

# Kingfisher plc

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## KINGFISHER PERFORMANCE SHARE PLAN

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Approved by shareholders of the Company on [22 June] 2022

Adopted by the Board of the Company on 17 March 2022

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**PSP FRENCH FREE SHARE SUB PLAN 2022**

## 1. DEFINITIONS AND INTERPRETATION

1.1 In the Plan, unless the context otherwise requires:

**"Associated Company"** means a company or limited liability partnership which is not under the Control of any single person but is under the Control of two persons, one of them being the Company, and to which the Board has resolved that the Plan shall, for the time being, extend;

**"Award"** means an Option or a Conditional Award;

**"Board"** means the board of directors of the Company or a duly authorised committee of the Board or a duly authorised person;

**"Cause"** means, in relation to a Participant, a reason which gives the Participant's employing company the right, under their contract of employment, to terminate their contract summarily without notice or a reason which, in the opinion of the Committee is sufficiently serious that it should warrant such termination even if termination does occur otherwise;

**"Committee"** means a duly authorised committee of the Board or, on and after the occurrence of a corporate event described in Rule 11 (*Takeovers and other corporate events*), a duly authorised committee of the Board as constituted immediately before such event occurs;

**"Company"** means Kingfisher plc (registered in England and Wales with registered number 1664812);

**"Conditional Award"** means a conditional right to acquire Shares granted under the Plan;

**"Control"** means control within the meaning of section 719 of ITEPA;

**"DB Award"** means an Award representing the deferral of all or part of an individual's annual bonus which is designated by the Committee as such under Rule 3.2(b);

**"Dealing Day"** means any day on which the London Stock Exchange is open for the transaction of business;

**"Dealing Restrictions"** means any restrictions on dealing in Shares imposed by legislation, regulation, the Kingfisher Share Dealing Policy or any other code or guidance on share dealing adopted by the Company or with which the Company seeks to comply;

**"Directors' Remuneration Policy"** has the meaning given to it by section 422A(6) of the Companies Act 2006;

**"Dividend Equivalent"** means a benefit calculated by reference to dividends paid on Vested Shares as described in Rule 3.7;

**"Early Vesting Date"** means either:

- (a) the date of cessation of employment of a Participant in the circumstances referred to in Rule 10.1 or 10.2 (*Good leavers*); or
- (b) a date of notification referred to in Rule 11.1 (*General offers*) or Rule 11.2 (*Schemes of arrangement and winding-up*) or the date of Vesting referred to in Rule 11.3 (*Demerger and similar events*);

**"Eligible Employee"** means any person who, on the Grant Date, is, or in relation to a DB Award, was an employee of the Group;

**"Exercise Period"** means the period referred to in Rule 6.2 during which an Option may be exercised;

**"FCA"** means the Financial Conduct Authority;

**"Final Exercise Date"** means in respect of an Award which is an Option the date specified when the Award is granted, at the discretion of the Committee, being no later than one month before the tenth anniversary of the Start Date (and which, if not so specified, is one month before the tenth anniversary of the Start Date) or the date referred to in Rules 10.1, 10.2, 10.3, 10.6, 11.1, 11.2 or 11.3 (as the case may be);

**"Financial Year"** means a financial year of the Company;

**"Grant Date"** means the date on which an Award is granted in accordance with Rule 3.3;

**"Group"** means the Company and any company which is either a subsidiary of the Company or a subsidiary of the Company's holding company (in each case as defined in section 1159 Companies Act 2006);

**"Holding Period Holder"** means a trustee or nominee designated by the Committee in accordance with Rule 17;

**"Holding Period Shares"** means Shares which are or were the subject of an Award to which a Holding Period applies, and in respect of which the Holding Period has not ended in accordance with Rule 17;

**"ITEPA"** means the Income Tax (Earnings and Pensions) Act 2003;

**"Listing Rules"** means the Listing Rules published by the FCA;

**"London Stock Exchange"** means London Stock Exchange plc;

**"Malus"** means the right of the Committee, in its discretion, and as set out in Rule 15 to effect in respect of an Award either:

- (a) an adjustment and/or
- (b) forfeiture

of all or some of the Shares (or equivalent cash value in respect of those Shares) of the Award or of some other award or payment, as the Committee considers appropriate;

**"Normal Vesting Date"** means the date or dates on which an Award Vests under Rule 5.1 as specified under Rule 3.2(e);

**"Option"** means a right to acquire shares granted under the Plan which is designated as an option by the Committee under Rule 3.2;

**"Option Price"** means the amount, if any, payable on the exercise of an Option;

**"Participant"** means a person who holds an Award including their personal representatives;

**"Performance Condition"** means in respect of an Award, one or more conditions related to performance which is specified by the Committee under Rule 3.6;

**"Plan"** means the Kingfisher Performance Share Plan as amended from time to time;

**"Pro-Rata End Date"** means in relation to an Award, its Normal Vesting Date or such other date as is specified at or before the Grant Date in accordance with Rule 3.2 in relation to an Award;

**"PS Award"** means an Award designated by the Committee as such under Rule 3.2(b);

**"Recruitment Award"** means an Award granted under Rule 3.10;

**"RS Award"** means an Award designated by the Committee as such under Rule 3.2(b);

**"Rule or Rules"** means a rule or rules of the Plan;

**"Shares"** means fully paid ordinary shares in the capital of the Company;

**"Start Date"** means, in respect of an Award, the date from which the Normal Vesting Date and the Final Exercise Date are calculated;

**"Tax Liability"** means any amount of tax or social security contributions for which a Participant would or may be liable and for which any member of the Group or Associated Company (or the Participant's employing company or former employing company, if different) would or may be obliged to (or would or may suffer a disadvantage if it were not to) account to any relevant authority;

**"Trustee"** means the trustee from time to time of the applicable Kingfisher employee share trust;

**"Vest"** means:

- (a) in relation to an Award which is a Conditional Award, a Participant becoming entitled to have Shares issued or transferred to them (or their nominee) subject to the Rules;
- (b) in relation to an Award which is an Option, it becoming exercisable;

and **Vesting** shall be construed accordingly;

**"Vested Shares"** means those Shares in respect of which an Award Vests.

- 1.2 Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.
- 1.3 Expressions in italics and headings are for guidance only and do not form part of the Plan.
- 1.4 In the Plan, unless otherwise specified, the singular includes the plural and *vice versa* and the masculine includes the feminine and neuter.

## **2. ELIGIBILITY**

An Eligible Employee may be recommended from time to time for the grant of an Award and the grant of any Award to an Eligible Employee will be at the discretion of the Committee.

Subject to the following paragraph, an Award may only be granted to an individual who is an Eligible Employee at the Grant Date. Unless the Committee decides otherwise, an Award will not be granted to an Eligible Employee who on or before the Grant Date has given or received notice of termination of employment (whether or not lawful).

In the case of a DB Award, the Board may at its absolute discretion grant a DB Award to an individual who was an employee of the Group during the Financial Year to which the bonus in respect of which the DB Award is to be granted relates and to whom the Committee has determined to provide an annual bonus.

The grant of an Award to an Eligible Employee on a particular basis does not create the right or expectation of the grant of an Award on the same basis, or at all, in the future.

## **3. GRANT OF AWARDS**

### **3.1 When Awards can be granted**

An Award may only be granted during the period of 42 days beginning on:

- (a) the day immediately following the date on which the Plan is approved by the shareholders of the Company; or
- (b) the Dealing Day after the date on which the Company announces its results for any financial period; or
- (c) the day following the lifting of any restrictions imposed by Dealing Restrictions.

An Award may be granted at any other time (provided not prohibited under any relevant Dealing Restrictions) when the Committee determines that the circumstances, are in its view, sufficiently unusual or exceptional, to justify the grant of an Award.

An Award may not be granted after 21 June 2032, being the expiry of 10 years beginning with the date on which the Plan is approved by shareholders of the Company.

### **3.2 Decisions about the terms of Awards**

On or before the Grant Date, the Committee shall determine in respect of each Award:

- (a) whether it will be a Conditional Award or an Option and in the absence of a specific determination, an Award will be an Option;
- (b) whether it is being granted as a PS Award, an RS Award, a DB Award, or a Recruitment Award;
- (c) the number of Shares subject to the Award;
- (d) its Grant Date and its Start Date(s) and in the absence of any specific determination by the Committee, the Start Date shall be the same as the Grant Date;
- (e) the Normal Vesting Date(s) and, if the Award is an Option, the Final Exercise Date(s);

- (f) the Pro-Rata End Date(s) and in the absence of any specific determination by the Committee, the Pro Rata End Date(s) shall be as set out in the definition of “Pro-Rata End Date”;
- (g) the applicable Performance Conditions (if any) and any other terms or conditions to apply to the Award which are not inconsistent with the Plan, in accordance with Rule 3.6;
- (h) if the Award is an Option, the Option Price (if any) and in the absence of any specific determination by the Committee, the Option Price shall be nil;
- (i) whether Rule 16 (Clawback) shall apply to the Award and in the absence of any specific determination by the Committee, Rule 16 (Clawback) shall apply; and
- (j) any Holding Period which shall apply to the Award.

Where the Company has in place a Directors’ Remuneration Policy approved by the Company in general meeting, the terms of an Award to be granted to an Eligible Employee who is a director of the Company must fall within the scope of the Directors’ Remuneration Policy most recently approved by the Company in a general meeting. Such terms may include by way of example but without limitation any relevant individual limit in Rule 4, any Performance Condition set in accordance with Rule 3.6 and malus and clawback provisions.

### **3.3 How Awards are granted, the Grant Date and the Start Date(s)**

An Award shall be granted by the Company by deed and there shall be no payment for the grant of an Award. The Grant Date and the Start Date(s) shall be stated in the deed of grant in respect of the Award. A single deed of grant can be executed in favour of any number of Participants.

### **3.4 Approvals and consents**

The grant of any Award shall be subject to obtaining any approval or consent required under the Listing Rules, any Dealing Restrictions, the City Code on Takeovers and Mergers, or any other UK or overseas regulation or enactment.

### **3.5 Notification of grant**

A Participant shall be notified of the grant of an Award and will have written notification of the grant of the Award specifying in respect of the Award:

- (a) the Grant Date and the Start Date(s);
- (b) the maximum number of Shares under the Award;
- (c) any applicable Performance Conditions or other terms or conditions to which the Award is subject;
- (d) if the Award is an Option, the Option Price (if any); and
- (e) the Normal Vesting Date(s), and if the Award is an Option, the Final Exercise Date(s).

The Board may require an Eligible Employee who is (or is to be) granted an Award to confirm their acceptance of the Rules and the terms of any Award granted to them by a specified date. Such confirmation will be in a manner and form set by the Board (which may require the Eligible Employee to confirm acceptance on a portal or execute a

document). The Board may provide that the Award will lapse (and as a result be treated as never having been granted) if the confirmation of acceptance is not provided by the specified date, or provide that the Award will not Vest until they do so agree in writing.

### **3.6 Performance Condition (and any other terms or conditions)**

The Vesting or exercise of an Award (or part of an Award) may be subject to one or more performance conditions selected by the Committee or any other terms or conditions which, in either case, will normally have to be met before the Award can Vest in whole or part. The Committee will have discretion to decide whether and to what extent the performance conditions or any other terms or conditions to which an Award is subject have been met.

Any Performance Condition or other terms or conditions must be confirmed in writing in accordance with Rule 3.5.

A Performance Condition or other term or condition may be amended, provided that a Performance Condition may be amended only if:

- (a) one or more event(s) have occurred which causes the Committee reasonably to consider that it would be appropriate to amend the Performance Condition;
- (b) the altered Performance Condition will, in the reasonable opinion of the Committee, be not materially less difficult to satisfy than the unamended Performance Condition would have been but for the event in question; and
- (c) the Committee shall act fairly and reasonably in making the amendment.

A Performance Condition or other term or condition may be waived (or such other term or condition may be replaced) if anything happens which causes the Committee reasonably to consider that it should be waived or replaced.

By way of example and without limiting the scope of this Rule 3.6, an event for the purposes of paragraph a) above may include accounting or equivalent changes or a corporate event (such as a transaction, corporate restructuring event, special dividend or rights issue).

### **3.7 Dividend Equivalent**

The number of Shares comprised in an Award may, at the discretion of the Committee, be increased to reflect the value of any ordinary dividends (net of any tax credits) that would have been paid on the Vested Shares comprised in that Award in respect of record dates falling within the period from the relevant Start Date to the date of issue or transfer of any Shares following the Vesting of an Award or the exercise of an Option. The Committee may decide to exclude the value of all or part of any special dividend from the amount of the Dividend Equivalent.

The number of any such additional Shares (which may be paid out in Shares or cash, at the discretion of the Committee) will be calculated by such method as the Committee shall, in its absolute discretion, select.

The Committee may make any adjustment to the calculation of Shares under this Rule 3.7 to take account of any event specified in Rule 12.1.

### 3.8 Method of satisfying Awards

Unless specified to the contrary by the Committee on the Grant Date, an Award may be satisfied:

- (a) by the issue of new Shares; and/or
- (b) by the transfer of treasury Shares; and/or
- (c) by the transfer of Shares (other than the transfer of treasury Shares).

The Committee may decide to change the way in which it is intended that an Award granted as a Conditional Award or an Option may be satisfied after it has been granted, having regard to the provisions of Rule 4 (*Limits*).

### 3.9 Non-transferability and bankruptcy

An Award granted to a Participant:

- (a) shall not be transferred, assigned, charged or otherwise disposed of (except on their death to their personal representatives) and any attempt to do so shall result in its lapse); and
- (b) shall lapse immediately if they are declared bankrupt.

### 3.10 Grant of an Award in the context of recruitment or promotion

In the context of the recruitment or promotion of an Eligible Employee the Committee has the discretion to grant an Award (a "**Recruitment Award**") to the Eligible Employee, whether (in the case of recruitment) to replace any incentive award made by their previous employer which the Eligible Employee has forfeited as a result of accepting employment with a member of the Group (a "**Forfeited Award**") or otherwise.

The Committee will determine in respect of any Recruitment Award granted in accordance with this Rule 3.10:

- (a) the Performance Condition (where the Committee determines that the Recruitment Award will be subject to a Performance Condition) by reference to performance indicators appropriate to the Group and referable over such performance period as the Committee may determine, for which purpose the Committee may have regard, where the Recruitment Award is replacing a Forfeited Award, to the performance period applicable to the Forfeited Award. If the Forfeited Award was not subject to any performance condition, the Committee may determine that the Recruitment Award will not be subject to any Performance Condition; and
- (b) the Normal Vesting Date. In determining the Normal Vesting Date, the Committee may, where the Recruitment Award is replacing a Forfeited Award, have regard to the vesting date applicable to the Forfeited Award.

### 3.11 Awards non-pensionable

Neither an Award nor the Shares in respect of it shall be pensionable.

## **4. LIMITS**

### **4.1 5 per cent. in 10 years limit**

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 4.3) in the period of 10 calendar years ending with that calendar year under the Plan and under any other executive share plan operated by the Company to exceed such number as represents 5 per cent. of the ordinary share capital of the Company in issue at that time.

### **4.2 10 per cent. in 10 years limit**

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 4.3) in the period of 10 calendar years ending with that calendar year under the Plan and under any other employee share plan operated by the Company to exceed such number as represents 10 per cent. of the ordinary share capital of the Company in issue at that time.

### **4.3 Meaning of "allocated"**

For the purposes of Rules 4.1 and 4.2:

- (a) Shares are allocated:
  - (i) when an option, award or other contractual right to acquire unissued Shares or treasury Shares is granted;
  - (ii) where Shares are issued or treasury Shares are transferred otherwise than pursuant to an option, award or other contractual right to acquire Shares, when those Shares are issued or treasury Shares transferred;
- (b) any Shares which have been issued or which may be issued (or any Shares transferred out of treasury or which may be transferred out of treasury) to any trustees to satisfy the exercise of any option, award or other contractual right granted under any employee share plan shall count as allocated; and
- (c) for the avoidance of doubt, existing Shares other than treasury Shares that are transferred or over which options, awards or other contractual rights are granted shall not count as allocated.

### **4.4 Post-grant events affecting numbers of "allocated" Shares**

For the purposes of Rule 4.3:

- (a) where:
  - (i) any option, award or other contractual right to acquire unissued Shares or treasury Shares is released or lapses (whether in whole or in part); or
  - (ii) after the grant of an option, award or other contractual right the Committee determines that:
    - (aa) where an amount is normally payable on its exercise it shall be satisfied without such payment but instead by the issue of Shares and/or the transfer of treasury Shares and/or the payment of cash equal to the gain made on its exercise; or

(bb) it shall be satisfied by the transfer of existing Shares (other than Shares transferred out of treasury)

the unissued Shares or treasury Shares which consequently cease to be subject to the option, award or other contractual right from time to time or absolutely (as appropriate) shall not count as allocated; and

(b) the number of Shares allocated in respect of an option, award or other contractual right shall be such number as the Committee shall reasonably determine from time to time.

#### **4.5 Changes to investor guidelines**

Treasury Shares shall cease to count as allocated Shares for the purposes of Rule 4.3 if institutional investor guidelines cease to require such Shares to be so counted.

#### **4.6 Individual limit for a PS Award**

The maximum total market value of Shares (calculated as set out in Rule 4.10) over which a PS Award may be granted to any Eligible Employee during any Financial Year shall be equivalent to the Relevant Percentage of their salary. For these purposes, “**Relevant Percentage**” means the percentage which is the maximum percentage of the salary of the Chief Executive Officer of the Company by reference to which a PS Award may be granted to the Chief Executive Officer of the Company under the Company’s Directors Remuneration Policy as at the Grant Date.

#### **4.7 Individual limit for an RS Award**

The maximum total market value of Shares (calculated as set out in Rule 4.10) over which an RS Award may be granted to any Eligible Employee during any Financial Year is 125% of their salary.

#### **4.8 Individual limit for a DB Award**

The maximum total market value of Shares (calculated as set out in Rule 4.10) over which a DB Award may be granted to any Eligible Employee during any Financial Year is such proportion (not exceeding 100%) of the annual bonus for the Eligible Employee to which the DB Award relates as the Committee determines.

#### **4.9 Individual limit for a Recruitment Award**

There shall be no limit on the maximum total market value of Shares over which a Recruitment Award may be granted to an Eligible Employee.

#### **4.10 Meaning of “salary” and “market value”**

For the purposes of Rules 4.6, 4.7, 4.8 and 4.9:

- (i) an employee’s **salary** shall be taken to be their base salary (excluding benefits in kind), expressed as an annual rate payable to them on the Grant Date (or such earlier date as the Committee shall determine). Where a payment of salary is made in a currency other than sterling, the payment shall be treated as equal to the equivalent amount of sterling determined by using any rate of exchange which the Committee may reasonably select; and
- (ii) the **market value** of the Shares over which an Award is granted shall be taken to

be an amount equal to the average of the closing middle market quotations of such Shares (as derived from the London Stock Exchange Daily Official List) over a period determined by the Committee not exceeding the 3 consecutive Dealing Days ending with the Dealing Day before the Grant Date or, if the Committee so determines the closing middle market quotation on the Dealing Day before the Grant Date (provided such Dealing Day(s) do not fall within any period when dealings in Shares are prohibited by Dealing Restrictions (unless the Award is granted when such dealings are generally prohibited but under an exemption from such Dealing Restrictions)).

#### **4.11 Effect of limits**

Any Award shall be limited and take effect so that the limits in this Rule 4 are complied with.

#### **4.12 Restriction on use of unissued Shares and treasury Shares**

No Shares may be issued or treasury Shares transferred (subject to Rule 4.5) to satisfy the Vesting of any Conditional Award or the exercise of any Option to the extent that such issue or transfer would cause the number of Shares allocated (as defined in Rule 4.3 and adjusted under Rule 4.4) to exceed the limits in Rules 4.1 (*5 per cent. in 10 years limit*) and 4.2 (*10 per cent. in 10 years limit*).

### **5. VESTING OF AWARDS**

#### **5.1 Timing of Vesting: Normal Vesting Date**

Subject to Rule 5.2 (*Committee considering Malus or performance adjustment*) and Rule 5.5 (*Restrictions on Vesting: regulatory and tax issues*), an Award will Vest on the later of:

- (a) the date on which the Committee determines whether or not any Performance Condition and any other condition imposed on the Vesting of the Award have been satisfied (in whole or part); and
- (b) the Normal Vesting Date

except where earlier Vesting occurs on an Early Vesting Date under Rule 10 (*Leavers*) or Rule 11 (*Takeovers and other corporate events*).

#### **5.2 Committee considering Malus or performance adjustment**

If the Committee is determining whether or not a reduction for Malus or performance adjustment should be made in accordance with Rules 5.4 or 15 prior to the Vesting of an Award in accordance with Rule 5.1, it may delay the Vesting of that Award for a period which it considers necessary to make its determination. Any such delay will be communicated to Participants as soon as practicable.

#### **5.3 Extent of Vesting**

An Award will only Vest to the extent:

- (a) that any Performance Condition is determined to be satisfied on the Normal Vesting Date or, if appropriate, the Early Vesting Date;
- (b) as permitted by any other term or condition imposed on the Vesting of the Award; and

- (c) in relation to Vesting before the Normal Vesting Date, as permitted by Rules 10.4 and 11.5 (*Reduction in number of Vested Shares*).

Where, under Rule 11 (*Takeovers and other corporate events*), an Award would (subject to the satisfaction of any Performance Condition) Vest before the end of the full period over which performance would be measured under the Performance Condition then, unless provided to the contrary by the Performance Condition, the extent to which the Performance Condition has been satisfied in such circumstances shall be determined by the Committee on such reasonable basis as it decides.

#### **5.4 Committee's discretion to adjust Vesting of Awards**

The Committee may in its absolute discretion determine that an Award will Vest to a different extent from that determined in accordance with Rule 5.3 or at a later time than that determined in accordance with Rule 5.1 where in the opinion of the Committee this is appropriate, taking into account factors including (but not limited to) the overall performance of the Group.

#### **5.5 Restrictions on Vesting: regulatory and tax issues**

An Award will not Vest unless and until the following conditions are satisfied:

- (a) the Vesting of the Award, and the issue or transfer of Shares after such Vesting, would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant Dealing Restrictions, the City Code on Takeovers and Mergers and any other relevant UK or overseas regulation or enactment;
- (b) if, on the Vesting of the Award, a Tax Liability would arise by virtue of such Vesting then the Participant must have entered into arrangements acceptable to the Committee that the relevant employing company (or former employing company) will receive the amount of such Tax Liability (whether pursuant to Rule 5.7 (*Payment of Tax Liability*) or otherwise);
- (c) the Participant has entered into such arrangements as the Committee requires (and where permitted in the relevant jurisdiction) to satisfy the relevant employing company's (or former employing company's) liability to social security contributions in respect of the Vesting of the Award; and
- (d) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (Employment income: elections to disapply tax charge on restricted securities) or any similar arrangement in any overseas jurisdiction.

Where the Company has in place a Directors' Remuneration Policy:

- (i) the Vesting of an Award held by a Participant who is or was a director of the Company;
- (ii) the delivery of Shares or payment of cash pursuant to the Vesting of an Award held by a Participant who is or was a director of the Company; and
- (iii) in the case of an Option held by a Participant who is or was a director of the Company, the exercise of the Option

must where relevant fall within the scope of the Directors' Remuneration Policy most recently approved by the Company in a general meeting prior to the relevant event in paragraphs (i) to (iii) above.

## **5.6 Tax Liability before Vesting**

If a Participant will, or is likely to, incur any Tax Liability before the Vesting of an Award then that Participant must enter into arrangements acceptable to the relevant employing company (or former employing company) to ensure that it receives the amount of such Tax Liability. If no such arrangement is made then the Participant will be deemed to have authorised the Company to sell or procure the sale of sufficient of the Shares subject to their Award on their behalf to ensure that the relevant employing company (or former employing company) receives the amount required to discharge the Tax Liability and the number of Shares subject to their Award shall be reduced accordingly.

## **5.7 Payment of Tax Liability**

The Participant authorises the Company to sell or procure on their behalf the sale of sufficient Vested Shares on or following the Vesting of their Award to ensure that the relevant employing company (or former employing company) receives the amount required to discharge the Tax Liability which arises on Vesting except to the extent that they agree to fund all or part of the Tax Liability in a different manner.

## **6. CONSEQUENCES OF VESTING**

### **6.1 Conditional Awards**

Subject to Rule 17, on or as soon as reasonably practicable after the Vesting of a Conditional Award, the Committee shall, subject to Rule 5.7 (*Payment of Tax Liability*) and any arrangement made under Rules 5.5(b) and 5.5(c) (*Restrictions on Vesting: regulatory and tax issues*), transfer or procure the transfer of the Vested Shares to the Participant (or a nominee for them).

### **6.2 Options**

An Option shall, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), be exercisable in respect of Vested Shares during the period beginning with the date on which the Option Vests and expiring on the Final Exercise Date unless it lapses earlier under Rule 10.3 (*Cessation of employment in other circumstances*), Rule 11.1 (*General offers*), Rule 11.2 (*Schemes of arrangement and winding-up*) or Rule 11.3 (*Demerger and similar events*).

If an Option is not exercised during the last 30 days of the Exercise Period because of any regulatory restrictions referred to in Rule 7.1(a), the Committee may extend the period during which the Option may be exercised so as to permit the Option to be exercised as soon as those restrictions cease to apply.

## **7. EXERCISE OF OPTIONS**

### **7.1 Restrictions on the exercise of an Option: regulatory and tax issues**

An Option which has Vested may not be exercised unless the following conditions are satisfied:

- (a) the exercise of the Option and the issue or transfer of Shares after such exercise would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant Dealing Restrictions, the City Code on Takeovers and Mergers and any other relevant UK or overseas regulation or enactment;
- (b) if, on the exercise of the Option, a Tax Liability would arise by virtue of such exercise then the Participant must have entered into arrangements acceptable to the Committee that the relevant employing company (or former employing

company) will receive the amount of such Tax Liability (whether pursuant to Rule 7.5 (*Payment of Tax Liability*) or otherwise);

- (c) the Participant has entered into such arrangements as the Committee requires (and where permitted in the relevant jurisdiction) to satisfy the relevant employing company's (or former employing company's) liability to social security contributions in respect of the exercise of the Option; and
- (d) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (Employment income: elections to disapply tax charge on restricted securities) or any similar arrangement in any overseas jurisdiction.

## 7.2 Exercise in whole or part

An Option may be exercised either in whole or in part. If exercised in part, the Participant will be notified of the balance of Shares remaining exercisable.

## 7.3 Method of exercise

Subject to Rule 7.4 (*Deemed exercise of Option*), the exercise of any Option shall be effected in the form and manner prescribed by the Committee. Unless the Committee, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), take effect only when the Company receives it, together with payment of any relevant Option Price (or, if the Committee so permits, an undertaking to pay that amount).

## 7.4 Deemed exercise of Option

- (a) Subject to Rule 7.4(b), to the extent that an Option has not either been exercised or lapsed on the Final Exercise Date, the Participant will be deemed to have served a notice to exercise the Option in accordance with Rule 7.3 on the Final Exercise Date in respect of all of the Vested Shares then subject to the Option.
- (b) If, on the Final Exercise Date:
  - (i) the exercise of the Option;
  - (ii) the delivery of Shares pursuant to the exercise of the Option; or
  - (iii) the sale of Shares acquired pursuant to the exercise of the Option in order to discharge any Tax Liability pursuant to Rule 7.5,

would be restricted because of any regulatory restrictions referred to in Rule 7.1(a), the Participant may, at the discretion of the Company, receive such number of Shares whose total market value on the Final Exercise Date is no more than the amount which the Participant would receive net of their Tax Liability and the Participant shall be deemed to have instructed the Company to apply the balance to pay their Tax Liability without selling their Shares.

For the purposes of Rule 7.4(b), the market value of a Share on any day shall be determined as follows:

- (a) if on the date of exercise, the price for Shares is quoted on the London Stock Exchange Daily Official List, the closing middle market quotation, as derived from that List, on the Dealing Day before that day; or

- (b) if the price for Shares is not so quoted, such value of a Share as the Committee reasonably determines.

## **7.5 Payment of Tax Liability**

The Participant authorises the Company to sell or procure the sale of sufficient Vested Shares on or following exercise of their Option on their behalf to ensure that the relevant employing company (or former employing company) receives the amount required to discharge the Tax Liability which arises on such exercise, except to the extent that they agree to fund all or part of the Tax Liability in a different manner or that Rule 7.4(b) applies.

## **7.6 Transfer or allotment timetable**

As soon as reasonably practicable after an Option has been exercised, the Company shall, subject to Rule 7.5 (*Payment of Tax Liability*) and any arrangement made under Rules 7.1(b) and 7.1(c) (*Restrictions on exercise: regulatory and tax issues*) and subject also to Rule 17 (*Holding Period*), transfer or procure the transfer to the Participant (or a nominee for them) or, if appropriate, allot to the Participant (or a nominee for them) the number of Shares in respect of which the Option has been exercised.

## **8. CASH ALTERNATIVE**

### **8.1 Committee determination**

Where a Conditional Award Vests or where an Option has been exercised and Vested Shares have not yet been allotted or transferred to the Participant (or their nominee), the Committee may determine that, in substitution for their right to acquire such number of Vested Shares as the Committee may decide (but in full and final satisfaction of their right to acquire those Shares), they shall be paid by way of additional employment income a sum equal to the cash equivalent (as defined in Rule 8.2) of that number of Shares in accordance with the following provisions of this Rule 8.

The Committee may not make any such determination where the power to do so would result in a tax liability for the Participant in relation to the Award at an earlier time than would otherwise be the case (unless the Committee determines when the Award is granted that this restriction shall not apply nor where such power would cause the grant of the Award to be unlawful in any jurisdiction).

### **8.2 Cash equivalent**

For the purpose of this Rule 8, the cash equivalent of a Share is:

- (a) in the case of a Conditional Award, the market value of a Share on the day when the Award Vests;
- (b) in the case of an Option, the market value of a Share on the day when the Option is exercised reduced by the Option Price in respect of that Share.

Market value on any day shall be determined as follows:

- (i) if on the date of Vesting or exercise, the price for Shares is quoted on the London Stock Exchange Daily Official List, the closing middle market quotation, as derived from that List, on the Dealing Day before that day; or
- (ii) if the price for Shares is not so quoted, such value of a Share as the Committee reasonably determines.

### **8.3 Payment of cash equivalent**

Subject to Rule 8.4 (*Share alternative*), as soon as reasonably practicable after the Committee has determined under Rule 8.1 that a Participant shall be paid a sum in substitution for their right to acquire any number of Vested Shares:

- (a) the Company shall pay to them or procure the payment to them of that sum in cash; and
- (b) if they have already paid the Company for those Shares, the Company shall return to them the amount so paid by them.

### **8.4 Share alternative**

If the Committee so decides, the whole or any part of the sum payable under Rule 8.3 shall, instead of being paid to the Participant in cash, be applied on their behalf:

- (a) in subscribing for Shares at a price equal to the market value by reference to which the cash equivalent is calculated in accordance with Rule 8.2; or
- (b) in purchasing or requesting the transfer of such Shares; or
- (c) partly in one way and partly in the other

and, subject to Rule 17, the Company shall allot or transfer to the Participant (or their nominee) or procure the transfer to the Participant (or their nominee) of such Shares.

### **8.5 Deductions**

There shall be deducted from any payment under this Rule 8 such amounts (on account of any Tax Liability or otherwise) as may be required by law or as the Committee may reasonably consider to be necessary or desirable.

## **9. LAPSE OF AWARDS**

An Award will lapse:

- (a) in accordance with the Rules; or
- (b) to the extent it does not Vest under these Rules or, in the case of an Award which is an Option, to the extent it is not exercised by its Final Exercise Date (subject to the application of Rule 7.4); or
- (c) on the earlier of any notice for the termination of employment being given and the date of termination of employment, unless the Rules provide otherwise.

## **10. LEAVERS**

### **10.1 Good leavers (other than on death)**

If a Participant ceases to be a director or employee of a member of the Group or an Associated Company before the Normal Vesting Date and such cessation is by reason of:

- (a) ill health, injury or disability;
- (b) redundancy (within the meaning of the Employment Rights Act 1996) or any overseas equivalent;

- (c) his office or employment being with either a company which ceases to be a member of the Group or an Associated Company or relating to a business or part of a business which is transferred to a person who is not a member of the Group or an Associated Company;
- (d) retirement with the agreement of their employer; or
- (e) any other reason not otherwise specified in Rule 10, if the Committee so decides

then

- (i) subject to Rule 5.5 (*Restrictions on Vesting: regulatory and tax issues*), their Award shall Vest on the Normal Vesting Date and the Committee shall apply Rule 10.4 (*Leavers: reduction in number of Vested Shares*); unless
- (ii) the Committee decides in its absolute discretion and subject to Rule 5.5 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 11 (*Takeovers and other corporate events*), that their Award shall Vest on the date of cessation in which case Rule 10.4 (*Leavers: reduction in number of Vested Shares*) shall apply; and
- (iii) if the Award is an Option, its Final Exercise Date will be six months from the applicable Vesting date (and twelve months in the case of death), in accordance with (i) and (ii) of this Rule 10.1.

If a Participant ceases to be a director or employee of a member of the Group or an Associated Company for any reason referred to in Rule 10.1(a) to 10.1(e), the Final Exercise Date for any Award which is already Vested by such cessation shall be six months from the date of the cessation (or such earlier date as is provided for by the Rules) and (for the avoidance of doubt) Rule 7.4 (*Deemed exercise of Option*) shall apply.

## **10.2 Death**

If a Participant ceases to be a director or employee of a member of the Group or an Associated Company before the Normal Vesting Date by reason of death, their Award will Vest on or shortly after the date on which the Company is notified of this and Rule 10.4 (*Leavers: reduction in number of Vested Shares*) shall apply. If the Award is an Option, its Final Exercise Date shall be twelve months following the date on which the Award Vests under this Rule 10.2.

## **10.3 Cessation of employment in other circumstances (including for Cause) and following a corporate event**

If a Participant gives notice or is given notice to terminate their employment with a member of the Group or an Associated Company prior to the Normal Vesting Date for any reason other than those specified in Rule 10.1(a) to 10.1(e) or ceases employment with a member of the Group or an Associated Company for Cause then any Award held by the Participant shall lapse on the earlier of any notice being given or the cessation of the employment.

If a Participant gives notice or is given notice to terminate their employment with a member of the Group or an Associated Company for any reason other than those referred to in Rule 10.1(a) to 10.1(e) or ceases employment with a member of the Group or an Associated Company for Cause then any Award which has Vested shall lapse on the earlier of any notice being given or the cessation of employment.

If an individual ceases to be a director or employee of a member of the Group or an Associated Company after an event mentioned in Rules 11.1 to 11.3, then Rule 11.5 shall take precedence over this Rule 10.2.

#### **10.4 Leavers: reduction in number of Vested Shares**

Where an Award Vests on or after a Participant ceasing to be a director or employee of a member of the Group or an Associated Company, the Committee shall determine the number of Vested Shares of that Award by the following steps:

- (a) applying any Performance Condition and any other term or condition imposed on the Vesting of the Award; and
- (b) except for a DB Award, applying a pro rata reduction to the number of Shares determined under Rule 10.4(a) based on the period of time after the Start Date and ending on the date of cessation relative to the period between its Start Date and its Pro-Rata End Date, unless otherwise specified in the Deed of Grant; and
- (c) determining whether or not there are personal performance issues in respect of the Participant which, in the opinion of the Committee, justify a further reduction to the number of Shares determined under this Rule, and which, for the avoidance of doubt, could result in zero Shares vesting in respect of the Participant's Award

unless the Committee, in its absolute discretion, decides that the reduction in the number of Vested Shares under Rules 10.4(a) or 10.4(b) is inappropriate in any particular case when it shall increase the number of Vested Shares to such higher number as it decides provided that number does not exceed the number of Shares subject to the Award at that time.

If a Participant's Award Vests under any of Rules 11.1 to 11.3 when the Participant has ceased to be a director or employee of a member of the Group or an Associated Company then this Rule 10.4 shall take precedence over Rule 11.5 (*Corporate events: reduction in number of Vested Shares*).

If a Participant ceases to be a director or employee of a member of the Group or an Associated Company after an event mentioned in Rules 11.1 to 11.3, then Rule 11.5 (*Corporate events: reduction in number of Vested Shares*) shall take precedence over this Rule 10.4.

#### **10.5 Meaning of ceasing employment**

A Participant shall not be treated for the purposes of this Rule 10 as ceasing to be a director or employee of a member of the Group or an Associated Company until such time as they are no longer a director or employee of any member of the Group or an Associated Company. If any Participant ceases to be such a director or employee before the Vesting of their Award in circumstances where they retain a statutory right to return to work then the Participant shall be treated as not having ceased to be such a director or employee until such time (if at all) as they cease to have such a right to return to work while not acting as an employee or director.

## 10.6 Death following cessation of employment

If a Participant dies following cessation of employment with a member of the Group or an Associated Company in circumstances where their Award did not lapse but it had not Vested by the time of their death, it shall Vest on or shortly after the date on which the Company is notified of their death, to the extent determined at the time of cessation in accordance with Rule 10.1. If the Award is an Option, its Final Exercise Date shall be twelve months following the date on which the Award Vests under this Rule 10.6.

## 11. TAKEOVERS AND OTHER CORPORATE EVENTS

### 11.1 General offers

If any person (or group of persons acting in concert):

- (a) obtains Control of the Company as a result of making a general offer to acquire Shares; or
- (b) having obtained Control of the Company makes such an offer and such offer becomes unconditional in all respects

the Board shall within 10 days of becoming aware of that event notify every Participant of it and, subject to Rule 11.4 (*Internal reorganisations*), the following provisions shall apply:

- (i) subject to Rule 5.5 (*Restrictions on Vesting: regulatory and tax issues*), all Awards shall Vest on the date of such notification if they have not then Vested and Rule 11.5 (*Corporate events: reduction in number of Vested Shares*) shall apply; and
- (ii) to the extent that an Award is structured as an Option, it may be exercised within one month of the date of such notification and will lapse at the end of that period to the extent not so exercised (regardless of any other provision of the Plan).

### 11.2 Schemes of arrangement and winding-up

In the event that:

- (a) any person obtains Control of the Company as a result of a compromise or arrangement sanctioned by the Court under section 899 of the Companies Act 2006; or
- (b) the Company passes a resolution for a voluntary winding-up of the Company; or
- (c) an order is made for the compulsory winding-up of the Company

the Board shall, as soon as practicable, notify every Participant of that event and, subject to Rule 11.4 (*Internal reorganisations*), the following provisions shall apply:

- (i) subject to Rule 5.5 (*Restrictions on Vesting: regulatory and tax issues*), all Awards shall Vest on the date of such notification if they have not then Vested and Rule 11.5 (*Corporate events: reduction in number of Vested Shares*) shall apply; and

- (ii) to the extent that an Award is structured as an Option, it may be exercised within one month of such notification and will lapse at the end of that period to the extent that it is not so exercised (regardless of any other provision of the Plan).

### 11.3 Demerger and similar events

If a demerger, special dividend or other similar event (the “**Relevant Event**”) is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may, at its discretion, decide that the following provisions will apply:

- (a) the Committee shall, as soon as reasonably practicable after deciding to apply these provisions, notify a Participant that, subject to earlier lapse under Rule 10 (*Leavers*), their Award Vests and, if relevant, their Option may be exercised on such terms as the Committee may determine and during such period preceding the Relevant Event or on the Relevant Event as the Committee may determine;
- (b) if an Award Vests, or an Option is exercised, conditional upon the Relevant Event and such event does not occur then the conditional Vesting or exercise shall not be effective and the Award shall continue to subsist; and
- (c) if the Committee decides that an Award Vests under this Rule 11.3 then the date of that Vesting shall be the Early Vesting Date and the provisions of Rule 11.5 (*Corporate events: reduction in number of Vested Shares*) shall apply.

### 11.4 Internal reorganisations

In the event that:

- (a) a company (the “**Acquiring Company**”) is expected to obtain Control of the Company as a result of an offer referred to in Rule 11.1 (*General offers*) or a compromise or arrangement referred to in Rule 11.2 (a) (*Schemes of arrangement and winding-up*); and
- (b) at least 75% of the shares in the Acquiring Company are expected to be held by substantially the same persons who, immediately before the obtaining of Control of the Company, were shareholders in the Company

then the Committee, with the consent of the Acquiring Company, may decide before the obtaining of such Control that an Award shall not Vest under Rule 11.1 or Rule 11.2 but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award it replaces except that it will be over shares in the Acquiring Company or some other company.

The Rules will apply to any new award granted under this Rule 11.4 as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new award.

### 11.5 Corporate events: reduction in number of Vested Shares

If an Award Vests under any of Rules 11.1 to 11.3, the Committee shall determine the number of Vested Shares of that Award by the following steps:

- (a) applying any Performance Condition and any other term or condition imposed on the Vesting of the Award; and
- (b) except for a DB Award, subject to Rule 10.4 (*Leavers: reduction in number of*

*Vested Shares*), by applying a pro rata reduction to the number of Shares determined under Rule 11.5(a) based on the period of time after the Start Date and ending on the Early Vesting Date relative to the period between its Start Date and its Pro-Rata End Date, unless otherwise specified in the deed of grant for the Award

unless the Committee, in its absolute discretion, decides that the reduction in the number of Vested Shares under Rules 11.5(a) or (b) is inappropriate in any particular case when it shall increase the number of Vested Shares to such higher number as it decides provided that number does not exceed the number of Shares subject to the Award at that time.

If a Participant's Award Vests under any of Rules 11.1 to 11.3 after the Participant has ceased to be a director or employee of a member of the Group or an Associated Company then Rule 10.4 (*Leavers: reduction in number of Vested Shares*) shall take precedence over this Rule 11.5.

## **12. ADJUSTMENT OF AWARDS**

### **12.1 General rule**

In the event of:

- (a) any variation of the share capital of the Company; or
- (b) a demerger, special dividend or other similar event which affects the market price of Shares to a material extent

the Committee may make such adjustments as it considers appropriate under Rule 12.2 (*Method of adjustment*).

### **12.2 Method of adjustment**

An adjustment made under this Rule 12.2 shall be to one or more of the following:

- (a) the number of Shares comprised in an Award;
- (b) subject to Rule 12.3 (*Adjustment below nominal value*), the Option Price; and
- (c) where any Award has Vested or any Option has been exercised but no Shares have been transferred or allotted after such Vesting or exercise, the number of Shares which may be so transferred or allotted and (if relevant) the price at which they may be acquired.

### **12.3 Adjustment below nominal value**

An adjustment under Rule 12.2 may have the effect of reducing the price at which Shares may be subscribed for on the exercise of an Option to less than their nominal value, but only if and to the extent that the Board is authorised:

- (a) to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercised and which are to be allotted after such exercise exceeds the price at which the Shares may be subscribed for; and
- (b) to apply that sum in paying up such amount on such Shares

so that on exercise of any Option in respect of which such a reduction shall have been made the Board shall capitalise that sum (if any) and apply it in paying up that amount.

### **13. ALTERATIONS**

#### **13.1 General rule on alterations**

Except as described in Rule 13.2 (*Shareholder approval*) and Rule 13.4 (*Alterations to disadvantage of Participants*), the Committee may at any time alter the Plan or the terms of any Award granted under it.

#### **13.2 Shareholder approval**

Except as described in Rule 13.3 (*Exceptions to shareholder approval*), no alteration to the advantage of an individual to whom an Award has been or may be granted shall be made under Rule 13.1 to the provisions concerning:

- (a) eligibility;
- (b) the individual limits on participation;
- (c) the overall limits on the issue of Shares or the transfer of treasury Shares;
- (d) the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan;
- (e) the adjustments that may be made in the event of any variation of capital; and
- (f) the terms of this Rule 13.2

without the prior approval by ordinary resolution of the members of the Company in general meeting.

#### **13.3 Exceptions to shareholder approval**

Rule 13.2 (*Shareholder approval*) shall not apply to:

- (a) any minor alteration to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or any member of the Group;
- (b) for the avoidance of doubt, any alteration relating to the Performance Condition made under Rule 3.6; or
- (c) the establishment of schedules to the Rules, modifying the Rules to apply in any overseas jurisdictions to take account of local tax, exchange control or securities laws, provided that any ordinary shares made available under such schedules are treated as counting against any limits on individual or overall participation in the Plan.

#### **13.4 Alterations to disadvantage of Participants**

No alteration to existing Awards that is to the material disadvantage of Participants shall be made under Rule 13.1 unless:

- (a) the Board shall have invited every relevant Participant to indicate whether or not they approve the alteration; and

- (b) the alteration is approved by a majority of those Participants who have given such an indication.

## **14. MISCELLANEOUS**

### **14.1 Employment**

The Plan shall not form part of any contract of employment between any member of the Group or an Associated Company and an Eligible Employee. The rights and obligations of any individual under the terms of their office or employment with any member of the Group or an Associated Company shall not be affected by their participation in the Plan or any right which they may have to participate in it. An individual who participates in the Plan waives any and all rights to compensation or damages in consequence of the termination of their office or employment for any reason whatsoever (whether the termination was lawful or unlawful) insofar as those rights arise or may arise from them ceasing to have rights under an Award as a result of such termination. Participation in the Plan shall not confer a right to continued employment upon any individual who participates in it. An Eligible Employee has no right to be granted an Award under the Plan and the grant of any Award does not imply that any further Award will be granted nor that a Participant has any right to receive any further Award.

### **14.2 Disputes**

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or relating to the Plan, the decision of the Committee shall be final and binding upon all persons.

### **14.3 Exercise of powers and discretions**

The exercise of any power or discretion by the Committee shall not be open to question by any person and a Participant or former Participant shall have no rights in relation to the exercise or omission to exercise any such power or discretion.

### **14.4 Share rights**

All Shares allotted under the Plan shall rank equally in all respects with Shares then in issue except for any rights attaching to such Shares by reference to a record date before the date of the allotment.

Where Vested Shares are transferred to Participants (or their nominee) Participants will be entitled to all rights attaching to such Shares by reference to a record date on or after the date of such transfer.

### **14.5 Notices**

Any notice or other communication under or in connection with the Plan may be given:

- (a) by personal delivery or by post, in the case of a company to its registered office, and in the case of an individual to their last known address, or, where they are a director or employee of a member of the Group, or an Associated Company either to their last known address or to the address of the place of business at which they perform the whole or substantially the whole of the duties of their office or employment;

- (b) in an electronic communication to their usual business address or such other address for the time being notified for that purpose to the person giving the notice; or
- (c) by such other method as the Board determines.

#### **14.6 Third parties**

No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan.

#### **14.7 Benefits not pensionable**

Benefits provided under the Plan shall not be pensionable.

#### **14.8 Data Protection**

The Company will ensure a Participant's personal data will be processed in a manner compliant with applicable data protection legislation. For the purposes of operating the Plan, the Privacy notice for the Kingfisher Performance Share Plan (**Privacy Notice**) will inform the Participant on how their personal data is processed.

#### **14.9 Governing law**

The Plan and all Awards shall be governed by and construed in accordance with the law of England and Wales and the Courts of England and Wales have exclusive jurisdiction to hear any dispute.

### **15. REDUCTION FOR MALUS**

#### **15.1 Reduction for Malus**

The Committee may decide at any time before an Award Vests that the individual to whom the Award was granted (the "**relevant individual**") shall be subject to Malus if:

- (a) the Committee forms the view that the Company materially misstated its financial results for whatever reason and that such misstatement resulted either directly or indirectly in that Award being granted or would result in it Vesting to a greater degree than would have been the case had that misstatement not been made;
- (b) the Committee forms the view that, in assessing any Performance Condition and/or any other condition imposed on the grant of an Award or the extent to which any Performance Condition and/or any other condition imposed on the Award was satisfied, such assessment was based on an error, or on inaccurate or misleading information or assumptions (together and individually, the "**Error**") and that such Error resulted either directly or indirectly in that Award being granted or would result in it Vesting to a greater degree than would have been the case had that Error not been made; and/or
- (c) the Committee forms the view that one or more actions or events, not previously known when or after the Award was granted, are or have, in the opinion of the Committee, caused the Group or a member of it or an Associated Company serious reputational damage; and/or
- (d) the Committee forms the view that there are material misconduct issues in respect of the relevant individual which, in the opinion of the Committee, warrant Malus

and, in order to ensure that Malus is satisfied, the Committee may, in its discretion

reduce the number of Shares the subject of any Award which have not yet Vested and any reduction shall take effect prior to the Award Vesting.

## 15.2 Additional provisions

In carrying out any action under Rule 15.1, the Committee shall act fairly and reasonably but its decision shall be final and binding.

For the avoidance of doubt, any action carried out under Rule 15.1 may be applied on an individual basis as determined by the Committee. Whenever a reduction of an Award is made under Rule 15.1, the relevant Award shall be treated to that extent as having lapsed.

For the avoidance of doubt the provisions of Rule 15.1 will be enforced to the extent possible by local law in each jurisdiction in which they are applied.

## 16. CLAWBACK

### 16.1 Trigger Events

In Rules 16.1 to 16.7, "**Trigger Event**" means:

- (a) the Committee forms the view that the Company materially misstated its financial results for whatever reason and that such misstatement resulted either directly or indirectly in that Award being granted or Vesting to a greater degree than would have been the case had that misstatement not been made;
- (b) the Committee forms the view that, in assessing any Performance Condition and/or any other condition imposed on the grant of an Award or the extent to which any Performance Condition and/or any other condition imposed on the Award was satisfied, such assessment was based on an error, or on inaccurate or misleading information or assumptions (together and individually, the "**Error**") and that such Error resulted either directly or indirectly in that Award being granted or Vesting to a greater degree than would have been the case had that Error not been made; and/or
- (c) the Committee forms the view that one or more actions or events, not known when the Award Vested, are or have, in the opinion of the Committee, caused the Group or a member of it, or an Associated Company serious reputational damage; and/or
- (d) the Committee forms the view that there are material misconduct issues in respect of the relevant individual which, in the opinion of the Committee, warrant action by the Committee under Rules 16.1 to 16.7.

### 16.2 Clawback period and method

Notwithstanding any other provision of the Rules, if at any time during:

- (1) the period of two years following the Vesting of an Award (other than a DB Award) to which the Committee has specified under Rule 3.2(i) that this Rule 16 applies; or
- (2) the period of three years following the grant of a DB Award to which the Committee has specified under Rule 3.2(i) that this Rule 16 applies,

a Trigger Event occurs then the Committee may in its absolute discretion require the relevant Participant:

- (a) to transfer to the Company (or, if required by the Company, any other person specified by the Company) all or some of the Shares acquired by the Participant (or their nominee) pursuant to the Vesting of the Award or, in the case of an Award which is an Option, the exercise of that Option (including the number of Shares equal to any Shares sold under Rule 5.7 and/or Rule 7.5); and/or
- (b) to pay to the Company (or if required by the Company, any other person specified by the Company) an amount equivalent to all or part of the proceeds of sale or, in the event of a disposal of the Shares at a price which the Committee reasonably determines was less than market value at the time of disposal and where the disposal was not made at arm's length, an amount equivalent to the market value (as reasonably determined by the Committee) at the time of disposal of all or some of the Shares acquired pursuant to the Vesting of the Award or, in the case of an Award that is an Option, the exercise of that Option; and/or
- (c) to pay to the Company (or, if required by the Company, any other person specified by the Company) an amount equivalent to all or part of the amount of any cash in respect of an Award paid to or for the benefit of the Participant including, but not limited to, any amounts paid under Rule 8.3 and including an amount equivalent to any amount deducted under Rule 8.5 or otherwise; and/or
- (d) to pay to the Company (or, if required by the Company, any other person specified by the Company) all or part of any benefit or value derived from or attributable to the Shares referred to in paragraph (a) above (including but not limited to any special dividend or additional or replacement shares) on such terms as the Committee may reasonably direct.

### **16.3 Authorisation of deductions**

To satisfy the Participant's obligations in Rules 16.1 to 16.7, the Participant hereby authorises the Company or such other member of the Group or Associated Company as may be the employer of the Participant to make deductions, which the Participant hereby authorises, from any payment owing to them including but not limited to salary, bonus, holiday pay or otherwise in respect of any sum which would otherwise be payable by the Participant under Rules 16.1 to 16.7.

### **16.4 Timing of payment or repayment**

Any payments or repayments made by the Participant to the Company under Rules 16.1 to 16.7 shall be made within 30 days of the date the Participant is notified in writing of the amount due.

### **16.5 Additional methods for effecting clawback**

In addition to or in substitution for the actions described above that the Committee may take under Rules 16.1 to 16.4 (the "**Actions**") the Committee may:

- (i) reduce the amount of any future bonus payable to the Participant (including, for the avoidance of doubt, to nil); and/or
- (ii) determine that the number of Shares over which an award or right to acquire Shares is to be granted to the Participant under any employee share plan (including the Plan) operated by any member of the Group shall be reduced by such number as the Committee may determine; and/or
- (iii) reduce the number of Shares (including, for the avoidance of doubt, to nil) subject to any award or right to acquire Shares which has been granted to the Participant under any employee share plan (including the Plan) operated by any member of

the Group (other than any tax-advantaged employee share plan that complies with the requirements of Schedules 2 to 4 of ITEPA) before the date on which the relevant award or right vests or becomes exercisable by such number as the Committee may determine; and/or

- (iv) reduce the number of Shares (including, for the avoidance of doubt, to nil) subject to any option to acquire Shares which has been granted to the Participant under any employee share plan (including the Plan) operated by any member of the Group (other than any tax-advantaged employee share plan that complies with the requirements of Schedules 2 to 4 of ITEPA) which has vested but not yet been exercised by such number as the Committee may determine,

provided that the total amount represented by such reductions and any amount or value payable under Rule 16.3 shall not, in the Committee's reasonable opinion, exceed the amount or value which would have been due if the Committee had only carried out the Actions.

### **16.6 Clawback: Vested but unexercised Options**

Notwithstanding any other provision of the Rules, if (i) at any time during the period of two years following the Vesting of an Award (other than a DB Award) to which the Committee has specified under Rule 3.2(i) that Rule 16 applies or (ii) in the case of a DB Award to which the Committee has specified under Rule 3.2(i) that Rule 16 applies, if at any time during the period of three years following the grant of the DB Award a Trigger Event occurs then, where the Award takes the form of an Option and the Participant has not exercised such Option in full, the Committee may in its absolute discretion reduce the number of Shares subject to such Option to the extent that it has not been exercised (including, for the avoidance of doubt, to nil). In addition to or in substitution for reducing such Option, the Committee may take any of the actions set out in paragraphs (i) to (iv) of Rule 16.5 provided that the total amount represented by reductions under paragraphs (i) to (iv) of Rule 16.5 and any reduction of the Option under this Rule 16.6 shall not, in the Committee's reasonable opinion, exceed the amount which would have been the case if the Committee had only reduced the Option.

### **16.7 Additional provisions**

In carrying out any action under Rules 16.1 to 16.6, the Committee shall act fairly and reasonably but its decision shall be final and binding.

For the avoidance of doubt, any action carried out under Rules 16.1 to 16.6 may be applied on an individual basis as determined by the Committee. Whenever a reduction of an award, right to acquire Shares or option is made under Rules 16.1 to 16.6, the relevant award, right to acquire Shares or option shall be treated to that extent as having lapsed.

For the avoidance of doubt the provisions of Rules 16.1 to 16.6 will be enforced to the extent possible by local law in each jurisdiction in which they are applied.

### **16.8 Interaction with other plans**

The Committee may determine at any time to reduce the number of Shares subject to an Award (including for the avoidance of doubt to nil) either:

- (a) to give effect to one or more clawback provisions of any form contained in any employee share plan operated by any member of the Group (other than the Plan) or any bonus plan operated by any member of the Group; or
- (b) as an alternative to giving effect to any such clawback provision.

The value of any reduction under paragraph (a) shall be determined in accordance with

the terms of the relevant clawback provisions in the relevant employee share plan or plan as interpreted by the Committee in its absolute discretion.

The value of any reduction under paragraph (b) shall be determined as if the terms of the relevant clawback provisions in the relevant employee share plan or plan as interpreted by the Committee in its absolute discretion.

## **17. HOLDING PERIOD**

### **17.1 Application**

This Rule 17 applies to the extent that some or all of the Shares acquired on Vesting of an Award or exercise of an Option are subject to a Holding Period.

### **17.2 Issue or transfer to Holding Period Holder**

Instead of arranging for the issue or transfer of the Holding Period Shares to the Participant on Vesting of a Conditional Award or exercise of an Option, the Committee may arrange for the Holding Period Shares to be issued or transferred to the Holding Period Holder, as designated by the Committee, to be held for the benefit of the Participant. Any balance of the Shares in respect of which an Award Vests or is exercised will be issued or transferred as described in the Rules.

### **17.3 No transfer during Holding Period**

The Participant or Holding Period Holder may not transfer, assign or otherwise dispose of any of the Holding Period Shares or any interest in them (or, where applicable, instruct the Holding Period Holder to do so) during the Holding Period except in the following circumstances:

- (a) the sale of sufficient entitlements nil-paid in relation to a Share to take up the balance of the entitlements under a rights issue; and
- (b) the sale of sufficient Holding Period Shares to satisfy any liability to tax or employee social security contributions (or where applicable, secondary class 1) national insurance contributions arising in relation to Holding Period Shares.

### **17.4 Shareholder rights during Holding Period**

Unless the Committee decides otherwise, the restrictions in this Rule 17 will apply to any cash or assets (other than ordinary dividends, which will be paid to the Participant as soon as reasonably practicable) received in respect of the Holding Period Shares and such cash or assets will be held by the Participant or the Holding Period Holder until the end of the Holding Period. During the Holding Period, the Participant or the Holding Period Holder will be entitled to vote and have all other rights of a shareholder in respect of the Holding Period Shares.

### **17.5 Ceasing employment during the Holding Period**

Ceasing employment with the Group or an Associated Company during the Holding Period will have no impact on the provisions of this Rule 17, save where cessation is by reason of death in which case the Holding Period shall immediately be deemed to have ended.

### **17.6 Clawback**

For the avoidance of doubt, Rule 16 shall apply to the Holding Period Shares in the same way that it applies to any Shares acquired by a Participant following Vesting of an Award or exercise of an option which are not Holding Period Shares.

### **17.7 End of Holding Period**

Subject to the provisions of this Rule 17, the Holding Period will end on the earliest of the following:

- (a) the date set under Rule 3.2(j);
- (b) subject to Rule 17.5, the relevant date on which an Award would have Vested under Rules 17.1 to 17.4;
- (c) if the Committee so allows, the circumstances in which any event described in Rule 11.3 would apply; and
- (d) any other circumstances in the absolute discretion of the Committee. Where this Rule 17.7(d) applies, the Committee may additionally determine that the Holding Period shall end only for such number of Holding Period Shares as it may specify.

## SCHEDULE 1: PHANTOM AWARDS

The Committee may determine that an Eligible Employee shall participate in the Kingfisher Performance Share Plan (the “**Plan**”) in respect of notional Shares in which case this Schedule 1 shall apply.

### Application of the Rules

The rules of the Plan (the “**Rules**”) shall apply to Awards, in the form of Phantom Awards, granted under this Schedule 1, as amended by the terms of this Schedule 1.

### 1. Definitions and interpretation of the Rules where this Schedule 1 applies

Definitions used in the Rules shall have the same meaning in this Schedule 1 except as set out in this Schedule 1. The following definitions shall apply in addition to the definitions set out in the Rules:

“**Phantom Award**” means a Phantom Conditional Award or a Phantom Option;

“**Phantom Conditional Award**” means a conditional right under the Plan to be paid a cash payment subject to the Rules as amended by this Schedule 1;

“**Phantom DB Award**” means a Phantom Award designated by the Committee as such under Rule 3.2(b);

“**Phantom Holding Period Shares**” means notional Shares which are or were the subject of a Phantom Award to which a Holding Period applies, and in respect of which the Holding Period has not ended in accordance with Rule 17;

“**Phantom Option**” means a right in relation to notional Shares which, when exercised, entitles the Participant to be paid a cash amount subject to the Rules as amended by this Schedule 1;

“**Phantom PS Award**” means a Phantom Award designated by the Committee as such under Rule 3.2(b);

“**Phantom Recruitment Award**” means a Phantom Award designated by the Committee as such under Rule 3.2(b);

“**Phantom RS Award**” means a Phantom Award designated by the Committee as such under Rule 3.2(b);

“**Vest**” means:

(a) in relation to a Phantom Award which is a Phantom Conditional Award, a Participant becoming entitled to a cash payment subject to the Rules as amended by this Schedule 1;

(b) in relation to a Phantom Award which is a Phantom Option, the Phantom Option becoming exercisable subject to the Rules as amended by this Schedule 1;

and **Vesting** shall be construed accordingly; and

“**Vested Phantom Shares**” means those notional Shares in respect of which a Phantom Award Vests.

Where this Schedule 1 applies, the Rules shall be construed as follows unless the context otherwise requires:

- i. References to **Shares** shall be construed as references to **notional Shares**;
- ii. References to an **Award** shall be construed as references to a **Phantom Award**;

- iii. References to a **Conditional Award** shall be construed as references to a **Phantom Conditional Award**;
- iv. References to an **Option** shall be construed as references to a **Phantom Option**;
- v. References to an Award designated as a **DB Award** shall be construed as references to a **Phantom DB Award**;
- vi. References to an Award designated as a **PS Award** shall be construed as references to a **Phantom PS Award**;
- vii. References to an Award designated as an **RS Award** shall be construed as references to a **Phantom RS Award**;
- viii. References to an Award designated as a **Recruitment Award** shall be construed as references to a **Phantom Recruitment Award**; and
- ix. References to the number or market value of Shares over which an Award may be granted or held shall be construed as references to the number or total market value of notional Shares in respect of which a Phantom Award may be granted or held.

## 2. Grant of Phantom Awards

The Committee may determine under Rule 3.2 that an Award shall be granted under this Schedule 1 to an Eligible Employee in the form of a Phantom Award in respect of a number of notional Shares specified by the Committee.

Where the Committee grants an Award in the form of a Phantom Award, the written notification of the grant of the Award under Rule 3.5 must state that the Award is in the form of a Phantom Award.

Where the Committee grants a Phantom Award, the Phantom Award shall be satisfied only in cash and shall not be satisfied by the issue or transfer of actual Shares. References in the Rules to the issue or transfer of Shares in respect of an Award shall not apply to a Phantom Award.

## 3. Disapplication and variation of certain Rules

Where this Schedule 1 applies in respect of a Participant, the Rules shall be disappplied or amended as follows:

- a. Rule 3.7 shall be deleted and replaced with the following:

### 3.7 *Dividend Equivalent*

*The number of notional Shares relating to a Phantom Award may, at the discretion of the Committee, be increased to reflect the value of any ordinary dividends (net of any tax credits) that would have been paid on the number of Shares equal to the Vested Phantom Shares relating to that Phantom Award in respect of record dates falling within the period from the relevant Start Date to the date of cash payment following the Vesting of a Phantom Award or the exercise of a Phantom Option. The Committee may decide to exclude the value of all or part of any special dividend from the amount of the Dividend Equivalent.*

*The number of any such additional notional Shares will be calculated by such method as the Committee shall, in its absolute discretion, select.*

*The Committee may make any adjustment to the calculation of Shares and notional Shares under this Rule 3.7 to take account of any event specified in Rule 12.1.*

- b. Rule 5.6 shall be deleted and replaced with the following:

**5.6 Tax liability before Vesting**

*If a Participant will, or is likely to, incur any Tax Liability before the Vesting of a Phantom Award then that Participant must enter into arrangements acceptable to the relevant employing company (or former employing company) to ensure that it receives the amount of such Tax Liability. If no such arrangement is made then the Participant will be deemed to have authorised the Company to withhold such amount to meet any Tax Liability in respect of their Phantom Award to ensure that the relevant employing company receives the amount required to discharge the Tax Liability and the cash payment subject to their Phantom Award shall be reduced accordingly.*

- c. Rule 5.7 shall be deleted and replaced with the following:

**5.7 Payment of Tax liability**

*The Participant authorises the Company to withhold or procure the withholding of such amount on or following the Vesting of their Award to ensure that the relevant employing company receives the amount required to discharge the Tax Liability which arises on Vesting except to the extent that they agree to fund all or part of the Tax Liability in a different manner.*

- d. Rule 6.1 shall be deleted and replaced by the following:

**6.1 Payment following Vesting of Phantom Conditional Award**

*Subject to Rule 17, on or as soon as reasonably practicable after the Vesting of a Phantom Conditional Award, the Committee shall, subject to Rule 5.7 (Payment of Tax Liability) and any arrangement made under Rules 5.5(b) and 5.5(c) (Restrictions on Vesting: regulatory and tax issues), pay or procure payment to the Participant (following any necessary currency conversion determined at the Committee's discretion) of an amount in cash equal to:*

*A x B*

*where*

*A is the market value of a Share on the date of Vesting of the Phantom Conditional Award; and*

*B is the number of notional Shares in relation to which the Phantom Conditional Award has Vested.*

*Market value on any day shall be determined as follows:*

- (a) if on the date of Vesting, the price for Shares is quoted on the London Stock Exchange Daily Official List, the closing middle market quotation, as derived from that List, on the Dealing Day before that day; or*
- (b) if the price for Shares is not so quoted, such value of a Share as the Committee reasonably determines.*

*There shall be deducted from any payment under this Rule 6.1:*

- (c) such amounts (on account of any Tax Liability or otherwise) as may be required by law or as the Committee may reasonably consider to be necessary or desirable; and*
- (d) if the Committee so determines, an amount considered by the Committee to be equivalent to the sale costs that a Participant would incur if they sold a number of Shares equal to the number of notional Shares to which the Vesting of the Phantom Conditional Award relates.*

- e. Rule 7.5 shall be deleted and replaced with the following:

*7.5 Payment of Tax Liability*

*The Participant authorises the Company to withhold or procure the withholding of such amount on or following the exercise of their Phantom Option to ensure that the relevant employing company (or former employing company) receives the amount required to discharge the Tax Liability which arises on such exercise except to the extent that they agree to fund all or part of the Tax Liability in a different manner.*

- f. Rule 7.6 shall be deleted and replaced by the following:

*7.6 Payment following exercise of Phantom Option*

*As soon as reasonably practicable after a Phantom Option has been exercised, the Company shall, subject to Rule 7.5 (Payment of Tax Liability) and any arrangement made under Rules 7.1(b) and 7.1(c) (Restrictions on exercise: regulatory and tax issues) and subject also to Rule 17, pay or procure payment to the Participant (following any necessary currency conversion determined at the Committee's discretion) of an amount in cash equal to:*

$$A \times B$$

*where*

*A is the market value of a Share on the day when the Phantom Option is exercised reduced by the Option Price per notional Share; and*

*B is the number of notional Shares in relation to which the Phantom Option has been exercised.*

*Market value on any day shall be determined as follows:*

- (a) if on the date of exercise, the price for Shares is quoted on the London Stock Exchange Daily Official List, the closing middle market quotation, as derived from that List, on the Dealing Day before that day; or*
- (b) if the price for Shares is not so quoted, such value of a Share as the Committee reasonably determines.*

*There shall be deducted from any payment under this Rule 7.6:*

- (c) such amounts (on account of any Tax Liability or otherwise) as may be required by law or as the Committee may reasonably consider to be necessary or desirable; and*
- (d) if the Committee so determines, an amount considered by the Committee to be equivalent to the sale costs that a Participant would incur if they sold a number of Shares equal to the number of notional Shares in respect of which they have exercised the Phantom Option.*

- g. Rule 12.2(c) shall be deleted and replaced with the following:

- (c) where any Phantom Award has Vested or any Phantom Option has been exercised but no payment has yet been made in respect of such Vesting or exercise, the number of notional Shares by reference to which the payment would be made.*

- h. Rule 16.2(c) shall be deleted and replaced with the following:

- (c) to pay to the Company (or, if required by the Company, any other person specified by the Company) an amount equivalent to all or part of the amount of any cash in respect of an Award paid to or for the benefit of the Participant including, but not limited to, any amounts paid under Rule 6.1 or Rule 7.6 and including an amount equivalent to any amount deducted under those Rules or otherwise; and/or*

- i. The following rules shall be deleted:
- i. Rule 3.8 (*Method of satisfying Awards*),
  - ii. Rules 4.1 to 4.5 and 4.12 (*Limits on total number of Shares available for the Plan*),
  - iii. Rule 7.4 (*Deemed exercise of Option*),
  - iv. Rule 8 (*Cash Alternative*); and
  - v. Rule 14.4 (*Share rights*).

#### **4. Lapse**

On lapse of a Phantom Award, it shall cease to be realisable with immediate effect.

#### **5. No Share rights**

A Phantom Award will give the holder of the Phantom Award no rights to acquire nor any rights in relation to Shares and the Rules shall be construed accordingly.

#### **6. Holding Period**

Rule 17.1 (*Holding Period*) shall be deleted and replaced with the following:

##### *17.1 Application*

*This Rule 17 applies to the extent that some or all of the notional Shares by reference to which a Phantom Conditional Award Vests or a Phantom Option is exercised are deemed to be subject to a Holding Period.*

##### *17.2 Withholding of cash payment*

*Instead of arranging for the payment of cash in respect of the Phantom Holding Period Shares to the Participant on Vesting of a Phantom Conditional Award or exercise of a Phantom Option, the Committee may arrange for cash payable in respect of the Phantom Holding Period Shares to be paid to or retained by the Holding Period Holder, as designated by the Committee, to be held for the benefit of the Participant. Any balance of the notional Shares in respect of which a Phantom Award Vests or is exercised will be paid as described in the Rules as amended by Schedule 1.*

##### *17.3 No transfer during Holding Period*

*The Participant or Holding Period Holder may not transfer, assign or otherwise dispose of any of the cash in respect of the Phantom Holding Period Shares or any interest in them (or, where applicable, instruct the Holding Period Holder to do so) during the Holding Period unless the Committee otherwise determines.*

##### *17.4 Participant rights during Holding Period*

*Unless the Committee decides otherwise, the restrictions in this Rule 17 will apply to any cash or assets (other than notional ordinary dividends on the Phantom Holding Period Shares, which will be paid to the Participant as soon as reasonably practicable) deemed to be received in respect of the Phantom Holding Period Shares and such cash or assets will be held by the Participant or the Holding Period Holder until the end of the Holding Period.*

##### *17.5 Ceasing employment during the Holding Period*

*Ceasing employment with the Group during the Holding Period will have no impact on the provisions of this Rule 17, save where cessation is by reason of death in which case the Holding Period shall immediately be deemed to have ended.*

*17.6 Clawback*

*For the avoidance of doubt, Rule 16 shall apply to the Phantom Holding Period Shares in the same way that it applies to any notional Shares acquired by a Participant following Vesting of Phantom Award or exercise of an option which are not Phantom Holding Period Shares.*

*17.7 End of Holding Period*

*Subject to the provisions of this Rule 17, the Holding Period will end on the earliest of the following:*

- (a) the date set under Rule 3.2(j);*
- (b) subject to Rule 17.5, the relevant date on which a Phantom Award would have Vested under Rules 17.1 to 17.4;*
- (c) if the Committee so allows, the circumstances in which any event described in Rule 11.3 would apply; and*
- (d) any other circumstances in the absolute discretion of the Committee. Where this Rule 17.7(d) applies, the Committee may additionally determine that the Holding Period shall end only for such number of Phantom Holding Period Shares as it may specify.*

**Kingfisher Performance Share Plan**  
**PSP French Free Share Sub Plan 2022**  
**Approved on [●] 2022, further to the authorisation granted by**  
**the shareholders on [22 June 2022]**

**Terms applicable to Conditional Awards in France**

This Sub Plan to the Kingfisher Performance Share Plan (the **PSP** or the **Plan**) contains the rules which together with the provisions of the Plan govern the operation of the Plan insofar as it applies to Awards made to Eligible Employees of the Company or of its affiliates in France provided the award document notifying the award to the participant specially refers to the PSP French Free Share Sub Plan 2022 or to the 2022 French Plan. The terms and conditions of the Plan, as modified by the PSP French Free Share Sub Plan 2022, constitute the “**2022 French Plan**”.

The terms and conditions of the Plan as modified by the PSP French Free Share Sub Plan 2022 intend to comply with the provisions of Articles L. 225-197-1 to L. 225-197-5 and L.22-10-59 to L.22-10-60 of the French Commercial Code and French employment law. The PSP French Free Share Sub Plan 2022 shall be construed and operated with that intention.

Under the PSP French Free Share Sub Plan 2022, Participants can only be granted Conditional Awards as defined hereinafter in Section 1.

The PSP French Free Share Sub Plan 2022 has been established to enable the Conditional Awards to qualify for the favourable French income tax and social security regime set out in the French tax code (article 80 quaterdecies) and on the French social security code (article L. 242-1) applicable in France to “qualified” free shares plan implemented after August 7, 2015 in accordance with the provisions of “*La loi pour la croissance, l'activité et l'égalité des chances économiques*”, however nothing in the PSP French Free Share Sub Plan 2022 shall be construed as a guarantee or an undertaking by the Company or any of its subsidiaries that such regime will effectively apply.

The PSP French Free Share Sub Plan 2022 shall be read in conjunction with the rules of the Plan and Awards made under the PSP French Free Share Sub Plan 2022 shall be subject to the terms and conditions of the Plan except to the extent that the terms and conditions of the Plan differ from or conflict with the terms set out in the PSP French Free Share Sub Plan 2022, in which event, the terms set out in the PSP French Free Share Sub Plan 2022 shall prevail.

Initially capitalised terms used herein and which are not defined in Section 1 below shall have the meanings ascribed to such terms in the Plan. Reference to the singular shall include reference to the plural.

An Award shall be subject to the terms of the 2022 French Plan provided the applicable award documents notifying such Award refers specifically to the 2022 French Plan or to the PSP French Free share Sub Plan 2022.

The terms of the 2022 French Plan are the terms set out in the rules of the Plan, modified as follows.

## **1. DEFINITIONS**

### **1.1. Award**

The term “Award” shall consist only in a Conditional Award.

### **1.2. Conditional Award**

The term “Conditional Award” shall mean conditional rights to receive, for no consideration, Shares granted under the Plan as amended by the PSP French Free Share Sub Plan 2022.

### **1.3. Employee**

The term “Employee” shall mean a current salaried employee, as defined by French labor law.

### **1.4. Eligible Employee**

An Eligible Employee means any person who, on the Grant Date, is an Employee, as defined in Section 1.3. of the PSP French Free Share Sub Plan 2022, of the Company or a subsidiary having a capital link as defined in Article L. 225-197-2 of the French Commercial Code<sup>1</sup>.

No Conditional Awards shall be granted under the PSP French Free Share Sub Plan 2022 to any Eligible Employee who is holding Shares representing 10% or more of Kingfisher plc’s capital at the Grant Date or who may hold Shares representing 10% or more of Kingfisher plc’s capital due to the grant of Awards.

### **1.5. Disability**

The term “Disability” shall mean a disability corresponding to the second or the third categories of Article L. 341-4 of the French Social Security Code.

## **2. NUMBER OF SHARES GRANTED**

Notwithstanding any other provision of the Plan, the total number of Shares granted freely under the PSP French Free Share Sub Plan 2022 shall not exceed 10% of the Company’s share capital.

## **3. SETTLEMENT OF AWARDS**

Notwithstanding any other provision of the Plan and notably Rule 8., the Awards shall only be settled by delivery of Shares and not in cash.

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<sup>1</sup> - At least 10% of the employer’s company capital must be held, directly or indirectly, by the issuing company, OR  
- the employer’s company must directly or indirectly hold at least 10% of the issuing company’s capital, OR  
- at least 50% of the employer’s company capital must be held, directly or indirectly, by a company which holds at least 50% of the issuing company’s capital.

#### **4. DIVIDEND EQUIVALENTS**

Notwithstanding any other provision of the Plan, Rule 3.7. is not applicable for Awards granted under the PSP French Free Share Sub Plan 2022 and the Awards granted under the PSP French Free Share Sub Plan 2022 shall not give rise to the right to any Dividend Equivalent.

#### **5. MINIMUM PERIOD BEFORE THE END OF WHICH THE TRANSFER OF PROPERTY OF SHARES SHALL NOT OCCUR**

Notwithstanding any other provision of the Plan, Conditional Awards granted under the PSP French Free Share Sub Plan 2022 shall not Vest and the Shares underlying the Conditional Awards shall not be delivered to Participants before the end of a minimum one-year period as from the Grant Date, except in the event of death as described below in Section 10.

In the event the Vesting date occurs before the first anniversary of the Grant Date, the delivery of the Shares will be compulsorily and automatically deferred to the first anniversary of the Grant Date, except in the event of death and Disability in which event the provisions of Section 9 and Section 10 shall apply.

#### **6. DEFINITIVE DELIVERY OF THE SHARES**

Notwithstanding any other provision of the Plan and notably Rule 16, once delivered to the Participant (or to their heirs), the Shares are definitively delivered and cannot be cancelled or rescinded and a Participant cannot be forced to return the Shares, or an equivalent amount in cash.

#### **7. RESTRICTION ON SALE OR TRANSFER OF OWNERSHIP OF THE SHARES**

##### **7.1. Minimum holding period**

Notwithstanding any other provision of the Plan, in the event the Shares are delivered after the first anniversary of the Grant Date but before the second anniversary of the Grant Date, the Shares shall be held until the second anniversary of the Grant Date (holding period) except in any event provided for under French law as an exception to the minimum time period before which the shares cannot be sold, and notably in the event of Disability and death as described below in Sections 9 and 10.

##### **7.2. Exchange**

In the event the Shares are delivered after the first anniversary of the Grant Date but before the second anniversary of the Grant Date the Shares, and if an exchange of Shares resulting from a public offer, a merger, a spin-off, a stock-split or a reverse stock split operation occurs during the sale restriction period described in Section 7.1. above, such sale restriction period, if any, remains applicable to the Shares received in the exchange for the time period remaining at the date of the exchange<sup>2</sup>.

### **7.3. Closed periods**

Notwithstanding any other provision of the Plan, once definitively delivered, Shares may not be disposed of within the periods as set forth in Article L. 22-10-59, II of the French Commercial Code<sup>3</sup>.

### **8. RESTRICTION ON SHARE WITHHOLDING**

Notwithstanding any other provision of the Plan, the Company or its subsidiaries and affiliates shall not be entitled or authorized to withhold Shares delivered to the Participant to meet any liability to taxation or social security contributions due in respect of Awards until the end of the holding period described in section 7.1 and 7.3 above, in the event such holding period is applicable.

### **9. DISABILITY**

Notwithstanding any other provision of the Plan, in the event the holding period described in Section 7 is applicable and Disability of a Participant occurs, Shares delivered shall become immediately disposable.

### **10. TRANSFER TO HEIRS**

Notwithstanding any other provision of the Plan, in the event of death of a Participant during the Vesting period, their heirs are entitled to request that the numbers of Shares corresponding to the number of Shares under Conditional Awards which have Vested or Vest as at the date of death be delivered, provided such request is made within six months as from the date of death.

### **11. NON-ADJUSTMENT OF THE AWARD**

Notwithstanding any other provision of the Plan, the number of Conditional Awards, as well as the number of Shares to be delivered shall not be adjusted or modified except:

- In cases which would be authorised or rendered compulsory under French law<sup>4</sup>.

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<sup>2</sup> Additionally, if the shares are brought to a company or an investment trust whose capital exclusively consists of shares or equities derivatives giving a right to access to share capital issued by the company or an affiliated company as defined at article L. 225-197-2 of the French Commercial Code, the holding period remains applicable to the shares received in exchange of the contribution for the time period remaining at the date of the contribution.

<sup>3</sup> The shares cannot be sold:

- (i) In the period of thirty calendar days preceding the announcement of the publication of a financial intermediary report or the annual accounts that must be made public by the issuer;
- (ii) By executive officers or employees who have knowledge of a privileged information, which has not been made public.

- In the event of operations performed on the share capital of the Company before the delivery of the Shares; in which cases the Committee is authorised to adjust the number of Shares to be delivered but only in order to protect the rights of the Participant and to guarantee the neutrality of such operations.

## **12. CHANGES TO THE PLAN**

The Committee or the Board may at any time amend the PSP French Free Share Sub Plan 2022, provided that no such amendment shall adversely affect the rights of any Participant without such Participant's consent and provided that such amendments are not inconsistent with French law and, in particular, French legislation regarding the granting of free shares, as defined in Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code and French Labor law.

In the event the amendments are not permitted by French law and notably French legislation applicable to the grant of free shares as set forth, in Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code, such amendments shall not apply to Conditional Awards previously granted.

## **13. PERIOD DURING WHICH CONDITIONAL AWARDS CAN BE GRANTED**

Notwithstanding any other provision of the Plan, no Award can be granted under the PSP French Free Share Sub Plan 2022 more than 76 months after the date on which the PSP French Free Share Sub Plan 2022 is approved.

## **14. PARTICIPANT ACCOUNT**

The Shares delivered under the PSP French Free Share Sub Plan 2022 shall be recorded in an account in the name of the Participant with the Company or a broker or in such manner as the Committee may otherwise determine to ensure compliance with the PSP French Free Share Sub Plan 2022.

## **15. SEVERABILITY**

The terms and conditions provided in the PSP French Free Share Sub Plan 2022 are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable under French law, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

*Approved on [●] 2022 according to the authorisation given by the shareholders meeting on 22 June 2022.*

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<sup>4</sup> Currently, article L. 225-197-1 III of the French Commercial Code provides that shares or Awards can be exchanged without any cash consideration in the event of a merger or spin-off operation performed during the vesting period or during the holding period, if any.