

# NOTICE OF MEETING

Thursday, 12 June 2014 at 11.00am  
The Hilton London Paddington Hotel,  
146 Praed Street, London W2 1EE

**This document is important and requires your immediate attention.**

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from a stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in Kingfisher plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

## Annual General Meeting information

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**Time**

The meeting will start at 11.00am. Please arrive no later than 10.50am for registration.

**Refreshments**

Tea and coffee will be served between 10.30am and 10.55am and light refreshments will be available for a period after the meeting in the room next to the Great Western Suite.

**Venue**

The meeting will be held on Thursday, 12 June 2014 in the Great Western Suite on the first floor of the Hilton London Paddington Hotel. The address of the hotel is 146 Praed Street, London W2 1EE.

**Transport and directions to the venue**

By rail or underground:

The Hilton London Paddington Hotel is connected to Paddington Station and can be entered from inside the Station. Paddington Station can be reached on the Bakerloo, District, Circle and Hammersmith & City Lines. The Heathrow Express connects Heathrow Airport with Paddington Station in 15 minutes.

**Shareholders with special needs**

We have arranged for induction loop facilities to be available in the meeting room.

# Dear Shareholder

## Annual General Meeting

I am pleased to enclose the Notice of Meeting for the 2014 Annual General Meeting (the AGM) of Kingfisher plc (the Company), which will be held at the Hilton London Paddington Hotel on Thursday, 12 June 2014 at 11.00am. The AGM provides an opportunity, which I hope you will take, to communicate with the Board of directors.

## The business to be considered

Resolutions 1 to 22 are standard matters that are normally dealt with at every AGM.

Resolution 23 relates to a number of amendments that are proposed to the Company's articles of association. A summary of the principal changes are set out on pages 6 to 7 in the explanatory notes to the notice.

Resolution 24 seeks approval from shareholders for the new Kingfisher Incentive Share Plan. A summary of the principal terms of the Kingfisher Incentive Share Plan are set out on pages 7 to 9 in the explanatory notes to this notice.

If you are unable to attend the meeting, but have any questions on the business to be discussed at the AGM, we would like to hear from you ahead of the meeting. Please send them to me at [2014AGM@kingfisher.com](mailto:2014AGM@kingfisher.com). Whilst we cannot answer questions individually, we will provide responses to the topics most frequently raised and post these on our website, as well as making them available at the AGM.

## How to vote:

You can vote by:

- i) submitting your vote online;
- ii) completing, signing and returning the enclosed proxy form; or
- iii) attending and voting at the AGM.

All resolutions will be put to vote on a poll. The directors believe that this will result in a more accurate reflection of the views of all shareholders and ensure that their votes are recognised, whether or not they are able to attend the meeting. On a poll, each shareholder has one vote for every share held.

For those attending the AGM, an interactive electronic voting system will provide an immediate display of poll results. The results from this interactive electronic voting system will reflect both proxy votes submitted prior to the meeting and the votes cast by those shareholders present at the meeting. The results of the voting on the resolutions will be available at the meeting and will, shortly afterwards, be announced to the London Stock Exchange and published on the Company's website at [www.kingfisher.com](http://www.kingfisher.com).

## Recommendation

The directors of the Company believe that all the proposals to be considered at the AGM will promote the success of and are in the best interests of the Company and its members as a whole. The directors unanimously recommend that you vote in favour of all the proposed resolutions, as the directors intend to do in respect of their own shareholdings.

The directors and I look forward to seeing as many of you as possible at our meeting and we thank you for your continued support.

Yours sincerely,

## Daniel Bernard

Chairman  
17 April 2014

NOTICE is hereby given that the Annual General Meeting (the 'AGM') of Kingfisher plc (the 'Company') will be held at the Hilton London Paddington Hotel, 146 Praed Street, London, W2 1EE on Thursday, 12 June 2014 at 11.00am to transact the following business.

Resolutions 1 to 19 and 24 will be proposed as ordinary resolutions and resolutions 20 to 23 will be proposed as special resolutions. Voting on all resolutions will be by way of a poll.

#### **Resolution 1**

THAT the audited accounts for the year ended 1 February 2014 together with the directors' and auditor's report thereon be received.

#### **Resolution 2**

THAT the Directors' Remuneration Policy, the full text of which is contained on pages 49 to 58 of the Annual Report and Accounts for the financial year ended 1 February 2014 be received and approved, such Directors' Remuneration Policy to take effect on the date of its adoption, being 12 June 2014.

#### **Resolution 3**

THAT the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) set out on pages 59 to 68 of the Annual Report and Accounts for the year ended 1 February 2014 be received and approved.

#### **Resolution 4**

THAT a final dividend of 6.78 pence per ordinary share be declared for payment on 16 June 2014 to those shareholders on the register at the close of business on 16 May 2014.

#### **Resolution 5**

THAT Daniel Bernard be re-appointed as a director of the Company.

#### **Resolution 6**

THAT Andrew Bonfield be re-appointed as a director of the Company.

#### **Resolution 7**

THAT Pascal Cagni be re-appointed as a director of the Company.

#### **Resolution 8**

THAT Clare Chapman be re-appointed as a director of the Company.

#### **Resolution 9**

THAT Sir Ian Cheshire be re-appointed as a director of the Company.

#### **Resolution 10**

THAT Anders Dahlvig be re-appointed as a director of the Company.

#### **Resolution 11**

THAT Janis Kong be re-appointed as a director of the Company.

#### **Resolution 12**

THAT Kevin O'Byrne be re-appointed as a director of the Company.

#### **Resolution 13**

THAT Mark Seligman be re-appointed as a director of the Company.

#### **Resolution 14**

THAT Philippe Tible be re-appointed as a director of the Company.

#### **Resolution 15**

THAT Karen Witts be re-appointed as a director of the Company.

#### **Resolution 16**

THAT Deloitte LLP be re-appointed as auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

#### **Resolution 17**

THAT the Audit Committee of the Board be authorised to determine the remuneration of the auditor.

#### **Resolution 18**

THAT in accordance with section 366 of the Companies Act 2006, the Company and its subsidiaries are hereby authorised, at any time during the period for which this resolution has effect, to:

- i) make political donations to political parties, political organisations other than political parties and/or independent election candidates not exceeding £75,000 in total; and
- ii) incur political expenditure not exceeding £75,000 in total,

provided that the aggregate amount of any such donations and expenditure shall not exceed £75,000 during the period from the date of this resolution until the conclusion of the next AGM of the Company or, if earlier, on 1 August 2015.

For the purpose of this resolution, the terms 'political donations', 'political parties', 'independent election candidates', 'political organisations' and 'political expenditure' have the meanings set out in sections 363 to 365 of the Companies Act 2006.

#### **Resolution 19**

THAT the directors be generally and unconditionally authorised, pursuant to section 551 of the Companies Act 2006, to allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company:

- i) up to an aggregate nominal amount of £124,494,647; and
- ii) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to an aggregate nominal amount of £248,989,295 (including within such limit any shares issued or rights granted under paragraph i) above) in connection with an offer by way of a rights issue:
  - a) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - b) to holders of other equity securities as required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

Such authority shall apply (unless previously renewed, varied or revoked by the Company in general meeting) until the conclusion of the next AGM of the Company (or if earlier, until the close of business on 1 August 2015), but in each case, so that the Company may make offers or enter into any agreements during this period which would or might require relevant securities to be allotted or rights to subscribe for or convert any security shares into shares to be granted after expiry of this authority and the directors may allot relevant securities and grant such rights in pursuance of that offer or agreement as if this authority had not expired.

## Resolution 20

THAT, subject to the passing of resolution 19, the directors be and are hereby generally and unconditionally empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560(2) of the Companies Act 2006) for cash under the authority given by that resolution and/or where the allotment is treated as an allotment of equity securities under section 560(3) of the Companies Act 2006, as if section 561 of the Companies Act 2006 did not apply to such allotment, provided that this power shall be limited:

- i) in the case of the authority granted under paragraph i) of resolution 19, to the allotment (otherwise than under paragraph i) above) of equity securities up to a nominal value of £18,674,197;
- ii) to the allotment of equity securities in connection with an offer of equity securities (but in case of the authority granted under paragraph ii) of resolution 19, by way of a rights issue only):
  - a) to ordinary shareholders in proportion (as nearly as may be practicable) to their respective existing holdings; and
  - b) to holders of other equity securities, as required by the rights of those securities or, as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

Such authorities shall apply until the conclusion of the next AGM (or if earlier, the close of business on 1 August 2015) but in each case, so that the Company may make offers or enter into any agreements during the period which would or might require equity securities to be allotted after the expiry of this authority and the directors may allot equity securities in pursuance of that offer or agreement as if this authority had not expired.

## Resolution 21

THAT the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of its ordinary shares of 15<sup>5</sup>/<sub>7</sub> pence each in the capital of the Company provided that:

- i) the maximum number of ordinary shares that may be purchased under this authority is 237,671,600, being just under 10% of the Company's issued share capital as at 17 April 2014;
- ii) the minimum price (exclusive of all expenses) which may be paid for an ordinary share is 15<sup>5</sup>/<sub>7</sub> pence;
- iii) the maximum price (exclusive of all expenses) which may be paid for each ordinary share is the higher of:
  - a) the amount equal to 105% of the average of the middle market quotations of an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and
  - b) the amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as stipulated by Article 5(1) of the Buy Back and Stabilisation Regulations 2003 (in each case exclusive of all expenses);

- iv) this authority shall expire at the conclusion of the next AGM (or, if earlier, the close of business on 1 August 2015); and
- v) a contract to purchase ordinary shares under this authority may be made prior to the expiry of this authority, and concluded in whole or in part after the expiry of this authority.

## Resolution 22

THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

## Resolution 23

THAT with effect from the end of the meeting the Company's articles of association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

## Resolution 24

THAT:

- (i) the Kingfisher Incentive Share Plan (the KISP), the principal terms of which are summarised on pages 7 to 9 of this Notice and the rules of which are produced to the meeting and initialled by the Chairman for the purpose of identification, be and is hereby approved and that the directors be authorised to do all acts and things which they may consider necessary or expedient to carry the KISP into effect;
- (ii) the directors be and are hereby also authorised to approve schedules to the rules of the KISP, modifying the rules of the KISP 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 KISP.

By order of the Board

## Kathryn Hudson

Company Secretary

17 April 2014

Registered office: 3 Sheldon Square, Paddington, London W2 6PX

## **Explanatory notes to the resolutions**

### **Resolution 1 – Receipt of the Report and Accounts**

The directors must lay before the shareholders the accounts of the Company for the financial year ended 1 February 2014, the directors' report and the report of the auditors of the Company on those accounts.

### **Resolutions 2 and 3 – Approval of the Directors' Remuneration Policy and Directors' Remuneration Report**

Following changes to the Companies Act 2006, there are a number of new requirements in relation to the content and approval of the Directors' Remuneration Report. In accordance with the new requirements, the Directors' Remuneration Report contains the following:

- an Annual Statement from the Chairman of the Remuneration Committee;
- the Directors' Remuneration Policy in relation to the future payments to the directors; and
- the Directors' Remuneration Report which gives details of the directors' remuneration for the year ended 1 February 2014.

The Directors' Remuneration Policy, which is set out on pages 49 to 58 of the Annual Report and Accounts, sets out the Company's proposed forward looking policy on directors' remuneration (including payments to departing directors). The Directors' Remuneration Policy is subject to a binding shareholder vote by ordinary resolution at least every three years. The Directors' Remuneration Report will continue to be subject to an annual advisory vote.

Resolution 2, which is proposed as an ordinary resolution, seeks approval of the Directors' Remuneration Policy. As stated in the Directors' Remuneration Policy, if Resolution 2 is passed, the policy will commence on 12 June 2014. Payments will continue to be made to directors and former directors in line with existing contractual arrangements until this date.

Following approval, the Directors' Remuneration Policy will remain valid for a period of three years. If the Company wishes to amend the policy it will need to put the revised policy to a shareholder vote before it can implement the revised policy. The Remuneration Committee undertook a thorough review of the Company's policy on directors' remuneration to ensure that the policy is aligned to the Creating the Leader strategy and does not therefore anticipate that the policy will be revised before 2017. Following commencement of the Directors' Remuneration Policy, all payments by the Company to directors or former directors must be made in accordance with the policy (unless a payment has been approved by a separate shareholder resolution).

If shareholders do not approve the proposed Directors' Remuneration Policy for any reason, the Company will, to the extent permitted by the Companies Act 2006, continue to make payments to directors in accordance with existing contractual arrangements and will seek shareholder approval for a revised policy as soon as is practicable.

Resolution 3, which is proposed as an ordinary resolution, seeks approval of the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy), which is set out in full on pages 59 to 68 of the Annual Report and Accounts. Resolution 3 is an advisory resolution and does not affect the future remuneration paid to any director.

### **Resolution 4 – Authorisation to pay the final dividend**

Shareholders must approve the final dividend payable for each ordinary share held and the proposal recommended by the

directors in this resolution is 6.78 pence for each ordinary share. This is in addition to the interim dividend of 3.12 pence for each ordinary share that was paid on 15 November 2013, making a total of 9.90 pence for the year for each ordinary share.

### **Resolutions 5 to 15 – Re-appointment of directors**

The Board, led by the Chairman, has considered each of the directors and has concluded that each of them makes positive and effective contributions to the meetings of the Board and the committees on which they sit and that they demonstrate commitment to their roles. Biographies of each of the directors are provided on pages 32 and 33 of the Annual Report and Accounts and appear on the Company's website at [www.kingfisher.com](http://www.kingfisher.com). The Board unanimously recommends the re-appointment of each existing director.

### **Resolutions 16 and 17 – Re-appointment of the auditors and auditors' remuneration**

Resolution 16 proposes the re-appointment of the Company's existing auditor, Deloitte LLP, until the next general meeting at which accounts are presented.

Resolution 17 is a separate resolution which proposes to grant authority to the Audit Committee to determine the auditor's remuneration.

### **Resolution 18 – Political donations and expenditure**

The Company does not intend to change its current practice of not making donations to political parties in the European Union (EU). However, the Political Parties, Elections and Referendums Act 2000 (PPERA) and the Companies Act 2006 contain restrictions on companies making donations or incurring expenditure in relation to EU political parties, other political organisations or independent election candidates. The PPERA and Part 14 of the Companies Act 2006 define political parties, other political organisations and independent election candidates very widely and, as a result, it is possible that they may include, for example, donations to bodies concerned with policy review and law reform, the representation of the business community or sections of it, or the representation of other communities or special interest groups which it is in the shareholders' interest for the Company to support. Amongst other things, the PPERA and the Companies Act 2006 prohibit the Company and its subsidiaries from making donations or incurring expenditure in relation to political parties, other political organisations or independent candidates in excess of an aggregate of £5,000 in any 12 month period, unless such donations have been authorised by the Company's shareholders. The Company is therefore seeking authority under this resolution to make donations or incur expenditure of up to £75,000 in aggregate in order to prevent an inadvertent breach of the PPERA and the Companies Act 2006.

### **Resolution 19 – Authority to allot new shares**

Paragraph i) of this resolution would give the directors the authority to allot ordinary shares up to an aggregate nominal amount equal to £124,494,647 (representing 792,238,667 ordinary shares of 15 $\frac{3}{4}$  pence each). This amount represents approximately one-third of the issued ordinary share capital of the Company as at 17 April 2014, the latest practicable date prior to publication of this Notice of AGM.

In line with guidance issued by the Association of British Insurers, paragraph ii) of this resolution would give the directors the authority to allot ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £248,989,295 (representing 1,584,477,333 ordinary shares of 15 $\frac{3}{4}$  pence each), including

within such limit the nominal amount of any shares issued under paragraph i) of this resolution. This amount represents approximately two-thirds of the issued ordinary share capital of the Company as at 17 April 2014, the latest practicable date prior to publication of this Notice of AGM.

The authorities sought under this resolution will expire on the earlier of 1 August 2015 (the last date by which the Company must hold an AGM in 2015) and the conclusion of the AGM of the Company held in 2015.

The directors have no present intention to exercise either of the authorities sought under this resolution, except, under paragraph i), to satisfy options under the Company's share option schemes.

As at the date of this Notice of AGM, no ordinary shares are held by the Company as treasury shares.

### **Resolution 20 – Authority to disapply pre-emption rights**

This resolution would give the directors the authority to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

Except as provided in the next paragraph, this authority would be, as in previous years, limited to allotments or sales in connection with pre-emptive offers or otherwise up to an aggregate nominal amount of £18,674,197 (representing 118,835,800 ordinary shares). This aggregate nominal amount represents approximately 5% of the issued ordinary share capital of the Company as at 17 April 2014, being the latest practicable date prior to publication of this Notice. In respect of this aggregate nominal amount, the directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative use of authorities within a rolling three-year period where the Principles provide that issues in excess of 7.5% should not take place without prior consultation with shareholders.

Allotments made under the authorisation in paragraph ii) of resolution 19 would be limited to allotments by way of a rights issue only (subject to the right of the directors to impose necessary or appropriate limitations to deal with, for example, fractional entitlements and regulatory matters).

This authority will expire on the earlier of 1 August 2015 (being the last date by which the Company must hold an AGM in 2015) and the conclusion of the AGM of the Company held in 2015.

### **Resolution 21 – Purchase of own shares**

This resolution renews the authority that was given at last year's AGM, authorising the Company to purchase its own ordinary shares in the market. The maximum number of shares that can be bought under this authority must not exceed 10% of the issued ordinary shares of the Company. The maximum price payable must not exceed the higher of 105% of the average of the middle market quotations for the ordinary shares of the Company, as derived from The London Stock Exchange Daily Official List, for the five business days immediately prior to the date of purchase and that stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003. Any shares purchased under this authority may either be cancelled or held as treasury shares. The directors do not intend to exercise the Company's power to purchase its own shares other than in circumstances where they believe this would result in an increase in earnings per share and be in the best interests of shareholders generally.

The total number of options to subscribe for ordinary shares that were outstanding at 17 April 2014 (being the latest practical

date prior to the publication of this Notice) was 35,751,207. The proportion of issued share capital that they represented at that time was 1.50% and the proportion of issued share capital that they will represent if the full authority to purchase shares (existing and being sought) is used is 1.67%.

### **Resolution 22 – Notice period for general meetings other than AGM**

Changes made to the Companies Act 2006 by the Shareholders' Rights Regulations increased the notice period required for general meetings of the Company, other than annual general meetings, to 21 clear days unless shareholders have approved a shorter notice period, which cannot be less than 14 clear days.

Until the Shareholders' Rights Regulations came into force in 2009, the Company was able to call general meetings, other than an annual general meeting, on 14 clear days' notice without obtaining such shareholder approval. To enable the Company to preserve the ability to call general meetings on 14 clear days' notice, shareholders are asked to approve Resolution 22. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

Note that the changes to the Companies Act 2006 mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. The Company would be compliant with this requirement.

### **Resolution 23 – Articles of Association**

It is proposed in resolution 23 to adopt new articles (the New Articles) in order to update the Company's existing articles of association (the Existing Articles) to take account of developing practice and provide increased flexibility for the Board.

We have summarised below the material changes introduced in the New Articles which we consider will be of most interest to shareholders. Other changes, which are of a minor, technical or clarifying nature, have not been noted. The New Articles showing all the changes to the Company's existing articles are available for inspection as noted on page 7 of this document.

#### **Delivery of proxy appointments by shareholders**

The Existing Articles provide that evidence of a proxy appointment by a shareholder must be received by or on behalf of the Company not less than 48 hours before the general meeting to which it relates. Under the Companies Act 2006, the deadline for receipt of proxy appointments cannot be more than 48 hours before the relevant meeting but it can be less. The wording in the New Articles allows the Company to set a deadline that is less than 48 hours before the meeting (where it is practicable to do so) to provide additional flexibility for shareholders.

#### **Retirement and re-election of directors**

The Existing Articles provide that at each annual general meeting one-third of the directors, who are subject to retirement by rotation, shall retire from office. However, in accordance with the recommendations of the UK Corporate Governance Code, the Board has resolved that, as in recent years' annual general meetings, all of the Company's directors will stand for re-election at this year's AGM. The Board envisages that this will also be the case at future annual general meetings in line with best practice.

It is, therefore, proposed that a provision will be included in the New Articles to allow the Company to function in circumstances where an insufficient number of directors are elected or

re-elected at one of the Company's annual general meetings, thereby leaving the Board inquorate. In such circumstances, it is proposed that all the directors would be automatically re-elected for the purposes of filling vacancies and convening general meetings of the Company and to perform such duties as are appropriate to maintain the Company as a going concern and to enable it to comply with its legal and regulatory obligations. The directors would be required to convene a further general meeting of the Company as soon as reasonably practicable to allow new directors to be appointed.

#### Non-executive directors' fees

In line with guidance from the Association of British Insurers, the Existing Articles contain a monetary cap on the aggregate amount of fees which may be paid to non-executive directors. It is proposed that the cap on the amount of non-executive directors' fees in the New Articles be increased from £1,000,000 to £1,750,000. The current limit has been in place since 2001 and it is now proposed that it be increased in order to provide the Company with sufficient headroom and flexibility to maintain its non-executive directors' fees in line with the market. Fees paid to the Chairman and non-executive directors are determined under a policy which seeks to recognise the time commitment, responsibility and technical skills required to make a valuable contribution to an effective Board and relevant benchmark market data.

#### Method of payment of dividends

The New Articles provide the Company with additional flexibility to prescribe the manner in which dividends are paid. Currently the Company pays dividends by electronic payment and cheque. The use of cheques has reduced in recent years and there has been significant focus on the development of new payment methods, which could improve the security of payments to shareholders and reduce costs.

Although the Existing Articles permit the payment of dividends by electronic means, the New Articles allow the directors to determine how dividends are paid to shareholders, including, if and when it is considered desirable to do so, to determine that payments may be made exclusively by inter-bank transfer or other electronic means into accounts nominated by shareholders. The Board has no immediate intention of exercising this power but may do so when it becomes accepted best practice.

Holders of approximately 70% of the Company's issued shares have already provided their bank or building society account details to enable the Company to pay their dividends by bank transfer. This offers a number of benefits:

- dividends are credited to the shareholder's account on the payment date as cleared funds, which allows immediate access to the funds;
- it removes the risk of loss, fraud or theft of dividend payment cheques;
- it generates savings for the Company, which benefits all shareholders, because paying by direct credit is less expensive than using cheques and eliminates the cost of issuing replacement payments for those cheques that go missing; and
- it contributes to the Company's overall effort to reduce its impact on the environment.

#### Strategic report and supplementary materials

As a result of a recent change to the Companies Act 2006, the Company is no longer required to prepare a summary financial statement. Instead, if a shareholder agrees not to receive the full annual report and accounts, the Company may provide a copy of the strategic report together with certain supplementary material. Article 196 of the New Articles reflects these updated provisions of the Companies Act 2006. However, shareholders can always view the full annual report and accounts on the Company's website ([www.kingfisher.com](http://www.kingfisher.com)) or request a hard copy from the Company's Registrar.

#### Documents available for inspection

The full draft New Articles are available for inspection from today's date at the offices of Freshfields Bruckhaus Deringer LLP during normal business hours on any weekday (Saturday, Sundays and public holidays excepted) until the Annual General Meeting and also at the Meeting from 10.45am until its conclusion.

#### Resolution 24 – Kingfisher Incentive Share Plan

During the year, the remuneration committee of the Board (the Remuneration Committee) conducted a thorough and comprehensive review of the Company's executive remuneration arrangements. The focus of this review was to ensure that the overall executive remuneration structure remains aligned to the Creating the Leader strategy and reflects the background of regulatory change and sentiments expressed by shareholders regarding executive remuneration. The review also considered the structure of a new long-term incentive plan to replace the existing Performance Share Plan (PSP) and Kingfisher Incentive Share Scheme (KISS).

Following the review, the Remuneration Committee concluded that limited changes were needed and that the changes would focus primarily on the structure of the incentive plan arrangements and strengthening the alignment of executives' interests with those of shareholders over the longer term through increased deferral, increased shareholding requirements and extended malus provisions.

The Remuneration Committee has decided to seek shareholder approval for a new incentive share plan, the Kingfisher Incentive Share Plan (the Plan), which will be used for the grant of long-term share incentive awards (including in the context of recruitment) and deferred bonus share awards and will replace the existing PSP and KISS plans.

The Directors' Remuneration Policy, set out on pages 49 to 58 of the Annual Report and Accounts, sets out the Committee's policy for directors in relation to the Plan, including in relation to the performance conditions applied to the vesting of long-term share incentive awards, the grant of awards on recruitment and the individual limits for awards.

Subject to shareholder approval at the Annual General Meeting, the first annual grant of long-term incentive awards would be awarded in June 2014 and the first deferred bonus awards would be granted in April 2015.

The rules of the Plan are summarised below.

#### Eligibility

Any employee of the Kingfisher Group (including any executive director of the Company) is eligible to participate in the Plan at the discretion of the Remuneration Committee.

## Grant of awards

Awards may be granted in the period of 42 days beginning on:

- the day immediately following the date on which the Plan is approved at the Company's Annual General Meeting;
- the dealing day after the date on which the Company announces its results for any financial period;
- the day following the lifting of any restrictions preventing such grant;
- any day on which the Remuneration Committee determines that the circumstances are, in its view, sufficiently unusual or exceptional to justify the grant of an award.

No awards may be granted later than 10 years after the approval of the Plan by shareholders.

Awards will be over ordinary shares in the Company (Shares) and may take the form of:

- a conditional right over Shares; or
- an option to acquire Shares at nil or nominal cost;

Awards may be satisfied by newly issued Shares, Shares transferred from treasury or Shares purchased in the market and held by the Kingfisher Employee Share Ownership Trust or any other employee share benefit trust established by the Company.

Awards under the Plan are neither pensionable nor transferable (other than on death). No payment will be required for the grant of an award.

## Vesting period

An award shall not vest prior to the end of its vesting period, which will normally be a three-year period from the specified start date in respect of the award. A longer period may be specified on grant or the vesting period may be shortened in accordance with the rules of the Plan, for example, as a result of a change of control or cessation of employment. An award which has been granted on recruitment to replace a forfeited award, may have a vesting period of less than three years, to reflect the vesting date of the forfeited award.

## Performance conditions

Awards may vest subject to the satisfaction of performance conditions selected by the Remuneration Committee, which will determine the extent to which the awards will vest at the end of the vesting period. The period over which performance conditions will be measured shall normally be not less than three years unless, for instance, the award has been granted on recruitment to replace a forfeited award whose performance conditions had less than three years to run.

The Remuneration Committee has discretion to amend the performance conditions in respect of any award if one or more event(s) have occurred which lead the Remuneration Committee reasonably to consider that it would be appropriate to do so, provided that such an amended performance condition is not materially less difficult to meet.

## Individual limits

The maximum value of Shares which may be put under awards granted to an eligible employee in respect of any financial year is:

- a) up to 200% of base salary (up to 250% of basic salary in respect of the Group Chief Executive) (excluding any deferred bonus share award);
- b) if the award is granted as a deferred bonus share award, up to 100% of the annual bonus to which the deferred bonus share award relates;

- c) 500% of salary if awards first granted following the recruitment of the employee as Group Chief Executive include a recruitment award (whether or not to replace any awards forfeited by the employee from his/her previous employer as a result of joining the Group); and
- d) 400% of salary if awards first granted following the recruitment of any employee who is not Group Chief Executive include a recruitment award (whether or not to replace any awards forfeited by the employee from his previous employer as a result of joining the Group).

In each case, the market value of the Shares used to determine the individual limit will, at the discretion of the Remuneration Committee, either be the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange over a period determined by the Remuneration Committee, not exceeding three consecutive dealing days preceding the date of grant or the middle market quotation on the dealing day before the date of grant.

## Dilution limits

The maximum number of new issue shares that may be allocated under the Plan must not exceed the following limits:

- a) in any 10-year period, the aggregate number of new issue shares allocated under the Plan, when added to the number of new issue shares allocated under all other employee share plans operated by the Company must not exceed 10% of the issued ordinary share capital of the Company from time to time; and
- b) in any 10-year period, the aggregate number of new issue shares allocated under the Plan, when added to the number of new issue shares allocated under all other discretionary employee share plans operated by the Company must not exceed 5% of the issued ordinary share capital of the Company from time to time.

While it remains best practice to do so, treasury Shares will be treated as newly issued for the purposes of these limits.

## Leaving employment

A participant's award will normally lapse unless he or she has remained in employment with the Group until the end of the vesting period. If he or she has not, it will normally lapse on the earlier of any notice being given or the cessation of employment.

However, if a participant leaves employment before the end of the vesting period as a result of:

- ill-health, injury or disability,
- retirement with the agreement of his/her employer;
- redundancy;
- the company or business for which he or she works being sold out of the Group; or
- any other reason not otherwise specified in the Plan, at the discretion of the Remuneration Committee,

the award will not lapse but will ordinarily continue, subject to the rules of the Plan and will vest at the end of its original vesting period, to the extent that any applicable performance conditions have been met, with a pro rata reduction of the number of Shares to reflect the period between the start date and the date of the cessation of employment and with Remuneration Committee discretion to reduce further the number of Shares to reflect any personal performance issues. The Remuneration Committee may, however, determine that an award will vest following the cessation of employment but before the end of the vesting period and shall have discretion to determine the extent

to which the award will vest, having regard to the performance conditions at the relevant time and the period of time which has elapsed between the start date and the date of cessation of employment and with Remuneration Committee discretion to reduce further the number of Shares to reflect any personal performance issues.

If a participant's employment ceases because of death, the award will vest when the Company has been notified of this. The Remuneration Committee will have the discretion to determine the extent to which the award should vest, having regard to the extent to which it considers the performance conditions to have been met and the period of time which has elapsed between the date of grant and the date of death.

Where the award is granted as a deferred bonus share award, no time pro-rating reduction will apply on vesting following cessation of employment.

If the award has been structured as an option, the participant will have six months from the date of vesting (12 months in the case of death) in which to exercise his/her option.

If a participant's employment ceases for cause, for instance in circumstances which entitle his/her employing company to dismiss him summarily under his employment contract, his/her awards shall lapse immediately.

#### Vesting of awards

To the extent that an award vests, the participant will be entitled to receive Shares. The award of a participant who has continued in employment until the end of the vesting period which has been structured as an option will generally be exercisable until one month before the seventh anniversary of its grant date.

#### Dividend equivalents

The Remuneration Committee has the discretion to increase the number of Shares the subject of an award by reference to the value of reinvested dividends that would have accrued on the vested Shares between the start date and the date of issue or transfer of the vested Shares. The value of such reinvested dividends may be paid out in cash or Shares.

#### Malus

In certain circumstances, the Remuneration Committee has discretion, if it believes the circumstances warrant this, to adjust, (including, if appropriate, reducing to zero) the number of Shares before an award vests. The circumstances include:

- where there has been a material misstatement of the Company's results;
- the Remuneration Committee determining that the assessment of any performance condition (whether in respect of an Award or the annual bonus to which it relates) was based on error, or inaccurate or misleading information;
- the Remuneration Committee determining that one or more action or events have caused the Group serious reputational damage; and/or
- the Remuneration Committee determining that there are material misconduct issues in respect of the individual.

#### Corporate transactions

In the event of a general offer for the Company or a reconstruction (not being an internal reorganisation) or a winding up of the Company, the awards will vest to the extent determined by the Remuneration Committee, having regard to the extent to which it considers the performance conditions to have been met, the period of time which has elapsed between the date of grant and the date of the relevant event, and any other matter which

the Remuneration Committee considers relevant. Where the award is granted as a deferred bonus share award, no time pro-rating reduction will apply. As an alternative to vesting, awards may be exchanged for new awards of shares in the acquiring company on a comparable basis.

#### Variations in share capital

Awards may be adjusted at the discretion of the Remuneration Committee, if there is a variation in the share capital of the Company, such as a rights or bonus issue, if such a variation is considered by the Remuneration Committee to be appropriate.

#### Rights attaching to shares

Shares allotted or transferred under the Plan will rank equally with all other ordinary shares of the Company for the time being in issue (except for rights attaching to such shares by reference to a record date prior to the date of transfer or issue). The Company will apply for the listing of any new Shares allotted under the Plan.

#### Amendments

The Plan may at any time be altered by the Remuneration Committee. However, any alterations to the rules governing:

- eligibility;
- limits on participation and the number of new Shares or treasury Shares available under the Plan;
- the rights attaching with respect to awards and Shares; and
- the adjustment of awards on a variation in the share capital of the Company,

which are to the advantage of participants must be approved in advance by shareholders in general meeting, unless the alteration or addition is minor in nature and/or made to benefit the administration of the Plan, to comply with the provisions of any existing or proposed legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or Group companies.

The Remuneration Committee shall not make any amendment that would abrogate or materially affect adversely the existing interest of participants except with their prior consent.

#### Documents available for inspection

The full draft rules of the Plan are available for inspection from today's date at the offices of Allen & Overy LLP during normal business hours on any weekday (Saturday, Sundays and public holidays excepted) until the Annual General Meeting and also at the Meeting from 10.45am until its conclusion.

## Further information about the AGM

### Entitlement to attend and vote

1. Only those members registered on the Company's register of members at 6.00pm on Tuesday, 10 June 2014 (or in the event of any adjournment, 48 hours before the time of the adjourned meeting) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

### Website giving information regarding the AGM

2. Information regarding the AGM, including the information required by section 311A of the Companies Act 2006, is available at [www.kingfisher.com](http://www.kingfisher.com).

### Appointment of proxies

3. Members are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the AGM. A member may appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's Registrar whose contact details are set out on page 12.
4. To be valid, any proxy form or other instrument appointing a proxy must be received at the office of the Registrar no later than 11.00am on Tuesday, 10 June 2014.
5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in note 8 below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against a resolution. If you choose to withhold your vote or no voting indication is given, your proxy will vote or abstain from voting at his/her discretion.

### Electronic submission of proxy form

7. It is possible for you to submit your proxy votes online. Further information on this service can be found on your proxy form, or if you receive communications from us electronically, voting information will be contained within your email broadcast.

### Appointment of proxies through CREST

8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the

issuer's agent (ID 3RA50) by 11.00am on Tuesday, 10 June 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### Appointment of proxy by joint members

10. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

### Changing proxy instructions

11. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact the Company's Registrar, Computershare Investor Services PLC whose contact details are set out on page 12.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### Termination of proxy appointments

12. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
  - by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol, BS99 6ZY. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

- by sending an e-mail with the subject header of “Kingfisher plc – Termination of Proxy Appointment” to: Externalproxyqueries@computershare.co.uk. Please note that this email address can only be used for the termination of previously registered proxy appointments (any other instructions included in the email will not be actioned and will be ignored). In order for the termination to be effective, the email must include the security details from the Form of Proxy (Control Number and SRN). In order that we may contact you to verify the termination of the proxy appointment, please provide a contact telephone number and where possible, attach to the email a letter signed by the registered holder to enable the verification to be effected.

In either case, the revocation notice must be received by the Company’s Registrar Computershare Investment Services PLC no later than 11am on Tuesday, 10 June 2014.

Appointment of a proxy does not preclude you from attending the AGM and voting in person. If you have appointed a proxy and attend the AGM in person, your proxy appointment will automatically be terminated.

#### Nominated persons

13. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
14. The statement of the rights of shareholders in relation to the appointment of proxies in notes 3 and 4 above does not apply to Nominated Persons. The rights described in these Notes can only be exercised by shareholders of the Company.

#### Corporate Representatives

15. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all of its powers as a member provided that no more than one corporate representative exercises powers over the same share.

#### Questions at the AGM

16. Any member attending the meeting has the right to ask questions. The Company must answer any question relating to the business being dealt with at the AGM, except in certain circumstances, including (i) if to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (ii) the answer has already been given on a website in the form of an answer to a question, or (iii) if it is undesirable in the interest of the Company or the good order of the meeting that the question be answered.

#### Shareholder requisition rights

17. Under section 338 and section 338A of the Companies Act 2006, a member or members meeting the qualification criteria in those sections have the right to require the Company i) to give to members of the Company entitled to receive notice of the AGM, notice of a resolution which may properly be moved and is intended to be moved at the AGM and/or ii) to include in the business to be dealt with at the

AGM any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless

- a. (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company’s constitution or otherwise);
  - b. it is defamatory of any person; or
  - c. it is frivolous or vexatious.
18. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 1 May 2014, being the date six clear weeks before the AGM, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
  19. Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: i) the audit of the Company’s accounts (including the auditors’ report and the conduct of the audit) that are to be laid before the AGM; or ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company’s auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

#### Documents on display

20. The following documents will be available for inspection at the meeting venue at least 15 minutes prior to the meeting until its conclusion:
  - copies of the service contracts of the executive directors of the Company;
  - copies of the letters of appointment of the non-executive directors of the Company;
  - a copy of the New Articles of the Company together with the Existing Articles of the Company marked to show the changes proposed in resolution 23; and
  - the draft rules of the Kingfisher Incentive Share Plan proposed in resolution 24.

#### Issued Shares and Total Voting Rights

21. As at 17 April 2014 (being the latest practicable date prior to publication of this Notice) the Company’s issued share capital comprised of 2,376,716,000 ordinary shares, all carrying one vote each. Therefore, the total voting rights in the Company as at 17 April 2014 were 2,376,716,000. Details of the number of shares and voting rights in the Company are available on the Company’s website ([www.kingfisher.com](http://www.kingfisher.com)).

## Shareholder information

### Shareholder helpline

The Shareholder helpline (tel. 0870 702 0129) is run by the Company's Registrar, Computershare Investor Services plc, and is available on UK business days between Monday and Friday, 8.30am and 5.30pm. The helpline also has automated self-service functionality which is available 24 hours a day, 7 days a week. Using the Shareholder Reference Number on your share certificate or dividend tax voucher, the self-service functionality will allow you to:

- confirm the latest share price
- confirm your current shareholding
- confirm your payment history
- order a Change of Address, Dividend Bank Mandate or Stock Transfer Form

### Registrar's Investor Centre

Investor centre is a free, secure share management website provided by Computershare, Kingfisher's Registrar. Managing your shares online means you can access information quickly and securely, and minimise postal communications.

To register visit [www.investorcentre.co.uk](http://www.investorcentre.co.uk) – all you will need is your registered address details and your Shareholder Reference Number which you will find on your share certificate/tax vouchers. You will be able to:

- view portfolio balances and the market value of all your holdings registered with Computershare
- update your address
- register to receive electronic shareholder communications
- download forms

Computershare will also send a unique activation code to your registered address, which you can use to:

- update your bank details
- view and manage your dividend payments
- access your electronic tax vouchers
- view your holding's transactional history

### Results and Financial Diary

First quarter results	29 May 2014
Pre-close first half sales	24 July 2014
Interim results	10 September 2014
Third quarter results	25 November 2014
Preliminary results	March 2015

### Dividends

Shareholders can elect for dividends to be paid by mandate directly to a UK bank or building society account. For the benefit of shareholders resident in any of the Eurozone countries, the Company offers the option to receive dividends in Euros. The Company also offers shareholders a Dividend Reinvestment Plan (DRIP). Further information can be found on our website at [www.kingfisher.com](http://www.kingfisher.com).

### Electronic communications/electronic proxy voting

The Company actively encourages all shareholders to register for the electronic communications service. By registering to receive electronic communications, you will be able to:

- cast your AGM proxy vote electronically
- access details of your individual shareholding quickly and securely online
- receive electronic notification via email and the internet of statutory documents such as the Company's financial results, including annual and interim reports and quarterly trading statements.

You can register by visiting [www.kingfisher.com/shareholders](http://www.kingfisher.com/shareholders) and following the online instructions.