THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to consult your independent professional adviser, who is authorised or exempted under the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) or the Investment Intermediaries Act 1995 (as amended), if you are resident in Ireland or who is authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside Ireland or the United Kingdom. If you sell or have sold or otherwise transferred all of your Cairn Homes plc shares, please forward this document and the accompanying Form of Proxy to the purchaser or transferee or the stockbroker, or other agent through whom the sale or transfer is/was effected for onward transmission to the purchaser or transferee.

CAIRN

Extraordinary General Meeting

Cairn Homes plc
Thursday, 31 August 2023 at 10:00 a.m.
at 45 Mespil Road, Dublin 4, D04 W2F1

Notice of the Extraordinary General Meeting of Cairn Homes plc to be held at 45 Mespil Road, Dublin 4, D04 W2F1 on Thursday, 31 August 2023 at 10.00 a.m, is set out in this document, accompanied, for ordinary shareholders, by a Form of Proxy for use in connection with the resolution at the meeting. Please note that voting instructions for persons holding interests in the Company through the Euroclear or CREST (via CDI) systems are provided on the Company's website www.cairnhomes.com. All such persons are recommended to consult their stockbroker or intermediary at the earliest opportunity. If it becomes necessary to adjust the EGM arrangements, an update will be provided to shareholders via RIS announcement and the Company's website www.cairnhomes.com.

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Cairn Homes plc

(Incorporated in Ireland under the Companies Acts 1963–2013 – registered number 552564)

Directors:

John Reynolds	Independent Non-Executive Chairman	45 Mespil Road Dublin 4 D04 W2F1 Ireland
Michael Stanley	Chief Executive Officer	
Shane Doherty	Chief Financial Officer	
Gary Britton	Independent Non-Executive Director	
Giles Davies	Independent Non-Executive Director	
Linda Hickey	Independent Non-Executive Director	
Alan McIntosh	Non-Executive Director	
Orla O'Gorman	Independent Non-Executive Director	
Julie Sinnamon	Independent Non-Executive Director	

Company Secretary:
Tara Grimley

4 August 2023

PART 1 – CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder,
I am pleased to enclose a notice of extraordinary general meeting of Cairn Homes plc (**Cairn** or the **Company**) which will be held at 10.00am on Thursday, 31 August 2023 at 45 Mespil Road, Dublin 4, D04 W2F1 (**EGM**). The Notice of EGM is set out on pages 12 to 14 of this document and details the resolution to be proposed at the meeting.

Purpose of the EGM
The Company is proposing, subject to shareholder approval, to adopt and implement an additional long term incentive plan to deliver certain bespoke awards of shares to the Company's Chief Executive Officer, Mr. Michael Stanley (the **Stretch CEO LTIP**). Cairn has a high performing leader in our CEO, Michael Stanley, who has led the business through a period of strong growth since IPO and, notwithstanding a succession of challenging factors in our external environment, has transformed a start-up company in 2015 into, by 2022, one of the largest homebuilders in Ireland. Doing so, he has established the capability within Cairn to further significantly increase home delivery over the coming years. The Remuneration Committee and the Board believe his leadership is central to delivering Cairn's strategy over the long-term and has therefore decided to propose the Stretch CEO LTIP to shareholders. This proposal is designed to ensure that the CEO is not only incentivised to increase business growth through upscaled new homes delivery resulting in ambitious profitability and return on equity targets, but also to maximise performance and shareholder value throughout the full performance period and beyond it, as shares vest in years three and four from the original date of grant, with a two-year hold period.

The Stretch CEO LTIP will be a one-off arrangement granted in two tranches (the **2023 Award** and the **2024 Award**, together the **Award**) to the CEO, relating to two equal numbers of ordinary shares in the capital of the Company. No other employee of the Company or any of its subsidiaries will be eligible for an award under the Stretch CEO LTIP. The Stretch CEO LTIP will operate in addition to the existing remuneration policy (which was approved by shareholders in 2020) and the existing Long Term Incentive Plan (which was approved by shareholders in 2017) – neither of which will be amended as part of the business of the EGM.

The Board and the Remuneration Committee have undertaken an in-depth review of the existing and proposed remuneration arrangements for the CEO, with a view to ensuring that his incentives are aligned with Cairn's long-term strategy and ambitions for growth. A detailed explanation of the background to the proposed Stretch CEO LTIP is set out in a letter from Linda Hickey, Chair of the Remuneration Committee, on pages 5 to 7.

Participation at the EGM
(1) **to vote:** shareholders can vote at the EGM or avail of the existing proxy voting services (electronic and/or paper) available to all shareholders in the manner set out in the Notes to this Notice of EGM and on the Company's website www.cairnhomes.com.
(2) **to raise questions:** shareholders can submit any questions that they would like to raise on the business of the EGM and/or might otherwise have raised in person at the EGM by emailing the Company Secretary at company.secretary@cairnhomes.com in the manner set out in the Notes to this Notice of EGM.

To ensure all shareholders not in attendance are fully represented by voting at the meeting, we would urge all ordinary shareholders, regardless of the number of ordinary shares that you own, to complete, sign and return your proxy form as soon as possible but, in any event, so as to reach Computershare Investor Services (Ireland) Limited by 10.00am on Tuesday, 29 August 2023. Alternatively, ordinary shareholders may register their proxy appointment and voting instructions electronically via the internet, details of which are provided at the Notes to the Notice of EGM. Persons holding their interests in the Company through the Euroclear or CREST (via CDI) systems should note that they must also comply with any earlier voting deadlines imposed by Euroclear Bank or CREST. Further information in this respect is provided at the Notes to the Notice of EGM.

The resolution is proposed as an ordinary resolution.

Resolution 1 – To approve the Stretch CEO LTIP
Resolution 1 is asking shareholders to approve the establishment of the Stretch CEO LTIP as summarised in the Appendix to this letter. The Stretch CEO LTIP will comprise two grants of a long term equity incentive award to the Company's CEO Mr. Stanley. The Award will be structured in two phases, with an equal amount of ordinary shares in the capital of the Company granted to the CEO in 2023 and 2024. Both the 2023 Award and 2024 Award will vest partly on the Company's compound annual growth rate (**CAGR**) in reported (unadjusted) profit after tax (**PAT**) and partly on the Company's return on equity (**ROE**) performance. The 2023 Award will be subject to a three-year performance period (2023-2025) and the 2024 Award will be subject to a four year performance period (2023-2026), both from the baseline year of 2022.

The CEO will be required to hold any vested shares under the Stretch CEO LTIP for a two year period from the relevant date of vesting. The CEO will also be required to retain at least 25% of his existing aggregate shareholding in the Company for the duration of the term of the Award as further detailed in the Letter from the Chair of the Remuneration Committee provided at Part 2. The shareholding requirements that apply to the CEO relate to his existing shareholding. Any awards that vest under the proposed awards will not count towards alignment with these requirements.

The key points of the agreement with the CEO setting out the terms of the Award to the CEO are set out in the Appendix and a full copy of the Stretch CEO LTIP agreement is available on request from the Company Secretary at company.secretary@cairnhomes.com.

In connection with the Stretch CEO LTIP, the Company also proposes to establish an employee benefit trust to purchase and administer the shares in the capital of the Company required to satisfy the Award pursuant to and in accordance with the Stretch CEO LTIP.

Recommendation
The Board of Directors is satisfied that the resolution set out in the Notice of EGM is in the best interests of the Company and its members as a whole. Accordingly, your Board of Directors unanimously recommends that you vote in favour of each of the resolution to be proposed at the EGM.

Yours faithfully,

John Reynolds
Chairman

PART 2 – LETTER FROM THE CHAIR OF THE REMUNERATION COMMITTEE

Dear Shareholder,
I am writing to you as Chair of the Remuneration Committee of the Company (the **Committee**) to explain the proposed award to the CEO, Mr. Michael Stanley.

The Board and the Committee are focussed on ensuring remuneration decisions support the business in retaining and motivating the CEO. As part of those aims, and after careful consideration of the best means to achieve them, we are seeking shareholder approval of the award which has been designed to incentivise increased business growth and housing output, with resulting enhanced profitability over the long-term while continuing to improve return on equity performance.

Background
With a deep background in the sector, Mr. Stanley, our CEO, has been the driving force in the creation and growth of Cairn since its initial public offering in 2015. Mr. Stanley has consistently led the business to deliver strong financial growth culminating in a record year of profitability in 2022. Annual output has grown from 11 homes delivered in 2015, to more than 1,750 homes to be delivered in 2023, with over 4,000 people in full time employment across our active sites. This consistent growth trajectory has been achieved against a backdrop of many challenges that faced the sector over the same period. As the Board looks forward and plans for further growth, it recognises that the Irish housebuilding industry had been significantly eroded over several years, resulting in challenges in respect of the recruitment and retention of highly experienced executives in the sector.

The Board and our CEO have ambitious plans to grow the business further over the next six years, leveraging Mr. Stanley's track record by focussing his incentives on driving the business through its next stage of development. While our CEO holds a personal shareholding, it is the Board's view that Cairn and its shareholders would greatly benefit from an effective additional incentive mechanism focussed on the future growth of the Company over the next six years in a manner that is fully aligned with the interests of shareholders. In order for the scheme to pay out at a meaningful level, Cairn will be required to deliver a turnover requiring the delivery of, in excess of, 10,000 new homes over the 4-year performance period, on a consistent basis, which would represent a positive outcome for shareholders and a significant contribution to Ireland's immediate housing needs.

Shareholder Consultation
As we developed the proposed Award, the Committee wrote to shareholders representing over 40% of the Company's issued share capital in two phases to solicit feedback on the proposed Award, and to ensure that their views were incorporated in the plan where possible. The Committee received feedback from the shareholders contacted, either in written form or through meetings, and we are grateful for the time shareholders dedicated to reviewing the proposals and engaging with us. We believe the final proposed policy reflects their expectations while aligning with the commercial objectives of the business.

The feedback provided us with important insights into investors' priorities and approach to reviewing executive pay structures, leading us to i) strengthen the stretch of our performance targets ii) integrate ROE as a formal measure rather than an underpin; and iii) increase the shareholding requirements of our CEO. Specifically, the following changes were made as part of consultation with shareholders:

Original Proposal	Revised Proposal (post shareholder consultation)
Performance range for PAT[1] (100% weighting): – Threshold: 5% CAGR[2] – Stretch: 7.5% CAGR – Maximum: 10% CAGR	Performance range for PAT (75% weighting): – Threshold: 7.5% CAGR – Stretch: 10% CAGR – Maximum: 12.5% CAGR
ROE underpin: no vesting under 12% and potential reduction for performance between 12% and 15%	ROE final year performance measure (25% weighting): – Threshold: 14% – Stretch: 15.5% – Maximum: 17%
Shareholding requirements of 12 times salary	CEO to hold at least 25% of his existing shareholding (5.5m shares) for the six year duration of this plan

1 Profit after tax
2 Compound annual growth rate

As a Board and a Committee, we have always placed importance on being as responsive as possible to shareholder feedback. In tandem, the Board always seeks to make decisions in the best interests of the Company and which position it to deliver on its strategy. The changes detailed above, which made targets more challenging and strengthened alignment features through higher shareholding requirements, are examples of that.

The proposed Stretch CEO LTIP Award

The following sets out the details of the proposal to grant the Stretch CEO LTIP, which will reward the CEO for substantially increasing the profitability of the Company, from a record high watermark of €81.0m in 2022, while maintaining quality of earnings, over the next four-year period. In order for vesting to occur, performance will have to significantly exceed the ranges set under the current long term incentive plan currently in place in the Company. If achieved, this would deliver significant further growth on top of record financial performance in 2022.

The proposal offers a tangible incentive to the CEO based on long-term targets which are truly stretching and measured over a three and four-year performance period, with the release of equity staggered over five to six years from the date of the first award. 75% of the award would be tied to the Company's compound annual growth rate (**CAGR**) in reported (unadjusted) profit after tax (**PAT**):

Award	Performance period (base year: FY22)	Post vesting holding	Threshold 25% vesting	Stretch 85% vesting*	Maximum 100% vesting	Profit growth from base for maximum pay-out
Award 1 granted 2023	3 years ends FY25	2 years	7.5% CAGR	10% CAGR	12.5% CAGR	42%
Award 2 granted 2024	4 years ends FY26	2 years				60%

* Awards will not be subject to straight line vesting, with achievement of the stretch performance target resulting in 85% of total awards vesting.

The remaining 25% of the award would be based on Return of Equity (**ROE**) performance during the final year of each performance period:

Award	Performance period	Post vesting holding	Threshold 25% vesting	Stretch 85% vesting*	Maximum 100% vesting
Award 1 granted 2023	3 years ends FY25	2 years	14%	15.5%	17%
Award 2 granted 2024	4 years ends FY26	2 years			

* Awards will not be subject to straight line vesting, with achievement of the stretch performance target resulting in 85% of total awards vesting.

The key features of the Stretch CEO LTIP are:

(a) the plan includes a six-year time horizon, whereby the first grant (the 2023 Award) will be subject to a three-year performance period and the second grant (the 2024 Award) will be subject to a four-year performance period, both from the baseline year of FY 2022. The rationale for selecting the FY 2022 baseline is two-fold; firstly, it represents a year of significantly improved and record profitability, and secondly, we were mindful of setting targets which require sustainable growth over the four-year performance period. We also believe it is most prudent to rely upon the most recently published annual financial information. The CEO will be required to hold any vested awards for a further two-years, meaning that shares will not start to be released until 2027 and continue until 2028;

(b) The 2023 Award will be granted in 2023, at a value of €3.5 million, with the number of shares determined by the closing share price on the evening preceding the grant date. The number of shares to be granted under the 2024 Award, to be granted in FY2024, will be identical to the first award, creating a further incentive linked to the creation of shareholder value;

(c) the performance period for the 2023 Award commences from 1 January 2023, reflecting the development of the plan over the past number of months, and to ensure an immediate focus on driving superior profitability in the seasonally important second half of 2023 and beyond;

(d) the Award will be made in addition to the CEO's regular LTIP. This provides (1) alignment with other LTIP participants and the incentive to achieve stretch targets that are calibrated annually; and (2) the incentive to drive ambitious year-on-year sustained growth in profit from a single base year. However, the targets under both additional measures require substantially higher levels of performance than those employed under the regular LTIP structure;

(e) 25% of the CEO's existing shareholding will be subject to a lock-up for the duration of the plan, increasing shareholding requirements substantially from current levels of 300% of salary (based on current share price, approximately 14 times salary). The shareholding requirements that apply to the CEO relate to his existing shareholding. Any awards that vest under the proposed awards will not count towards alignment with these requirements, which substantially exceed similar levels at peers; and

(f) the plan will use a 'kinked' vesting schedule, whereby 85% of the total award will vest for the achievement of a stretch performance target (significantly above the existing LTIP), balancing the expectation of strong performance with an incentive for further outperformance to achieve maximum vesting.

In calculating grant levels and the potential final value of the awards, the Committee has sought to incentivise superior levels of growth; address the significant gap between the CEO's current pay and those at Irish peers, (salary unchanged from 2015 and currently the second lowest of any CEO in the ISEQ 20); and ensure that the vast majority of remuneration is granted in equity, based on longer term sustainable performance, providing significant alignment with shareholders' interests.

During the lifetime of the performance periods for both tranches, there will be no increases to the CEO's current annual salary of €425,000 or under the regular annual bonus and current LTIP while, as detailed previously, his pension will be reduced to 10% at the end of 2023, from 25% in 2020, 20% in 2021 and 15% in 2022 and 2023.

During 2022 and 2023, the Committee reviewed data on fixed and variable remuneration at Cairn and listed Irish peers. The Committee is not overly reliant on benchmarking in making remuneration decisions; however, it is cognisant of the substantial gap between both fixed and potential remuneration for the CEO and his counterparts in the Irish market, with each of salary, annual bonus potential and LTIP potential currently lagging peers significantly. While the proposed Award will result in long-term incentive grants exceeding median levels in the Irish market for 2023 and 2024, the other components of the CEO's remuneration will remain well below levels for CEOs at similarly sized businesses in Ireland and the UK and the Committee has considered remuneration over the entirety of this Plan, not just in the years of grant. Such an approach aligns with the Committee's aims of incentivising long-term growth alongside lower levels of fixed or short-term pay, which we consider the most effective means of motivating the CEO and aligning his interests with those of shareholders.

Satisfaction of Vested Awards

Any vested awards under the Stretch CEO LTIP will be satisfied through market purchases, reducing the dilutive impact to shareholders. The Company proposes to establish an employee benefit trust in order to acquire, administer and hold these purchased shares in order to satisfy the Company's obligations under the Stretch CEO LTIP and hedge the associated costs.

The CEO will be required to remain in the role for the entire performance period in order to be entitled to any vested portions of the Award, subject to standard good leaver provisions and malus/clawback provisions as set out in the Appendix.

Summary

At a time when there are increasing challenges around setting stretching long-term targets across sectors, we are seeking to implement an ambitious award to retain and incentivise our CEO, while keeping fixed pay and short-term incentives well below market. As a Committee, we consider the approach of challenging the CEO to achieve significant long-term performance targets while maintaining very low levels of fixed pay as being the most effective means of aligning management interests with those of shareholders. Indeed, the alternative approach to addressing the significant gap between the CEO's remuneration and those of direct peers would be to increase salary and regular incentive limits. As a Committee, we are satisfied that the proposed approach is far more shareholder-friendly in nature, as the potential under the Stretch CEO LTIP remains subject to the satisfaction of stretching performance targets.

As a Committee and a Board, we have been truly transparent on the remuneration philosophy Cairn has developed which we consider to be fundamentally aligned with our performance-orientated culture and the entrepreneurial nature of the CEO, whereby modest levels of fixed pay are supplemented with 'at-risk' variable pay to incentivise superior performance. We have also taken material steps to reflect shareholder feedback in the final proposal, which includes a six-year time horizon designed to focus the CEO on driving enhanced profitability over the long-term against a difficult external backdrop and challenging headwinds and from a record level of performance in the base year of 2022.

We continue to make decisions that we believe will drive the performance of the business through motivating the CEO as we enter an important stage of growth for the business and seek to maximise long-term value for our shareholders and stakeholders. In light of the changes made following consultation, and the alignment with shareholder experience under the terms of the Stretch CEO LTIP, we hope that shareholders will support the proposal.

Yours faithfully,

Linda Hickey
Chair of the Remuneration Committee

PART 3 – APPENDIX
SUMMARY OF THE PRINCIPAL TERMS OF THE CAIRN HOMES PLC STRETCH CEO LTIP

A summary of the principal terms of the Cairn Homes plc Stretch CEO LTIP is set out below. The Stretch CEO LTIP will be administered by the remuneration committee of the Board (**Remuneration Committee**). In this Appendix, references to the Remuneration Committee include, where applicable, the Board or any duly authorised committee.

The draft terms of the Stretch CEO LTIP agreement will be available for inspection from the date of the Notice of EGM of the Company until the close of the EGM at the registered office of the Company or from the Company Secretary on request and at the EGM for at least 15 minutes before and during the meeting.

1. ELIGIBILITY

The Stretch CEO LTIP is being established to enable the Company to grant long term equity incentive awards to Mr. Stanley, its Chief Executive Officer, in 2023 (the **2023 Award**) and 2024 (the **2024 Award**) that will be linked to ambitious and stretching long term growth and profit targets for the Company. No other employee of the Company or any of its subsidiaries will be eligible for an award under the Plan.

The proposed awards under the Stretch CEO LTIP will be in addition to any awards Mr. Stanley has received or may receive under the Company's existing Long Term Incentive Plan (**Existing LTIP**), and awards under the Stretch CEO LTIP are subject to performance criteria that significantly exceed the range of performance criteria applicable to awards under the Existing LTIP.

2. FORM OF AWARDS

Awards under the Stretch CEO LTIP will be in the form of a conditional right to a specified number of ordinary shares in the capital of the Company, to be delivered as soon as practicable after the end of a specified performance and subsequent holding period, and subject to the achievement of stretching financial performance targets during that performance period, further details of which are outlined below.

3. MAXIMUM POTENTIAL AWARD

3.1 The 2023 Award will be granted in September 2023 over such number of shares as shall have a market value of €3,500,000 based on the closing price of the Company's shares on the day before the date of grant.

3.2 The 2024 Award will be granted in April 2024 over the same number of shares as comprise the 2023 Award (irrespective of the market value of that number of shares at that time), subject to Mr. Stanley continuing to hold the position of Chief Executive Officer at the time of grant.

4. GRANT OF AWARDS

4.1 The 2023 Award will be granted within the 42-day period following the date of approval of the Stretch CEO LTIP by shareholders in general meeting.

4.2 The 2024 Award will be granted within the 42-day period following the second business day after the announcement of the Company's half yearly or annual results.

However, in either case no award will be granted at a time when there is an embargo on dealings in shares under stock exchange, dealing code or other applicable regulatory rules. If there is a restriction on dealing in the 42-day periods referred to in 4.1 or 4.2 above, the relevant award will be granted during the 14 days immediately following the day on which such restriction ceases to have effect or the expiry of such 42-day period if later.

5. VOTING AND DIVIDENDS

5.1 Mr. Stanley does not acquire any voting rights in respect of any shares that are subject to an award under the Stretch CEO LTIP unless and until the award vests, after which time he will acquire voting rights in respect of the number of shares in relation to which the award vests.

5.2 Dividend equivalents on the specified number of shares covered by an award may, at the discretion of the Remuneration Committee, accrue and be deferred with respect to such award until the date of vesting, to the extent that the award has vested. Any such dividend equivalents will be paid in shares.

6 VESTING

6.1 **2023 Award**

The 2023 Award will be subject to a three-year performance period across FY 2023, 2024 and 2025, with FY 2022 being the base line for performance measurement. Vesting will be calculated as follows:

6.1.1 75% of the award will relate to the Company's compound annual growth rate (CAGR) in reported (unadjusted) profit after tax (PAT) as set out in Table 1 below:

Table 1:

Performance Period	Threshold 25% vesting	Stretch 85% vesting*	Maximum 100% vesting	Profit growth from base for maximum payout
3 years FY 2023 – FY 2025 inclusive	7.5% CAGR	10% CAGR	12.5% CAGR	42%

* Award will not be subject to straight line vesting, with achievement of the stretch performance target resulting in 85% of total award vesting.

6.1.2 The remaining 25% of the award will relate to Return on Equity (ROE) performance during the final year of the performance period (i.e. FY 2025) as set out in Table 2 below:

Table 2:

Performance Period	Threshold 25% vesting	Stretch 85% vesting*	Maximum 100% vesting
3 years FY 2023 – FY 2025 inclusive	14% CAGR	15.5% CAGR	17% CAGR

* Award will not be subject to straight line vesting, with achievement of the stretch performance target resulting in 85% of total award vesting.

6.2 **2024 Award**

The 2024 Award will be subject to a four-year performance period across FY 2023, 2024, 2025 and 2026, with FY 2022 being the base line for performance measurement. Vesting will be calculated as follows:

6.2.1 75% of the award will relate to the Company's CAGR in reported (unadjusted) PAT as set out in Table 3 below:

Table 3:

Performance Period	Threshold 25% vesting	Stretch 85% vesting*	Maximum 100% vesting	Profit growth from base for maximum payout
4 years FY 2023 – FY 2026 inclusive	7.5% CAGR	10% CAGR	12.5% CAGR	60%

* Award will not be subject to straight line vesting, with achievement of the stretch performance target resulting in 85% of total award vesting.

6.2.2 The remaining 25% of the award relates to ROE performance during the final year of the performance period (i.e. FY 2025) as set out in Table 4 below:

Table 4:

Performance Period	Threshold 25% vesting	Stretch 85% vesting*	Maximum 100% vesting
4 years FY 2023 – FY 2026 inclusive	14% CAGR	15.5% CAGR	17% CAGR

* Award will not be subject to straight line vesting, with achievement of the stretch performance target resulting in 85% of total award vesting.

6.3 The Remuneration Committee will determine as soon as practicable at the end of the applicable performance periods the extent to which an award has vested. To the extent that some or all of an award has not vested it will lapse immediately and no further entitlement to the unvested portion arises.

7. POST VESTING RETENTION PERIOD

The Remuneration Committee shall impose a retention condition of at least two years post-vesting in relation to any shares comprising the vested portion of an award under the Plan. During this retention period, shares will be transferred to and held in the Company's Restricted Share Trust and held on behalf of Mr. Stanley, who will be the beneficial owner of the shares and the trustee will be the legal owner during the retention period.

8. SOURCE OF SHARE CAPITAL; ESTABLISHMENT OF EMPLOYEE BENEFIT TRUST

The Company has determined that awards made under the Plan, unlike awards under its other employee equity plans, will only be satisfied by shares purchased in the market i.e. no newly issued or treasury shares will be used for awards under the Plan. This will ensure that shareholders are not diluted as a result of the Plan, and it will also ensure that sufficient headroom remains available for the issuance of share capital under other employee equity plans operated by the Company, within the limits already agreed by shareholders in this regard.

In order to facilitate the acquisition of shares in the market and hedge the Company's liabilities under the Plan, it is proposed that the Company will establish a discretionary employee benefit trust (EBT) as the vehicle through which shares will be purchased in the market and held until required at the end of the applicable vesting periods. Subject to obtaining shareholder approval of the Plan, the Company will set up the EBT as soon as practicable thereafter for the benefit of employees generally and the Company will seek to optimise its costs by funding the EBT by way of either a loan or a cash contribution, within the parameters of company law and tax considerations. The trust deed will not permit the trust to subscribe for newly issued or treasury shares. It is anticipated that the EBT will be set up in an offshore location (Jersey or Guernsey) and the Company will engage a professional trustee to operate the trust as a discretionary trust, with the trustee being the legal owner of any shares or cash held in the trust, which it will hold for the benefit of employees generally i.e. the beneficiaries of the trust. It should be noted that this trust will be separate from the Restricted Share Trust referred to in section 7 above, which is a "bare" trust set up in accordance with Irish tax legislation governing restricted shares and facilitates the holding of a specified number of shares for specified employees who have become the beneficial owner of their shares.

9. ADDITIONAL SHAREHOLDING REQUIREMENT

An additional condition for both the grant and vesting of both the 2023 Award and 2024 Award is that Mr. Stanley must retain at least 25% of his current aggregate shareholding in the Company (c 5.44m of a total of 21,746,063 shares) for the duration of the period covered by the Stretch CEO LTIP i.e. up to the end of the last post-vesting retention period in 2028, which is a significant increase in his current shareholding retention requirement.

10. CESSATION OF EMPLOYMENT

Cessation of employment during the performance period will generally result in the awards lapsing, save for in exceptional circumstances or if Mr. Stanley is treated as a "good leaver".

For the purpose of the Plan, Mr. Stanley will be deemed to be a "good leaver" if he ceases to be employed by the Company and its subsidiaries (the Group) for health reasons, redundancy, voluntary severance, the transfer or sale of the entity that employs him or the part of the business in which he works outside the Group, or any other reasons where the Remuneration Committee determines that exceptional circumstances apply.

If Mr. Stanley is a good leaver after an award has been granted and prior to the vesting of the award, the Remuneration Committee will have discretion to allow him to continue to hold any unvested award until it vests or lapses in accordance with the rules of the Plan, subject to the achievement of the established performance conditions. In normal circumstances, awards will be pro-rated for time served relative to the applicable performance period. The Remuneration Committee has discretion to pro rate the award and to determine the rate of vesting.

If Mr. Stanley dies after the grant of an Award and prior to its vesting, the Remuneration Committee has discretion to determine whether the whole or a specified percentage of the award vests.

11. MALUS AND CLAWBACK

11.1 The Remuneration Committee can recalculate the number of shares comprised in an award under the Stretch CEO LTIP prior to vesting where:

- 11.1.1 there is a material misstatement of the Group's published accounts; or
- 11.1.2 any Group company suffers any business or reputational damage arising from a criminal offence, serious misconduct or gross negligence by Mr. Stanley: or
- 11.1.3 there is material breach of applicable health and safety regulations by Mr. Stanley.

11.2 Similarly, if any of the above circumstances apply at any time prior to the second anniversary after the date on which an award vests, there may be a claw back of some or all of the shares, or a cash payment, on a basis determined by the Remuneration Committee in accordance with the rules of the Plan. This two-year period may be extended if Mr. Stanley, the Company or any other member of the Group or relevant business unit is under investigation by a regulatory authority and such investigation is not expected to be concluded by the end of the two year period.

12. CORPORATE EVENTS

In the event of a change of control of the Company, vesting may be accelerated, rolled over into an award over shares in the acquiring company, cancelled for cash or otherwise varied. If accelerated, the Committee will retain their discretion to determine what level of awards will vest.

13. ADJUSTMENTS

In the event of a variation of the Company's share capital or a demerger, delisting, special dividend, rights issue or other event, which may, in the Remuneration Committee's opinion, affect the current or future value of shares, the number of shares subject to an award may be adjusted as determined by the Remuneration Committee.

14. AMENDMENT AND TERMINATION

The Remuneration Committee may at any time amend the terms of the Stretch CEO LTIP and the Award, but no amendment to the advantage of Mr. Stanley will be made to the following terms without the prior approval of shareholders in general meeting:

1.1 the maximum potential award under the 2023 Award or 2024 Award;
1.2 the performance conditions, or
1.3 the adjustments that may be made in the event of a variation of capital.

The only exceptions to the above provision are in relation to minor amendments to benefit the administration of the Stretch CEO LTIP or which are necessary or desirable to take account of any change in legislation or to obtain or maintain favourable taxation, exchange control or regulatory treatment for any member of the Group or Mr. Stanley.

The Stretch CEO LTIP will terminate the day after the end of the latest applicable post-vesting retention period.

PART 4 – NOTICE OF AN EXTRAORDINARY GENERAL MEETING OF CAIRN HOMES PLC (THE "COMPANY")

NOTICE is hereby given that an Extraordinary General Meeting (**EGM**) of the Company will be held at 45 Mespil Road, Dublin 4, D04 W2F1, Ireland on Thursday, 31 August 2023 at 10 a.m. for the following purposes:

To consider and, if thought fit, to pass the following ordinary resolution:

1. That the establishment of the "Cairn Homes PLC Stretch CEO LTIP", the principal features of which are summarised in the Appendix to the Chairman's Letter dated 4 August 2023 which accompanies the notice convening this EGM, be and is hereby approved and the Directors be and are hereby generally and unconditionally authorised to:

    (a) do all acts and things which they may consider necessary or expedient to effectively adopt, implement and operate the Stretch CEO LTIP; and/or
    (b) make any such minor amendments to the terms of the Stretch CEO LTIP to benefit the administration of the Stretch CEO LTIP, to take account of legislative changes, or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment for Mr Stanley, the Company or any other member of the Group; and/or
    (c) establish an employee benefit trust, in such manner as the Remuneration Committee of the Company may in its discretion determine in order to purchase, hold and administer the shares in the capital of the Company required to satisfy awards pursuant to and in accordance with the Stretch CEO LTIP, as more particularly set out in paragraph 8 of the Appendix to the Chairman's Letter dated 4 August 2023 which accompanies the notice convening this EGM.

By order of the Board

Tara Grimley
Company Secretary

Registered Office:
45 Mespil Road
Dublin 4
D04 W2F1

4 August 2023

EGM NOTICE: NOTES

The following information is provided to members in accordance with Section 1103 of the Companies Act 2014.

1. Voting rights and total number of issued shares

As a Shareholder, you have several ways of exercising your vote:

(a) by attending the EGM in person;
(b) by appointing a proxy to attend and vote on your behalf; or
(c) by appointing a proxy through the CREST system if you hold your ordinary shares in CREST.

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered shareholders and for this purpose seniority shall be determined by the order in which the names stand in the register of shareholders in respect of the joint holding.

The total number of issued ordinary shares on the date of this Notice of EGM is 670,688,057. Each ordinary share carries one vote. On a vote on a show of hands, every Shareholder present in person and every proxy has one vote (but no individual shall have more than one vote). On a poll every Shareholder shall have one vote for every ordinary share of which he or she is the holder. The resolutions to be proposed at the EGM will be determined on a poll and will require to be passed by a simple majority of votes cast by those shareholders who vote in person or by proxy.

2. Entitlement to attend and vote

Only those members registered in the register of members of the Company at 6.00 p.m. on Sunday, 27 August 2023 or if the EGM is adjourned, at 6.00 p.m. on the day that falls 72 hours before the time appointed for the adjourned meeting shall be entitled to attend, speak, ask questions and in respect of the number of ordinary shares registered in their name, vote at the meeting, or if relevant, any adjournment thereof. Changes in the register after that time and date will be disregarded in determining the right of any person to attend and/or vote at the meeting or any adjournment thereof.

3. Appointment of proxies

A member who is entitled to attend, speak, ask questions and vote at a general meeting of the Company is entitled to appoint a proxy to attend, speak, ask questions and vote on his or her behalf at the EGM and may appoint more than one proxy to attend on the same occasion in respect of ordinary shares held in different securities accounts. Only shareholders shall have the right to appoint a proxy to attend, speak, ask questions and vote on his/her behalf at the EGM and at any adjournment thereof. Such a member acting as an intermediary on behalf of one or more clients may grant a proxy to each of its clients or their nominees and such intermediary may cast votes attaching to some of the ordinary shares differently from other ordinary shares held by it. The appointment of a proxy will not preclude a shareholder from attending, speaking, asking questions and voting at the EGM should such shareholder subsequently wish to do so. A proxy shall be bound by the articles of association of the Company. A proxy need not be a member of the Company. Any shareholder wishing to appoint more than one proxy should contact the Registrars of the Company, Computershare Investor Services (Ireland) Limited, by telephone on +353 (0)1 447 5566.

If you intend to appoint a proxy other than the Chair of the EGM, we would ask that, as a contingency measure, you would additionally appoint the Chair of the EGM as an alternative in the event the initially intended proxy is unable to attend for any reason (and does not appoint a substitute). This will facilitate your vote being included in a wider range of contingent scenarios.

A Form of Proxy for use by shareholders is enclosed with the Notice of EGM. To be effective, the Form of Proxy duly completed and executed, together with any original power of attorney or other authority under which it is executed, or a copy of such authority certified notarially or by a solicitor practicing in the Republic of Ireland, must be deposited with the Registrars of the Company, either by post (or by hand during normal business hours only being 9.00 a.m. to 5.00 p.m.) to 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82, Ireland, so as to be received in any case no later than 48 hours before the time appointed for the EGM or adjourned EGM or (in the case of a poll taken otherwise than at or on the same day as the EGM or adjourned EGM) at least 48 hours before the taking of the poll at which it is to be used. Any alteration to the Form of Proxy must be initialled by the person who signs it.

Alternatively, subject to the articles of association of the Company and provided it is received not less than 48 hours before the time appointed for the holding of the EGM or adjourned EGM or (in the case of a poll taken otherwise than at or on the same day as the EGM or adjourned EGM) at least 48 hours before the taking of the poll at which it is to be used, the appointment of a proxy may:

(a) be submitted electronically, subject to the terms and conditions of electronic voting, via the internet by accessing the Company's Registrar's website, www.eproxyappointment.com. You will need your Shareholder Reference Number (SRN), PIN and Control Number, all of which are printed on your Form of Proxy; or
(b) be submitted through CREST in the case of CREST members, CREST sponsored members or CREST members who have appointed voting service providers. Transmission of CREST Proxy instructions must be done and authenticated in accordance with Euroclear specifications as set out in the CREST Manual and received by the Registrar under CREST Participant ID 3RA50.

In the case of a corporation, the Form of Proxy must be either executed under its common seal, signed on its behalf by a duly authorised officer or attorney, or submitted electronically in accordance with note (b) above.

On any other business which may properly come before the EGM, or any adjournment thereof, and whether procedural or substantive in nature (including without limitation any motion to amend a resolution or adjourn the meeting) not specified in this Notice of EGM, the proxy will act at his/her discretion.

4. Questions at the EGM
We invite you to submit, in advance, any questions you would like to have asked at the EGM in writing by email to company.secretary@cairnhomes.com no later than 12 noon on Wednesday, 30 August 2023 or by sending a letter and evidence of your shareholding at least four (4) business days prior to the EGM by post to the Company Secretary at the Company's registered office.

Under Section 1107 of the Companies Act 2014, the Company must answer any question which a member may ask relating to the business being dealt with at the EGM unless:

(a) answering the question would interfere unduly with the preparation of the EGM or the confidentiality and business interests of the Company;
(b) the answer has already been given on a website in a question and answer format; or
(c) it appears to the Chairman of the EGM that it is undesirable in the interests of good order of the meeting that the question be answered.

5. Other resolutions
The EGM is being convened to consider the specific resolution as incorporated in this Notice of EGM. As the text of this resolution is set out in this Notice of EGM, Section 1104(1)(b) of the Companies Act 2014 (as amended) (which provides that a member or a group of members holding three per cent. of the issued share capital, representing at least three per cent. of the total voting rights of all members who have a right to vote at the meeting, have a right to table a draft resolution for an item on the agenda of an extraordinary general meeting) is accordingly inapplicable.

Subject to the Companies Act 2014 and any provision of the Company's constitution, where a resolution is proposed as:

(a) a special resolution, no amendment to the resolution (other than an amendment to correct a patent error) may be considered at the EGM; and
(b) an ordinary resolution, no amendment to the resolution (other than an amendment to correct a patent error) may be considered or voted upon unless either at least 48 hours prior to the time appointed for holding the general meeting or adjourned meeting at which the ordinary resolution is to be proposed, notice in writing of the terms of the amendment and intention to move same has been lodged with the Company Secretary or the Chairman in his absolute discretion decides that it may be considered or voted upon.

6. Information regarding the EGM
Information regarding the EGM, including information required by Section 1103 of the Companies Act, 2014, is available from www.cairnhomes.com.

The Company will take all appropriate safety measures as the Directors may in their absolute discretion determine from time to time, and in any individual case, to be necessary or desirable at, during or prior to the EGM to ensure the safety of any attendees and others involved with it. Such measures may include, without limitation, the restriction of the number of attendees, and health and/or compliance related checks and requirements.

During the EGM, members (or their duly appointed proxies) may not use cameras, smart phones or other audio, video or electronic recording devices, unless expressly authorised by the Chairman of the EGM. This prohibition shall not apply to equipment being used by the Company for the purpose of projecting the EGM onto screens during the EGM or to photographs taken by accredited press photographers admitted to the EGM. Please note, such equipment may capture personal data. Such personal data shall be used for the purpose of the EGM and in full compliance with applicable data protection law. In addition, the Company may process your personal data for other legitimate interests of the Company or to meet further legal obligations.

Cairn Homes plc

Extraordinary General Meeting