Board of Directors

Ian Tyler

Non-Executive Chair

N

Career

Ian Tyler joined the Board as Non-Executive Director on 1 March 2024 and assumed the role of Chair at the conclusion of the AGM in 2024.

Mr. Tyler was appointed Group Finance Director of Balfour Beatty plc in 1999, Chief Operating Officer in 2002 and Chief Executive in 2005, a role he held until 2013. Mr. Tyler has previously been Chair of Amey UK plc, Vistry Group plc, AWE Management Ltd, Al Noor Hospitals Group plc, Cairn Energy plc and Affinity Water Limited. He is a former Non-Executive Director of BAE Systems plc, Cable & Wireless Communications plc, VT Group plc and Mediclinic International plc.

Current External Appointments

Non-Executive Director of Anglo American plc and Synthomer plc and Chair of BMT Group Ltd, a privately owned design and technical consulting firm.

Board Length of Service as at 5 March 2025

1.0 years

Eric Born

Chief Executive Officer

F

Career

Eric Born joined the Group and the Board as Chief Executive Officer on 28 November 2022.

Mr. Born was previously Chief Executive Officer of Swissport International AG, the leading global aviation services provider, and Chief Executive of Wincanton plc, a leading provider of supply chain solutions. He was formerly President, West & South Europe of Gategroup, the global airline catering provider, and prior to that he held a variety of senior roles in the retail sector in Switzerland and the UK.

Mr. Born previously served as Non-Executive Director of Serco Group plc and John Menzies plc.

Current External Appointments

None.

Board Length of Service as at 5 March 2025

2.3 years

David Arnold

Chief Financial Officer

F

Career

David Arnold joined the Group as Group Chief Financial Officer on 9 September 2013.

Mr. Arnold was Group Finance Director of Enterprise plc, the UK Maintenance and Support Services business, from 2010 to 2013 and was Finance Director of Redrow plc, the house builder, from 2003 to 2010. He previously held senior financial positions with Six Continents plc, the hotels group and Tarmac plc, the building materials company.

Current External Appointments

Non-Executive Director of Crest Nicholson Holdings plc, a leading residential housebuilder operating in Southern England and the Midlands.

Board Length of Service as at 5 March 2025

11.5 years

Susan Murray

Senior Independent Director

R A&R N

Career

Susan Murray was appointed to the Board on 14 October 2016 and was appointed Senior Independent Director with effect from 2 May 2024.

Mrs. Murray is a former Chief Executive of Littlewoods Stores Limited and former Worldwide President and Chief Executive of The Pierre Smirnoff Company, part of Diageo plc. She is a former Chair of Farrow & Ball and a former Non-Executive Director of Compass Group plc, 2 Sisters Food Group, Pernod Ricard S.A., Imperial Brands plc, El Group plc, Aberdeen Asset Management plc, SSL International plc, Wm Morrison Supermarkets plc and Mitchells & Butlers plc.

Current External Appointments

Non-Executive Director and Chair of the Remuneration Committee of Hays plc, a provider of recruitment and human resource services; and Senior Independent Non-Executive Director of William Grant & Sons, a privately owned distiller and distributor of premium spirits.

Board Length of Service as at 5 March 2025

8.4 years

Committee membership key

A&R Audit and Risk Committee
R Remuneration Committee
N Nomination Committee
F Finance Committee
Committee Chair

Vincent Crowley
Non-Executive Director

A&R N R

Career

Vincent Crowley was appointed to the Board on 14 October 2016.

In the course of a 24 year career with Independent News & Media PLC, a leading Irish newspaper and media business, Mr. Crowley held a number of leadership positions including Chief Executive Officer and Chief Operating Officer and member of the Board. Prior to joining Independent News & Media PLC, he held senior roles in KPMG and Arthur Andersen. Former Non-Executive Director of C&C Group plc.

Current External Appointments

Chair of Davy Stockbrokers, Ireland's leading provider of wealth management and capital markets services. Chair of Altas Investments plc, an Irish company that holds investments in infrastructure and related businesses.

Board Length of Service as at 5 March 2025

8.4 years

Rosheen McGuckian
Non-Executive Director

A&R N R

Career

Rosheen McGuckian was appointed to the Board on 1 January 2020.

Dr. McGuckian is Chief Executive Officer of NTR plc, an unquoted Irish company that acquires, constructs and manages sustainable infrastructure assets.

Immediately prior to joining NTR, Dr. McGuckian was Chief Executive Officer of GE Money Ireland, the consumer finance division of General Electric.

Dr. McGuckian previously served as Non-Executive Director of Green REIT plc, the Social Innovation Fund of Ireland, the Irish Aviation Authority and the Strategic Banking Corporation of Ireland.

Current External Appointments

Chief Executive Officer of NTR plc; Non-Executive Director of Sicon Limited, the parent company of John Sisk & Son, an international engineering and construction company.

Board Length of Service as at 5 March 2025

5.2 years

Avis Darzins
Non-Executive Director

A&R N R

Career

Avis Darzins was appointed to the Board on 1 February 2022.

Ms. Darzins is a former Partner at Accenture in London where she worked with many well-known national and international brands in the retail and consumer products sectors.

Ms. Darzins has extensive experience of business change in a variety of sectors including Director of Business Transformation at Sky plc.

Ms. Darzins is a former independent consultant with EY. She served as Non-Executive Director at Moss Bros Group plc until the business was taken private in June 2020.

Current External Appointments

Non-Executive Director of Marshalls plc, the UK's leading manufacturer of landscaping products; Non-Executive Director of Safestore Holdings plc, the UK's largest self storage company; Senior Independent Trustee and Trustee Board member of Barnardo's, the UK's largest children's charity.

Board Length of Service as at 5 March 2025

3.1 years

Mark Robson
Non-Executive Director

A&R N R

Career

Mark Robson was appointed to the Board on 1 December 2023.

Mr. Robson is a highly experienced former Chief Financial Officer with a board level career in listed companies spanning over two decades and experience, gained at a senior executive level, of the manufacture and distribution of materials to small builders through a national branch network.

Mr. Robson joined the Board of Howden Joinery Group Plc as CFO in April 2005 and also served as Deputy CEO for his final six years on the Board until his retirement in December 2021. Prior to joining Howdens, Mr. Robson served for six years as CFO of Delta plc, the international industrials group.

Current External Appointments

Non-Executive Director of Morgan Sindall Group plc, a leading UK construction and regeneration group.

Board Length of Service as at 5 March 2025

1.3 years

Our Group Management Team

Our experienced Group Management Team are committed to demonstrating our strong culture, purpose and values and to promoting the long-term sustainable success of the Group for the benefit of all of our stakeholders.

Eric Born
Chief Executive Officer

Career

Eric Born joined the Group and the Board as Chief Executive Officer on 28 November 2022.

See biography on page 82.

David Arnold
Chief Financial Officer

Career

David Arnold joined the Group as Group Chief Financial Officer on 9 September 2013.

See biography on page 82.

Susan Lannigan
General Counsel and Company Secretary

Career

Susan Lannigan joined Grafton in April 2015 as Deputy Company Secretary and was appointed General Counsel and Company Secretary in July 2024. Susan leads Grafton's legal, company secretarial and communications functions.

Susan qualified as a solicitor in 2009. Prior to joining Grafton she held legal and company secretarial roles in private practice and in the financial services industry.

Paula Harvey
Group HR Director

Career

Paula Harvey joined the Group in January 2013 as the HR Director for a large collection of our UK businesses and was later promoted to Group HR Director. Paula has previously worked with international and UK organisations across the complete spectrum of HR roles in several different business sectors and has also spent several years running her own consulting business.

Stephen Hunter
Group Corporate Development Director

Career

Stephen Hunter joined Grafton on 1 January 2018 after relocating from London to Dublin. Stephen has over 10 years' experience in corporate finance, having previously worked at EY and a boutique corporate finance firm in London. Stephen has been involved with every acquisition since joining Grafton and is also involved in the strategic initiatives across the Group.

Chair's Introduction

Dear Shareholder,

On behalf of the Board, I am pleased to present our Corporate Governance Report for the year ended 31 December 2024. This report summarises our corporate governance framework including how we apply the principles and provisions of the UK Corporate Governance Code ("the Code").

Board activity

The Board balances its agenda to ensure it covers all performance, operations, strategic and governance matters. The typical board agenda includes the following matters:

General matters: minutes, matters arising and reports from the Chairs of the Board Committee, governance, legal and regulatory matters.

Performance and operations: updates on trading, financial performance and operations, along with updates from key group functions such as Health and Safety, HR, Internal Audit and Risk, Investor Relations and Sustainability.

Corporate development strategy: allocation of capital for organic growth and acquisitions; strategic development of Group; acquisition and growth opportunities in new and existing markets.

Board composition

Grafton has a strong Board that drives strategy, performance and growth of the business. The membership of the Board reflects a diverse range of backgrounds, education, cultures, expertise, perspectives and business experience including executive and non-executive director experience of the distribution sector.

In line with the Group's policy, all Directors will retire and seek re-election at the 2025 AGM. As noted in the Nomination Committee Report, each Director continues to perform effectively and has demonstrated a strong commitment to the role and I strongly recommend that each of the Directors going forward is elected/re-elected at the AGM.

The Board is committed to promoting diversity and supports the recommendations of the FTSE Women Leaders Review on gender diversity and the Parker Review on ethnic diversity. Female representation on the Board is 38 per cent. I am pleased to report that the Board meets the Parker Review target of having at least one director from an ethnically diverse background.

Board Committees

Each of our Committees continued to perform very effectively during the year. The reports from each Committee Chair in this Report provide details on the key duties, responsibilities and activities of each Committee during the year.

Board evaluation

An externally-facilitated Board evaluation was conducted during the year with support from Gould Consulting. I am pleased to report that the results demonstrate that the Board and its Committees continue to operate effectively and to a high standard of governance.

The findings and observations from this external review are set out in more detail on pages 92 to 93 and they will help to inform and shape the Board's priorities for the current year.

Stakeholder engagement

Creating value and progress for all of our stakeholders is a key aim of Grafton's purpose 'building progress together'. Maintaining strong engagement and clear communication with our stakeholders is therefore an essential part of our activities and our future success. A summary of how we engage with our various stakeholder groups is set out on pages 10 to 11.

AGM

We look forward to welcoming shareholders to our 2025 AGM which will be held at The Irish Management Institute, Sandyford, Dublin 18 at 10.30am on Thursday 8 May 2025.

Ian Tyler
Chair

Governance at a glance

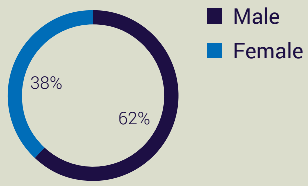
Board meeting attendance

>98%

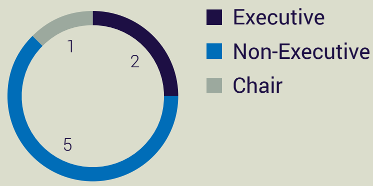
Number of directors at the year end

8

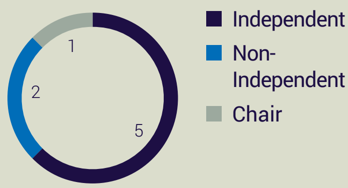
Board gender diversity



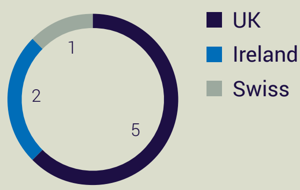
Executive/Non-Executive Directors



Board independence



Board nationality



Corporate governance framework

The Group's organisational structure is established and overseen by the Board and designed to enable us to operate to the highest standard of corporate governance and facilitate effective decision making.

Board of Directors

The Board is collectively responsible for the long-term success of the Group. Its role is to establish the Group's purpose, values and strategy, to provide leadership and management oversight and to create sustainable value taking account of the interests of all its stakeholder groups.

It is also responsible for oversight of the health and safety performance of the Group and for establishing a framework to assess and manage risk, including sustainability and climate risk.

The Board is assisted by Board Committees each of which is responsible for the matters delegated by the Board and set out in its own Terms of Reference.

Board Committees

Audit and Risk Committee

Responsible for the oversight of the Group's financial reporting and its systems of risk management and internal control; and monitoring the effectiveness of the Internal and External audit functions.

Read the Audit and Risk Committee Report on page 94

Remuneration Committee

Responsible for ensuring that Executive Directors are incentivised to successfully implement the Board's strategy and that remuneration is aligned with the interests of shareholders and other stakeholders over the longer term.

Read the Report of the Remuneration Committee on page 102

Nomination Committee

Responsible for reviewing the Board structure and ensuring that it has the necessary balance of skills, experience and diversity to oversee and deliver the Group's strategy.

Read the Report of the Nomination Committee on page 98

Finance Committee

Responsible for considering the financing requirements of the Group, amendments to the terms of existing bank facilities, approval of leases for assets other than property up to a specified level and litigation matters.

Group Risk Committee

The responsibilities of the Group Risk Committee are set out in the Risk Management section on pages 43 to 45.

Chief Executive Officer

The responsibilities of the Chief Executive Officer are set out on page 91.

Group Management Team

Supports the CEO in executive management of the Group. Members of the GMT are set out on page 84.

Executive Sustainability Committee

Supervises and makes operational decisions in relation to the Group's sustainability activities. Read more about the role of the Executive Sustainability Committee on page 79.

Business unit management

Responsible for implementing the governance and sustainability programmes as set out by the Board.

Compliance with the 2018 UK Corporate Governance Code

Grafton Group plc ("the Company") is incorporated in Ireland and is subject to Irish company law. Its Units (shares) are listed on the London Stock Exchange and the Group is subject to the 2018 UK Corporate Governance Code ("the Code") for the 2024 reporting year. This Report describes how the Company applied the principles and met the provisions of the Code during the year.

1. Board Leadership and company purpose

Board meetings

The Board met on ten occasions during 2024, and the attendance of individual directors at each meeting is set out in the table on page 91. The Board also received updates on developments from management between meetings as appropriate. The Board takes the major decisions as set out in the schedule of matters reserved to it for decision, while allowing management sufficient scope to run the business within a tight reporting framework. The Group has arranged insurance cover up to a specified limit in respect of legal actions against directors and officers.

Board committees

The Board is assisted by Committees that focus on specific responsibilities as delegated by the Board. The Terms of Reference of the Audit and Risk Committee, Remuneration Committee and Nomination Committee are on the Group's website. Membership and length of service of Board Committees is shown within each of the Committee reports. Ms. Rebecca McAleavey, Deputy Company Secretary, is Secretary to the Audit and Risk Committee. Ms. Paula Harvey, Group HR Director, is Secretary to the Remuneration Committee. Ms. Susan Lannigan, General Counsel and Company Secretary, is Secretary to the Nomination Committee and she also supports the work of the Remuneration Committee and the Audit and Risk Committee.

The Finance Committee is chaired by Mr. Eric Born, CEO and also comprises Mr. David Arnold, CFO and Mr. David O'Donoghue, Group Financial Controller. The Committee considers the financing requirements of the Group, considers amendments to the terms of existing bank facilities, approval of leases for assets, other than property, up to a specified level and litigation matters.

The Board is briefed on key discussions and decisions by each Committee Chair at the Board meeting following the relevant Committee meeting.

The Disclosure Committee is a Management Committee comprising Mr. Eric Born, Group CEO and Mr. David Arnold, Group CFO. The Committee holds meetings as required to ensure the accuracy and timeliness of compliance with the EU Market Abuse Regulation.

Company purpose, values and strategy

A description of the Group's purpose of 'Building Progress Together', along with information about our core values and strategy is available on pages 12 to 17.

Objectives and controls

The Group's strategic objectives are set out on page 16 and a summary of performance against the Group's KPIs is at pages 26 to 28. The Board also receives regular updates across a broad range of internal KPIs and performance metrics.

The Group has a clear risk management framework in place as described on page 43 to identify and manage the key risks to the Group's business.

Engagement

A description of how the Board engages with its stakeholders is set out on pages 10 and 11.

Colleague engagement

The Board has established structures to provide for effective engagement by the Board with the wider workforce. These include confidential colleague feedback surveys, the results of which are reported to the Board, and Non-Executive Director engagement with colleagues through Colleague Forums.

Non-Executive Directors attended meetings of the Colleague Forums with colleagues from the UK and Ireland during the year and also reviewed feedback from college committees in the Netherlands and Finland. The forums discussed a wide range of topics which included training opportunities, wellbeing, diversity and inclusion, enabling Non-Executive Directors to hear colleague feedback at first-hand and to update the Board. The outcome of the meetings and the insights provided helped inform the Board's decision-making.

Business model and risks

The Group's business model is set out on pages 20 and 21. The Risk Management Report on pages 43 to 53 contains an overview of the principal and emerging risks facing the Group and a description of how they are managed.

Assessing and monitoring culture

The Board recognises the importance of communication and engagement with the wider workforce as a means of assessing and monitoring culture. Colleague Forums held during the year provided opportunities for Directors to meet colleagues and enable their views to be heard at Board level. The Board, via the Audit and Risk Committee, receives and considers whistleblowing reports received on matters raised through SpeakUp, the independent Group wide confidential reporting service, and through reports and observations from Internal Audit reporting. Colleague engagement is also monitored through engagement survey results.

Directors’ Report on Corporate Governance continued

Shareholder engagement

The Company recognises the importance of regular dialogue and communication with shareholders. Meetings are held with existing and prospective institutional shareholders and the Group’s largest shareholder principally after the release of half-yearly and annual results. The Group also issued Trading Updates in January, May, July and October of 2024.

Live audio conference calls for analysts and investors hosted by the CEO and CFO were held via webcast on 7 March 2024 and 29 August 2024 following the announcement of the Final Results for 2023 and the Interim results for 2024 respectively. Pre-recorded presentations for the Final Results for 2023 and the Interim results for 2024 are available to view or download at www.graftonplc.com. Significant or noteworthy acquisitions are announced to the market.

The Group website provides the full text of all announcements including the half-yearly and annual results and investor presentations. As noted above, the Group also issues regular trading updates on the performance of the overall Group and individual business segments. While the Chair takes overall responsibility for ensuring that the views of shareholders are communicated to the Board as a whole, contact with major shareholders is primarily maintained through the CEO and the CFO. The Chair and the Senior Independent Director are available to meet with shareholders if they have concerns which have not been resolved through the normal channels of CEO or CFO or where such contacts are not appropriate. The Board receives feedback from investors following meetings with management following the announcement of the Final Results and the Interim Results and also receives analysts’ reports on the Group.

All shareholders are invited to attend the AGM which provides an opportunity for shareholders to put questions to the Chair, the Chair of each of the Board Committees and Executive Directors and to meet informally with Directors before and after the meeting. In 2024 shareholders were given the opportunity to attend the AGM either in person or remotely and could raise questions during the meeting or by way of a conference call facility.

The Company Secretary communicates with shareholders on corporate governance matters, particularly in the lead up to the AGM and other shareholder meetings. The Company Secretary and Deputy Company Secretary held a governance roadshow for a number of major shareholders prior to the 2024 AGM.

The Notice of the AGM, which specifies the time, date, place and the business to be transacted, is sent to shareholders at least 21 days before the meeting. The AGM is normally attended by all Directors. All resolutions at the 2025 AGM will be decided on a poll in accordance with the Articles of Association of the Company and in line with market practice. In a poll, the votes of shareholders present and voting at the meeting are added to the proxy votes received in advance and the total number of votes for, against and withheld for each resolution are announced. This information is made available on the Company’s website following the meeting.

All other general meetings are called Extraordinary General Meetings (‘EGMs’). An EGM called for the passing of a special resolution must be called by at least 21 clear days’ notice. Provided shareholders have passed a special resolution at the immediately preceding AGM and the Company allows shareholders to vote by electronic means, an EGM to consider an ordinary resolution may, if the Directors deem it appropriate, be called at 14 clear days’ notice. In view of the Group’s international shareholder base, it is the Board’s policy to give 21 days’ notice of EGMs unless the Directors believe that a period of 14 days is merited by the business of the meeting and the circumstances surrounding the business of the meeting.

A quorum for a general meeting of the Company is constituted by two or more shareholders present in person and entitled to vote. The passing of resolutions at a meeting of the Company, other than special resolutions, requires a simple majority. A special resolution requires a majority of at least 75 per cent of the votes cast to be passed.

Shareholders have the right to attend, speak, ask questions and vote at general meetings. In accordance with Irish company law, the Company specifies the record date for the general meeting, by which date shareholders must be registered in the Register of Members of the Company to be entitled to attend. Record dates are specified in the notice of general meeting.

Shareholders may exercise their right to vote by appointing a proxy/proxies, by electronic means or in writing, to vote some or all of their shares. The requirements for the receipt of valid proxy forms are set out in the Notice convening the meeting.

A shareholder, or a group of shareholders, holding at least five per cent of the issued share capital of the Company, has the right to requisition a general meeting. A shareholder, or a group of shareholders, holding at least three per cent of the issued share capital of the Company, has the right to put an item on the agenda of an AGM or to table a draft resolution for inclusion on the agenda of a general meeting, subject to any contrary provision in Irish company law.

Time commitment of the Chair and Non-Executive Directors

The Chair and Non-Executive Directors are required to confirm prior to appointment to the Board that they will have sufficient time available to discharge their responsibilities effectively and that they have no conflicts of interest. This matter is given very careful consideration by the Nomination Committee and the Board before any appointments are made. Following appointment, the Board considers requests by Directors wishing to undertake new directorships and considers both the time commitment involved and any potential conflicts of interest with their roles as Directors of Grafton.

The Board recognises the benefits of the Chair and Non-Executive Directors having varied and broad experience. It considers investor guidance on this area as part of the annual review of the time commitments of each Director. The Chair and all Non-Executive Directors except one had a 100 per cent attendance record at all Board Meetings held during the year. One Director was unable to attend one Board meeting during the year due to a personal matter. They also demonstrated high levels of availability and responsiveness where discussions were required from time to time between Board Meetings. The Board remains confident that the Chair and individual members continue to devote sufficient time to undertake their responsibilities effectively.

No new Directorships were taken on by members of the Board during the year except for the appointment of Mark Robson as Non-Executive Director of Morgan Sindall Group plc.

2025 AGM

The 2025 AGM will be held at the Irish Management Institute (IMI), Sandyford Road, Dublin, D16 X8C3, Ireland at 10.30am on Thursday 8 May 2025.

Votes against the recommendation of the Board at the 2024 AGM

The Company announced on 2 May 2024 that Resolutions 1 to 11 proposed to shareholders at the AGM of the Company were duly passed in line with the Board's recommendation. Resolution 12, which was a shareholder resolution concerning the impact of share buybacks on the earnings per share performance condition of awards granted to participants of the 2021 Long Term Incentive Plan of the Company (the "LTIP"), was not passed. The recommendation of the Board (excluding Mr. Eric Born and Mr. David Arnold who, as potential beneficiaries of the LTIP, recused themselves from the Board's decision in this matter) was for a vote against Resolution 12.

The Board noted that while 78.59 per cent of votes cast supported the Board's recommendation and voted against this resolution, a notable minority of votes (21.41 per cent) were cast in favour of Resolution 12.

In line with Provision 4 of the 2018 UK Corporate Governance Code, the Company engaged in a consultation process with those shareholders who were identified as having voted in favour of Resolution 12 to gain an understanding of their views, and now provides this update on the views received from shareholders.

The views expressed by shareholders included a preference for capital deployment initiatives to be set in a way that does not incentivise management towards one over another, and that management should have flexibility to adapt capital allocation to the circumstances that transpire.

For Awards granted to participants up to and including the Award made in 2024, EPS outcomes were calculated based on the weighted average number of shares in issue at the beginning of the performance period, such that the impact of share buybacks during the performance period was excluded.

The Board has considered this approach taking into account feedback received and with a view to ensuring that its approach is fair to participants and stakeholders and does not incentivise one form of capital allocation over another. For the LTIP awards to be granted in 2025, EPS targets will be based on forecast organic growth plus potential growth achievable through acquisitions or buybacks. EPS performance will be assessed on adjusted EPS for the final year of the performance period, including the impact of acquisitions or share buybacks. This approach aligns with our strategy of driving shareholder return through organic growth and targeted acquisitions, whilst ensuring there is rigorous focus on effective capital allocation and balance sheet efficiency.

The Board considers that this approach better reflects the diverse views of shareholders, aligns executives with the shareholder experience and acknowledges the positive impact of acquisitions and share buybacks on EPS and shareholder value.

Stakeholder views

The Code provides that the Board should understand the views of the Company's key stakeholders other than shareholders and describe how their interests and the matters set out in section 172 of the UK Companies Act 2006 have been considered in Board discussions and decision-making. An overview of how the Group engages with all of its stakeholders is set out on pages 10 and 11.

Whistleblowing

All colleagues have access to a confidential SpeakUp reporting service which provides an effective channel to raise concerns to an independent third party. The Board, via the Audit and Risk Committee, receives regular reports detailing all reports made through this service and subsequent action taken.

Conflicts of interest

The Board confirms that a system for the declaration of conflicts of interests is in place.

Unresolved concerns

No unresolved concerns about the operation of the Board or the management of the Group were raised by any Director during the year.

Directors' Report on Corporate Governance continued

2. Division of responsibilities

Chair

The Chair was independent on appointment to the role in May 2024. The responsibilities of the Chair, as set out on page 91, are set out in writing and agreed by the Board.

Board balance and division of responsibilities

The Board believes that it has an appropriate balance of Executive and Non-Executive Director representation and it is Board policy that no individual or small group of individuals can dominate its decision-making.

A statement of how the Board operates, including a schedule of the decisions reserved for the Board and those delegated to management, is set out in writing and agreed by the Board. The schedule of matters specifically reserved for Board decision covers:

- Strategic decisions and corporate developments;
- Risk management and internal controls;
- Acquisitions and capital expenditure above agreed thresholds;
- Interim and final dividends and share purchases;
- Changes to the capital structure;
- Tax and treasury management;
- Approval of half-yearly and annual financial statements; and
- Budgets and matters currently or prospectively affecting the Group and its performance.

Effective and efficient functioning of the Board

Directors have full and timely access to all relevant information in an appropriate form. Reports and papers are circulated to Directors in sufficient time to enable them to prepare for Board and Committee meetings. All Directors receive monthly management accounts and reports covering the Group's performance, development proposals and other matters to enable them to review and oversee the performance of the Group on an ongoing basis. Each year the Board typically devotes one of its meetings to strategy and one to the following year's budget. The strategy meeting covers the macro-economic, political and social systems, construction market, housing market, business sectors, competitive landscape and challenges and opportunities in existing and prospective countries of operation for the Group. It also covers a review of the existing portfolio of businesses, specialist segments of the distribution market, competitive landscape and possible acquisition opportunities. All Directors have access to independent professional advice at the Group's expense where necessary to enable them to discharge their responsibilities as Directors.

Independence of Non-Executive Directors

The five Non-Executive Directors, Mr. Vincent Crowley, Mrs. Susan Murray, Dr. Rosheen McGuckian, Ms. Avis Darzins and Mr. Mark Robson are considered by the Board to be independent in character and free from any business or other relationship which could materially interfere with the exercise of independent judgement. The Board has determined that each of the Non-Executive Directors fulfilled this requirement and is independent. In reaching that conclusion, the Board considered the principles relating to independence contained in the Code.

Board independence

71 per cent of the Board, excluding the Chair, are Non-Executive Directors whom the Board considers to be independent.

Senior Independent Director

Mrs. Susan Murray succeeded Mr. Paul Hampden Smith as the Senior Independent Director on 2 May 2024 and is available to act as a sounding board for the Chair, and as an intermediary for the other Directors, if necessary. Mrs. Murray is also available to shareholders who may have concerns that cannot be addressed through the normal channels of Chair, Chief Executive Officer or Chief Financial Officer. The role of the Senior Independent Director is clearly set out in a document approved by the Board.

Performance of Executive Directors

Non-Executive Directors constructively challenge management proposals and review the performance of the Group. During the year, the Chair and Non-Executives met with and without the executive Directors present.

Roles and responsibilities

There is a clear division of responsibility between the Chair and the Chief Executive Officer. The responsibilities of each role are clearly documented in schedules approved by the Board.

Company Secretary

The Directors have access to the advice and services of the Company Secretary, Ms. Susan Lannigan, who advises the Board on governance matters. Ms. Lannigan was appointed as Company Secretary on 8 July 2024 and succeeded Mr. Charles Rinn who was Company Secretary from December 1995 until July 2024. The Company's Articles of Association and Schedule of Matters reserved for the Board provide that the appointment or removal of the Company Secretary is a matter for the full Board.

External commitments

The Board is satisfied that the external commitments of the Chair and the Non-Executive Directors do not conflict in any way with their duties and Commitments to the Company. Executive directors do not hold more than one non-executive role in a FTSE 100 company or other significant appointment.

Chair	Chief Executive Officer	Senior Independent Director
• Leading and managing the business of the Board to provide clear direction and focus for the Group; • Demonstrating ethical leadership and promoting the highest standards of integrity and probity; • Demonstrating objective judgment and promoting a culture of openness and debate; • Setting the agenda and culture in the boardroom; • Facilitating constructive Board relations; • Ensuring that members of the Board receive a timely flow of accurate, high quality and clear information; and • Ensuring that there is timely and appropriate communication to shareholders.	• Being accountable to the Board for all authority delegated to executive management; • Taking overall responsibility for the management of the business; • Proposing and delivering the Group's strategy; • Implementing and delivering the annual business plan; • Effective leadership, coordination and performance management of the executive team; • Ensuring the identification, enhancement and development of the executive leadership talent pool; and • Monitoring closely the operating and financial results of the Group against plans and budgets.	• Being available to shareholders who have concerns that cannot be addressed through the Chair, the Chief Executive Officer or the Chief Financial Officer; • Acting as a sounding board for the Chair; • Acting as an intermediary for the other Directors when necessary; • Working with the Chair and other Directors and/or shareholders to resolve significant issues; and • When called upon, seeking to meet a sufficient range of major shareholders in order to develop a balanced understanding of their views.

The number of Board Meetings and Committee Meetings held during the year and attended by each Director was as follows:

	Board		Audit and Risk Committee		Remuneration Committee		Nomination Committee	
Number of Meetings	Total	Attended	Total	Attended	Total	Attended	Total	Attended
I. Tyler	9	9	–	–			3	3
E. Born	10	10	–	–	–	–	–	–
D. Arnold	10	10	–	–	–	–	–	–
S. Murray	10	9	4	4	6	6	4	3
V. Crowley	10	10	4	4	6	6	4	4
R. McGuckian	10	10	4	4	6	5	4	3
A. Darzins	10	10	4	4	6	6	4	4
M. Robson	10	10	4	4	6	6	4	4
M. Roney	4	4	–	–	–	–	2	2
P. Hampden Smith	4	4	2	2	3	3	2	2

Mr. Ian Tyler was appointed to the Board and to the Nomination Committee with effect from 1 March 2024.
Mr. Michael Roney and Mr. Paul Hampden Smith stepped down from the Board at the conclusion of the AGM on 2 May 2024.

Directors' Report on Corporate Governance continued

3. Composition, succession and evaluation

Board appointments procedure and succession planning

The Board's general policy is to keep the overall composition and balance of the Board under review and to manage the orderly succession of Non-Executive Directors without compromising the effectiveness and continuity of the Board and its Committees.

A description of the work of the Nomination Committee and the procedure for appointment of new Directors is set out on pages 98 to 100.

The Board considers senior management succession planning with a view to developing, over the coming years, a strong succession pipeline for key positions up to and including Executive Director level.

Board composition

It is the Group's policy that the Board comprises a majority of Non-Executive Directors. At 31 December 2024, the Board was made up of eight members comprising the Non-Executive Chair, two Executive Directors and five independent Non-Executive Directors. Mr. Ian Tyler was appointed to the Board on 1 March 2024 as Non-Executive Director and Chair Designate and succeeded Mr. Michael Roney of Chair of the Board and the Remuneration Committee on 2 May 2024.

The Board considers that its size and structure is appropriate to the scale, complexity and geographic spread of its operations and that the number of Non-Executive Directors is considered sufficient to enable the Board and its Committees to operate effectively without excessive reliance on any individual Non-Executive Director. The Board believes that Executive and Non-Executive Directors between them have the necessary skills, knowledge and international business experience, gained from a diverse range of industries and backgrounds, required to manage the Group. The skills, expertise and experience of the Board is used to review strategy, allocate capital, monitor financial performance and consider executive management's response to market developments and operational matters.

The terms and conditions of appointment of Non-Executive Directors, which include the time commitment expected from each Director, are available for inspection by any person at the Company's registered office during normal business hours and prior to the AGM.

The overall composition and balance of the Board is kept under review as outlined in the programme of work undertaken by the Nomination Committee in its report on pages 98 to 100.

Director election/re-election

In accordance with the provisions of the Code, the Board has decided that all Directors should retire at the 2025 Annual General Meeting ('AGM') and offer themselves for election/re-election.

The Board undertakes a formal annual evaluation of the performance of its Directors and is satisfied that all Directors who are proposed for re-election continue to discharge their obligations as Directors and contribute effectively to the work of the Board and its Committees.

Further details on the Board evaluation are set out below and in the report of the Nomination Committee on pages 98 to 100.

Chair tenure

Mr. Ian Tyler was appointed to the Board on 1 March 2024 as Non-Executive Director and Chair Designate. He succeeded Mr. Michael Roney as Chair of the Board and of the Nomination Committee on 2 May 2024.

Performance of the Chair and Non-Executive Directors

The Non-Executive Directors, facilitated by the Senior Independent Director, met without the Chair present to appraise his performance. The evaluation of individual Directors involved a meeting between each of them and the Chair.

2024 Board evaluation

A formal review of the performance of the Board, its Committees and individual Directors is undertaken each year, including an external evaluation every three years. The process is designed to ensure that the effectiveness of the Board is maintained and improved.

This year's Board evaluation was externally facilitated by Gould Consulting. It followed the principles set out in the Code and best practice in Board evaluation. A combination of methods were employed in the review, including a survey of the Directors' views on the work of the Board and its Committees, interviews with each Director and the Company Secretary, a review of materials including board papers and minutes; and attendance by the evaluator at a scheduled board meeting during the year.

The review concluded that Grafton is a collegiate, open, well-balanced and effective Board and with strong support across the Board for the new Chair and the executive team.

The following table summarises the principal recommendations from the process and the steps that will be taken in response over the course of 2025.

Topic	Area identified for action
Strategic purpose and strategy development	Evolve and refresh our strategic purpose and refine our strategic milestones supported by longer-term strategic KPIs.
Board succession	Develop and refine a board skills matrix to support the ongoing evolution of the Board with the appropriate balance of skills and experience.
Management succession	Increase focus on senior management talent strategy and pipeline to identify any material opportunities, gaps and weaknesses in the senior management talent pool.
Board meeting schedule	Review the cadence of Board meetings to allow for site visits, additional time on strategy, and NED-only time.
Culture	Review the most effective processes for employee engagement and monitoring of culture in the context of our federated structure.
Board Papers	Refine the format of Board papers to ensure that they facilitate focused discussion at Board and Committee meetings.
Board risk appetite	Establish an enhanced structure for regular review of Board risk appetite.

4. Audit, risk and internal control

Independence of internal and external audit

The Audit and Risk Committee is responsible for monitoring the integrity of the Group's financial statements and of the external audit process and overseeing the independence and effectiveness of the Internal Audit function and the external auditor.

Fair, balanced and understandable

The assessment of the company's position and prospects as fair, balanced and understandable is set out in the Statement of Directors' Responsibilities on page 124 and 125.

Risk and internal control

The Board confirms that there is a process for identifying, evaluating and managing the key risks faced by the Group. A description of the risk management process and of how the Board identifies the principal and emerging risks facing the Group is set out on pages 43 to 53.

Audit and Risk Committee

The Board has established an Audit and Risk Committee which is comprised of five independent Non-Executive Directors. The Committee has competence relevant to the sector in which the Group operates.

Role and responsibilities of the Audit and Risk Committee

A description of the role and responsibilities of the Audit and Risk Committee is available in the Committee Report on pages 94 to 97. The Terms of Reference of the Committee are available on the Group's website www.graftonplc.com.

A description of the activity of the Committee during the year is available in the Committee Report on pages 95 to 97.

Effectiveness of risk management and internal controls

A description of how the Audit and Risk Committee monitors the effectiveness of the Group's system of risk management and internal control is set out on page 95.

Going concern assessment

The Group's net cash position, before recognising lease liabilities, was £272.1 million at 31 December 2024 (2023: £379.7 million). Net debt including lease obligations was £131.7 million at 31 December 2024 (2023: £49.3 million).

The Group had liquidity of £776.2 million at 31 December 2024 (2023: £849.6 million) of which £505.4 million (2023: £579.9 million) was held in accessible cash and deposits and £270.8 million (2023: £269.7 million) in undrawn revolving bank facilities. No refinancing of debt is due until September 2028, the Group does not have a leverage (net debt/EBITDA) covenant in its financing arrangements and its assets (other than right-of-use assets) are unsecured.

Having made appropriate enquiries, the Directors have a reasonable expectation that Grafton Group plc, and the Group as a whole, have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements. Having reassessed the principal risks, as detailed on pages 47 to 51, and based on expected cashflows and the strong liquidity position of the Group, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its financial statements.

5. Remuneration

The Board has adopted remuneration policies that are considered sufficient to attract, retain and motivate Directors of the quality required to manage the company successfully whilst ensuring that the performance related elements of pay are both stretching and rigorously applied.

The Board has established a Remuneration Committee comprising five independent Non-Executive Directors. Details of the Committee's key responsibilities and a description of its work during 2024 are contained in the Report of the Remuneration Committee on Directors' Remuneration on pages 102 to 119.

Audit and Risk Committee

Mark Robson
Chair of the Audit and Risk Committee
5 March 2025

Membership	Length of service*
M. Robson (Chair)	1.3 years
V. Crowley	8.1 years
S. Murray	7.2 years
R. McGuckian	4.9 years
A. Darzins	2.5 years

* Committee membership as of 5 March 2025.

Dear Shareholder,

I am pleased to present the report of the Audit and Risk Committee for the year ended 31 December 2024.

Key duties of the Committee

Financial reporting

- Monitoring the integrity of the Group's financial statements and announcements relating to the Group's performance;
- Advising on whether the Annual Report and accounts, taken as a whole, is fair, balanced and understandable, and whether it provides the information necessary for shareholders to assess the Group's performance, business model and strategy;

Risk management and internal control

- Overseeing the effectiveness of the Group's internal control and risk management, including sustainability risks, and the steps taken to mitigate the Group's risks;
- Reviewing the effectiveness of the Group's internal financial controls;

External auditor

- Monitoring the effectiveness of the external audit process, conducting the tender process and making recommendations to the Board in relation to the appointment, reappointment and removal of the External Auditor;
- Overseeing the relationship between the Group and the External Auditor including approving the remuneration, terms of engagement and scope of audit;

Internal audit

- Monitoring and reviewing the scope, resourcing, findings and effectiveness of the Group's Internal Audit function;
- Reporting to the Board on how the Committee has discharged its responsibilities.

The full terms of reference of the Committee can be found on the Group's website www.graftonplc.com.

This report describes how the Committee has fulfilled its responsibilities during the year under its Terms of Reference and under the relevant requirements of the Code.

The Committee is satisfied that its role and authority include those matters envisaged by the Code that should fall within its remit and that the Board has delegated authority to the Committee to address those tasks for which it has responsibility.

All members of the Committee are determined by the Board to be independent Non-Executive Directors in accordance with provision 10 of the Code. In accordance with the requirements of provision 24 of the Code, the Board considers that I have recent and relevant financial experience as required by the Code. The biographical details on pages 82 and 83 demonstrate that collectively, the members of the Committee have a wide range of financial, treasury, taxation, commercial and business experience that enables the Committee to act very effectively.

Meetings

The Committee met four times during the year and attendance by each Committee member is set out in the table on page 91.

Meetings are attended by the members of the Committee and others who attend by invitation, being principally the CEO, the CFO, the Group Financial Controller, the Group Company Secretary and the Group Internal Audit and Business Risk Director. Other members of executive management and third party advisors may be invited to attend to provide insight or expertise in relation to specific matters. The Committee is supported by Ms. Rebecca McAleavey, Deputy Company Secretary, who acts as Secretary to the Committee.

The PwC Group Engagement Leader and other representatives of the External Auditor are also invited to attend Committee meetings to present their reports on the interim results and full year audit. They also present their proposed audit plan to the Committee. The Committee also met privately with the External Auditor without executive management present. No significant concerns were raised during these discussions.

The Chair of the Committee reports to the Board on a regular basis on the work of the Audit and Risk Committee and on its findings and recommendations.

Key areas of activity during 2024

A summary of the key activities of the Committee during the year is set out below:

Financial reporting	The Committee reviewed the 2023 Final Results Announcement, the 2023 Annual Report and the 2024 Interim Results Announcement and concluded that they each presented a fair, balanced and understandable assessment of the position of the Group and its prospects. The Committee recommended the 2023 Final Results Announcement, the 2023 Annual Report and the 2024 Interim Results Announcement to the Board for approval. As part of these reviews, the Committee considered significant accounting policies, estimates and judgements. The Committee also reviewed the reports of PwC following their audit and interim review including their findings on key areas of judgment and other areas of audit focus. The Committee also considered the significant management letter points on internal controls in the Group's individual businesses identified by PwC during its audit process. The significant issues in relation to the financial statements considered by the Committee and how these were addressed are set out on page 97. The Committee also reviewed papers on the Viability Statement and Going Concern including assumptions and financial forecasts.
Risk management and internal control	The Board has delegated responsibility to the Committee for monitoring the effectiveness of the Group's system of risk management and internal control, which is set out in further detail in the Risk Management Report on pages 43 to 53. The Committee reviewed the Group's Risk Management Process and the procedures established for identifying, evaluating and managing key risks, which included a review of the status of risk management performance against the objectives set for the year. The Group Risk Committee provides oversight of the Risk Management process and the Corporate Risk Register. This review includes identifying risks, assessing their likelihood and impact and the effectiveness and adequacy of measures, actions and controls to mitigate these risks. The key risks facing the Group are set out on pages 47 to 51. The Committee also considered the risks associated with increased levels of cyber crime and the potential to disrupt trading including the loss of data. The Committee also reviewed the ongoing work of the Internal Audit team in preparation for the internal control requirements in the 2024 UK Corporate Governance Code which will be effective from 2026.

Audit and Risk Committee Report continued

Internal audit	The Group Internal Audit and Business Risk Director reports to the Chief Financial Officer and also has direct access to the Chair of the Audit and Risk Committee and its members. The Committee met with the Group Internal Audit and Business Risk Director on four occasions during the year when he presented Internal Audit report findings and recommendations and updated the Committee on the actions taken to implement recommendations. The Committee also met with the Group Internal Audit and Business Risk Director without executive management present. No significant concerns were raised during these discussions. The scope, authority and responsibility of the Internal Audit function is set out in the Internal Audit Charter which has been approved by the Committee. During the year the Committee also considered and approved the programme of work to be undertaken by the Group's Internal Audit function in 2025. An internal review of the effectiveness of the Internal Audit function was carried out and the results of this review, which were very positive, were presented to the Committee in January 2025.
External auditor	The Committee reviewed the External Auditor's plan for the 2024 Audit of the Group and approved the remuneration and terms of engagement of the External Auditor. The Committee also considered the quality and effectiveness of the external audit process and the independence and objectivity of the Auditor. An internal review of the effectiveness of the 2023 Audit was carried out during the year, comprising a feedback questionnaire from the Audit and Risk Committee and from Group and business unit management. The results of this review were presented to the Committee in October 2024 and were positive overall with a number of comments and recommendations made to help inform plans for the 2024 Audit. In order to ensure the independence of the External Auditor, the Committee received confirmation from the Auditors that they are independent of the Group under the requirements of the Irish Auditing and Accounting Supervisory Authority's Ethical Standards for Auditors (Ireland). The Auditors also confirmed that they were not aware of any relationships between the firm and the Group or between the firm and persons in financial reporting oversight roles in the Group that may affect its independence. The Committee considered and was satisfied that the relationships between the Auditor and the Group including those relating to the provision of non-audit services did not impair the Auditors' judgment or independence.
Non-audit services	The External Auditor is permitted to undertake non-audit services that do not conflict with auditor independence, provided the provision of the services does not impair the Auditors' objectivity or conflict with their role as Auditor and subject to having the required skills and competence to provide the services. The Committee has approved a policy on the provision by the External Auditor of non-audit services. Under this policy the External Auditor will not be engaged for any non-audit services without the approval of the Audit & Risk Committee. The External Auditor is precluded from providing certain services, or from providing any non-audit services that have the potential to compromise its independence or judgement. With the exception of fees incurred in acquired businesses, fees for non-audit services in any financial year are targeted not to represent more than 20 per cent of the audit fee. The Committee monitors and reviews the nature of non-audit services provided by the External Auditors. The Committee approved the provision of non-audit services by the Auditor during the year, which primarily relate to a review of the Group's condensed consolidated half year financial statements, with associated fees disclosed in Note 3 to the financial statements.
Whistleblowing and fraud	The Group Anti-Fraud and Theft Policy sets out the Group's approach to all forms of fraud and theft, the responsibilities of Business Unit management in relation to prevention and detection procedures and controls, the appropriate reporting channels and the possible actions which may be taken by the Group in response to suspected fraud or theft. Instances of fraud or theft over a specified threshold are reported to and monitored by the Committee. The Committee periodically considers reports received on matters raised through SpeakUp, the independent Group-wide confidential reporting service which allows colleagues to report, anonymously if they wish, any concerns they may have regarding certain practices or conduct in their businesses including possible instances of fraud and theft. All concerns raised through this channel and the outcomes of investigations are reported to the Committee. The Committee was satisfied that the procedures in place to allow colleagues to raise matters in a confidential matter operated effectively during the year.
Anti-bribery and corruption	The Group's Code of Business Conduct and Ethics sets out the ethical standards to which all Group employees are expected to adhere. It sets out the core standards and procedures to be observed and provides practical guidance on dealing with bribery risk. An annual declaration of independence is signed by senior management and other individuals who are considered to be exposed to higher risk of conflicts of interest, including employees who have responsibility for contract negotiations with customers and suppliers.

Estimates and judgments

The Committee reviewed in detail the following areas of significant judgment, complexity and estimation in connection with the Financial Statements for 2024. The Committee considered a report from the external auditors on the audit work undertaken and conclusions reached as set out in their audit report on pages 126 to 133. The Committee also had an in-depth discussion on these matters with the External Auditor.

Valuation of goodwill	The Committee considered the goodwill impairment analysis carried out by management based on value-in-use which involved comparing the recoverable amount and carrying amount of the CGUs. The Committee agreed with the conclusion reached by management that no impairment charge should be recognised in the year. The review involved discounting the forecasted cash flows of each group of CGUs based on the Group's pre-tax weighted average cost of capital adjusted to reflect issues associated with each group of CGUs and carrying out sensitivity analysis on the key assumptions used in the calculations including cash flow forecasts (revenue growth, margin), terminal growth rate and pre-tax discount rate. The Committee noted the overall level of headroom in the value in use model prepared by management and considered the impact on the headroom of sensitivity analysis on the key assumptions used in the model. The Committee also compared the year-end market capitalisation of the Group to its net asset position and noted that it was higher than the net asset value. The UK Distribution group of CGUs recoverable amount has limited headroom over its carrying amount and is therefore more sensitive to possible changes in key assumptions. The Committee reviewed the assumptions made by management in the value-in-use model for that group of CGUs and deemed them to be appropriate. Given the sensitivity of the headroom for the UK Distribution CGU to possible changes in key assumptions, the Committee reviewed the sensitivity analysis in detail and agreed that disclosure should be provided in the financial statements. The Committee agreed that no reasonably possible change in any of the key assumptions for the other groups of CGUs would cause their carrying amounts to exceed their recoverable amounts.
Completeness and accuracy of rebate income and valuation of rebate receivables	Supplier rebates represent a significant source of income in the distribution industry and is an area of risk due to the materiality of rebate arrangements, the use of manual calculations, and the estimation involved in determining the year end receivable amounts. The Committee reviewed the basis used by management for calculating rebate income for the year and rebates receivable at the year end and was satisfied that the accounting treatment adopted was appropriate and that rebates receivable at the year-end were recoverable. In reaching its conclusion, the Committee reviewed information and reports prepared by the Internal Audit function which completed year-end reviews across a sample of significant Business Units with the primary objective of providing independent assurance on the accuracy of rebate receivable balances at year-end. These reviews included re-performing calculations on a sample of rebate income for 2024 with reference to agreements with individual suppliers and reports of purchases made from suppliers. The Committee also considered the value of rebates received after the year end relating to 2024 and the value of rebates received during 2024 relating to 2023.
Valuation of inventory	The Group carries significant levels of inventory and key judgements are made by management in estimating the level of provisioning required for slow moving inventory. In arriving at its conclusion that the level of inventory provisioning was appropriate, the Committee received half year and full year updates from management on stock ageing and provisioning across the Group. The Committee reviewed the basis for calculating the valuation of rebate attributable to inventory and was satisfied that inventory was appropriately valued and that the Group continued to adopt a prudent approach to inventory provisioning.

As Chair of the Committee, I engaged with the Group CFO, the Group Internal Audit and Business Risk Director and the PwC Group Audit Engagement Leader independently of each other in preparation for Committee meetings and periodically as appropriate.

I will be in attendance at the 2025 Annual General Meeting and will respond to any questions that shareholders may have concerning the activities of the Committee.

Mark Robson
Chair of the Audit and Risk Committee
5 March 2025

Nomination Committee

Ian Tyler
Chair of the Nomination Committee
5 March 2025

Membership	Length of service*
I. Tyler (Chair)	1.0 years
S. Murray	8.0 years
V. Crowley	8.0 years
R. McGuckian	4.9 years
A. Darzins	2.5 years
M. Robson	1.3 years

* Committee membership as of 5 March 2025.

Dear Shareholder,

I am pleased to present the report of the Nomination Committee for the year ended 31 December 2024.

Key duties of the Committee

Board structure

- Regularly reviewing the structure, size, composition and length of service on the Board and assessing the skills, expertise, knowledge, experience and diversity required by the Board and its Committees and the Group's senior management team.

Succession

- Identifying, and nominating for the approval of the Board, candidates for appointment as Directors and ensuring that there is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board;
- Considering the re-appointment of Non-Executive Directors at the conclusion of their specified term of office and making recommendations to the Board; and
- Conducting an annual review of succession plans for senior executives across the Group.

Diversity

- Ensuring the diversity policy is linked to Group strategy; and
- Prioritising the appointment of females to leadership positions.

Evaluation

- Evaluating the balance of skills, knowledge, experience and diversity of the Board and Board Committees and making recommendations to the Board on any changes.

The full terms of reference of the Committee can be found on the Group's website www.graftonplc.com.

Activities of the Committee during 2024

Introduction

In line with its key duties as set out above, the Committee considered the composition of the Board and its Committees to ensure that it continues to have the necessary skills, expertise, knowledge and diversity at Board and senior management level and it continued to seek to balance the need to refresh the Board while maintaining a team of knowledgeable and experienced Non-Executive Directors.

Board and Committee changes in 2024

As noted in the Report of the Committee in the 2023 Annual Report, I was appointed as Independent Non-Executive Director, Chair Designate and a member of the Nomination Committee with effect from 1 March 2024. I was very pleased to take over as Chair of the Board and of the Nomination Committee at the conclusion of the AGM on 2 May 2024.

Mr. Michael Roney and Mr. Paul Hampden Smith stepped down from the Board on the same date. As previously reported, Mrs. Susan Murray, who joined the Board in 2016, succeeded Mr. Hampden Smith as Senior Independent Director and Mr. Mark Robson took up the role of Chair of the Audit and Risk Committee.

Independence of the Board

To ensure that the independence of the Non-Executive Directors is maintained, the Committee keeps the tenure of the Board as a whole under review. The tenure of Non-Executive Directors (including the Chair) on the Board at 31 December 2024 is set out below. The tenure of members of each of the Committees is dealt with in the relevant Committee reports.

Length of service on Board	Number of Non-Executive Directors
1-2 years	2
3-4 years	1
5-6 years	1
8-9 years	2

The Committee reviewed the time required to fulfil the roles of Board Chair, Senior Independent Director, Committee Chairs and Non-Executive Director roles and was satisfied that all members of the Board continue to devote appropriate time to their duties and to be effective in their roles.

Election/Re-election of Directors

Having considered their individual performances, contributions to the Board, time devoted to their roles and other commitments, the Committee agreed to make a recommendation to the Board that all directors should go forward for re-election at the 2025 AGM of the Company.

Board effectiveness and evaluation

The Board conducts an annual evaluation of its own performance and that of its Committees and individual Directors in accordance with the UK Corporate Governance Code.

In 2024, the evaluation was externally facilitated by Gould Consulting. A report on the Board evaluation process and a summary of the principal findings and improvements to be implemented during this year is set out in the Directors' Report on Corporate Governance on pages 92 and 93.

Non-Executive Director succession

The Board and the Committee are committed to ensuring that the Board is sufficiently diverse and appropriately balanced. The Committee monitors the balance of the Board to ensure that it has the expertise to lead the Group as it develops and evolves.

The Committee makes recommendations to the Board concerning the appointment of Executive and Non-Executive Directors, having considered the blend of skills, experience, track record and diversity deemed appropriate for the role. Appointments also reflect the international nature of the Group and the opportunities and challenges it is likely to encounter in the future.

The Committee also makes recommendations to the Board concerning the reappointment of Non-Executive Directors at the conclusion of their three-year term and the re-election of Directors at the Annual General Meeting each year. Appointments to the Board are for a three-year period, subject to shareholder approval at each AGM and subject to an annual performance evaluation that is conducted by the Chair of the Board.

The terms and conditions of appointment of Non-Executive Directors and the Chair are set out in formal letters of appointment.

The Committee is focused on the future composition and structure of the Board. Two Non-Executive directors, Mrs. Susan Murray and Mr. Vincent Crowley will, in the normal course of events, step down from the Board in the short to medium term. Through the Nomination Committee, the Board have appointed Russell Reynolds to work with the Committee to clarify the skills and capabilities the Board is likely to need over future years and to identify potential future Board members who might fulfil those needs. The process is ongoing and I expect we will make further announcements in the current year.

Nomination Committee Report continued

Nomination process

When searching for potential candidates to fill Board vacancies, the Committee considers the skills, experience and personal attributes required to create a diverse Board that will drive the future success of the Group.

The Committee undertakes a formal, rigorous and transparent procedure when nominating suitable candidates for appointment to the Board. Candidates are identified and selected on merit against objective criteria and with due regard to the benefits of Board diversity. Independent search firms, that have no other connection with the Group, are used to identify candidates that match a detailed role specification developed by the Committee in conjunction with the Company Secretary for individual appointments to the Board. The role specification identifies the priority and secondary skills, experience and track record and personal qualities required by candidates. The role specification also addresses the time commitment of the role and the Board's requirements regarding conflicts of interest.

Existing time commitments should be sufficiently clear to accommodate the role and to avoid an actual or perceived risk of over-boarding as defined by the shareholder advisory firms and the more stringent requirements of certain institutional shareholders. In accordance with the Code, Directors must seek the prior approval of the Board in advance of accepting any additional external roles following appointment to the Board. The role specification also makes it clear that any actual or perceived conflicts of interest should be avoided.

Senior management succession

In addition to its work on Board succession, the Committee also considers the leadership needs of the Group and succession planning for senior management roles including the Chief Executive Officer and Chief Financial Officer. The Committee also reviews succession planning below Board level including the pool of talent currently available to succeed in senior roles and the progress made recruiting and developing the next generation of leaders in the Group and its businesses.

The Chief Executive Officer and Group HR Director presented the annual talent and succession plan for management to the Board during the year. This covered the Group's talent strategy and an assessment of the potential of high performing individuals. As part of this review, the Committee considered the importance of developing a diverse talent pipeline and the current and future skill sets required to help the Group implement its strategy.

Initiatives for high-potential talent to broaden their skillsets and prepare them for future senior roles include participation in leadership and business school training.

Equality, equity, diversity and inclusion

The Board recognises the benefits of diversity at board and senior management level and across the wider workforce. The Group Equality, Equity, Diversity and Inclusion Policy, which is available on the Group website, sets out the Board's approach to diversity in its broadest sense having regard to experience, age, gender, religious beliefs, sexual orientation, race, ethnicity, disability, nationality, background and culture.

In the context of normal refreshment, the Board's objective is to maintain an appropriate balance of gender and ethnicity on the Board. While the Board will always seek to appoint the most talented and skilled candidates on merit against objective criteria, greater diversity is actively considered when making Board appointments. The composition of the Board has evolved considerably over recent years and the Committee has taken an active role in improving the gender balance and ethnic diversity of the Board.

On the recommendation of the Committee, the Board has agreed that diversity will continue to be given very careful consideration in shortlisting candidates for appointment to the Board in the future.

As at 31 December 2024, three of our eight directors were female (38 per cent) and the Senior Independent Director was female. One Director was from an ethnically diverse background as defined by the Parker Review. The Board is mindful of the target set by the FTSE Women Leaders Review of having a minimum of 40 per cent of Board positions held by women by 31 December 2025.

In line with UKLR 6.6.6 R (10), as at the reference date of 31 December 2024, the composition of the Board and Executive Management was as follows:

Gender Diversity

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	5	62%	3	21	68%
Women	3	38%	1	10	32%

Ethnic Background

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White	7	87.5%	4	31	100%
Mixed/multiple Ethnic Groups	1	12.5%	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

The Group also considers diversity in the widest sense when making appointments at all levels in its business and, by setting the tone from the top, promotes a culture where there are no barriers to everyone achieving their potential and succeeding at the highest levels in Grafton.

We are committed to increasing representation of females in senior leadership positions across the Group. The Group has introduced initiatives to provide career development opportunities for female colleagues including participation in management development programmes, mentoring, coaching and flexible work arrangements.

The year ahead

Grafton has a strong Board with the appropriate range of skills, experience, backgrounds and diversity to drive its success and with the capacity to support the future growth and development of the Group.

Ian Tyler
Chair of the Nomination Committee
5 March 2025

Remuneration Committee

Susan Murray
Chair of the Remuneration Committee
5 March 2025

Membership	Length of service*
S. Murray (Chair)	8.1 years
V. Crowley	4.9 years
R. McGuckian	4.9 years
A. Darzins	2.5 years
M. Robson	1.3 years

* Committee membership as of 5 March 2025.

Dear Shareholder,

I am pleased to present my report as Chair of the Remuneration Committee for the year ended 31 December 2024.

Key duties of the Committee

- Determining the policy for Executive Director remuneration and for setting remuneration for the Chair, Executive Directors and senior management (being PDMRs and specified individuals as agreed from time to time by the Committee);
- Reviewing workforce remuneration and related policies and the alignment of incentives and rewards with culture; and
- Reviewing the ongoing appropriateness and relevance of the remuneration policy.

Although not required under the Irish Companies Act 2014, the Remuneration Committee (the 'Committee') has continued to prepare the Remuneration Report in accordance with the UK regulations governing the disclosure and approval of remuneration of the Directors. The report also complies with the European Union (Shareholders' Rights) Regulations 2020.

The Committee was appreciative of the high level of shareholder approval for the 2023 Annual Report on Remuneration which was supported by 98.6 per cent of votes lodged by proxy ahead of the 2024 AGM.

The current Remuneration Policy, effective following shareholder approval at the 2023 Annual General Meeting (AGM), is outlined in the following pages. This document details the Policy's implementation from 1 January 2024 and its application into the 2025 financial year.

Our approach to remuneration

The Committee's overall remuneration philosophy has not changed over the year and remains to ensure that Executive Directors are incentivised to successfully implement the Board's strategy and that remuneration is aligned with the interests of shareholders and other stakeholders over the longer term.

The Committee seeks to achieve this by:

- Rewarding Executive Directors fairly and competitively for the delivery of strong performance;
- Taking into account the need to attract, retain and motivate executives of high calibre and to ensure that Executive Directors are provided with an appropriate mix of short-term and long-term incentives;
- Taking a range of factors into account including market practice, the changing nature of the business and markets in which it operates, the performance of the Group, the experience, responsibility and performance of the individual directors concerned and remuneration practices elsewhere in the Group; and
- Setting targets that are stretching with full payout of awards requiring exceptional performance.

Performance for 2024

Grafton delivered a resilient performance despite the impact of price deflation in Ireland and the UK on product pricing and the squeeze on operating margin which arose from operating cost increases, particularly labour and property related costs, despite mitigating actions to offset these pressures.

The Group's diversification and strong operational focus enabled it to navigate the challenging macro-economic backdrop in certain markets. Profitability in our businesses in Ireland increased in comparison to the prior year which partially offset declines across most of our other businesses. RMI demand was weak in most of our markets, leading to intense competition for volumes, as consumer confidence was negatively impacted by high interest rates and cost uncertainty. The Group's overall gross margin was broadly maintained against the backdrop of a competitive market environment. Moderation of product price deflation accelerated in the second half of the year.

The increase in overheads in the like-for-like business was contained following the implementation of active cost management measures across the Group.

Adjusted operating profit declined by 13.6 per cent to £177.5 million (2023: £205.5 million) and adjusted earnings per share declined by 7.8 per cent to 71.8 pence (2023: 77.9 pence).

Remuneration for 2024

Base Salary

The Committee approved a salary increase of 4.0 per cent with effect from 1 January 2024 for the Chief Executive Officer and Chief Financial Officer. When reviewing salary levels, the Committee considered the level of increases implemented across the Group, the performance of the Group, the Chief Executive Officer and the Chief Financial Officer and market data. The salary increase was materially lower than average awards of 6.0 per cent to colleagues across the Group.

Annual bonus scheme

The annual bonus for 2024 was based on two financial performance targets being operating profit (65 per cent) and return on capital employed (25 per cent) and two ESG targets being gender diversity (five per cent) and Scope 1 and 2 carbon emissions (five per cent).

A bonus of 96.26 per cent of basic salary, out of a potential bonus opportunity of 150 per cent of salary, was awarded to the Chief Executive Officer. The bonus award for the Chief Financial Officer was 80.22 per cent of basic salary out of a potential bonus opportunity of 125 per cent of basic salary. These bonuses represent 64.17 per cent of the maximum potential opportunity. Further detail is set out on pages 111 and 112. The Committee agreed that the bonus outcome was reflective of the underlying financial performance of the Group for the year and was appropriate in the context of the experience of shareholders and other stakeholders during the year. Therefore, no discretion was applied.

Vesting of LTIP awards made in 2022

The performance conditions for LTIP awards granted in April 2022 to the Chief Financial Officer and the pro-rata award granted to the Chief Executive Officer in November 2022 following his appointment, that covered the performance period of the three years ending on 31 December 2024, were based 50 per cent on growth in Adjusted Earnings Per Share ('EPS') and 50 per cent on Total Shareholder Return ('TSR') performance versus a comparator group consisting of the members of the London Stock Exchange's FTSE 250 Index excluding investment trusts. As the Group's TSR was ranked at median, 25 per cent of this half of the award will vest.

The other half of the LTIP award was based on the Group's adjusted EPS for the financial year ended 31 December 2024 being in the range of 101.7 pence to 116.4 pence. In line with the approach determined by the Committee, the Adjusted EPS outcome was calculated based on the number of shares in issue as at the end of 31 December 2021. On this basis, adjusted EPS for 2024 was 58.8 pence excluding property profit. As this was below the threshold of 101.7 pence, this half of the award will not vest.

Based on the foregoing, 12.5 per cent of the total awards granted in 2022 to the Chief Financial Officer and Chief Executive Officer will vest in April 2025 and November 2025 respectively.

The Committee agreed that the vesting outcome was reflective of the underlying financial performance of the business and was appropriate in the context of the experience of shareholders and other stakeholders over the three-year vesting period. Therefore, no discretion was applied.

Implementation of Policy in 2025

Changes to approach

The Remuneration Policy was put to a vote at the 2023 AGM and received very strong shareholder support with 97.9 per cent of votes lodged by proxy ahead of the AGM cast in favour of the Policy. While the next comprehensive review is scheduled to be tabled at the 2026 AGM, the Remuneration Committee has reviewed the approach to Executive Remuneration for 2025 to ensure it remains appropriate to support the business strategy in the current environment.

Grafton's operating environment is highly cyclical, influenced by factors such as consumer confidence and the broader economic outlook which are largely outside of management's control. This has resulted in pay outcomes that are not always fully aligned with management's contribution to the overall business performance.

Following consultation with shareholders and with a view to ensuring that Executive rewards align with the Company's strategic objectives, motivate Executives within a cyclical context, retain top talent, and appropriately balance shareholders' experience, the Committee has agreed the following amendments for 2025, all of which are permissible within the existing policy framework.

Aligning incentive opportunity levels for Executive Directors

The CFO's bonus opportunity will increase from 125 per cent to 150 per cent of salary and the LTIP opportunity will increase from 175 per cent to 200 per cent of salary. These changes align the CFO's total incentive opportunity with that of the CEO as a percentage of salary.

This adjustment aligns the CFOs reward package with companies of a similar size whilst acknowledging his expertise, experience, and exceptional performance whilst in role. Additionally, this change ensures that we remain competitive in retaining key talent whilst accurately reflecting the collaborative leadership between the CEO and CFO.

Report of the Remuneration Committee on Directors' remuneration continued

Performance measures for Annual Bonus Scheme and Long-term Incentive Plan (LTIP)

The Committee also undertook a thorough review of the performance metrics within the incentive plans during the year. This included an evaluation of the specific metrics applied and a reassessment of their weightings and their strategic alignment within short-term or long-term incentive schemes.

Following this review, it was agreed that the annual bonus framework for 2025 will be based on two financial metrics which align with core business KPIs: 70 per cent will based on adjusted operating profit and 30 per cent on free cash flow conversion, providing a clear and simple framework for incentivising and rewarding annual performance.

Furthermore, to better align with market practice and to provide a more motivational reward structure the threshold payout for the 2025 bonus will increase from 0 per cent to 20 per cent.

The Committee believes that it is appropriate to incentivise performance against a comprehensive and diverse set of long-term performance measures which align closely with the Company's longer-term KPIs. The performance measures for the annual bonus scheme in 2024 included ROCE, gender diversity and carbon emissions targets. For 2025, these measures will form part of the performance conditions for the LTIP Award, in addition to the existing performance measures of Relative Total Shareholder Return and Adjusted EPS. Although still a core part of the Company's strategy, the Committee's view is that these metrics are more appropriate to the LTIP to drive ongoing, sustainable performance over multiple years.

Full detail of metrics and weightings for the LTIP Award to be granted in 2025 are set out below.

EPS target setting and measuring EPS performance for LTIP awards

For Awards granted to participants up to and including the 2024 LTIP Award, EPS outcomes were calculated based on the number of shares in issue at the start of the performance period and thus excluded the impact of share buybacks during the performance period.

The 2024 AGM saw a notable minority of shareholders vote in favour of Resolution 12, which was a shareholder resolution concerning the impact of share buybacks on the earnings per share performance condition of awards granted to participants of the LTIP.

Following the AGM and taking into account feedback from shareholders and proxy agencies as part of a consultation process, the approach to EPS measurement was reviewed. This was a complex area with divergent views. The Committee agreed that an amendment was required to ensure that the approach was fair to participants and stakeholders and did not incentivise one form of capital allocation over another.

The Committee has agreed that for the LTIP Award to be granted in 2025, EPS targets will be based on forecast organic growth plus potential growth achievable through acquisitions or buybacks. EPS performance will be assessed on adjusted EPS for the final year of the performance period, including the impact of acquisitions and share buybacks. This approach is consistent with our strategy of driving shareholder return through organic growth and targeted acquisitions, whilst ensuring there is rigorous focus on effective capital allocation and balance sheet efficiency. The Committee believes that this method more accurately reflects the diverse views of shareholders, aligns Executive remuneration with the shareholder experience and acknowledges the positive impact of acquisitions and buybacks on EPS and shareholder value.

Remuneration for 2025

Salary

The Committee approved a salary increase of 3.5 per cent with effect from 1 January 2025 for the Chief Executive Officer and the Chief Financial Officer which is lower than the average increase of 4.65 per cent for colleagues across the Group.

Pension

The rate of pension contribution is maintained at 9.0 per cent of base salary and is aligned with the rate available to the majority of the workforce.

Annual Bonus Scheme

As set out above, the maximum annual bonus opportunity in 2025 for both the CEO and the CFO will be 150 per cent of base salary. The 2025 Annual Bonus will be based on adjusted operating profit (70 per cent) and free cash flow conversion (30 per cent).

Long Term Incentive Plan

LTIP awards for 2025 will be made at 200 per cent of salary to the CEO and CFO and will be based on five performance measures: Adjusted EPS pre-property profit for 2027 (30 per cent); TSR relative to the FTSE 250 (excluding investment trusts) (30 per cent); Average ROCE over the three years of the performance period (30 per cent); Gender diversity (5 per cent); and Scope 1&2 GHG emissions reduction (5 per cent).

When setting the 2027 Adjusted EPS target for the 2025 LTIP award, the Committee considered the continuing challenges in the Group's trading environment and the additional structural pressures including above inflationary wage increases and tax rises. The Committee has set a target range for Adjusted EPS before property profit for 2027 of between 79.1p at threshold, 86.1p at target and 93.6p at maximum. Performance will be assessed on adjusted EPS for the final year of the performance period, including the impact of acquisitions and share buybacks.

The Committee believes that this range is aligned with delivery of the Group's strategic and financial objectives and represents an appropriately stretching target. 25 per cent of the award will vest if the lower end of the adjusted EPS target range of 79.1p is achieved. Where adjusted EPS is between the threshold and target point in the range then between 25 per cent and 50 per cent of this part of the award will vest on a straight-line basis. Between the target and the maximum target in the range, then between 50 per cent and 100 per cent of this part of the award will vest on a straight-line basis. The target adjusted EPS range for 2027 is equivalent to annual compound growth of 4.0 per cent at threshold, 7.0 per cent at target, and 10.0 per cent at maximum applied to the 2024 base year adjusted EPS excluding property profit of 70.3p.

The TSR performance condition will continue to be measured against a comparator group consisting of the constituents of the London Stock Exchange's FTSE 250 Index, excluding investment trusts. Notwithstanding the achievement of the TSR performance conditions, no shares will vest unless the Committee considers that the overall financial results of the Group have been satisfactory in the circumstances over the performance period.

The Committee has set a target range of 10.0 per cent to 11.0 per cent for the three-year period from 2025 to 2027 for Average ROCE. The calculation of ROCE will follow that shown in the Alternative Performance Measures on page 205 which uses the opening and closing year-end balance sheets in the calculation of average capital employed.

The gender diversity target will be based on increasing the number of females within a target group of colleagues being the Group Management Team and direct reports, business leaders and their executive committees, and regional and branch managers or the equivalent general managers in the businesses. The composition of this group has been adjusted slightly from that used for the 2024 gender diversity bonus target to reflect structural changes in the business and to ensure that the appropriate group of colleagues is captured. The target will be to increase the proportion of females in this group by three per cent from 18.0 per cent as at 31 December 2024 to 21.0 per cent as at 31 December 2027.

The Greenhouse Gas (GHG) emissions target will be aligned with the SBTi linear pathway to a 48.5 per cent reduction by 2030, measured against a 2021 baseline. The target will be to reduce Scope 1 & 2 GHG emissions by 42.87 per cent by 31 December 2027 against the 2021 base year. The target has been adjusted to be appropriately stretching taking into account the progress made against the 2021 baseline at 31 December 2024.

Under the Group's Science Based Targets Initiative Recalculation Policy, it may be necessary to recalculate and restate the base year following significant structural changes in the Group. The Committee will consider the impact of any such recalculation when assessing the outcome of this performance condition.

Colleague engagement

The Remuneration Committee reviewed workforce remuneration including base pay, benefits and incentives and this was also taken into consideration in deciding the pay of Executive Directors and Senior Management.

Members of the Committee attended Colleague Forums during the year in the UK and Ireland. These forums, made up of colleagues from each of our businesses, provided the opportunity for our people to engage with Non-Executive Directors and to have their views heard at Board level.

Shareholder engagement

The Committee is committed to ongoing dialogue with shareholders and institutional advisory bodies on remuneration matters and it welcomes feedback as it helps to inform its decisions.

The Committee takes an active interest in voting on Annual General Meeting resolutions on remuneration matters and I hope that we can rely on your continued support at this year's AGM.

I am available to respond to any questions that shareholders have about the Remuneration Policy, the Annual Report on Remuneration or indeed on any other aspect of the work of the Committee and can be contacted by email at remunerationchair@graftonplc.com.

Susan Murray
Chair of the Remuneration Committee
5 March 2025

At a Glance

Although not required under Irish Companies legislation, this report includes the disclosures required by UK legislation contained in Part 3 of Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, and the disclosures required by UKLR 6.6.6R of the Listing Rules. The report also complies with the European Union (Shareholders' Rights) Regulations 2020 introduced in Ireland in March 2020.

Implementation of Policy in 2024

Key component	Summary	Application of Policy in 2024	
		Chief Executive Officer	**Chief Financial Officer**
Base salary	4.0 per cent increase to base salary with effect from 1 January 2024. The increase was materially lower than the average increase for the wider workforce of 6.0 per cent.	£769,600 per annum	£468,300 per annum
Pension	Pension allowance of 9% of salary, aligned with the pension contributions available to the majority of the workforce.	£69,264	£42,147
Benefits	Benefits included car allowance, mobile telephone, life assurance, private medical cover and permanent health insurance.	£25,075	£21,529
Annual Bonus	Maximum opportunity: 150% of base salary for Chief Executive Officer 125% of base salary for Chief Financial Officer Performance measures for the 2024 annual bonus were as follows: • Operating profit – 65% • ROCE – 25% • ESG (Gender Diversity & Carbon Emissions) -10% No bonus payable if performance is at threshold.	Bonus opportunity: 150% of base salary Outturn as a percentage of maximum: 96.26% (£740,817)	Bonus opportunity: 125% of base salary Outturn as a percentage of maximum: 80.22% (£375,670)
Long Term Incentive Plan	Maximum opportunity: 200% of base salary for Chief Executive Officer 175% of base salary for Chief Financial Officer Performance measures for the 2024 LTIP were as follows: • TSR relative to FTSE 250 ex. Investment trusts – 50% • Adjusted EPS for final year of performance period – 50%	Award granted at 200% of base salary Vesting subject to the achievement of TSR and Adjusted EPS performance conditions measured over a three-year period.	Award granted at 175% of base salary. Vesting subject to the achievement of TSR and Adjusted EPS performance conditions measured over a three-year period.
Share ownership guidelines	200% of salary	Shareholding:18% of salary	Shareholding: 295% of salary

Summary of Remuneration Policy and implementation for 2025

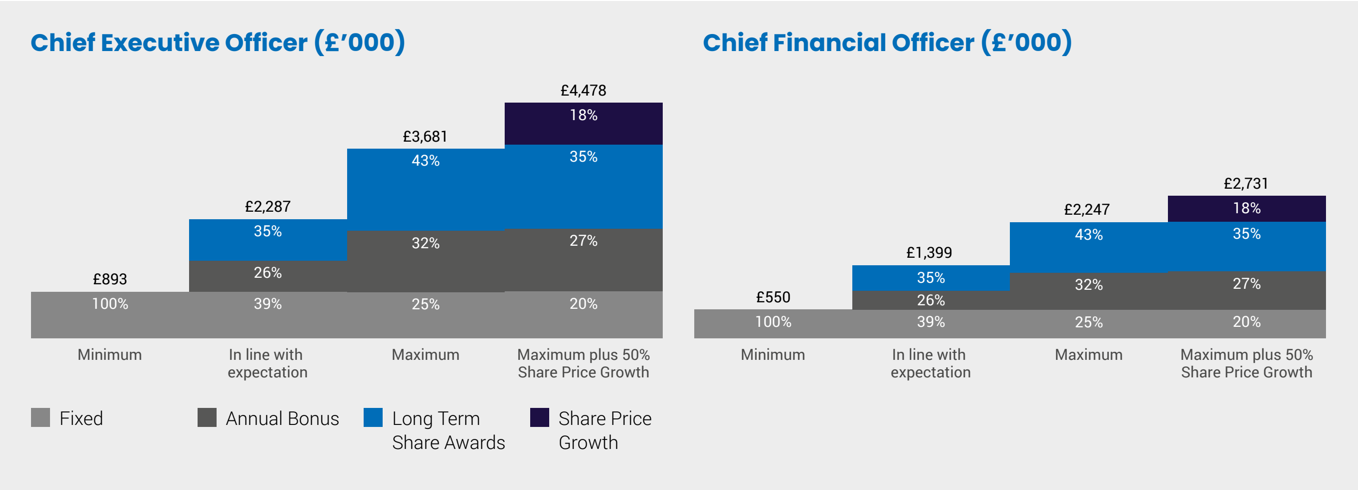
The Directors' Remuneration Policy (the "Policy") was approved by Shareholders at the AGM of the Company held on 4 May 2023. The full Policy is available on the Company's website and in the 2022 and 2023 Annual Reports. The below table summarises the Policy along with details of how the Policy will be implemented during 2025.

Element	Operation	Application of Policy in 2025
Base salary	Normally reviewed annually in January and any changes effective from 1 January (but may in exceptional circumstances be reviewed and increased at other times). No set maximum, however, any increases are normally in-line with the general increase for the broader employee population. Individual adjustments in excess of this may be made at the discretion of the Committee.	Executive Director salaries with effect from 1 January 2025: • Chief Executive Officer: £796,500 • Chief Financial Officer: £484,700 This represents a 3.5% increase on prior year which was lower than average awards of 4.65% to colleagues across the Group.
Pension	A company contribution to a money purchase pension scheme or provision of a cash allowance in lieu of pension or a combination of both. Maximum contribution/allowance is aligned to the level available to the majority of the wider workforce (currently 9% of salary).	No change to operation.
Benefits	Benefits currently include company car or company car allowance, mobile telephone, life assurance, private medical cover and permanent health insurance.	No change to operation.
Annual Bonus	Maximum opportunity 150% of salary. Majority of the bonus based on the achievement of appropriate financial measures but may also include an element for non-financial measures. For financial measures, no bonus is payable if performance is below a minimum threshold, up to 20 per cent is payable for achieving threshold. An Executive Director who has not met the shareholding guidelines, is required to apply 30 per cent of their annual bonus earned after statutory deductions for the purchase of shares in the Group, which normally must be held for a two-year period. Clawback applies.	No change to bonus opportunity for the Chief Executive Officer (150% of salary). Chief Financial Officer's maximum opportunity increased to 150% from 125% of salary. Performance measures simplified to financial metrics: • Adjusted operating profit (70%) • Free cash flow conversion (30%) Threshold bonus payout increased from 0% to 20% of maximum payable.
Long Term Incentive Plan	Maximum opportunity 200% of salary. Awards vest subject to the achievement of performance targets measured over a three-year performance period which are normally EPS (earnings per share) and TSR (total shareholder return). Malus and clawback applies.	No change to maximum opportunity for Chief Executive Officer (200%). Chief Financial Officer's maximum opportunity increased to 200% from 175%. Change to performance conditions and weightings: • Relative TSR (30%) • Adjusted EPS pre-property profit (30%) • Average ROCE (30%) • Gender diversity (5%) • Carbon reduction (5%)
Share ownership guidelines	Executive Directors are expected to build and maintain a holding of Company shares equal to at least 200% of base salary and to maintain a minimum shareholding of 200% of salary (or actual shareholding if lower) for two-years after stepping down from the Board.	No change to operation.
Chair and Non-Executive Director fees	The Chair's fee is set based on a recommendation from the Remuneration Committee. The Chair is currently paid a single inclusive fee for the role. Non-Executive Directors are paid a basic fee for membership of the Board and additional fees for serving as Chair of Audit and Risk and Remuneration Committees. Additional fees may be paid to reflect additional Board or Committee responsibilities or time commitments as appropriate.	Fees with effect from 1 January 2025: • Chair: £250,000 (no change) • Non-Executive Director base fee: £66,000/€78,000, an increase of 7.4% from 2024 • Audit and Risk and Remuneration Chair fee: £14,000/€16,500, an increase of 42.6% from 2024 • A fee of £11,000/€13,000 was introduced in 2025 for the role of Senior Independent Director With effect from 1 January 2025, Non-Executive Director fees are paid in local currency.

Annual Report on Remuneration continued

Remuneration Scenarios for Executive Directors

The chart below shows how the total pay opportunities for 2025 for Executive Directors vary under four performance scenarios – Minimum, In line with Expectation, Maximum and Maximum plus 50 per cent share price growth.



Assumptions

Minimum = fixed pay only (2025 salary, benefits and pension).
In line with expectation (which is not target) = 50 per cent vesting of the annual bonus and LTIP awards.
Maximum = 100 per cent vesting of the annual bonus and LTIP awards.
Maximum plus 50 per cent Share Price Growth = 100 per cent vesting of the annual bonus and LTIP awards plus 50 per cent share price growth.

Membership of the Remuneration Committee

The Committee currently comprises Mrs. Susan Murray, Chair, Mr. Vincent Crowley, Dr. Rosheen McGuckian, Ms. Avis Darzins and Mr. Mark Robson all of whom are Non- Executive Directors determined by the Board to be independent.

The Committee members have no personal financial interest, other than as shareholders, in matters to be decided, no potential conflicts of interests arising from cross directorships and no day-to-day involvement in running the business. The Non-Executive Directors are not eligible for pensions and do not participate in the Group's bonus or share schemes. The Committee's Terms of Reference can be found on the Group website.

Mr. Michael Roney, who served as Chair of the Board until 2 May 2024, and Mr. Ian Tyler, Chair, attended meetings of the Committee during 2024 by invitation and participated in discussions. During the year the Committee consulted with the Chief Executive Officer who was invited to attend part of the meetings of the Committee. Ms. Paula Harvey, Group HR Director, is Secretary to the Committee. The Chair of the Committee was assisted in her work by the Company Secretary and the Deputy Company Secretary.

No Director or the Company Secretary, or the Group HR Director took part in discussions relating to their own remuneration and/or benefits.

Deloitte LLP ("Deloitte") serves as the Committee's advisor on remuneration matters. During the year, Deloitte provided the Committee with a market practice update on remuneration trends and governance, in addition to advising on the implementation of the 2024 Remuneration Policy and other related matters. Fees for these services, charged on a time and materials basis, totalled £100,100.

Deloitte was appointed by the Committee following a competitive tender process. The Committee is satisfied that the Deloitte team advising on remuneration has no connections with Grafton Group plc or its Directors that could impair their independence. Potential conflicts of interest were reviewed, and the Committee deemed the existing safeguards against such conflicts to be appropriate. The Committee is satisfied that all advice received from Deloitte concerning remuneration was objective and independent.

Deloitte is a signatory to the Remuneration Consultants' Code of Conduct, which mandates impartial advice. Deloitte has confirmed to the Committee its compliance with this Code. Deloitte provided other immaterial services to the Group during the year.

Activity during the year

January 2024

- Initial consideration of 2024 Bonus Scheme including structure, measure and targets;
- Agreed the Gender Diversity target for the 2024 Annual Bonus Scheme;
- Agreed the EPS target range for the 2024 LTIP awards;
- Approved a proposal to introduce the Willis Towers Watson Global Grading System and changes to LTIP allocation of awards to below Board level executives;
- Reviewed and approved a remuneration Proposal for members of the Group Management Team (GMT). Biographies for the current GMT are available on page 84; and
- Reviewed and agreed the post-employment remuneration arrangements for the outgoing Company Secretary/Group Financial Controller.

March 2024

- Considered and approved the Report of the Remuneration Committee on Directors' Remuneration;
- Determined annual bonus payments for 2024;
- Determined the extent of vesting of the LTIP awards made in 2021;
- Agreed the quantum of 2024 LTIP awards to be granted to Executive Directors, and the GMT including the Company Secretary;
- Agreed the performance conditions for the 2024 LTIP awards;
- Agreed the 2024 Bonus Scheme structure, measures and targets;
- Reviewed and approved a remuneration proposal for the incoming Company Secretary; and
- Reviewed the CEO Pay Ratio with the wider workforce.

April 2024

- Grant of awards under Save as You Earn Scheme to UK colleagues.

May 2024

- Update on shareholder voting and feedback on AGM resolution on Annual Report on Remuneration.

August 2024

- Approved additional grant of 2024 LTIP awards;
- Approved the vesting of LTIP awards granted in 2021; and
- Update on shareholder feedback from shareholder consultation on 2024 AGM resolution 12 shareholder voting rationale.

December 2024

- Considered an update from Deloitte on latest executive remuneration trends and corporate governance developments;
- Considered a management proposal on changes to Executive Remuneration;
- Agreed changes to Chief Financial Officer's variable remuneration;
- Agreed changes to Annual Bonus Scheme structure, measures and financial targets;
- Agreed changes to LTIP Award performance measures;
- Agreed treatment of share buybacks;
- Considered level of potential Bonus Awards for 2024;
- Considered level of potential vesting of 2022 LTIP Awards in 2025;
- Considered an update on pay across the Group's workforce;
- Determined 2025 salary increases for Chief Executive Officer, Chief Financial Officer and the GMT including the Company Secretary;
- Initial consideration of proposed targets for the 2025 LTIP Awards;
- Reviewed Executive Directors' shareholdings against Policy;
- Reviewed share allocation and dilution limits;
- Considered and approved proposed changes of Remuneration Committee Terms of Reference;
- Reviewed and agreed the Committee proposed timetable and work schedule for 2025; and
- Considered shareholder and proxy advisor feedback received on the 2024 Report of the Remuneration Committee on Directors' Remuneration.

Annual Report on Remuneration continued

Single total remuneration figure of Directors' remuneration

The following table sets out the total remuneration for Directors for the year ending 31 December 2024 and the prior year.

	Salary/Fees (a)		Bonus (b)		Pension (c)		Other benefits (d)		Long Term Incentive Plan (e)		Total	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
Executive Directors												
E. Born	**770**	740	**741**	182	**69**	67	**25**	30	**46**	–	**1,651**	1,019
D. Arnold	**468**	450	**376**	92	**42**	41	**22**	27	**94**	203	**1,002**	813
	1,238	1,190	**1,117**	274	**111**	108	**47**	57	**140**	203	**2,653**	1,832
Non-Executive Directors												
I. Tyler(i)	**175**	–	–	–	–	–	–	–	–	–	**175**	–
S. Murray	**71**	73	–	–	–	–	–	–	–	–	**71**	73
V. Crowley	**61**	63	–	–	–	–	–	–	–	–	**61**	63
R. McGuckian	**61**	63	–	–	–	–	–	–	–	–	**61**	63
A. Darzins	**61**	63	–	–	–	–	–	–	–	–	**61**	63
M. Robson(ii)	**68**	5	–	–	–	–	–	–	–	–	**68**	5
M. J. Roney(iii)	**81**	239	–	–	–	–	–	–	–	–	**81**	239
P. Hampden Smith(iii)	**24**	73	–	–	–	–	–	–	–	–	**24**	73
	602	579	–	–	–	–	–	–	–	–	**602**	579
Total Remuneration	**1,840**	1,769	**1,117**	274	**111**	108	**47**	57	**140**	203	**3,255**	2,411

(i) Mr. I. Tyler was appointed to the Board on 1 March 2024.
(ii) Mr. M Robson was appointed to the Board on 1 December 2023 and succeeded Mr. P. Hampden Smith as Chair of the Audit and Risk Committee on 2 May 2024.
(iii) Mr. M.J. Roney and Mr. P. Hampden Smith stepped down from the Board on 2 May 2024.

The following table sets out the total remuneration for Executive Directors split between fixed and variable pay for the year ending 31 December 2024 and the prior year. Fixed pay includes salary, fees, pension and other benefits. Variable pay includes bonus and Long-term Incentive Plan. The remuneration of Non-Executive Directors is all fixed pay. These fees were not increased in the year.

	Total fixed pay		Total variable pay		Total	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
Executive Directors						
E. Born	**864**	837	**787**	182	**1,651**	1,019
D. Arnold	**532**	518	**470**	295	**1,002**	813
	1,396	1,355	**1,257**	477	**2,653**	1,832

Comparative figures included in the tables above have been presented on a consistent basis with the current year. Further details on the valuation methodologies applied are set out in notes (a) to (e) below. These valuation methodologies are as required by the Regulations and are different from those applied within the financial statements which have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU. The total expense relating to the Directors recognised within the income statement in respect of the Long-term Incentive Plan (LTIP) is £941,000 (2023: £662,000).

Notes to the Directors' remuneration table:

(a) This is the amount of salaries and fees earned in respect of the financial year. Non-Executive Directors' fees are payable in Euro and remained unchanged at €72,603. The sterling equivalent amounts to £61,467 on the basis of the average exchange rate for the year of 84.662 pence. Additional fees of €11,594 (sterling equivalent of £9,816) are payable to each of the Chairs of the Audit and Risk Committee and the Remuneration Committee.
(b) This is the amount of bonus earned in respect of the financial year. The amount payable in respect of 2024 will be paid at the end of March 2025.
(c) This is the amount of contribution payable in respect of the financial year by way of a company contribution to a pension scheme or a taxable payment in lieu of pension made through the payroll.
(d) Benefits comprise permanent health and medical insurance and the provision of a company car.
(e) For the year ended 31 December 2024, this is the value of LTIP awards that will vest in April/November 2025. The vesting of these awards was subject to performance conditions over the period from 1 January 2022 to 31 December 2024. The value of the awards that will vest is based on the average share price of £9.86 for the three months to 31 December 2024. This represents a decrease of £0.07 or 0.7 per cent from the share price of £9.93 at the date of grant. No discretion was applied as a result of this decrease. For the year ended 31 December 2023, this is the value of LTIP awards that vested in August 2024 which has been updated from that disclosed last year to reflect the share price of £10.796 on the date of vesting. The amount disclosed in the 2023 report was £156,000 in respect of Mr. D. Arnold.

Fixed pay in 2024

Salary and fees

Having taken account of both external market developments and internal Group considerations, the Committee approved in December 2023 a basic salary increase of 4.0 per cent with effect from 1 January 2024 for the Chief Executive Officer and the Chief Financial Officer which was materially lower than average awards of 6.0 per cent to colleagues across the Group.

	Salary/Fees		
	2024 £'000	2023 £'000	**Change**
E. Born	**770**	740	**4.0%**
D. Arnold	**468**	450	**4.0%**

Non-Executive Directors' fees were £61,467 per annum (based on an exchange rate of 84.662 pence to 1 euro) (constant currency: €72,603). Additional fees of €11,594 (sterling equivalent of £9,816) were paid to each of the Chairs of the Audit and Risk Committee and the Remuneration Committee.

Mr. Ian Tyler was appointed to the board as Independent Non-Executive Director, Chair Designate on 1 March 2024 and succeeded Mr. Roney as Chair following the conclusion of the 2024 AGM. The Committee approved an annual fee of £250,000 to Mr. Tyler for the role of Chair which was in line with the median level payable by FTSE 250 companies by reference to market capitalisation. For the period between appointment as Non-Executive Director and assuming the role of Chair, Mr. Tyler received an annual fee of €72,603 which was time apportioned accordingly. The actual fee paid to Mr. Roney, during the period 1 January to 2 May 2024, was £81,325.

Benefits

Benefits comprise permanent health and medical insurance and the provision of a company car.

	Health and Medical Insurance £'000	**Provision of a Company Car £'000**	**Total 2024 Taxable Benefits £'000**	Total 2023 Taxable Benefits £'000
E. Born	9	16	**25**	30
D. Arnold	7	15	**22**	27

Pension

Pension benefits comprise either a company contribution to an Executive Director's personal pension plan, a company contribution to the Group defined contribution pension scheme or a taxable non-pensionable cash allowance paid through the payroll in lieu of pension benefit.

	2024 Base Salary £'000	% of salary	**2024 Pension Contribution £'000**	2023 Pension Contribution £'000
E. Born	**770**	9.0%	**69**	67
D. Arnold	**468**	9.0%	**42**	41

The rate of pension contribution is maintained at 9.0 per cent of base salary as implemented on 1 January 2023 and is aligned with the rate available to the majority of the workforce.

Pay for performance

Annual bonus

The maximum bonus opportunity for Mr. Born and Mr. Arnold was 150 per cent and 125 per cent of salary respectively. 65 per cent of the annual bonus was based on operating profit, 25 per cent on return on capital employed and five per cent each for gender diversity and carbon emissions targets, which are described in further detail on page 103.

The tables below analyses the composition of the bonus opportunity for the year (% of salary) for the CEO and CFO:

CEO bonus based on	
Operating profit	97.50%
Return on capital employed	37.50%
Gender Diversity	7.50%
Carbon Emissions	7.50%
	150.00%

CFO bonus based on	
Operating profit	81.25%
Return on capital employed	31.25%
Gender Diversity	6.25%
Carbon Emissions	6.25%
	125.00%

Annual Report on Remuneration continued

Financial targets were set at the beginning of the year by reference to the Group's budget for 2024. The actual targets and performance against those targets are set out in the table below for 2024:

	Threshold (0% Payable)	Target (50% Payable)	Stretch (100% Payable)	Actual	% of Maximum Payable
Operating profit (£'000)*	£161,430	£174,519	£187,608	£176,753	58.53%
Return on capital employed**	9.27%	10.02%	10.77%	10.24%	64.51%

* Adjusted constant currency operating profit, before property profit which increased operating profit as reported by £3,546,000 and excludes Salvador Escoda profit of £323,000.
** Based on capital employed in budget/monthly management accounts.

The award for each financial measure was based on a sliding scale from 92.5 per cent to 107.5 per cent of the Group's budget for 2024. No bonus was payable if performance was below a minimum threshold of 92.5 per cent of target. The bonus opportunity then increased on a straight line basis up to 100 per cent of the bonus opportunity on achieving 107.5 per cent of target.

The gender diversity target which was based on increasing the number of female colleagues as a proportion of a target group of colleagues, being the Group Management Committee, certain Group leadership roles, Business Unit CEOs and their executive committees, regional managers and branch managers across the Group by one per cent from 13.0 per cent to 14.0 per cent by 31 December 2024 was achieved. As at 31 December 2024, the percentage of female colleagues in the target group as a proportion of the Group's workforce was 15.0 per cent. The carbon emission target, which was achieved in full, was based on a reduction of 2.5 per cent in emissions per million of revenue at constant prices in 2024 against the outcome for 2023. The Group achieved a 5.4 per cent reduction in Scope 1 and Scope 2 GHG emissions per million of revenue in 2024.

The Committee considered the extent to which these targets were achieved and agreed a payment of 96.26 per cent of salary for Mr. Born out of a maximum bonus opportunity of 150 per cent of salary and 80.22 per cent of salary for Mr. Arnold out of a maximum bonus opportunity of 125 per cent of salary. These bonuses equate to 64.17 per cent of the maximum opportunity. The Committee agreed that the bonus outcome was reflective of the underlying financial performance of the Group and therefore no discretion was applied.

Long-term incentive plan ('LTIP')

The Remuneration Committee has the authority to set appropriate criteria for each award. The Committee believes that the LTIP should align management and shareholder interests and assist the Group in the recruitment and retention of senior executives.

LTIP awards with a performance period covering the three years to 31 December 2024

The performance conditions for LTIP awards made to Executive Directors in April and November 2022 were based on growth in EPS and TSR. Half of the awards to Executive Directors were based on relative TSR versus a comparator group consisting of the constituents of the London Stock Exchange's FTSE 250 Index excluding investment trusts. As the Group's TSR was ranked at median, 25 per cent of this half of the award will vest.

The other half was based on the Group's adjusted EPS for the financial year ended 31 December 2024. The reported adjusted EPS for the year was 71.78 pence which was below the threshold 101.7 pence. The Adjusted EPS outcome was calculated based on the number of shares in issue as at the end of 31 December 2021. On this basis, adjusted EPS for 2024 was 58.8 pence excluding property profit. As this was below the threshold of 101.7 pence, this half of the award will not vest.

The relevant targets and results for the year were as follows:

	50% TSR relative to a peer group		50% Adjusted EPS	
	Performance ranking required	% of element vesting	Performance required	% of element vesting
Below threshold	Below median	0%	Below 101.7p	0%
Threshold	Median	25%	101.7p	25%
Between threshold and stretch	Median-80th percentile	25%-100%	101.7p-116.4p	25%-100%
Stretch or above	Above 80th percentile	100%	Above 116.4p	100%
Actual achieved	Ranked 78th	25%	58.8p	0%

Based on the above, 12.5 per cent of the total awards granted to the Chief Financial Officer and Chief Executive Officer will vest in April and November 2025 respectively. The Committee agreed that the vesting outcome was reflective of the underlying financial performance of the business and no discretion was applied.

The following is a summary of the 2022 awards that will vest in April and November 2025:

Director	Total number of shares granted	Percentage of award vesting	Number of shares vesting	Value of shares vesting (£)[1]
E. Born	37,251	12.5%	4,656	£ 45,908
D. Arnold	75,992	12.5%	9,499	£ 93,660

1 As these shares do not vest until after 1 April and 22 November 2025 respectively, a deemed share price is used to calculate the value of the vesting. This is taken as the three-month average to 31 December 2024 being £9.86.

LTIP awards granted during the year ended 31 December 2024

The following awards were made during the year ended 31 December 2024:

	Date of grant	Number of nil cost units	% of base salary	Share price at grant date	Value of award at grant date
E. Born	20 March 2024	157,334	200	£9.783	£1,539,200
D. Arnold	20 March 2024	83,770	175	£9.783	£819,523

The 2024 awards to Mr. Born and Mr. Arnold are subject to the achievement of the following TSR and Adjusted EPS performance conditions:

	50% TSR relative to a peer group		50% Adjusted EPS	
	Performance ranking required	% of element vesting	Performance required	% of element vesting
Below threshold	Below median	0%	Below 86.7p	0%
Threshold	Median	25%	86.7p	25%
Between threshold and stretch	Median-80th percentile	25%-100%	86.7p-95.8p	25%-100%
Stretch or above	Above 80th percentile	100%	Above 95.8p	100%

The TSR comparator group consists of the constituents of the London Stock Exchange's FTSE 250 Index excluding investment trusts.
The Adjusted EPS for 2026 is calculated based on the number of shares in issue at the end of 2023 being 205,560,972 (excluding 500,000 treasury shares) such that management will not benefit from any share buybacks during the period.

In line with best practice and shareholder expectations, the Committee retains discretion to adjust the vesting outcome if it is not considered to be reflective of the underlying financial and/or non-financial performance of the business, the performance of the individual over the performance period or where the outcome is not considered appropriate in the context of the experience of shareholders and other stakeholders.

A holding period of two years will apply to LTIP awards received by Executive Directors that vest, after taking into account any shares sold to pay tax and other statutory obligations in line with the Remuneration Policy. Shares held during the two-year holding period will be deemed to be part of an executive directors' shareholding, for the purposes of monitoring the shareholding guidelines. The vesting period and the holding period will be five years in total. Clawback provisions also apply.

Loss of office payments and payments to past Directors

No loss of office payments or any payments to past Directors were made during the year.

Application of remuneration policy in 2025

Salaries

The Remuneration Policy for 2023 notes there is no prescribed maximum annual salary increase but the Committee will be guided by the general increases for the broader employee population but on occasion may need to recognise an increase in the scale, scope or responsibility of the role. The Committee approved a salary increase of 3.5 per cent with effect from 1 January 2025 for the Chief Executive Officer and the Chief Financial Officer which was lower than average awards of 4.65 per cent to colleagues across the Group.

The following salaries will apply from 1 January 2025:

	2025 Base salary £'000	2024 Base salary	**% Increase**
E. Born	**£796,500**	£769,600	**3.5%**
D. Arnold	**£484,700**	£468,300	**3.5%**

Chair and Non-Executive Directors' fees

Fees payable to the Chair are payable in Sterling and remain unchanged at £250,000 for 2025. A benchmark review of Non-Executive Director fees was undertaken and it was agreed that an increase of 7.4 per cent would apply to the basic Non-Executive Director fee with effect from 1 January 2025 and that a fee increase of 42.6 per cent would apply to the additional fee for Chairs of the Audit and Risk Committee and the Remuneration Committee. It was also agreed that a fee of £11,000/€13,000 would apply to the role of Senior Independent Director with effect from 1 January 2025. With effect from 1 January 2025, Non-Executive Director fees are paid in local currency.

Annual Report on Remuneration continued

Pension and benefits

Mr. Born and Mr. Arnold will receive taxable pension contributions or a cash allowance in lieu of pension of 9.0 per cent of salary with effect from 1 January 2025 which are aligned to the level available for the majority of the wider workforce.

Annual bonus

As set out in the Report of the Committee on pages 102 to 105, the maximum bonus opportunity for the Chief Financial Officer has been increased to 150 per cent of salary in line with that of the Chief Executive Officer.

70 per cent of the annual bonus is based on adjusted operating profit (EBITA) before property profit and 30 per cent on free cash flow conversion. The measures and weightings for 2025 are shown in the table below.

CEO Bonus based on	% of salary 2025	% of salary 2024
Operating profit	**105.00%**	97.50%
Free cash flow conversion	**45.00%**	n/a
Return on capital employed	**n/a**	37.50%
Gender diversity	**n/a**	7.50%
Carbon emissions	**n/a**	7.50%
	150.00%	150.00%

CFO bonus based on	% of salary 2025	% of salary 2024
Operating profit	**105.00%**	81.25%
Free cash flow conversion	**45.00%**	n/a
Return on capital employed	**n/a**	31.25%
Gender diversity	**n/a**	6.25%
Carbon emissions	**n/a**	6.25%
	150.00%	125.00%

The operating profit target is commercially sensitive and therefore will be disclosed in the 2025 Annual Report.

In line with the Policy, Executive Directors are required to apply 30 per cent of any annual bonus earned after statutory deductions for the purchase of shares in the Group. These shares would be required to be held for two years. Clawback provisions also apply.

Long-term incentives

As set out in the Report of the Committee on pages 102 to 105, LTIP awards for 2025 will be made at 200 per cent of salary to the CEO and CFO and vesting will be based on five performance measures:

Measure	Weighting
Relative TSR	**30.0%**
Adjusted EPS pre-property profit	**30.0%**
Average ROCE	**30.0%**
Gender diversity	**5.0%**
Carbon reduction	**5.0%**

Relative TSR

The TSR performance condition will continue to be measured against a comparator group consisting of the constituents of the London Stock Exchange's FTSE 250 Index, excluding investment trusts. Notwithstanding the achievement of the TSR performance conditions, no shares will vest unless the Committee considers that the overall financial results of the Group have been satisfactory in the circumstances over the performance period.

Adjusted EPS pre-property profit

As noted in the Chair's letter, following the AGM and taking into account feedback from shareholders as part of a consultation process, the approach to EPS measurement was reviewed. The Committee agreed that for the LTIP award in 2025, EPS targets will be based on forecast organic growth plus potential growth achievable through acquisitions or buybacks. EPS performance will be assessed on adjusted EPS for the final year of the performance period, including the impact of acquisitions and share buybacks.

When setting the 2027 Adjusted EPS target for the 2025 LTIP award, the Committee considered the continuing challenges in the Group's trading environment and the additional structural pressures including above inflationary wage increases and tax rises. The Committee has set a target range for Adjusted EPS before property profit for 2027 of between 79.1p at threshold, 86.1p at target and 93.6p at maximum. Performance will be assessed on adjusted EPS for the final year of the performance period, including the impact of acquisitions and share buybacks.

The Committee believes that this range is aligned with delivery of the Group's strategic and financial objectives and represents an appropriately stretching target. 25 per cent of the award will vest if the lower end of the adjusted EPS target range of 79.1p is achieved. Where adjusted EPS is between the threshold and target point in the range then between 25 per cent and 50 per cent of this part of the award will vest on a straight-line basis. Between the target and the maximum target in the range, then between 50 per cent and 100 per cent of this part of the award will vest on a straight-line basis. The target adjusted EPS range for 2027 is equivalent to annual compound growth of 4.0 per cent at threshold, 7.0 per cent at target, and 10.0 per cent at maximum applied to the 2024 base year adjusted EPS excluding property profit of 70.3p.

Average ROCE

The Committee has set a target range of 10.0 per cent to 11.0 per cent for the three-year period from 2025 to 2027 for Average ROCE. The calculation of ROCE will follow that shown in the Alternative Performance Measures on page 205 which uses the opening and closing year-end balance sheets in the calculation of average capital employed.

Gender diversity

The gender diversity target will be based on increasing the number of females within a target group of colleagues being the Group Management Team and direct reports, business leaders and their executive committees, and regional and branch managers or the equivalent general managers in the businesses. The composition of this group has been adjusted slightly from that used for the 2024 gender diversity bonus target to reflect structural changes in the business and to ensure that the appropriate group of colleagues is captured. The target will be to increase the number of females in this group by three per cent from 18.0 per cent as at 31 December 2024 to 21.0 per cent as at 31 December 2027. The amount of the award is determined on a straight-line basis as shown in the table below.

GHG emissions reduction

The Greenhouse Gas (GHG) emissions target will be aligned with the SBTi linear pathway to a 48.5 per cent reduction by 2030, measured against a 2021 baseline. The target will be to reduce Scope 1 & 2 GHG emissions by 42.87 per cent by 31 December 2027 against the 2021 base year. The target has been adjusted to be appropriately stretching taking into account the progress made against the 2021 baseline as at 31 December 2024. The amount of the award is determined on a straight-line basis as set out in the table below. Under the Group's Science Based Targets Initiative Recalculation Policy, it may be necessary to recalculate and restate the base year following significant structural changes in the Group. The Committee will consider the impact of any such recalculation when assessing the outcome of this performance condition.

Financial targets

	30% TSR relative to a peer group		30% Adjusted EPS		30% Average ROCE	
	Ranking	% of element vesting	Performance	% of element vesting	Performance	% of element vesting
Below threshold	Below median	0%	Below 79.1p	0%	Below 10.0%	0%
Threshold	Median	25%	79.1p	25%	10.0%	25%
Between threshold and target	–	–	79.1p - 86.1p	25% - 50%	–	–
Between target and stretch	–	–	86.1p - 93.6p	50% - 100%	–	–
Between threshold and stretch	Median-80th percentile	25% - 100%	–	–	10.0% -11.0%	25% - 100%
Stretch or above	Above 80th percentile	100%	Above 93.6p	100%	11.0%	100%

ESG targets

	5% gender diversity		5% GHG emissions	
	Performance	% of element vesting	Reduction	% of element vesting
Below threshold	Below 18.75%	0%	Below 40.76%	0%
Threshold	18.75%	25%	40.76%	25%
Between threshold and stretch	18.75% - 21.0%	25% - 100%	40.76% - 42.87%	25% - 100%
Stretch or above	Above 21.0%	100%	Above 42.87%	100%

Holding period

A holding period of two years will apply to LTIP awards received by Executive Directors that vest, after taking into account any shares sold to pay tax and other statutory obligations in line with the Remuneration Policy. Shares held during the two-year holding period will be deemed to be part of an executive directors' shareholding, for the purposes of monitoring the shareholding guidelines. The vesting period and the holding period will be five years in total.

Relative importance of spend on pay

The following table sets out the percentage change in dividends, share buybacks and overall spend on employee pay in the 2024 financial year compared with the prior year.

	2024 £'000	2023 £000	% Change
Dividends payable	**73,214***	73,174	0.05
Share buybacks	**80,923**	155,735	(48.04)
Employee remuneration costs	**365,952**	350,925	4.28

* Based on shares in issue as at 28 February 2025.

Annual Report on Remuneration continued

Percentage change in Directors pay

The table below shows the percentage year-on-year change in the value of salary/fees, annual bonus and benefits for all Directors compared to that of the average employee on an annual basis. Change is calculated using unrounded pay figures in local currency. Mr. Ian Tyler was appointed to the Board on 1 March 2024.

	2024			2023			2022			2021			2020		
	Salary	**Benefits**	**Bonus**	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus
E. Born	**4.0%**	**(16.3%)**	**308.1%**	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
D. Arnold	**4.0%**	**(21.3%)**	**308.2%**	4.4%	(5.3%)	(56.0%)	3.1%	3.2%	(50.0%)	5.1%	(32.4%)	100.0%	(3.0%)	(4.9%)	(100.0%)
I. Tyler	**n/a**	**–**	**–**	n/a	–	–	n/a	–	–	n/a	–	–	n/a	–	–
S. Murray	**–**	**–**	**–**	–	–	–	19.6%	–	–	5.3%	–	–	(4.5%)	–	–
V. Crowley	**–**	**–**	**–**	–	–	–	3.1%	–	–	5.3%	–	–	(4.5%)	–	–
R. McGuckian	**–**	**–**	**–**	–	–	–	3.1%	–	–	5.3%	–	–	n/a	–	–
A. Darzins	**–**	**–**	**–**	–	–	–	n/a	–	–	n/a	–	–	n/a	–	–
M. Robson	**–**	**–**	**–**	n/a	–	–	n/a	–	–	n/a	–	–	n/a	–	–
M. Roney*	**–**	**–**	**–**	–	–	–	3.1%	–	–	5.3%	–	–	(4.5%)	–	–
P. Hampden Smith*	**–**	**–**	**–**	–	–	–	19.6%	–	–	5.3%	–	–	(4.5%)	–	–
Average employee															
Salary, Benefits and Bonus (£)**	**5.2%**			4.4%			4.0%			10.4%			(7.3%)		

* Mr. Roney and Mr. Hampden Smith stepped down from the Board on 2 May 2024.
** Based on average number of persons employed during the year. The increase in constant currency was 6.9 per cent.

CEO pay ratio to the workforce

The table below shows the ratio of the CEO's total remuneration for 2024 and the lower, median and upper quartile full-time equivalent remuneration of the Group's UK employees. The pay ratios for 2023, 2022, 2021, 2020 and 2019 are also shown for comparison. Grafton has decided to use Option A as it provides the most statistically accurate method for identifying the pay ratios. Option A requires a company to calculate the total full-time equivalent pay and benefits of all its UK employees for the relevant financial year (using the same methodology as for CEO pay) in order to identify and rank the 25th, 50th and 75th percentiles. The total remuneration for employees includes wages and salaries, taxable benefits, bonuses, share based payments remuneration and pensions.

The period of analysis is between 1 January and 31 December 2024. The total number of UK colleagues included in the 2024 pay ratio analysis was 4,009. The analysis included colleagues employed at 31 December 2024.

	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2019	Option A	93:1	77:1	59:1
2020	Option A	68:1	57:1	44:1
2021	Option A	138:1	120:1	90:1
2022	Option A	35:1	31:1	26:1
2023	Option A	43:1	37:1	30:1
2024	Option A	67:1	59:1	48:1

		25th percentile pay ratio		50th percentile pay ratio		75th percentile pay ratio	
Financial year	Method	Total pay and benefits	Total salary	Total pay and benefits	Total salary	Total pay and benefits	Total salary
2024	Option A	£24,667	£23,781	£28,212	£26,537	£34,682	£32,350

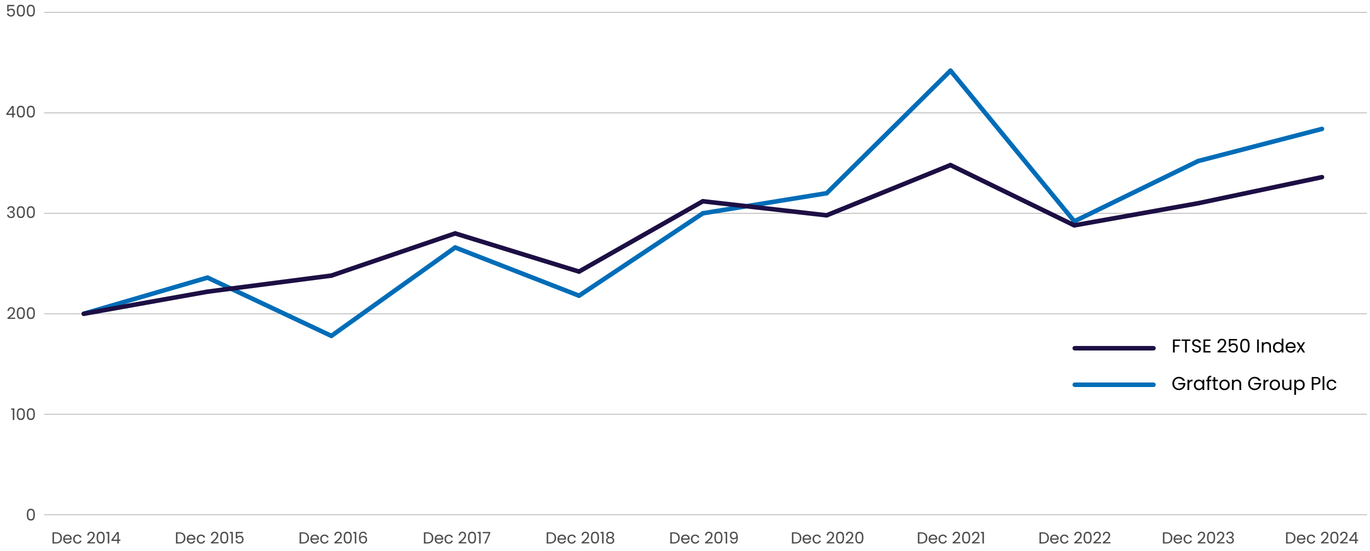
For the purpose of calculating the pay ratio, the CEO's remuneration is based on the single figure for 2024 of £1,650,664 which includes all remuneration (salary, pension, benefits and LTIP). Details of colleague bonus payments in respect of 2024 is based on bonuses paid in 2024. This is consistent with the calculation method used in previous years. Consistent with our practice in previous years, next year's report will be updated for bonuses paid to colleagues in respect of 2024. The Committee considers the median pay ratio consistent with the Group's wider policies on employee pay, reward and progression. For example, the Committee reviewed workforce remuneration including base pay, benefits and incentives which was taken into consideration when deciding the pay of Executive Directors and Senior Management. Changes in total remuneration for the CEO are largely as a result of the volatile nature of their variable pay and this is reflected in the variation of the total pay ratio over the period.

* The pay ratio reported for 2023 has been re-calculated to be based on colleague bonuses paid in respect of 2023 such that it is on a like for like basis to the CEO's single figure calculation.

Performance graph and single total figure of remuneration

Total shareholder return

The graph below compares the TSR performance of Grafton Group plc, assuming dividends are re-invested, with the TSR performance of the FTSE 250 over the period 31 December 2014 to 31 December 2024.



This graph shows the value, by 31 December 2024, of £100 invested in Grafton Group plc on 31 December 2014, compared with the value of £100 invested in the FTSE 250 Index on the same date. This comparator group was chosen on the basis that the Company is a constituent of the index and it includes comparable sized businesses. The other points plotted are the values at intervening financial year-ends.

The table below shows the total remuneration figure for the position of CEO over the ten years to 2024.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
CEO single total figure of remuneration (£'000)	2,255	1,692	1,689	2,211	1,852	1,322	2,876	791*	1,019	**1,651**
Annual bonus payout relative to maximum	53%	60%	100%	93%	19%	0%	100%	n/a	16%	**64%**
LTIP vesting	87%	50%	26%	72%	95%	30%	100%	n/a	n/a	**13%**

* This is the pro-rated single figure of remuneration for the role of CEO. Mr. E. Born was appointed Chief Executive Officer and joined the Board on 28 November 2022. Mr. G. Slark stepped down from the Board on 31 December 2022. No bonus or LTIP was applicable in 2022.

Statement of shareholder voting

The 2023 Annual Report on Remuneration received the following votes from shareholders at the 2024 AGM:

	Total number of votes	% of votes cast
For	123,729,361	98.61
Against	1,741,874	1.39
Total	125,471,235	100

The number of votes withheld for the Annual Report on Remuneration was 74,346.

The 2023 Directors Remuneration Policy received the following votes from shareholders at the 2023 AGM:

	Total number of votes	% of votes cast
For	133,960,759	97.88
Against	2,896,246	2.12
Total	136,857,005	100

The number of votes withheld for the Remuneration Policy was 2,160.

Annual Report on Remuneration continued

Directors' and secretary's interests

The beneficial interests of the Directors in the share capital of the Company were as follows:

Director	**31 December 2024 Grafton Units***	31 December 2023 Grafton Units	Unvested LTIP awards**	Unvested SAYE options***
I. Tyler	**–**	–	–	–
E. Born	**14,330**	11,300	361,440	1,156
D. Arnold	**144,000**	197,936	248,601	2,290
V. Crowley	**8,000**	8,000	–	–
S. Murray	**1,500**	1,500	–	–
R. McGuckian	**5,380**	5,380	–	–
A. Darzins	**2,406**	2,406	–	–
M. Robson	**2,500**	–	–	–
M.J. Roney****	**45,826**	45,826	–	–
P. Hampden Smith****	**45,566**	45,566	–	–
Secretary				
S. Lannigan	**5,064**	–	12,369	–

* At 31 December 2024 a Grafton Unit consists of one Ordinary Share of €0.05 in Grafton Group plc.

** Vesting of these awards is subject to performance conditions and includes awards granted in 2022, 2023 and 2024.

*** Mr. Born held options to buy 1,156 shares at the agreed option price within six months after the three-year option period ending on 1 June 2027. Mr. Arnold held options to buy 1,134 shares at the agreed option price within six months after the three-year option period ending on 1 June 2025, and options to buy 1,156 shares at the agreed option price within six months after the three-year option period ending on 1 June 2027.

**** Mr. M.J. Roney and Mr. P. Hampden Smith stepped down from the Board on 2 May 2024. Actual Shareholdings as at 2 May 2024 shown.

The closing price of a Grafton Unit on 31 December 2024 was 960p (31 December 2023: 911.10p) and the price range during the year was between 886.50p and 1,087.0p (2023: 751.0p and 988.7p). There have been no changes in the interests of the Directors and Secretary between 31 December 2024 and the date of this report.

To further align the interests of senior management with those of shareholders, Executive Directors are subject to share ownership guidelines. Executive Directors are required to build a holding of shares in the Company with a minimum value of 200 per cent of their salary. Executive Directors are expected to retain half of any shares that vest under the LTIP after taking into account any shares sold to pay tax and other statutory obligations, until this share ownership requirement is fulfilled. In addition, Executive Directors are required to apply 30 per cent of their annual bonus after statutory deductions for the purchase of shares in the Group.

There is normally a two year holding period for shares received from LTIP awards that vest. The two-year holding period will continue to apply after a Director has stepped down from the Board. Executive Directors will normally be expected to maintain a minimum shareholding of 200 per cent of salary (or actual shareholding if lower) for the two years after stepping down from the Board.

Mr. Born held shares at the year-end valued at 0.18 times his salary which reflects his relatively recent appointment as a Director. Mr. Arnold held shares at the year-end valued at 2.95 times his salary. This is based on the closing price of a Grafton Unit on 31 December 2024 of 960.0p.

LTIP awards granted in 2021 over 18,843 shares vested in August 2024 in favour of Mr. Arnold who instructed the Company's share plan administrators to immediately sell 8,902 of these Grafton Units to meet tax liabilities and brokers commission and he retained the remainder being 9,941 Grafton Units.

Directors' and secretary's interests under the 2021 long-term incentive plans

The grant of awards over Grafton Units to the Directors and Secretary under the LTIP are shown below:

	Grant Date	Share Price on date of Grant	01-Jan-24	Granted	Lapsed	Shares Received	31-Dec-24	EPS Condition	TSR Condition	Performance Period	Vesting Date**
E. Born	29 Nov 2022	£8.059	37,251	–	–	–	37,251	18,625	18,626	1 Jan 22-31 Dec 24	29 Nov 2025
	31 March 2023	£8.87	166,855	–	–	–	166,855	83,427	83,428	1 Jan 23-31 Dec 25	1 April 2026
	20 March 2024	£9.783	–	157,334	–	–	157,334	78,667	78,667	1 Jan 24-31 Dec 26	21 March 2027
			204,106	**157,334**	**–**	**–**	**361,440**	**180,719**	**180,721**		
D. Arnold	17 May 2021	£12.005	60,983		(42,140)	(18,843)*	–	–	–	1 Jan 21-31 Dec 23	17 May 2024
	1 April 2022	£9.9325	75,992	–	–	–	75,992	37,996	37,996	1 Jan 22-31 Dec 24	1 April 2025
	31 March 2023	£8.87	88,839	–	–	–	88,839	44,419	44,420	1 Jan 23-31 Dec 25	1 April 2026
	20 March 2024	£9.783	–	83,770	–		83,770	41,885	41,885	1 Jan 24-31 Dec 26	21 March 2027
			225,814	**83,770**	**(42,140)**	**(18,843)**	**248,601**	**124,300**	**124,301**		
S. Lannigan	17 May 2021	£12.005	1,838	–	(1,838)	–	–	–	–	1 Jan 21-31 Dec 23	17 May 2024
	1 April 2022	£9.9325	2,270	–	–	–	2,270	2,270	–	1 Jan 22-31 Dec 24	1 April 2025
	31 March 2023	£8.87	2,741	–	–	–	2,741	2,741	–	1 Jan 23-31 Dec 25	1 April 2026
	20 March 2024	£9.783	–	2,556	–	–	2,556	1,278	1,278	1 Jan 24-31 Dec 26	21 March 2027
	27 Nov 2024	£9.3535	–	4,802	–	–	4,802	2,401	2,401	1 Jan 24-31 Dec 26	28 November 2027
			6,849	**7,358**	**(1,838)**	**–**	**12,369**	**8,690**	**3,679**		

* The market price at the date of vesting was £10.7960.
** This is the earliest date for vesting. The actual date of vesting is subject to approval by the Remuneration Committee.

The Grafton Group plc 2021 Long-term Incentive Plan (the 'Plan') was approved by shareholders at the Annual General Meeting of the Company held on 28 April 2021 and the first awards made under the Plan were on 17 May 2021.

Susan Murray
Chair of the Remuneration Committee
5 March 2025

Report of the Directors

The Directors present their report to the shareholders together with the audited financial statements for the year ended 31 December 2024.

Group results

Group revenue decreased by 1.6 per cent to £2.28 billion from £2.32 billion in 2023. Statutory operating profit was £152.6 million (2023: £183.1 million). Adjusted operating profit of £177.5 million was down 13.6 per cent from £205.5 million last year.

Net finance expense was £0.1 million (2023: net finance income of £0.4 million). The net finance expense incorporates an interest charge of £15.0 million (2023: £15.6 million) on lease liabilities recognised under IFRS 16.

The income tax expense of £30.5 million (2023: £34.8 million) is equivalent to an effective tax rate of 20.0 per cent of profit before tax (2023: 19.0 per cent).

Basic earnings per share was 60.9 pence (2023: 69.6 pence). Adjusted earnings per share was 71.8 pence (2023: 77.9 pence).

The Group and Company financial statements for the year ended 31 December 2024 are set out in detail on pages 124 to 203 and are deemed to be incorporated in this part of the Report of the Directors together with the Supplementary Information on pages 204 to 214.

Dividends

A final dividend for 2023 of 26.0 pence per ordinary share was paid on 9 May 2024 to shareholders on the register of members at the close of business on 12 April 2024.

An interim dividend for 2024 of 10.50 pence per ordinary share was paid on 11 October 2024 to shareholders on the register of members at the close of business on 13 September 2024.

A final dividend for 2024 of 26.5 pence per ordinary share is proposed for approval by shareholders at the AGM on 8 May 2025 and, if approved, will be paid on 15 May 2025 to shareholders on the register of members at the close of business on 22 April 2025, the record date. The ex-dividend date is 17 April 2025.

Review of the business

Shareholders are referred to the Chair's Statement, Chief Executive Officer's Review, Operating Review and Financial Review and all reports and information included in the Strategic Report on pages 2 to 53 which includes a review of operations and the financial performance of the Group for 2024, the outlook for 2025 and the key performance indicators used to assess the performance of the Group. These are deemed to be incorporated in the Report of the Directors.

Cautionary statement

Certain statements made in this Annual Report are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by these forward-looking statements. They appear in a number of places throughout this Annual Report and include statements regarding the intentions, beliefs or current expectations of Directors and senior management concerning, amongst other things, the results of operations, financial conditions, liquidity, prospects, growth rate and potential growth opportunities, potential operating performance improvements, the effects of competition and the strategy of the overall Group and its individual businesses. You should not place undue reliance on forward looking statements. These forward looking statements are made as at the date of this Directors Report. The Company and its Directors expressly disclaims any obligation to update or revise any forward- looking statements, whether as a result of new information, future developments or otherwise, except as required by law.

The principal risks and uncertainties included on pages 47 to 51 of this Annual Report could cause the Group's results to differ materially from those expressed in forward-looking statements. There may be other risks and uncertainties that the Group is unable to predict at this time or that the Group currently does not expect to have a material adverse effect on its business. These forward- looking statements are made as of the date of this Annual Report.

Board of Directors

Under the Company's Articles of Association, Directors are required to submit themselves to shareholders for election at the Annual General Meeting following their appointment and all Directors are required to submit themselves for re-election at intervals of not more than three years.

However, in line with the provisions contained in the UK Corporate Governance Code, all Directors with the exception of Mr. Michael Roney and Mr. Paul Hampden Smith who had indicated their intention to step down from the Board at the conclusion of the AGM, retired and being eligible offered themselves for re-election at the 2024 Annual General Meeting. All Directors going forward for re-election were re-elected to the Board on the same day.

The Board has decided that all Directors should retire at the 2025 Annual General Meeting and offer themselves for re-election.

Share capital

As at 31 December 2024, the share capital of the Company consists of Ordinary Shares of Euro five cent each in Grafton Group plc. The composition of the Company's share capital is set out in Note 18 on page 166.

The Group has in place a number of employee share schemes, the details of which are set out in the Report of the Remuneration Committee on Directors' Remuneration and in Note 31 to the Group Financial Statements.

Annual General Meeting (AGM)

The AGM of the Company will be held at the Irish Management Institute (IMI) Sandyford Road, Dublin, D16 X8C3, Ireland at 10.30am on Thursday 8 May 2025. The Notice of Meeting for the 2024 AGM will be made available on the Group's website, www.graftonplc.com. The resolutions to be considered at the Annual General Meeting are summarised below.

Financial statements

To receive and consider the Company's financial statements for the year ended 31 December 2024 together with the reports of the Directors and the Auditors.

Final dividend

Shareholders are being asked to declare a final dividend of 26.5 pence per Ordinary Share for the year ended 31 December 2024 payable on 15 May 2025 to the holders of Ordinary Shares on the register of members at close of business on 22 April 2025.

Re-election of Directors

To re-elect all the directors of the Company.

Continuation in office of auditors

While it is not required under Irish law, an advisory, non-binding resolution is being presented in relation to the continuation of PwC in office as Auditors.

Remuneration of the auditors

As required under Section 381(1)(b) of the Companies Act 2014, a resolution is being presented authorising the Directors to fix the remuneration of the Auditors.

Report of the Remuneration Committee on Directors' remuneration

The Board is proposing to submit the Chair's Annual Statement, and the Annual Report on Remuneration of the Remuneration Committee, as set out on pages 102 to 105 and 106 to 119, to a non-binding advisory vote.

Notice Period for Extraordinary General Meetings

This resolution will, if adopted, maintain the existing authority in the Articles of Association which permits the Company to convene an extraordinary general meeting on 14 days' notice in writing where the purpose of the meeting is to consider an ordinary resolution. As a matter of policy, the 14 days' notice will only be utilised where the Directors believe that it is merited by the business of the meeting and the circumstances surrounding the business of the Meeting.

Authority to allot relevant securities

Shareholders are being asked to renew the Directors' authority to allot and issue any unissued ordinary share capital of the Company. The total number of shares which the Directors may issue under this authority will be limited to one third of the issued share capital of the Company. The Directors have no present intention to make a share issue other than in respect of employee share schemes.

Disapplication of pre-emption rights

At each Annual General Meeting, the Directors seek authority to disapply statutory pre-emption rights in relation to allotments of shares for cash up to an aggregate nominal value for all allotments and all treasury shares representing five per cent of the nominal value of the issued ordinary share capital of the Company as at the date of the Notice of Annual General Meeting. Under the Articles of Association, shareholders are required to renew this power at each year's Annual General Meeting.

Authority to make market purchases of the Company's own shares

At the 2024 Annual General Meeting, shareholders gave the Company and/or any of its subsidiaries authority to make market purchases of up to 10 per cent of the Company's own shares. Shareholders are being asked to renew this authority.

The Directors consider it appropriate to maintain the flexibility that this authority provides. The Directors monitor the Company's share price and may from time to time exercise this power to make market purchases of the Company's own shares, at price levels which they consider to be in the best interests of the shareholders generally, after taking account of the Company's overall financial position. The minimum price which may be paid for any market purchase of the Company's own shares will be the nominal value of the shares and the maximum price which may be paid will be 105 per cent of the then average market price of the shares.

Authority to re-issue treasury shares

Shareholders are being asked to sanction the price range at which any treasury share (that is a share of the Company redeemed or purchased and held by the Company rather than being cancelled) may be re-issued other than on the Stock Exchange. The maximum and minimum prices at which such a share may be re-issued are 120 per cent and 95 per cent respectively of the average market price of a share calculated over the five business days immediately preceding the date of such re-issue.

The authorities which will be sought at the forthcoming AGM to allot relevant securities, disapply pre-emption rights, purchase the Company's Units and re-issue treasury shares will, if granted, expire on the earlier of the date of the Annual General Meeting in 2026 or 15 months after the passing of these resolutions.

Report of the Directors continued

Substantial holdings

So far as the Company is aware, the following held shares representing three per cent or more of the ordinary share capital of the Company (excluding treasury shares) at 31 December 2024 and 26 February 2025:

Name	31 December 2024 Holding	31 December 2024 %	26 February 2025 Holding	26 February 2025 %
Mr. Michael Chadwick	21,776,410	11.04	21,776,410	11.05
Blackrock, Inc.	14,732,921	7.47	14,732,921	7.47
Dimensional Fund Advisors LP	10,381,584	5.26	10,381,584	5.27
Vanguard Group, Inc	9,822,549	4.98	9,822,549	4.98
GLG Partners LP	8,530,439	4.32	8,530,439	4.33
The Capital Group Companies, Inc.	7,843,552	3.98	7,843,552	3.98
abdrn plc	7,050,545	3.57	7,050,545	3.58
JPMorgan Asset Management (UK) Limited	6,502,981	3.30	6,502,981	3.30

Apart from these holdings, the Company has not been notified at 26 February 2025 or at 31 December 2024 of any interest of three per cent or more in its ordinary share capital.

Directors' and Secretary's interests in the share capital of the Company are set out in the Report of the Remuneration Committee on Directors' Remuneration on page 119.

Accounting records

The Directors are responsible for ensuring that adequate accounting records are maintained by the Company as required by Sections 281-285 of the Companies Act, 2014. The Directors believe that they have complied with this requirement by providing adequate resources to maintain proper books and accounting records throughout the Group including the appointment of personnel with appropriate qualifications, experience and expertise. The books and accounting records of the Company are maintained at The Hive, Carmanhall Road, Sandyford Business Park, Sandyford, Dublin 18, Ireland.

Takeover regulations 2006

The capital structure of the Company is detailed in Note 18 to the Group Financial Statements. Details of employee share schemes are set out in Note 31. In the event of a change of control, the vesting/conversion/exercise of share entitlements/options may be accelerated. The Group's borrowing facilities may be required to be repaid in the event of a change of control. The Company's Articles of Association provide that the business of the Company shall be managed by the Directors, who may exercise all such powers of the Company subject to the Companies Act and the Articles of Association. Details of the powers of the Directors in relation to the issuing or buying back by the Company of its shares are set out above. The Company's Memorandum and Articles of Association, which are available on the Company's website, www.graftonplc.com, are deemed to be incorporated in this part of the Report of the Directors.

Corporate governance regulations

As required by company law, the Directors have prepared a Report on Corporate Governance which is set out on pages 85 to 93 and which, for the purposes of Section 1373 of the Companies Act 2014, is deemed to be incorporated in this part of the Report of the Directors. This includes the Report of the Audit and Risk Committee. Details of the capital and employee share schemes are included in Notes 18 and 31 respectively.

Directors compliance statement

It is the policy of the Company to comply with its relevant obligations as defined in the Companies Act 2014. The Directors have drawn up a compliance policy statement as defined in section 225(3)(a) of the Companies Act 2014. Arrangements and structures have been put in place that are, in the directors' opinion, designed to secure a material compliance with the Company's relevant obligations. These arrangements and structures were reviewed by the Company during the financial year. As required by section 225(2) of the Companies Act 2014, the Directors acknowledge that they are responsible for the Company's compliance with its relevant obligations. In discharging their responsibilities under section 225, the Directors relied on the advice of third parties who they believe have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations.

Principal risks and uncertainties

The Company is required under Irish company law to give a description of the principal risks and uncertainties. These principal risks and uncertainties are set out on pages 47 to 51 and are deemed to be incorporated in this section of the Report of the Directors.

Non-financial statement – European Union (disclosure of non-financial and diversity information by certain large undertakings and groups) regulations 2017

The following are deemed to be incorporated in this part of the Report of the Directors:

Reporting requirement	Location of information	Page
Environmental Matters	Sustainability Statement – Environmental disclosures	64 to 71
	Key Performance Indicators	28
Social & Employee Matters	Sustainability Statement – Social disclosures	72 to 78
	Stakeholder Engagement	10 and 11
	Note 11 to the Group Financial Statements	157
	Note 6 to the Group Financial Statements	154 and 155
Diversity	Sustainability Statement – Social disclosures	72 to 78
	Key Performance Indicators	28
	Nomination Committee Report	98 to 101
Human Rights	Sustainability Statement – Governance disclosures	79 and 80
Anti-bribery & Corruption	Sustainability Statement – Governance disclosures	80
	Audit and Risk Committee Report	96
Business Model	Business Model	20 and 21
Non-Financial KPIs	Key Performance Indicators	28
	Sustainability Statement – Environmental disclosures	64 to 71
Principal Risks	Risk Management	47 to 51
Financial Instruments	Note 21 to the Group Financial Statements	172 to 179

Subsidiaries

The Group's principal operating subsidiary undertakings are set out on page 202.

Political contributions

There were no political contributions which require disclosure under the Electoral Act, 1997.

Events after the balance sheet date

The Company bought back, for cancellation, 0.2 million shares at a cost of £1.6 million between 1 January 2025 and 5 March 2025.

On 13 February 2025, the Group entered into an agreement, which is subject to approval from the Competition and Consumer Protection Commission (CCPC), for the sale of the MFP business to a subsidiary of Wienerberger AG which mainly operates through Pipelife Ireland Solutions Limited in Ireland.

In addition, the Board has today announced a sixth programme, commencing 6 March 2025, to buy back ordinary shares in the Company for an aggregate consideration of up to £30.0 million. The sixth share buyback programme will end no later than 31 August 2025, subject to market conditions.

There have been no other material events subsequent to 31 December 2024 that would require adjustment to or disclosure in this report.

Auditor

The statutory Auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office in accordance with Section 382 (2) of the Companies Act 2014 and a resolution authorising the Directors to fix their remuneration will be submitted to the Annual General Meeting.

Disclosure of information to statutory auditors

In accordance with the provisions of section 330 of the Companies Act 2014, each of the persons who are Directors of the Company at the date of approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2014) of which the statutory Auditor is unaware; and
- The Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information (as defined) and to ensure that the statutory Auditor is aware of such information.

On behalf of the Board.

Eric Born
Director
5 March 2025

David Arnold
Director