

KPS News...

For Non members, an update of the Kingfisher Pension Scheme

April 2012



Changes to the Kingfisher Pension Scheme for Non members

As advised in February 2012, following an extensive review, we (Kingfisher plc) put forward a proposal to change our existing UK retirement arrangements, and embarked on a 60 day consultation period with active members of the Kingfisher Pension Scheme – Final Salary section (FSS), and active members of the Kingfisher Pension Scheme – Money Purchase section (MPS) and all employees. The consultation has now ended.

We have listened to and carefully considered all of the individual feedback received during the consultation period, in liaison with the informal Consultation Group

and Kingfisher Pension Trustee Limited (the Pension Trustee). A decision has now been reached.

This document sets out details of the changes and aims to give you the information you need to make an informed decision about your future Company retirement arrangements.

Ian Cheshire
Group Chief Executive
Kingfisher plc

Background to the changes

We are committed to providing you with access to retirement provision that is:

- a valuable benefit which is fair to all colleagues;
- sustainable in the long term; and
- affordable for colleagues and Kingfisher.

Our desire to provide a benefit structure that is fair to all colleagues has been the main driver for these changes. In addition, we recognise that the FSS is now significantly more expensive to provide than the MPS. This is the case with most other UK companies, and it's generally believed that the cost of providing final salary arrangements will continue to escalate in the future.

The changes and how they

Closure of the FSS

We will close the FSS to future build up of benefits on 30 June 2012. This means that it will not be possible for FSS members to build up any benefits in the FSS after this date. Benefits earned to this date will be protected and retained in the FSS.

All active FSS members will be automatically enrolled into the MPS with effect from early July 2012.

Improvements to the MPS

We are substantially improving the existing MPS, making the MPS more competitive when compared to companies similar to Kingfisher and operating in the UK retail sector.

Removal of the waiting period

Currently new employees are invited to join the MPS after they have been employed for one year. This will be reduced to three months. Assuming you have been employed by the Group for more than three months you will now be able to join the MPS from 1 July 2012. Please contact Kingfisher Group Pensions for more details.



affect you

Contributions

We are pleased to introduce the following new higher contribution levels.

| Member contribution | Company contribution | Total contribution |
|---------------------|----------------------|--------------------|
| 3% | 3% | 6% |
| 4% | 4% | 8% |
| 5% | 5% | 10% |
| 6% | 6% | 12% |
| 7% | 10% | 17% |
| 8% and over | 14%* | 22% (+) |

* The maximum Company contribution is 14%

Life assurance

The life assurance benefit paid from the MPS will also be improved from 1 July 2012. If a MPS member were to die in service, the death benefit will be 4x salary.

As a non-member of the MPS, if you were to die in service the death benefit will be dependant on when you joined the Group.

- For employees who joined the Group before 1 July 2012 the life assurance benefit will be 2x salary.
- For employees who join the Group after 1 July 2012 the life assurance benefit will be 1x salary.

SMART Pensions

We are introducing a more cost-effective way of making contributions to the MPS that could mean you pay less National Insurance (NI). This arrangement is called SMART Pensions. Please contact Kingfisher Group Pensions for more details.





What information is available?

There is a wide range of information still available to view on both pensions websites:

www.kingfisherpension.com

www.kingfisherpensionchange.com

You'll need to enter the password **pensionchange12**.

On this website you can find:

- frequently asked questions
- a short presentation and a video
- a copy of this newsletter
- a copy of the previous newsletter

The MPS Member Guide detailing the improved MPS with effect from 1 July 2012 will also be available shortly.

You may write to the Group Pensions Department at

**Kingfisher plc, Group Pensions Department,
3 Sheldon Square, Paddington, London W2 6PX**

You may also contact the Kingfisher pension change helpline on

0330 330 9427

Calls will be charged at your local rate (calls from mobiles will be charged at your provider's rate). Or you can email the helpline at:

pensionchange@kingfisher.com

