



Targets Relating to the 2022 LTIP Awards

Cairn Homes plc (“Cairn” or the “Company”) announces the targets for its FY 2022 Long-term Incentive Plan (“LTIP”), granted to Executive Directors on 4 April 2022. As set out in the 2021 Annual Report, the Remuneration Committee (the “Committee”) detailed that the targets for the FY 2022 LTIP would be confirmed and disclosed at the time the awards were granted to participants.

Following a comprehensive review of internal modelling and external forecasts, the Committee confirms that the following metrics and targets will apply to the 2022 LTIP awards:

	Metric	Weighting	Threshold Target (25% vesting)	Target Vesting	Maximum Target (100%)*
Financial	Earnings Per Share	60%	28.4c	n/a	40.1c
	Return on Equity	20%	13%	n/a	15%
Non-Financial	Units Commencing on Biodiversity Net Gain sites	20%	25%	30%	40%

*There will be straight line vesting between targets.

EPS Metric

The EPS targets detailed above are cumulative targets calculated over the entire three-year performance period to 2024. The Committee is satisfied that a cumulative EPS target effectively motivates participants to deliver sustainable growth in profitability over the performance period.

ROE Metric

The ROE target detailed above is calculated based on performance in FY24. The Committee is satisfied that the targets incentivise strong returns on equity for the three-year period.

The targets for the financial measures were set after a rigorous review of internal forecasts and factored in external expectations of future performance.

Biodiversity Measure

The biodiversity measure focuses on 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 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.

Further details regarding the biodiversity measure are set out on page 102 of the 2021 Annual Report.