



KERING EMPLOYEE SHAREHOLDER PLAN **LOCAL SUPPLEMENT**

Within the Kering Group employee share offer – KeringForYou (the **“Offer”**), you have been invited to invest in shares of Kering S.A. (**“Kering”**), by subscribing for units of an employee shareholding fund, the Fonds Commun de Placement d’Entreprise (**“FCPE”**) **“KeringForYou”**. Each FCPE unit will correspond to one Kering share.

This document is provided to you in addition to the Offer documents (in particular, the Information Brochure, the Representations and Obligations document and the Key Information Documents of the FCPE **“Kering ForYou”**) made available to you on the website dedicated to KeringForYou. It contains a brief summary of the local Offer information and principal tax consequences relating to the Offer.

Please note that information contained in this document is being provided to you solely as information. Neither Kering nor your employer is providing you with, and will not provide you with, any personal, financial or tax advice in relation to this Offer, or guarantees regarding the future price of the Kering shares.

The Offer described in this document and in the other communication materials relating to it, is presented to you because you are an employee of the Kering Group. Participation in this Offer is not obligatory and your decision to participate or not will not impact your employment with the Kering Group, either positively or negatively. The decision whether or not to participate is yours to make, having regard to your own particular circumstances and any independent advice which you require.

LOCAL OFFER INFORMATION

Eligibility

The Offer is open to all current Kering employees who have accrued at least six (6) months of service on the last day of the subscription period, i.e. 9 June 2022. This period is established on a continuous basis, meaning that your contract must be uninterrupted for at least the last six (6) months preceding 9 June 2022, and you must be employed on the last day of the subscription period, in order to participate in the Offer.

Subscription Period

The subscription period starts on 19 May 2022 and lasts until 9 June 2022 (inclusive).

During the subscription period, you will be able to submit your orders to subscribe for Kering shares through the website dedicated to KeringForYou.

Subscription Price

The reference price will be set by the CEO of Kering on 17 May 2022, as the average opening price of the Kering shares over the twenty (20) preceding trading days (the **"Reference Price"**).

The subscription price will be equal to the Reference Price minus a 20% discount. It will be communicated to you on that day on the website dedicated to KeringForYou.

It is to be noted that your subscription is in euros. Consequently, for the purposes of your subscription, the amount of your payment in pounds sterling will be converted using the prevailing exchange rate applicable on 16 May 2022. During the life of your investment, the value of the Kering shares subscribed through the FCPE will be affected by fluctuations in the currency exchange rate between the euro and pounds sterling.

As a result, if the value of the euro strengthens relative to pound sterling, the value of the FCPE units expressed in pound sterling will increase. On the other hand, if the value of the euro weakens relative to pound sterling, the value of the shares subscribed through the FCPE expressed in pound sterling will decrease.

Method of Payment – What is the payment method available for my subscription?

Payment for the subscription of Kering shares can be made in one instalment by wire or bank transfer to the Kering bank account. The bank account and payment procedure are detailed on the document "KFY payment procedure" which will be available on the KeringForYou.com website under the section Documentation.

You must ensure that there are sufficient funds in your bank account to cover your investment at the time that you invest. Any failure in your bank transfer may jeopardize your ability to participate in the Offer.

Payment must be received as per the KFY payment procedure from 22 June 2022 until 30 June 2022 at the latest.

Employer Matching Contribution

You will receive an employer matching contribution if you choose to participate in KeringForYou (the **"Employer Matching Contribution"**) of up to two (2) free Kering shares:

- If you subscribe to 0.5 of a Kering share: you are entitled to an Employer Matching Contribution representing 0.5 Kering share;
- If you subscribe to 1 Kering share: you are entitled to an Employer Matching Contribution representing 1 Kering share;
- If you subscribe for 2 Kering shares: you are entitled to an Employer Matching Contribution representing 2 Kering shares; and
- Above 2 Kering shares: no Employer Matching Contribution.

You will receive the Employer Matching Contribution in the form of free Kering shares, which will be held in the FCPE “KeringForYou” on your behalf. These shares are subject to the same lock-in period as your investment.

Custody of your FCPE units, voting rights, dividends

Your subscription of Kering shares will be held through the FCPE “KeringForYou”, an employee shareholding fund which is commonly used in France for the holding of shares on behalf of employees unit holders. You will be issued units in the FCPE “KeringForYou” corresponding to the shares for which you will have subscribed, and those representing the Employer Matching Contribution.

As long as your shares are held by the FCPE “KeringForYou”, the voting rights pertaining to such shares will be exercised by the supervisory board of the FCPE on your behalf.

Any dividends paid with respect to shares held in the FCPE “KeringForYou” will be reinvested by the FCPE in additional Kering shares and you will receive a proportionate increase in the number of FCPE units that you hold.

Early Exit Scenarios - In which cases may I ask for an early redemption?

Under KeringForYou, your investment must be held for a three-year period ending on 7 July 2025.

Nevertheless, you may be able to request early redemption and exit from the Employee Shareholder Plan before the end of the lock-in period in a case of the application of an early exit scenario, as described below:

1. your divorce, the dissolution of your civil partnership or a separation when it is accompanied by a court decision specifying that your home is to be the sole or shared ordinary place of residence of at least one child;
2. your disability or the disability of your spouse, civil partner or child;
3. your death or the death of your spouse or civil partner; and
4. termination of your employment contract.

You should not conclude that an early exit scenario is available unless you have described your specific case to your employer and your employer has confirmed that it applies to your situation, upon your providing the requisite supporting documentation.

Securities Notices

This document and the Offer made herein are addressed only to employees of the Kering Group who are eligible to participate in the Offer.

The Offer is designed to fall within Article 1.4(i) of the EU Prospectus Regulation (2017/1129/EC) and Article 1.4(i) of the UK Prospectus Regulation, which, in each case, is the exemption from producing a prospectus for employee offers. The Information Brochure and this Local Supplement constitute the documents for the purposes of Article 1.4(i) of the EU Prospectus Regulation and the UK Prospectus Regulation respectively.

Further information in relation to Kering and its share price can be found on the website dedicated to KeringForYou.

Labor Law Disclaimer

Please note that this Offer is provided to you by the French company Kering, not by your local employer. The decision to include a beneficiary in this or any future offer is taken by Kering in its sole discretion.

The Offer does not form part of your employment agreement and does not amend or supplement such agreement.

The launch of the current Offer results from a decision taken at the discretion of Kering. It does not constitute a right granted and participation in this Offer in no way confers any right to participate in similar transactions. There is no obligation of Kering to launch new offers in subsequent years.

Benefits or payments that you may receive or be eligible for under the Offer will not be taken into consideration in determining the amount of any future benefits, payments or other entitlements that may be due to you (including in cases of termination of employment).

TAX INFORMATION FOR EMPLOYEES IN THE UNITED KINGDOM

This summary sets out general principles in effect at the time of the Offer, that are expected to apply to employees who (i) are and who shall remain, until the disposal of their investment, resident in the United Kingdom for the purposes of the tax laws of the United Kingdom and of the Convention concluded between France and the United Kingdom for the avoidance of double taxation dated 18 December 2009 (the "**Treaty**") and (ii) are entitled to benefits of the Treaty. The tax consequences listed below are described in accordance with United Kingdom tax law and certain French tax laws and practices, all of which are applicable at the time of the Offer. These principles and laws may change over time.

The tax treatment that applies to you may be different from the regime described in this summary depending on your personal situation, and in particular if you are internationally mobile. This summary is given for informational purposes only and should not be relied upon as being either complete or conclusive. For definitive advice, employees should consult their own tax advisors regarding the tax consequences of participation to the Offer.

UPON SUBSCRIPTION

I. Will I be required to pay any tax or social security charges at the moment of subscription / on the discounted subscription price?

Yes.

As the subscription price for your shares purchased with your personal contribution represents a discount to the market value of the shares which are acquired, the amount of this discount will be subject to income tax and National Insurance Contributions (**NICs**) at the time you acquire the shares, i.e., on the last day of the subscription period. The market value is the price of the shares quoted on the market on the date of acquisition (which may be different to the Reference Price), converted into pounds sterling on that date.

The income tax and NICs due will be collected through PAYE in the same way as your salary. The full payment of this income tax and NICs may, if necessary, be taken from your salary in instalments.

Income tax will be due at your marginal rate and is currently charged at the rates set out in the table below.

England, Wales and Northern Ireland income tax bands and rates	
Bands	Income tax rate
Up to £12,570	0%*
Over £12,570 - £50,270	20%
Over £50,270 - £150,000	40%
Over £150,000	45%

Scotland tax bands and rates	
Bands	Income tax rate
Up to £12,570	0%*
Over £12,570 - £14,667	19%
Over £14,667 - £25,296	20%
Over £25,296 - £43,662	21%
Over £43,662 - £150,000	41%
Over £150,000	46%

* This annual exemption is withdrawn for earnings between £100,000 and £125,140 at a rate of £1 for each £2 earned, resulting in an effective 60% tax rate for earnings between these amounts.

Employee's NICs apply at 13.25% or 3.25% (for earnings above the upper earnings limit). These NIC rates are proposed to apply for the tax year ending 5 April 2023 only: employee's NIC rates will then decrease by 1.25% and employees will then be required to pay a Health and Social Care Levy at 1.25%. For the purposes of this note, references to NICs include references to the Health and Social Care Levy.

II. Will I be required to pay any tax or social security charges on the Employer Matching Contribution?

Yes.

As the matching shares are provided for free, the market value of the shares will be subject to income tax and NICs at the time you acquire them, i.e., on the last day of the subscription period. The market value is the price of shares quoted on the market on the date of acquisition, converted into pounds sterling on that date.

The income tax and NICs due will be collected through PAYE in the same way as your salary. The full payment of this income tax and NICs may, if necessary, be taken from your salary in instalments.

DURING THE LIFE OF THE EMPLOYEE SHAREHOLDER PLAN

III. Will I be required to pay any tax or social security charges on dividends?

Under KeringForYou, any dividends distributed by Kering will be automatically reinvested by the FCPE "KeringForYou" in additional Kering shares. The value of the FCPE units will increase to reflect this dividend reinvestment.

i. Taxation in France

No. In the absence of a distribution to employees of the dividends received from Kering, no withholding tax will be levied in France.

ii. Taxation in the United Kingdom

Yes.

Despite reinvestment, dividends will be subject to United Kingdom taxation when they are received by the FCPE.

The gross dividend will be taxed at 8.75% for lower rate tax payers, 33.75% for higher rate tax payers and 39.35% for additional rate tax payers. However, there is an annual dividend tax exemption for all tax payers in respect of the first £2,000 (for the 2022/23 tax year) of dividends received from all sources.

If your total annual dividend income exceeds the £2,000 annual dividend tax exemption, dividends received under the Employee Shareholder Plan should be reported under self-assessment on the "foreign" supplementary pages of the tax return.

There are no NICs payable on dividends.

UPON REDEMPTION

IV. Will I be required to pay any tax or social security charges when, at the end of the lock-in period (or in the event of an authorized early exit scenario), I ask the FCPE to redeem my units for cash?

At the end of the lock-in period, you will have the choice to redeem your FCPE units for cash or to keep your FCPE units.

i. Taxation in France

No. You will not be subject to income taxes in France on the gain, if any, realised on the redemption of your units.

ii. Taxation in the United Kingdom

If you redeem your FCPE units for cash, this will be treated as a disposal for capital gains tax ("CGT") purposes. The amount that will be subject to CGT is calculated as the difference between the redemption proceeds received (in pounds sterling) and the sterling equivalent of the market value of the shares acquired, which was used at the time of subscription to determine your upfront income tax liability.

Where you have received additional units as a result of the reinvestment of dividends, the amount subject to CGT is calculated as the difference between the redemption proceeds received in pounds sterling and the value of those units on the day you acquired them (which should be equal to the amount of the dividend reinvested).

Any capital gain which you make will be reduced by your annual personal exemption. You are currently allowed to make £12,300 of capital gains per year (for tax year 2022/2023) before becoming subject to CGT. This exemption has been frozen until 5 April 2026.

Any gain above the annual exempt amount will be subject to CGT at the prevailing rate, currently 10% for a basic rate tax payer or at 20% for a higher or additional rate tax payer.

Capital gains are reported under self-assessment. You are strongly recommended to put aside enough money from the redemption of your FCPE units to pay any capital gains tax liability when the time comes.

There are no NICs payable on capital gains.

V. Will I be required to pay tax or social security charges if I do not choose immediately to redeem my investment upon the expiration of the lock-in period?

No taxation or NICs apply if you decide to keep your investment in the FCPE after the end of the lock-in period.

VI. What are my reporting obligations with respect to the subscription, holding and redemption of the FCPE units as well as the payment of dividends, as applicable?

Where either any dividend income tax is due (on any amount in excess of the dividend exempt amount of, currently, £2,000), or any capital gains tax is due (on any amount in excess of the annual CGT personal exemption of, currently, £12,300), this will be collected under self-assessment and you will be required to request a self-assessment tax return.

Tax returns in paper form (which can be downloaded from the HM Revenue and Customs website) must be submitted by 31 October following the tax year end (and HM Revenue and Customs will calculate your tax for you if your return is submitted by this date). Alternatively, you may file your tax return electronically up to 31 January in the calendar year following the end of the relevant tax year (and the online system will automatically calculate your tax for you).