

Prospectus for Employees

KINGFISHER PLC (the Company)

Company registration Number 01664812

Place of Incorporation England & Wales

Registered Office 3 Sheldon Square, Paddington, London, W2 6PX

Date of Incorporation 16 September 1982

Neither the Guernsey Financial Services Commission nor the States of Guernsey take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

If you are in any doubt about the contents of this document you should consult your accountant, legal or professional adviser or financial adviser.

The directors of the Company have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the directors accept responsibility accordingly.

It should be remembered that the price of securities and the income from them can go down as well as up.

COMPANY BACKGROUND INFORMATION

High level summary of the Plan

This voluntary plan allows colleagues (employees and fixed term contract employees, but not contractors who are not employed by the Kingfisher Group), to purchase shares in the Company using money they contribute over a 4-month period between March 2021 and June 2021. These contributions will be deducted from after-tax salary from local payroll. Minimum and maximum contributions will be set, and during the 4-month period participants will not be able to vary or pause their contributions. A participant may withdraw from the plan at any point in time during the contribution period, and their contributions shall be refunded to them.

At the end of the 4-month period, a participant's contributions shall be used to purchase a number of shares in the Company. These shares are called "Purchased Shares" and will be bought on the participants' behalf in July 2021 and kept in an account set up for them by the Company's plan administrator, Computershare. Participants will own these shares from July 2021 and will be free to dispose or transfer them, although this will have an impact under the plan (see below).

When Purchased Shares are added to a participant's account, they will also be given a right to receive the same number of additional free shares in July 2022. These are "Matching Shares", granted in the form of restricted stock units (i.e. a conditional

right to receive a share at a point in the future, based on the terms of the plan). Participants will have full ownership of the Matching Shares from July 2022 provided they keep all Purchased Shares and any shares acquired in respect of the reinvestment of dividends on those Purchased Shares in their Computershare account until that date and are still a Kingfisher employee in July 2022. For tax reasons, in Guernsey and the Isle of Man a portion of Matching Shares shall vest immediately at the grant date and be sold to cover the income tax and employee social security withholding which is due.

During the period from July 2021 to the end of June 2022, if the Company pays a dividend on its shares, this will be reinvested to provide participants with additional Purchased Shares. A dividend equivalent payment will be made in respect of any Matching Shares and will be granted and vest immediately in July 2022.

If a participant leaves employment with the Kingfisher group prior to July 2022 then they will forfeit the right to receive their Matching Shares and associated dividend equivalent shares, unless they are considered to be a “good leaver” under the terms of the plan.

Date of Issue 8 January 2021

DETAILS RELATING TO THE OFFER

Vendors / Offerers

Kingfisher plc which is a UK listed company with a registered office address at 3 Sheldon Square, Paddington, London, W2 6PX

There is no promoter of the securities.

Terms applicable to the acquiring of the securities and the method, time and place of payment

On acquisition of “Purchased Shares” in Kingfisher plc in July 2021, the participant will also be granted “Matching Shares” in the form of Restricted Stock Units (i.e. RSUs, a conditional right to receive a share at a point in the future, based on the terms of the plan) over the same number of “Purchased Shares”. The participant will have full ownership of the shares underlying the RSUs from July 2022 provided that all Purchased Shares are retained in their Computershare account until that date and the participant remains a Kingfisher employee in July 2022. No payment is required in respect of the grant of the RSUs”.

Opening and closing dates and times of the offer

Not applicable, there is no specific offer period in respect of the grant of RSUs. The RSUs are granted pursuant to the acquisition of Purchased Shares. The enrolment period in respect of the offer of Purchased Shares is anticipated to open from 1 February 2021 to 19 February 2021. The RSUs shall then be granted in July 2021,

subject to the participant not leaving Kingfisher employment or withdrawing from the plan during the contribution period.

Minimum amount required to be raised by the offer

Not applicable, no funds will be raised in respect of the grant of RSUs under the plan.

When and how moneys will be returned in the event of the offer not being completed or any securities applied for not being allotted

Not applicable, no consideration is payable by the participant in relation to the grant of RSUs under the plan.

Anticipated date and forecast amount of the first dividend or interest payment on the securities ¹

The RSUs will not attract dividends until the shares pursuant to the RSUs have been acquired by participants in July 2022. Kingfisher plc generally pays an Interim dividend in November of each year (with a Record Date in October) and a Final dividend in June or July of each year (with a Record Date in the preceding month). The RSUs shall be eligible to attract dividend equivalents, delivered in the form of additional shares. These dividend equivalent shares, the aggregate value of which, on a per share basis, shall be equal to dividends paid on Kingfisher plc shares, shall be granted and vested in July 2022.

At the date of this prospectus the value of the Kingfisher plc Final dividend to be paid in June or July 2021 is not known.

General particulars of any property that is to be acquired with the proceeds of the offer, together with any investment restrictions that apply ²

Not applicable, there are no offer proceeds in respect of the grant of the RSUs and no business is intended to be acquired.

¹ *if known at the date of the issue of the prospectus*

² *in the case of any business that is intended to be acquired with the proceeds of the offer, the length of time during which that business has been carried on and summary financial information. This is suspected not to be relevant, therefore a suitable negative statement should be included.*

CAPITAL

Particulars of the share capital and securities that are subject to the offer

Upon vesting of the RSUs in July 2022, participants shall acquire ordinary shares in Kingfisher plc. The maximum value of shares over which RSUs may be granted to Guernsey participants is £87,000 (which has been determined as total number of Guernsey employees eligible for the offer multiplied by £1,500, which is the

maximum contribution which may be made to acquire Purchased Shares). The number of securities to which this relates will depend upon Kingfisher plc's share price at the time that the grant is made in July 2021. Note that an additional number of RSUs may be allotted as dividend equivalents in July 2022, in respect of dividends paid on Kingfisher plc shares during the vesting period of the RSUs.

The shares used to satisfy the RSUs shall be market purchase shares.

Details of any existing issued securities that are not part of the offer

The total number of Kingfisher plc shares in issue is 2,110,452,404 as of 10th December 2020. This number of shares includes any shares which will be used to satisfy RSUs granted under the plan to Guernsey participants.

GOODWILL, PRELIMINARY EXPENSES AND BENEFITS

Value of goodwill

As at 31 January 2020 (the last annual report date), Kingfisher plc held goodwill with a net carrying amount of £2,416 million. Kingfisher plc prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) and applicable law. Goodwill is accounted for under the terms of IFRS 3.

Further information on Kingfisher plc's goodwill and associated accounting treatment is available in Note 12 to the 2019/20 consolidated financial statements.

Preliminary expenses

An accounting charge under IFRS 2 will be recorded in respect of the RSUs granted to Guernsey employees. The IFRS 2 charge will be accounted for on an equity settled basis, with a fair value related to the market value of the shares underlying the RSUs at the date of grant in July 2021.

Any benefit given to a promoter from the proceeds of the offer

There is no promoter of the securities.

CONTRACTS

Material contracts ³

Kingfisher plc does not have any material contracts not executed in the ordinary course of business. Kingfisher plc considers that it has not entered into any disclosable management agreements.

³ *Includes every material contract, not being a contract or agreement entered into in the ordinary course of the business carried on or intended to be carried on by the offeror; or a contract entered into more than 2 years before the date of issue of the*

prospectus. (For the avoidance of doubt, management agreements are material and should be disclosed)

INTERESTS OF DIRECTORS

Particulars of the nature and extent of any direct or indirect interest (if any) in the company or in the securities that are the subject of the offer ⁴

Set out below are the shareholdings of Executive and Non-Executive Directors of Kingfisher plc, as at 31 January 2020 (as disclosed in the 2019/20 annual report). Note that shares owned by individuals who were not in their role at 31 January 2020 have not been included in the table below:

Individual	Role	Number of shares owned
Thierry Garnier	Chief Executive Officer	60,000
Bernard Bot	Chief Financial Officer	50,000
Andrew Coslett	Chairman (Non-Executive Director)	290,866
Claudia Arney	Non-Executive Director	27,460
Jeff Carr	Non-Executive Director	10,000
Sophie Gasperment	Non-Executive Director	10,000
Rakhi Goss-Custard	Non-Executive Director	6,124
Mark Seligman	Non-Executive Director	25,000

The interest in shares of Rakhi Goss-Custard are held through her spouse.

The interest in shares of Mark Seligman are held through his spouse and M Seligman & Co Limited, a company jointly owned by Mark Seligman and his spouse.

Details of all sums paid or agreed to be paid to any such director in cash or shares or otherwise by any person to induce that director to become or to qualify as a director, or otherwise for services rendered by the director or by the firm

Kingfisher's Executive Directors are eligible to receive a number of different remuneration components in respect of their services, including base salary, annual cash bonus, awards under Kingfisher's equity compensation plans, and cash pension supplements. As both the CEO and CFO assumed office in the last financial year the amounts paid to them in the 2019/20 financial year are not reflective of the full remuneration to which they may be entitled.

The table set out below is based on the maximum remuneration which may be received by the CEO and CFO, as disclosed in the latest annual report.

Individual	Role	Base salary	Annual cash bonus (maximum)	Pension allowance	Alignment shares (maximum)	Delivering Value Incentive (maximum)
Thierry Garnier	CEO	£800,000	80% of salary	12.5% of salary	80% of salary	253% of salary
Bernard Bot	CFO	£565,000	80% of salary	12.5% of salary	80% of salary	217% of salary

Note that the Delivering Value Incentive reflects a one off grant in the first three years of the Executive Directors' tenures. The implied maximum value set out above is based on an annualised figure (i.e. total maximum vesting divided by three).

Annual fees for Kingfisher's Non-Executive Directors depend upon the role and combination of roles which they have as follows:

Role	Annual fee
Chairman	£495,000
Non-executive director	£65,000
Senior Independent Director	£20,000
Audit Committee Chairman	£20,000
Remuneration Committee Chairman	£20,000

This resulted in the following fees paid to each Non-Executive Director in the financial year to 31 January 2020. Note that payments to individuals who were not in their role at 31 January 2020 have not been included in the table below:

Individual	Role	2019/20 fee
Andrew Coslett	Chairman	£495,000
Claudia Arney		£65,000
Jeff Carr	Audit Committee Chairman	£85,000
Sophie Gasperment		£65,000
Rakhi Goss-Custard		£65,000
Mark Seligman	Senior Independent Director	£85,000

The table below sets out awards over Kingfisher shares which have been granted to the directors:

Individual	Role	Unvested awards under Kingfisher equity plans
Thierry Garnier	Chief Executive Officer	3,398,491
Bernard Bot	Chief Financial Officer	1,802,851
Andrew Coslett	Chairman (Non-Executive Director)	–
Claudia Arney	Non-Executive Director	–
Jeff Carr	Non-Executive Director	–
Sophie Gasperment	Non-Executive Director	–
Rakhi Goss-Custard	Non-Executive Director	–
Mark Seligman	Non-Executive Director	–

Unvested awards held under Kingfisher plc equity plans by Thierry Garnier and Bernard Bot were granted in the form of nil-cost options over Kingfisher plc shares. These nil cost options vest and become capable of exercise based upon the satisfaction of both service and performance conditions.

Further information on the remuneration arrangements of the Executive and Non-Executive Directors of Kingfisher plc is set out in the Directors' remuneration report contained within the latest annual report.

⁴ *This includes every director and member of senior management of the company, including any shareholdings by the directors and members of senior management*

OPTIONS AND PRIOR INTERESTS

Details of any subscriptions, allotments or options to be given, or already existing, in respect of any other securities of the company, including any that have a prior right over the securities covered by the offer to a distribution of the profits or assets of the offeror

Prior to vesting of the RSUs the RSUs confer no rights to a distribution of the profits or assets of Kingfisher plc. Once the RSUs have vested and shares have been acquired by participants, those shares shall rank equally with all other ordinary shares in respect of rights to a distribution of the profits or assets of Kingfisher plc. There are 2,110,452,404 Kingfisher plc shares in issue as of 10th December 2020.

As of 31 January 2020, per the 2019/20 annual report, there were 51.19 million options held by employees over Kingfisher plc shares outstanding, with a weighted average exercise price of £0.60. These options will be satisfied using a mix of market purchased and newly issued shares, depending on the plan under which the grant was originally made.

BORROWINGS AND INDEBTEDNESS

Details of all borrowings or indebtedness of the offeror and the extent of any mortgage, charge or security interest over or attaching to the assets of the offeror⁵, and details of any hedging powers

Borrowings are detailed in Note 22, Net Debt in Note 32, Derivatives in Note 23 and Financial Risk Management in Note 24 of the 2019/20 Annual Report and Accounts. The UK pension scheme trustee has a first charge over certain UK properties in the event that Kingfisher plc becomes insolvent, with details provided in Note 27 (Post-employment benefits) to the 2019/20 Annual Report and Accounts.

⁵ or an appropriate negative statement

ACCOUNTS AND REPORTS

A copy of the latest audited accounts of the offeror accompanied by a report on the financial statements thereon by the offeror's auditors are attached at Annex 1.

Generally accepted accounting practices or principal accounting policies that will be applied to the preparation of the offeror's accounts

Kingfisher plc accounts International Financial Reporting Standards (IFRS) and applicable law.

Duration of the first accounting period

1 February 2021 to 31 January 2022

Accounting date of the offeror

Kingfisher plc's financial year is 1 February to 31 January each year.

Dates upon which reports will be published, distributed or available to shareholders in relation to the accounting date of the offeror

June 2022.

REGISTERED OFFICE AND REGISTER OF MEMBERS

Registered office and register of members of the offeror

3 Sheldon Square, Paddington, London, W2 6PX⁶

⁶ *This should also include the address at which its register of members is kept (if different).*

PRINCIPAL ESTABLISHMENTS

Location and nature of the offeror's principal operating establishments

Kingfisher plc: 3 Sheldon Square, Paddington, London, W2 6PX

Guernsey store in which offerees are employed: B&Q St Peter Port, Admiral Park, St Peter Port, Guernsey, Channel Islands, GY1 2AS

DIRECTORS AND SECRETARY

Names, business occupations (if any) and addresses of the directors or proposed directors of the company

ARNEY, Claudia Isobel

Chairman of the Remuneration Committee, Non-Executive Director

3 Sheldon Square, Paddington, London, United Kingdom, W2 6PX

BOT, Bernard Ladislas

Chief Financial Officer

3 Sheldon Square, Paddington, London, United Kingdom, W2 6PX

BRADLEY, Catherine Annick Caroline

Non-Executive Director

3 Sheldon Square, Paddington, London, United Kingdom, W2 6PX

BUFFIN, Anthony

Non-Executive Director

3 Sheldon Square, Paddington, London, United Kingdom, W2 6PX

CARR, Jeffrey

Chairman of the Audit Committee, Non-Executive Director

3 Sheldon Square, Paddington, London, United Kingdom, W2 6PX

COSSLETT, Andrew

Board Chairman and Chairman of the Nomination Committee

3 Sheldon Square, Paddington, London, United Kingdom, W2 6PX

GARNIER, Thierry

Chief Executive Officer

3 Sheldon Square, Paddington, London, United Kingdom, W2 6PX

GASPERMENT, Sophie
Chairman of the Responsible Business Committee, Non-Executive Director
3 Sheldon Square, Paddington, London, United Kingdom, W2 6PX

GOSS-CUSTARD, Rakhi Kishor
Non-Executive Director
3 Sheldon Square, Paddington, London, United Kingdom, W2 6PX

SELIGMAN, Mark Donald
Senior Independent Director, Non-Executive Director
3 Sheldon Square, Paddington, London, United Kingdom, W2 6PX

Name, qualifications (if any) and address of the secretary of the company

MOORE, Paul
Group company secretary, Fellow of the Chartered Institute of Governance, United Kingdom
3 Sheldon Square, Paddington, London, United Kingdom, W2 6PX

OTHER PARTIES

Name and address of the offeror's auditors

Deloitte LLP
1 New Street Square, London, United Kingdom, EC4A 3HQ

Name and address of the offeror's legal advisers

Ogier (Guernsey) LLP
Redwood House, St. Julian's Ave, Guernsey GY1 1WA

Name and address of the offeror's principal bankers

HSBC, Level 2, 8 Canada Square, London, E14 5HQ

SIGNIFICANT BENEFICIAL OWNERSHIP

Shareholdings of those persons who hold a significant beneficial ownership interest in the offeror at the date of the prospectus ⁷

No investor, alone or with associates, is entitled to exercise, or control the exercise of, or has the option to acquire securities that would, upon exercise, entitle the investor to exercise, or control the exercise of, 15 percent or more of the voting rights in a general meeting of the company.

Details of any tender offers, take-over bids, and other transactions intended to effectuate a change of control or that potentially may result in a change of control, or that may consolidate control

Not applicable, there are no tender offers, take-over bids, and other transactions intended to effectuate a change of control or that potentially may result in a change of control, or that may consolidate control.

⁷ any investors who, alone or with associates, is entitled to exercise, or control the exercise of, or has the option to acquire securities that would, upon exercise, entitle the investor to exercise, or control the exercise of, 15 percent or more of the voting rights in general meeting of the company

GENERAL MEETINGS

Arrangements that will exist for general meetings

Participants will become shareholders on acquisition of shares and will therefore have voting rights at any general meeting which occurs subsequent to the vesting date of the RSUs.

Notice of 21 clear days is required in respect of an Annual General Meeting and 14 clear days in respect of an Extraordinary General Meeting. The meeting must have a place, but hybrid meetings may be held. At present it's not possible to hold a 100% virtual meeting. The quorum for a Kingfisher plc meeting is 2 shareholders.

Any class rights

Ordinary shares will be acquired upon vesting of the RSUs.

Voting rights that will be exercisable at meetings of shareholders

Participants will become shareholders on acquisition of shares and will therefore have voting rights at meetings of shareholders.

Summary of the rights conferred upon or attaching to shareholders of the securities that are the subject of the offer in the prospectus

All shares transferred at the vesting date of the RSUs shall, as to voting, dividend, transfer and other rights, including those arising on a liquidation of Kingfisher plc, rank equally in all respects and as one class with the shares of the same class in issue at the date of transfer save as regards any rights attaching to such securities by reference to a record date prior to the date of such transfer. Prior to the vesting date the RSUs shall not have any voting, dividend, transfer, or other rights.

ADDITIONAL INFORMATION

Any other material information (including risk disclosures) that an investor would reasonably require to enable the person to make an informed judgement about the merits of investing in the securities offered

COVID-19

Risk management

Kingfisher's central and retail business crisis committees continue to meet on an ongoing basis to monitor and manage risks and impacts of COVID-19. These committees continue to monitor closely the impact on all areas of Kingfisher's business, as well as ensuring publicly available advice is followed and that appropriate safeguards are quickly implemented.

Supply chain and availability

Kingfisher continue to be faced with polarised demand within their categories and, in particular, strong demand levels within the paint, decorating materials, outdoor, building materials and kitchen ranges, where vendors are challenged in keeping up with high demand levels. These challenges are being driven by a combination of capacity constraints and extended leadtimes from their raw material suppliers. In addition, the pandemic continues to place a considerable strain, industry-wide, on the international logistics infrastructure. Kingfisher expect these challenges to continue for at least the next six months.

Kingfisher continue to work closely with key vendors to speed up production and accelerate our supply chain within these specific categories. Nevertheless, in-store availability is currently below last year, reflecting the high and volatile levels of demand Kingfisher have been experiencing. Kingfisher will continue to work hard on improving product availability through the remainder of this year

Brexit preparation

Kingfisher are continuing with our planning to meet the requirements of either a new trading relationship with the EU or, if no trade agreement is reached, the UK abiding by World Trade Organisation (WTO) rules. Kingfisher have taken several measures to mitigate delays at the border as far as possible and to ensure readiness for exporting to the Republic of Ireland, such as securing access to simplified customs procedures and adapting their OEB packaging to be suitable for UK and EU markets.

Kingfisher are continuing with their vendor engagement programme to ensure their readiness to operate under a hard border with the UK, providing support where needed.

On tariffs, in the event that no Free Trade Agreement is reached with the EU, and the UK's new Global Tariff (UKGT) is applied, Kingfisher expect that EU and non-EU imports would attract an average tariff of c.2% on our products. This would be slightly lower than the current average duty rate for all direct imports into the UK, although this excludes any potential indirect exposures (for example from UK-based vendors).

General risk of investment

As with any investment it is important to note that there are risks in participating in the Plan. While the trading price of shares under the plan 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 an offeree is in any doubt about the contents of this document or what action they should take, they are recommended to seek their own personal financial advice immediately from their stockbroker, bank manager, solicitor, accountant or other financial adviser duly authorised. If an offeree feels that they need legal or tax advice in connection with participation in the Plan they should seek this from an appropriately qualified person.

ANNEX 1

LATEST AUDITED ACCOUNTS AND AUDITORS' REPORT