



## 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 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 & 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 as of 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 euro. Consequently, for purposes of your subscription, the amount of your payment in Renminbi will be converted using the 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 Renminbi.

As a result, if the value of the euro strengthens relative to Renminbi, the value of the shares/FCPE units expressed in local currency will increase. On the other hand, if the value of the euro weakens relative to your Renminbi, the value of the shares/ FCPE units expressed in Renminbi 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 June 22 until June 30, 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 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 to 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 case of application of an early exit scenario, as described below:

1. your divorce, 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 or child;
3. your death or the death of your spouse; and
4. your 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.

Upon the occurrence of an event of early exit under the case number 3 (only under employee's death) and number 4 above, you or your successor must present a request to sell all your FCPE units under the Employee Shareholder Plan within six months upon the occurrence of such events. If an employee does not comply with such requirement, the current or former employer has the right to sell all FCPE units of employee on his/her behalf without employee's consent.

## Currency Exchange Control

All matters with respect to the foreign exchange under the Offer will be dealt with by your local employer according to the PRC laws and regulations. For participating this Offer, you have authorized your local employer to make relevant application or filing on your behalf to relevant authority for implementing this Offer. In addition, you may need to fill in or submit any document as requested by state laws and regulations or relevant authority in connection with the Offer. If the Offer cannot be approved for registration as a whole or partially by relevant authorities, your subscription would be materially affected and you would be informed by your local employer immediately of such circumstances.

When you redeem your investment, your employer will make the filing to relevant governmental authorities (if required) and go through all procedures requested by the banks, which may result in payment delay of your proceeds. Since your capital gain from the Offer may be affected by the foreign exchange rate between Renminbi and Euros, your proceeds in Renminbi may be materially affected due to the fluctuation of the foreign exchange rate due to such payment delay.

## 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), 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.

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

Based on the PRC laws and regulations, the applicable governmental authorities may review and examine the Offer from time to time and the Offer may be requested by such governmental authorities to be modified, amended or cancelled in accordance with PRC laws and regulations and government authorities' requirements. If this Offer is modified, amended or cancelled, your rights under this Employee Shareholder Plan may be materially and adversely affected.

## 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.

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 MAINLAND OF PEOPLE'S REPUBLIC OF CHINA

This summary sets out general principles in effect at the time of the Offer, that are expected to apply to employees who are and who shall remain, until the disposal of their investment, resident in mainland of People's Republic of China (the “**PRC**”) for the purposes of the tax laws of the PRC. The tax consequences listed below are described in accordance with the PRC tax law and certain French tax laws and practices, all of which are applicable at the time of the Offer. These principles, laws and practices 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.

The difference between the subscription price and the market value of Kering' shares upon subscription will be regarded as salary/bonus income and is subject to taxation at progressive rates of between from 3% and to 45%. Your local employer will withhold such taxes in accordance with the applicable PRC tax laws.

You will not be subject to social security charges upon subscription.

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

Yes.

You would be subject to taxation at progressive rates of between from 3% and to 45% upon delivery of free Kering shares. Your local employer will withhold such taxes in accordance with the applicable PRC tax laws.

The Employer Matching Contribution will be regarded as your salary and bonus income, which may increase your social charges contribution basis at following year.

## 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 PRC**

Yes.

You would not be subject to taxation or social security charges in PRC with respect to dividends reinvested upon distribution. But certain tax bureau may apply the income tax at a flat rate of 20% upon reinvestment of such dividends.

Provided no individual income tax is applicable upon reinvestment of such dividends, proceeds from sale of such FCPE units reinvested would be regarded as a capital gain from assets transfer and subject to individual income tax at a flat tax rate of 20%.

In both circumstances above, your local employer will withhold such taxes in accordance with the applicable PRC tax laws.

## **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?**

#### **i. Taxation in France**

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

#### **ii. Taxation in the PRC**

Yes.

The difference between the proceeds from redemption of FCPE units and the market value of Kering' shares on the date of your subscription would be subject to taxation at a fixed rate of 20% as your income from assets transfer, with the possibility that certain tax offices may apply progressive rates from 3% to 45% as your salary and bonus income. The applicable tax amount will be withheld by your employer.

You will not be subject to social security charges in the PRC at the moment of redemption of your shares.

### **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?**

#### **i. Taxation in France**

No. You will not be subject to income taxes in France on if you do not immediately request the redemption of your units at the end of the lock-in period.

#### **ii. Taxation in the PRC**

No. You will not be subject to income taxes or social charges in China if you do not immediately request the redemption of your units at the end of the lock-in period. But you will subject to income tax upon redemption of your units.

## **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?**

Your local employer may file the offer and relevant documents with the tax authorities and withhold relevant tax for you in accordance with relevant PRC tax laws, however, please note that such actions of your local employer can not exempt you from obligations to file and report your income with the relevant tax authority if you have such obligations according to the relevant tax rules. Under the current tax rules, you may have reporting obligation under the following circumstances: (i) if you obtain consolidated income and need to make final settlement; (ii) if you obtain taxable income but there is no withholding agent; (iii) if you obtain taxable income but the withholding agent does not withhold your tax; (iv) if you obtain overseas income; (v) if you deregister your household registration in the PRC for emigrating overseas; (vi) if you are a non-PRC resident but obtain wages and salaries from more than two places in the PRC; or (vii) other circumstances which are required by the State Council.

## **VII. Additional information**

In addition, although your local employer generally withholds the taxes under the employee share offer for you, there may be cases in which your local employer is unable or inappropriate to withhold such taxes. Thus, you will be liable to declare and pay taxes by yourself in the aforementioned cases and shall provide relevant tax payment evidence to your local employer after completing such declaration and payment.