



## Q&A: MALUS AND CLAWBACK PROVISIONS

### Background

This document provides a summary of the malus and clawback provisions contained in the rules of the Kingfisher Annual Bonus Scheme, the Kingfisher Alignment Shares and Transformation Incentive Plan (KASTIP), the Kingfisher Performance Share Plan (KPSP) and the Kingfisher Share Award Plan (KSAP).

If there is any conflict between this Q&A summary and the official plan rules, the rules shall prevail.

### What is malus and clawback?

Malus is the forfeiture of all or part of an annual bonus yet to be paid, or a share award before it has vested.

Clawback means the repayment of an amount already received by an individual under a cash bonus or a share award following the receipt of the cash or shares.

### Why are malus and clawback provisions included?

The UK Corporate and Governance Code, which applies to all listed companies, requires companies to include provisions in incentive schemes that would enable a company to withhold the payment of any sum (“malus”) or recover sums paid (“clawback”) in certain circumstances.

This is aimed at strengthening the alignment of risk and reward.

### When would it apply?

The malus and clawback provisions would apply if the Remuneration Committee formed a view that:

- the Company’s financial results were materially misstated and such misstatement resulted in bonus awards and incentive awards vesting to a greater extent than would have been the case had the misstatement not occurred; and/or
- the determination of a cash or share award had been made in error or on inaccurate or misleading information; and/or
- the participant has caused reputational damage to the Company; and/or
- evidence comes to light of material misconduct by the participant.

### How long does it apply for?

	Malus	Clawback
Cash Bonus	Up to the payment date	3 years after payment
Alignment Shares (KASTIP)	During the vesting period	2 years post vesting
Transformation Incentive/ Delivering Value Incentive (KASTIP)		
Performance Share Award (KPSP)		
Restricted Share Award (KPSP)		
Deferred Bonus Award (KPSP)	During the 3 year deferral period	
Kingfisher Share Award Plan (KSAP)	During the vesting period	2 years post vesting

### How would it be applied?

To satisfy malus the Company can cancel or reduce unvested share awards or an unpaid cash bonus.

To satisfy clawback the Company:

- may cancel unvested awards; and/or
- may cancel an unpaid cash bonus; and/or
- can require the individual to pay back the appropriate number or equivalent value of shares; and/or
- can cancel any amount due to be paid to the individual (such as salary, bonus, holiday pay, etc).

### Where can I find out more detail?

For copies of the rules governing the Kingfisher Annual Bonus Scheme, the Kingfisher Alignment Shares and Transformation Incentive Plan (KASTIP), the Kingfisher Performance Share Plan (KPSP) and the Kingfisher Share Award Plan (KSAP) please contact Group Reward at [group.reward@kingfisher.com](mailto:group.reward@kingfisher.com)