

### Targets Relating to the 2023 LTIP Awards

Cairn Homes plc (“Cairn” or the “Company”) announces the targets for its FY 2023 Long Term Incentive Plan (“LTIP”), granted to Executive Directors on 4 April 2023. In the 2022 Remuneration Report, the Remuneration Committee (the “Committee”) disclosed that the measures and targets for the 2023 LTIP awards would be disclosed at the time of grant. The awards were made at 150% of base salary for the CEO and CFO, in line with the Remuneration Policy approved at the 2020 AGM.

Following a comprehensive review of internal modelling and external forecasts, the Committee confirms that the following metrics and targets will apply to the 2023 LTIP awards:

Metric	Weighting	Threshold Target (25% vesting)	Maximum Target (100% vesting)
Basic Earnings Per Share (‘EPS’)	60%	3% CAGR	6% CAGR
Return on Equity (‘ROE’) FY 2025	20%	12%	15%
Biodiversity Target	20%	40%	50%

*\*There will be straight line vesting between targets.*

#### EPS Metric

EPS constitutes an important metric that underpins the Group’s ability to grow, and effectively motivates participants to deliver sustained growth and profitability. The use of basic EPS reflects the importance of ensuring the measures used in the LTIP are fully aligned with shareholder expectations and experience.

The EPS target will be assessed on a compound annual growth rate (CAGR) basis. The Committee determined that using CAGR EPS targets provides a clearer picture of expected performance over the three-year period for management, in line with shareholder preference. Compared to the targets set for the prior LTIP award in 2022, the threshold target has increased significantly while the maximum target has remained unchanged on an equivalent basis. In light of the increase in threshold performance expectations, the current macroeconomic outlook and noting that growth rates are being assessed against a record year of EPS performance in 2022, the Committee is fully satisfied that the targets are significantly stretching.

#### ROE Metric

The ROE target is calculated based on performance in FY 2025. The Committee is satisfied that these targets will incentivise strong returns on equity for the three-year performance period.

ROE was included in the LTIP for the first time in 2022, in line with shareholder feedback received over the past number of years and a general focus on integrating return measures into incentive plans. The minor change to the threshold target reflects certain considerations regarding the macro environment outlook facing the business and the economy over the coming three years. The maximum target has remained unchanged, ensuring similarly stretching performance will continue to be required for higher levels of pay-outs to be achieved.

### **Biodiversity Measure**

Cairn has a clear commitment to responsible business practices. The use of a biodiversity measure in the LTIP ensures the management team is fully aligned with a key pillar of our corporate strategy, a key component of our sustainability agenda, and a continued area of focus within the broader business strategy. Independent ecologists' reports will continue to be used to verify whether sites have achieved biodiversity net gain and KPMG, the Company's auditor, will verify the number of commencements overall, as well as on biodiversity net gain sites.