6 months of you leaving employment.

Whether you will still receive ownership of the additional Matching Shares in July 2022 depends on why you have left employment. If you resign, then you will lose the right to own the Matching Shares and any Dividend Matching Shares. If you leave because you are made redundant, retire with the agreement of the company or in other circumstances where you are deemed to be a “good leaver”, ownership of your Matching Shares and any Dividend Matching Shares will usually be transferred to you in July 2022, provided you have not sold any of your Purchased Shares or any Dividend Shares at that time. In this circumstance, you must sell or transfer your Kingfisher shares from your EquatePlus account within 6 months of the date you become owner of the Matching Shares.

If you leave after July 2022 then you can keep or sell your Purchased and Matching Shares as you choose but you will need to transfer them out of your EquatePlus account or sell them within 6 months of leaving employment.

**Leaving the 1+1 Plan**

If you wish to stop participating in the 1+1 Plan you are free to do so at any time.

If you stop your monthly contribution at any time before July 2021, you will have all your contributions returned to you via payroll. The contributions are held in Pounds Sterling and will be converted into your home currency using the prevailing exchange rate at the time.  If there are changes in the exchange rate during the Contribution Period you may receive back a higher or lower amount to that which you contributed in your home currency due to fluctuations in exchange rates.

Your Purchased Shares belong to you from July 2021 once they have been purchased by Computershare on your behalf using your contributions. If you decide to sell or transfer any of your Purchased Shares or Dividend Shares from your EquatePlus account before July 2022, then you can keep any remaining Purchased Shares and Dividend Shares in your EquatePlus account but you will lose the right to own the Matching Shares and Dividend Matching Shares.

For as long as you remain an employee of Kingfisher you will be able to keep all the Kingfisher shares you have obtained under this plan in your EquatePlus account.

**Key dates**

If you decide to join the 1+1 Plan the key dates you need to know are:

| | |
|---|---|
| Date you need to be employed to be eligible to join the 1+1 Plan | 22 September 2020 |
| Period to sign up to the 1+1 Plan | 12 October to 20 November 2020 |
| Last date to sign up to the 1+1Plan if you'd like to | 20 November 2020 |
| First monthly contribution made (usually by payroll) | January 2021 |
| Sixth and final monthly contribution made | June 2021 |
| Your Purchased Shares added to your Computershare account | July 2021 |
| Extra Dividend Shares are added to your account equal to the value of any dividends paid on your Purchased Shares | July 2021 to July 2022 and beyond (if you keep your Purchased Shares) |
| Ownership of your Matching Shares and Dividend Matching Shares is transferred to you | July 2022 |
| You can sell or transfer your Purchased Shares without losing your Matching Shares | July 2022 |

**Things to think about before you join the 1+1 Plan**

- What amount can you afford to have deducted from your pay every month? You can stop contributing at any time and have any previous contributions returned to you, but you will then leave the 1+1 Plan and not be eligible to receive any Matching Shares. You may also be impacted by changes in exchange rates and the contributions returned to you could be more or less than your original contribution in home currency.

- Will you still be employed by Kingfisher or working under a fixed term contract in July 2022 in order to be able to obtain ownership of your Matching Shares?

- What is your view of the likely future movement in Kingfisher's share price? When you become a shareholder, you should remember that the price of Kingfisher shares can go down as well as up in the future and you may get back less money that you invested.

**Tax and legal information**

Your contributions are taken from your pay that has already had tax deducted from it.

This document is a summary of the main terms of the 1+1 Plan. However, the detailed legal terms of the 1+1 Plan are set out in the terms and conditions and the rules of the 1+1 Plan. These documents are available on the 1+1 Plan microsite https://kingfisher-shareplan.com. If there are any differences between the terms as set out in this document and the terms and conditions and the rules of the 1+1 Plan, then the terms and conditions and the rules of the 1+1 Plan will prevail

The opportunity to acquire Purchased Shares and receive Matching Shares is being offered to Kingfisher colleagues on a one-off basis, there may be opportunities to participate again in the future but there are currently no plans to do this.

As with any investment, it is important to note that there are risks in owning your Purchased Shares and Matching Shares. While the trading price of these shares can go up, the trading price can go down as well.

This document does not constitute the giving of investment advice, nor a part of any advice on investment decisions. If you are in any doubt about the contents of this document or what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.

Shares under the 1+1 Plan will not be admitted to trading on a regulated market in Poland or be offered, sold or delivered in Poland in the course of public trading.

Please note, neither the Company, nor any of its executives or advisers are providing you with legal or tax advice in connection with the 1+1 Plan. If you feel that you need legal or tax advice you should seek your own personal advice from an appropriately qualified person.