

## Chair's introduction

# Directors' Report on Corporate Governance

### Dear Shareholder,

On behalf of the Board, I am pleased to present our Corporate Governance Report for the year ended 31 December 2025. This report summarises our corporate governance framework including how we apply the principles and provisions of the UK Corporate Governance Code ('the Code').



Ian Tyler, Chair

### Governance at a glance

# 100%

Board meeting attendance

# 8

Number of Directors at the year end

#### Board gender diversity



■ Male (5)  
■ Female (3)

#### Board independence



■ Executive (2)  
■ Non-Executive (5)  
■ Chair (1)

#### Board nationality



■ UK (4)  
■ Ireland (2)  
■ Switzerland (1)  
■ Sweden (1)

#### 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 Committees, 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 the Group.

#### 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.

We were delighted to welcome Mr. David Dillon and Ms. Andrea Gisle Joosen to the Board as Non-Executive Directors and we are confident that their combined knowledge and relevant sector experience will be of significant benefit to the Group in the coming years.

In line with the Group's policy, all Directors will retire and seek re-election at the 2026 Annual General Meeting (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%. 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 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 performance review

An internal performance review was completed during the year following an external assessment conducted in 2024. I am pleased to report that the results indicate that the Board and its Committees continue to operate effectively and uphold high standards of governance.

The findings and observations from the internal review are presented on page 80 and will be used to guide and inform 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 19 and 20.

#### AGM

We look forward to welcoming shareholders to our 2026 AGM which will be held at The Irish Management Institute, Sandyford, Dublin 18 at 10.30am on Friday 15 May 2026.

**Ian Tyler**  
Chair

4 March 2026

## Board of Directors

### Committee membership key:

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



**Ian Tyler**  
Non-Executive Chair



#### 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, b.p. plc and Synthomer plc and Chair of BMT Group Ltd, a privately owned design and technical consulting firm.

Board length of service as at 4 March 2026  
2.0 years



**Eric Born**  
Chief Executive Officer



#### 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 4 March 2026  
3.0 years



**David Arnold**  
Chief Financial Officer



#### 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 4 March 2026  
12.5 years



**Rosheen McGuckian**  
Senior Independent Director



#### Career

Rosheen McGuckian was appointed to the Board on 1 January 2020 and was appointed Senior Independent Director with effect from 21 October 2025.

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 plc, 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 4 March 2026  
6.2 years

## Board of Directors continued

### Committee membership key:

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



**Avis Darzins**  
Non-Executive Director



#### 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 4 March 2026  
4.1 years



**Mark Robson**  
Non-Executive Director



#### 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 4 March 2026  
2.3 years



**David Dillon**  
Non-Executive Director



#### Career

David Dillon was appointed to the Board on 12 May 2025.

Mr. Dillon is a highly experienced senior executive with a 25-year career across Europe and the United States at CRH plc, a leading provider of building materials solutions. Mr. Dillon was a member of CRH plc's Executive Committee until the end of 2023, and most recently held the senior leadership positions of President, Europe Lightside & Distribution; President, Strategy & Development; and President, Europe. Prior to CRH, he worked in the airline industry with Aer Lingus Group plc.

#### Current external appointments

Non-Executive Director of John Paul Construction Limited, a leading contractor operating in Ireland, the UK and mainland Europe; Non-Executive Director of Consolis Group, a European leader in precast concrete solutions; Chair of Kyrie Farm CLG, a charity based in Ireland.

Board length of service as at 4 March 2026  
0.8 years



**Andrea Gisle Joosen**  
Non-Executive Director



#### Career

Andrea Gisle Joosen was appointed to the Board on 1 July 2025.

During her executive career, Ms. Gisle Joosen held numerous leadership roles in the media and technology sectors including as CEO of Boxer Sweden and as Managing Director of Nordics for Panasonic, Chantelle Group and Twentieth Century Fox. She previously chaired Sweden-headquartered Acast AB, Bilprovningen AB and Charge Amps AB, and was a Non-Executive Director at Currys plc, Billerud AB, ICA Gruppen, James Hardie Industries plc and Mr Green & Co.

#### Current external appointments

Non-Executive Director and Chair of the Remuneration Committee of Viaplay Group AB and Evoke plc; Non-Executive Director of Zühlke, Logent AB, and Stadium AB.

Board length of service as at 4 March 2026  
0.7 years

## Our Group Management Team



**Eric Born**  
Chief Executive Officer

### Career

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

**+ Read more:** See biography on page 72.



**David Arnold**  
Chief Financial Officer

### Career

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

**+ Read more:** See biography on page 72.



**Susan Lannigan**  
General Counsel and Company Secretary

### Career

Susan Lannigan joined Grafton in April 2015 and was appointed General Counsel and Company Secretary in July 2024. Susan leads Grafton's legal, company secretarial and communications functions. Susan previously worked as a private practice solicitor and held company secretarial roles in private practice and in the financial services industry.



**Carmen Lothian**  
Group Chief Human Resources Officer

### Career

Carmen Lothian joined Grafton in January 2026 as Group Chief Human Resources Officer. Carmen began her professional journey at Deloitte as a tax consultant before moving into industry where she held HR and Transformation senior leadership positions across major UK, US and Irish headquartered organisations.



**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.

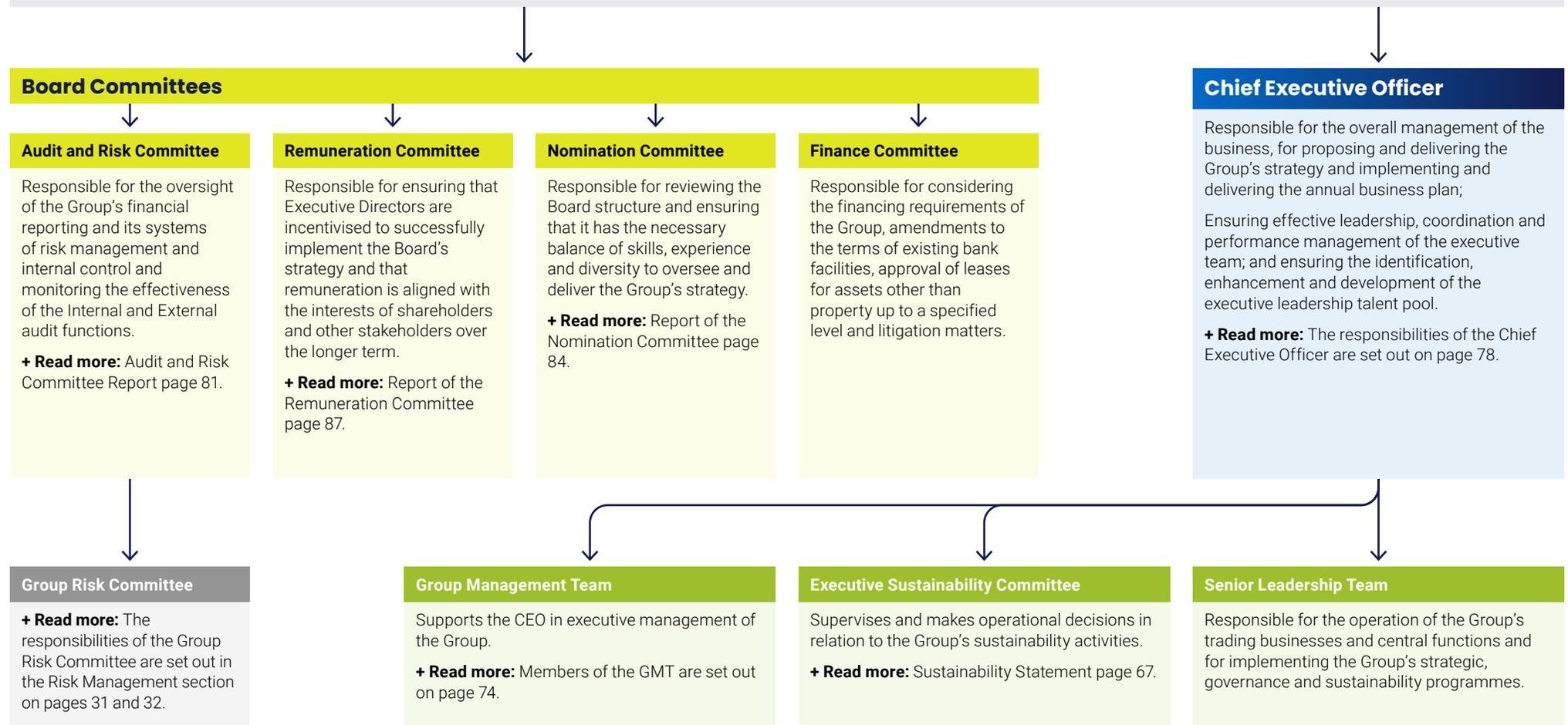
## Governance framework

The Group's organisational structure is established and overseen by the Board and designed to enable the Group 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.



# Directors' Report on Corporate Governance

## Compliance with the 2024 UK Corporate Governance Code

Grafton Group plc ('the Company') is incorporated in Ireland and is subject to Irish company law. Its shares are listed on the London Stock Exchange and the Group is subject to the 2024 UK Corporate Governance Code ('the Code') for the 2025 reporting year.

The Company has complied throughout the accounting period with all relevant provisions set out in the Code. 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 eight occasions during 2025, including a separate strategy meeting, and the attendance of individual directors at each meeting is set out in the table on page 78. 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 available 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. Susan Lannigan, Company Secretary, is Secretary to the Remuneration Committee and the Nomination Committee and she also supports the work of 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, CEO and Mr. David Arnold, 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 7 to 10.

#### Objectives and controls

The Group's strategic objectives are set out on page 8 and a summary of performance against the Group's KPIs is on pages 17 and 18. 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 31 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 19 and 20.

#### 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. 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 page 9. The Risk Management Report on pages 31 to 42 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 in the UK and Ireland 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.

#### 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 November of 2025.

Presentations for analysts and investors were hosted by the CEO and CFO on 6 March 2025 and 4 September 2025 following the announcement of the Final Results for 2024 and the Interim results for 2025 respectively and were made available via live webcast on the Company's website. Recordings of the 2024 Final Results and the 2025 Interim results webcasts are available to view at [www.graftonplc.com](http://www.graftonplc.com).

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. Significant or noteworthy acquisitions are also announced to the market.

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.

In 2025, the Board commissioned an investor perception study which provided the opportunity for investors to share their perspectives on the Group's strategy, financial position, capital allocation, management and governance. The outcome of the study and the insights received will help to inform the Board's discussions on Group strategy development.

## Directors' Report on Corporate Governance continued

All shareholders are invited to attend the AGM which provides the opportunity for shareholders to put questions to the Chair, Committee Chairs and Executive Directors and to meet informally with Directors before and after the meeting.

The Company Secretary communicates with shareholders on corporate governance matters as appropriate, particularly in the lead up to the AGM and other shareholder meetings.

The Notice of 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 to be tabled at the 2026 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% 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 had a 100% attendance record at all Board Meetings held during the year. Ms. Andrea Gisle Joosen was unavailable for one meeting of the Audit and Risk Committee due to pre-existing commitment prior to her appointment to the Board. All Directors 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 Ian Tyler as Non-Executive Director of b.p. plc. This proposed appointment was considered and approved in advance by the Board who were satisfied that subject to a reduction in Mr. Tyler's existing mandates, that he continues to devote sufficient time to undertake his responsibilities effectively. Mr. Tyler stepped down as Non-Executive Director and Senior Independent Director of Synthomer plc during 2025.

### 2026 AGM

The 2026 AGM will be held at the Irish Management Institute (IMI), Sandyford Road, Dublin, D16 X8C3, Ireland at 10.30am on Friday 15 May 2026.

### 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 19 and 20.

### 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 78, 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

#### Chair

- 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 judgement 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.

#### Chief Executive Officer

- 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.

#### Senior Independent Director

- 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:

Number of meetings	Board		Audit and Risk		Remuneration		Nomination	
	Total	Attended	Total	Attended	Total	Attended	Total	Attended
I. Tyler	8	8	–	–	–	–	4	4
E. Born	8	8	–	–	–	–	–	–
D. Arnold	8	8	–	–	–	–	–	–
R. McGuckian	8	8	5	5	6	6	4	4
A. Darzins	8	8	5	5	6	6	4	4
M. Robson	8	8	5	5	6	6	4	4
D. Dillon	5	5	2	2	3	3	1	1
A. Gisle Joosen	4	4	2	1	3	3	1	1
<b>Retired members</b>								
S. Murray	7	7	4	4	3	3	3	3
V. Crowley	7	7	4	4	5	5	3	3

Mr. David Dillon was appointed to the Board on 12 May 2025 and member of the Audit and Risk, Remuneration and Nomination Committees on 18 June 2025.

Ms. Andrea Gisle Joosen was appointed to the Board and member of the Audit and Risk, Remuneration and Nomination Committees on 1 July 2025.

Mrs. Susan Murray stepped down as Chair and member of the Remuneration Committee on 2 September 2025.

Mrs. Susan Murray and Mr. Vincent Crowley stepped down from the Board on 21 October 2025.

## Directors' Report on Corporate Governance continued

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.

The Board has access to a Board Handbook comprising a suite of governance documentation setting out key roles and responsibilities, matters reserved for Board decision and delegations of authority. The Board, supported by the Company Secretary, carried out a full review and update of the Governance Handbook during the year.

### Independence of Non-Executive Directors

The five Non-Executive Directors, Dr. Rosheen McGuckian, Ms. Avis Darzins, Mr. Mark Robson, Mr. David Dillon and Ms. Andrea Gisle Joosen 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% of the Board, excluding the Chair, are Non-Executive Directors whom the Board considers to be independent.

### Senior Independent Director

Dr. Rosheen McGuckian succeeded Mrs. Susan Murray as the Senior Independent Director on 21 October 2025 and is available to act as a sounding board for the Chair, and as an intermediary for the other Directors, if necessary. Dr. McGuckian 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. 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.

## 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 84 to 86.

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 2025, the Board was made up of eight members comprising the Non-Executive Chair, two Executive Directors and five independent Non-Executive Directors.

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 84 to 86.

### Director election/re-election

In accordance with the provisions of the Code, the Board has decided that all Directors should retire at the 2026 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 on page 80 and in the report of the Nomination Committee on pages 84 to 86.

### Chair tenure

Mr. Ian Tyler was appointed to the Board on 1 March 2024 as Non-Executive Director and Chair Designate and assumed the role of Non-Executive Chair on 2 May 2024.

### Performance of the Chair and Non-Executive Directors

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

The Board confirms that each of the Non-Executive and Executive Directors continues to perform effectively and demonstrate a strong commitment to the role.

## Directors' Report on Corporate Governance continued

### 2025 Board performance review

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.

An internal performance review was conducted during the year which involved each Director independently completing a questionnaire that covered a range of issues including the effectiveness of the Board and its Committees, strategy and development, internal controls and risk management, monitoring financial and operating performance and shareholder value creation.

The review concluded that the Board and its Committees operate effectively and that each Director contributes to the overall effectiveness and success of the Group. The actions identified from the 2025 performance evaluation related primarily to strategy formulation and articulation, and Board and executive succession planning.

The Chair, along with the Company Secretary, will ensure that areas identified for improvement in the 2025 board evaluation will be considered during 2026. In line with the requirements of the Code, the next externally-facilitated performance evaluation of the Board will occur in 2027.

The activity of the Board in 2025 also included consideration of the recommendations made as part of the external performance evaluation which was conducted in 2024. This included ongoing discussion on the evolution of the Group's strategic purpose and strategy development. The Board has also implemented an updated cadence of board meetings with effect from 2026 to include additional time for site visits and engagement with business unit management teams.

### 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 115.

#### 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 31 to 42.

#### 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 81 to 83. The Terms of Reference of the Committee are available on the Group's website [www.graftonplc.com](http://www.graftonplc.com).

A description of the activity of the Committee during the year is available in the Committee Report on pages 81 to 83.

### 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 82.

#### Going concern assessment

The Group's net cash position, before recognising lease liabilities, was £274.0m at 31 December 2025 (31 December 2024: £272.1m). Net debt including lease obligations was £123.4m at 31 December 2025 (2024: £131.7m). The Group had liquidity of £776.8m at 31 December 2025 (2024: £776.2m) of which £491.8m (2024: £505.4m) was held in accessible cash and deposits and £285.0m (2024: £270.8m) 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 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 near future, being at least 12 months from the date of approval of these financial statements. Having reassessed the principal risks, as set out on pages 33 to 38 of the 2025 Annual Report and Accounts 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 2025 are contained in the Report of the Remuneration Committee on Directors' Remuneration on pages 87 to 111.

# Audit and Risk Committee Report

## Audit and Risk Committee

### Dear Shareholder,

I am pleased to present the report of the Audit and Risk Committee for the year ended 31 December 2025.



**Mark Robson**, Chair of the Audit and Risk Committee

Membership	Length of service*
<b>Mark Robson (Chair)</b>	2.2 years
<b>Rosheen McGuckian</b>	5.8 years
<b>Avis Darzins</b>	3.5 years
<b>David Dillon</b>	0.7 years
<b>Andrea Gisle Joosen</b>	0.7 years

\* Committee membership as of 4 March 2026.

### Key duties of the Committee

#### Financial reporting

- Monitoring the integrity of the Group's financial statements and announcements relating to the Group's performance; and
- 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; and
- 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; and

- 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.

#### Governance

- 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](http://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 UK Corporate Governance Code (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 72 and 73 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 five times during the year and attendance by each Committee member is set out in the table on page 78.

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 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 2025

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

#### Financial reporting

The Committee reviewed the 2024 Final Results Announcement, the 2024 Annual Report and the 2025 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 2024 Final Results Announcement, the 2024 Annual Report and the 2025 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 judgement 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 83.

## Audit and Risk Committee Report continued

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 31 to 42. 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 33 to 38.

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 Group Internal Audit team in preparation for the internal control requirements in the 2024 UK Corporate Governance Code (the Code) which will be effective from 2026.

### Effectiveness of material controls

Provision 29 of the Code requires boards to review and declare the effectiveness of risk management and internal controls at the balance sheet date. Grafton will disclose its compliance with Provision 29 in the 2026 Annual Report.

In 2024, the Group launched its Internal Controls Programme. Working with Group Internal Audit, management identified key controls from existing financial reporting and IT control frameworks. These controls were expanded to cover major financial, IT, operational, reporting, and compliance processes, and were aligned with the principal

risks facing the Group, which are set out in further detail on pages 33 to 38.

In 2024 and 2025, Group Internal Audit tested key controls across all Group functions and business units to identify areas needing remediation and to assist management in streamlining and classifying controls into material and key.

In 2026, Group Internal Audit will test all material controls, allowing management to address any deficiencies for re-testing before the balance sheet date. A sample of the supporting key controls will also be tested, with full coverage of these to be achieved over a three-year cycle.

For 2025, the Group is required to report under Provision 29 of the 2018 Code. In the Board's and Audit and Risk Committee's view, the ongoing information they receive is sufficient to enable them to review the effectiveness of the Group's system of internal control. The Directors confirm that they have reviewed the effectiveness of the risk management and internal control framework. In particular, during the year the Board has considered the significant risks affecting the business and the way in which these risks are managed, controlled and monitored.

### Internal audit

During 2025, the Group Internal Audit and Business Risk Director reported to the Chief Financial Officer and also had 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 five 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. The Audit and Risk Committee is responsible for approving the internal audit budget

and is satisfied that internal audit has the appropriate resources to fulfil its responsibilities.

During the year the Committee also considered and approved the programme of work to be undertaken by the Group's Internal Audit function in 2026.

An external review of the effectiveness of the Internal Audit function was carried out by the Institute of Internal Auditors during 2025 and the results of this review were presented to the Committee in January 2026. The findings of the review were positive and a number of operational and strategic recommendations made will be acted upon. One of which is a change in direct reporting line of the Group Internal Audit and Business Director to the Chair of the Audit and Risk Committee to align with best practice.

### External auditor

The Committee reviewed the External Auditor's plan for the 2025 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 2024 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 2025 and were positive overall with a number of comments and recommendations made to help inform plans for the 2025 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' judgement or independence.

PwC was appointed Auditor to Grafton with effect from 1 January 2016. In accordance with PwC's independence criteria, the Group Engagement Leader is subject to a five-year rotation policy. Ms. Siobhán Collier has served as Group Engagement Leader since 2021, and will step down following the conclusion of the audit of the Financial Statements for 2025. I would like to thank Ms. Siobhán Collier for her service over the past five years. Mr. Paul Barrie will succeed Ms. Collier and on behalf of the Committee I would like to welcome Mr. Barrie to the role.

### External audit tender

A formal tender process was carried out during 2025 for the external audit of the Group's financial statements for the year ended 31 December 2026 and subsequent years. The Committee undertook the process between May and October 2025. The process was conducted in accordance with relevant regulatory standards.

Following an initial screening process by the Committee of a range of potential contenders, an invitation to tender document was issued in May 2025 to two audit firms which the Committee believed have the appropriate international expertise, experience and network to perform the audit of the Group. Each of the firms was given access to a data room and meetings were arranged with the Board, Group and business unit management prior to the firms submitting their written tender proposals.

The Committee evaluated the audit tender documents using a prescribed criteria and oral presentations were made by each of the firms invited to tender. Following the conclusion of this process, on the recommendation of the Committee, the Board approved the reappointment of PwC as auditors to the Group subject to shareholder approval, for a further maximum ten years.

# Audit and Risk Committee Report continued

## 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 and 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% 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. The Code and the Group Anti-Bribery and Corruption Policy set out the core standards and procedures to be observed and provides practical guidance on dealing with bribery risk. All colleagues are required to complete an annual declaration of independence to confirm whether they have any known conflicts of interest, as defined in the policy. Any declared interests are reviewed by management and HR, with actions to manage or remove conflicts agreed with the colleague.

## Estimates and judgements

The Committee reviewed in detail the following areas of significant judgement, complexity and estimation in connection with the financial statements for 2025. 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 116 to 125. The Committee also had an in-depth discussion on these matters with the External Auditor.

### Valuation of goodwill

Management carried out its annual goodwill impairment analysis at 31 December 2025 and an interim goodwill impairment analysis at 30 September 2025, immediately prior to the Group reorganising its operating segments. The Committee considered both goodwill impairment analyses carried out by management based on value-in-use which involved comparing the recoverable amount and carrying amount of the cash generating units (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), terminal growth rate and pre-tax discount rate.

The Committee noted the overall level of headroom in the value-in-use models prepared by management and considered the impact on the headroom of sensitivity analysis on the key assumptions used in the models. 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.

At 30 September the former UK Distribution group of CGUs recoverable amount had limited headroom over its carrying amount and was 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 former 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 in the 30 September 2025 model for the other former groups of CGUs would cause their carrying amounts to exceed their recoverable amounts at that date. The Committee also agreed that no reasonably possible change in any of the key assumptions in the 31 December 2025 model for the current 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 Group Internal Audit function which completed reviews during the year across a sample of significant business units with the primary objective of providing independent assurance on the accuracy of rebate receivable balances.

These reviews included reperforming calculations on a sample of rebate income for 2025 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 2025 and the value of rebates received during 2025 relating to 2024.

### 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 2026 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

4 March 2026

# Nomination Committee Report

## Nomination Committee

### Dear Shareholder,

I am pleased to present the report of the Nomination Committee for the year ended 31 December 2025.



**Ian Tyler**, Chair of the Nomination Committee

Membership	Length of service*
<b>Ian Tyler (Chair)</b>	2.0 years
<b>Rosheen McGuckian</b>	5.8 years
<b>Avis Darzins</b>	3.5 years
<b>Mark Robson</b>	2.2 years
<b>David Dillon</b>	0.7 years
<b>Andrea Gisle Joosen</b>	0.7 years

\* Committee membership as of 4 March 2026.

### Key duties of the Committee 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 reappointment 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.

### 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.

### Diversity

- Ensuring the diversity policy is linked to Group strategy; and
- Prioritising the appointment of women 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](http://www.graftonplc.com).

### Activities of the Committee during 2025 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 2025

As indicated in the 2024 Committee Report, Mrs. Susan Murray and Mr. Vincent Crowley stepped down during 2025 as part of the Board's normal board refreshment process. On behalf of the Committee and the Board, I would like to sincerely thank both Susan and Vincent for their very valuable contributions during their time on the Board.

Following a thorough search process assisted by Russell Reynolds, we were delighted to appoint David Dillon as a Non-Executive Director in May 2025. David has a very distinguished track record in international business with a strong focus on value creation and he brings extensive strategic, financial and leadership skills and highly relevant sector experience to the role.

In July 2025, the Board, on the recommendation of the Committee, was very pleased to appoint Andrea Gisle Joosen as a Non-Executive Director. Andrea is a highly experienced Director who brings deep understanding of international business which is of considerable value to the Board.

Andrea was appointed Chair of the Remuneration Committee of the Company in October 2025.

The Board was also very pleased to appoint Ms. Rosheen McGuckian as Senior Independent Director with effect from 21 October 2025, taking into account her considerable skills and experience as a Non-Executive Director and her knowledge of the Group over her six years on the Board.

### 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 2025 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 (as at 31 December 2025)
0-1 years	2
1-2 years	1
2-3 years	1
3-4 years	1
5-6 years	1

The Committee also 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 2026 Annual General Meeting (AGM) of the Company.

### Board effectiveness and evaluation

The Board conducts an annual evaluation of its own performance and that of its committees and

## Nomination Committee Report continued

individual Directors in accordance with the UK Corporate Governance Code (the Code).

In 2025, the evaluation was conducted internally, an external evaluation having been facilitated by Gould Consulting in 2024.

The evaluation found that the Board and its Committees are operating effectively and to a high standard of governance and in compliance with

best practice. Recommendations from the review will be addressed during the course of 2026.

### 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 process undertaken by the Committee in relation to director succession is set out below:

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.

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.

### 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 skill sets and prepare them for future senior roles

include participation in leadership and business school training.

### Equality, equity, diversity and inclusion

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 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.

The Board is mindful of the targets set by the FTSE Women Leaders Review in relation to gender diversity and the Parker Review in relation to ethnic diversity. As at 31 December 2025, three of our eight directors were female (38%) and the Senior Independent Director was female. One Director was from an ethnically diverse background as defined by the Parker Review. 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.

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,

### Director succession process

1	Background	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.
2	Defining the role	A detailed role specification is developed which identifies the key skills, experience and personal attributes required to create a diverse Board that will drive the future success of the Group. The role specification also addresses the time commitment and the Board's requirements regarding conflicts of interest.
3	Candidate selection	The Committee undertakes a formal, rigorous and transparent procedure when nominating suitable candidates for appointment to the Board. Independent search firms, that have no other connection with the Group, are used to identify candidates that match the role specification developed by the Committee. Candidates are identified and selected on merit against objective criteria and with due regard to the benefits of Board diversity.
4	Appointment	Appointments are approved by the Board on the recommendation of the Committee. The terms and conditions of appointment of Non-Executive Directors and the Chair are set out in formal letters of appointment, which also set out the Board's expectations in relation to time commitment and conflicts of interest.
5	Induction	A tailored induction programme is developed for newly appointed Directors which typically involves briefings and meetings with executive and business unit leadership and, where appropriate, external advisors. Site visits to trading businesses and introductions to major stakeholders may also form part of the induction, fostering a practical appreciation of the Group's operations, culture and strategic priorities.

## Nomination Committee Report continued

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.

In line with UKLR 6.6.6 R (10), as at the reference date of 31 December 2025, the composition of the Board and Executive Management was as follows:

### Sex/gender representation

	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
<b>Men</b>	5	62%	3	3	60%
<b>Women</b>	3	38%	1	2	40%
<b>Not specified/ prefer not to say</b>	–	–	–	–	–

### Ethnicity representation

	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
<b>White British or other White (including minority-white groups)</b>	7	87.5%	4	29	100%
<b>Mixed/multiple Ethnic Groups</b>	1	12.5%	–	–	–
<b>Asian/Asian British</b>	–	–	–	–	–
<b>Black/African/Caribbean/Black British</b>	–	–	–	–	–
<b>Other ethnic group, including Arab</b>	–	–	–	–	–
<b>Not specified/prefer not to say</b>	–	–	–	–	–

### 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

4 March 2026

# Remuneration Committee Report

## Remuneration Committee

### Dear Shareholder,

I am pleased to present my report as Chair of the Remuneration Committee for the year ended 31 December 2025.



**Andrea Gisle Joosen**, Chair of the Remuneration Committee

Membership	Length of service*
<b>Andrea Gisle Joosen (Chair)</b>	0.7 years
<b>Rosheen McGuckian</b>	5.8 years
<b>Avis Darzins</b>	3.5 years
<b>Mark Robson</b>	2.2 years
<b>David Dillon</b>	0.7 years

\* Committee membership as of 4 March 2026.

### 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 the Group Management Team (GMT) 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 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 2024 Annual Report on Remuneration which was supported by 99.4% of votes lodged by proxy ahead of the 2025 AGM.

The current Directors' Remuneration Policy became effective following shareholder approval at the 2023 Annual General Meeting (AGM) and this report details how the Policy was applied in 2025. In line with regulatory requirements, a renewed policy will be put to shareholders at the forthcoming AGM of the Company and further details of changes proposed to the current policy are set out on the following pages along with details of how the new policy will be implemented in 2026.

### 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 2025

Grafton delivered a resilient performance in 2025 reflecting the strength of its diversified geographies, its focus on margin management, and its continued investment in strengthening its market positions, despite weak trading conditions outside the Island of Ireland and Iberia. Trading activity reflected a softening of momentum in the

second half in several markets, partially offset by tight control of costs and the benefit of self-help actions in all geographies.

The Group's gross margin increased by 50 basis points during 2025, driven by a strong focus on margin management across all businesses. The increase in overheads across the Group in 2025 was partially mitigated by productivity improvements, streamlining processes, and implementing efficiency initiatives.

Adjusted operating profit increased by 7.1% to £190.2m (2024: £177.5m) and adjusted earnings per share increased by 5.1% to 75.4 pence (2024: 71.8 pence).

### Remuneration for 2025

#### Base Salary

The Committee approved a salary increase of 3.5% with effect from 1 January 2025 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 4.65% to colleagues across the Group.

#### Annual bonus

The annual bonus for 2025 was based on two financial performance targets being adjusted operating profit (70%) and free cash flow conversion (30%).

A bonus of 98.4% of basic salary, out of a potential bonus opportunity of 150% of salary, was awarded to the Chief Executive Officer and the Chief Financial Officer. These bonuses represent 65.6% of the maximum potential opportunity. Further detail is set out on page 103. 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.

## Remuneration Committee Report continued

### Vesting of LTIP awards made in 2023

The performance conditions for Long Term Incentive Plan (LTIP) awards granted in March 2023 that covered the performance period of the three years ending on 31 December 2025, were based 50% on growth in Adjusted Earnings per Share (adjusted EPS) and 50% 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 between median and 80th percentile, 60.2% 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 2025 being in the target range of 89.7 pence to 101.6 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 2022. On this basis, adjusted EPS for 2025 was 63.7 pence excluding property profit. As this was below the threshold of 89.7 pence, this half of the award will not vest.

Based on the foregoing, 30.1% of the total awards granted in 2023 to the Chief Executive Officer and Chief Financial Officer will vest in April 2026.

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.

### Proposed remuneration policy changes in 2026

The current Remuneration policy was approved at the 2023 AGM and, although not required under company law in Ireland, will be subject to a non-binding shareholder resolution at the 2026 AGM which is consistent with regulations in the UK. The new policy will apply for a three-year period and provide a framework for setting the remuneration of Executive and Non-Executive Directors and the Group's senior management.

We have undertaken a comprehensive review of our Policy to ensure that it fully incentivises management to focus on the delivery of Grafton's strategic growth initiatives to deliver long-term sustainable returns for our shareholders, while ensuring it remains appropriately aligned with the Group's current scale, operational complexity, and future ambitions.

### Context to the policy review – business and strategy

During the last policy period, Grafton delivered resilient business performance in a challenging market environment, outperforming national and international building materials distribution peers. We continued our focus on returning value to shareholders, returning cash of £428.3m through share buybacks completed between 9 May 2022 and 7 November 2025, representing 20.5% of the shares in issue when the first buyback programme commenced.

We remained committed to strengthening and growing our existing businesses across our geographically diverse portfolio, using organic growth strategies and targeted acquisitions. The recent bolt-on acquisition of HSS Hire Ireland complements our service offering within the Chadwicks business in the Island of Ireland segment. In October 2024 we entered Spain's highly fragmented distribution market through the platform acquisition of Salvador Escoda, the specialist distributor of air conditioning, ventilation, heating, refrigeration and renewable products.

Looking ahead, our focus is on continuing to strengthen our existing positions in our core markets through organic growth and bolt-on acquisitions. We also plan to accelerate our expansion efforts in the highly attractive fragmented distribution market in Iberia to continue to grow the Group and deliver value for shareholders.

Within this context, the following approach has been established. The proposed changes under the new policy are outlined below and are also summarised in the table on page 91.

### Structure

The Committee considered in detail the approach to the current policy, with particular attention to the structure of the Annual Bonus Scheme and LTIP to ensure they remain effective and aligned with the Group's strategic ambitions and challenging market conditions.

The Committee is confident that the current structure of the variable remuneration remains suitable for Grafton. We believe that the combination of the annual bonus and a performance-based long-term incentive plan is most effective approach to motivate executives and promote retention among senior leadership, thereby supporting the delivery of our strategy over the long term and value creation for our shareholders.

The Committee is satisfied that the existing remuneration framework aligns with recognised best practice principles. Annual bonuses are subject to deferral, and the LTIP has a three-year performance period followed by a two-year holding period post-vesting. The current policy also includes minimum shareholding guidelines applicable both during employment and after termination of employment.

### Incentive opportunity

Under the new policy, the Committee proposes moderate increases to the maximum award opportunities for the Annual Bonus Scheme and the LTIP. The maximum bonus opportunity under the policy will increase from 150% of salary to 180% of salary. The maximum LTIP award opportunity under the policy will increase from 200% to 250% of salary.

The primary increase in quantum is within the LTIP. The increased potential LTIP award is designed to motivate executives to achieve stretching targets while ensuring strong alignment with shareholder outcomes over the longer term. With the first awards under the new Policy being in 2026, which are subject to a three-year performance period and two-year holding period, Executive Directors will not realise the potential benefit of this award until 2031.

The approach to performance condition target setting for LTIP awards has been revised to reflect the higher award opportunity. Performance condition maximum targets reflect a higher level of stretch than the award made in 2025. This approach ensures that any additional compensation is directly linked to delivery of financial and shareholder returns outperformance, demonstrating our commitment to robust pay-for-performance principles.

Threshold and target performance condition targets will continue to be set to be appropriately stretching levels to incentivise the delivery of core business performance. This approach takes into account ongoing market uncertainty and aims to ensure management remains motivated with achievable goals even in challenging environments.

Although not the primary factor influencing the increases to maximum award opportunities, the Committee also assessed the positioning of the current total compensation for the CEO and CFO against relevant peer groups to ensure that it remained appropriate. The Committee considered market practice from a range of perspectives including:

## Remuneration Committee Report continued

- **Market capitalisation:** This peer group comprised companies ranked above and below Grafton based on market capitalisation, predominantly consisting of FTSE 250 constituents. Financial services companies were excluded to ensure comparability.
- **Adjusted market capitalisation:** Grafton is more international and operationally complex than some other companies with a similar market capitalisation, with a significant workforce across multiple regions and revenue that sits towards the upper quartile of the market capitalisation peer group. To reflect this additional complexity, the Committee considered an adjusted market capitalisation group which excluded companies with significantly lower colleague numbers and/or revenue.
- **Revenue:** Companies with revenue similar to Grafton. The peer group comprised companies ranked above and below Grafton based on this revenue metric, including FTSE 100 and 250 companies. Financial services companies were excluded.

The Committee considered that this was a balanced and fair approach to benchmarking. Compared against these groupings, the Committee determined that the overall maximum total compensation as a percentage of salary, particularly for the CEO, was generally towards the lower end of the market competitive range.

Following the proposed increases, the total compensation opportunity remains within the market competitive range, positioned slightly above the median. Taking into account the proposed increase in stretch for the LTIP performance targets the Committee considers this positioning to be appropriate.

The modest increase to the annual bonus maximum for the CEO will also ensure that his annual bonus is fairly positioned compared with peers and that he is appropriately incentivised to deliver consistent annual performance and strategic milestones which support the long-term creation of shareholder value.

### Annual bonus deferral

Under the current policy an Executive Director is required to apply 30% of any annual bonus earned after statutory deductions for the purchase of shares in the Group. The shares are then required to be held for two years. The bonus deferral policy will be amended so that once an Executive Director has met the established minimum shareholding guidelines, the obligation to defer a portion of their annual bonus into company shares will no longer apply. The Committee believes that executives who have met the shareholding guidelines are already closely aligned with shareholder interests, making further mandatory deferral unnecessary.

### Malus and clawback

Under the new policy, the malus and clawback period will be reduced from six years to three years following the annual bonus payment or LTIP vesting. The current six-year duration surpasses prevailing market standards, which generally fall between two and three years from payment or vesting. Adopting a three-year timeframe aligns with accepted market practices and, in the Committee's view, provides sufficient time to identify any trigger events.

### Dividend equivalents

Dividend equivalents will apply for LTIP awards to the extent that they may vest. Under the current policy, participants do not receive dividend equivalents on vested awards, which deviates from typical market practice.

### Summary

The approach detailed above is designed to effectively support the retention and sustained motivation of our Executive Directors and senior leaders during a crucial phase of the Group's development and growth. The Committee is confident that the new policy provides a balanced framework, aligning pay with performance so that higher payouts are attained only for exceptional achievements that exceed more stretching performance targets than previously applied.

The proposed increases to incentive opportunities are proportionate to companies of similar size and complexity and are accompanied by commensurately higher performance expectations to ensure robust pay-for-performance alignment.

The additional policy adjustments outlined above will ensure that the overall package aligns with prevailing market practices, current governance standards, and anticipated future development. This comprehensive approach ensures the ongoing effectiveness and relevance of the new Policy.

Taking into account the above, the Committee believes that the proposed quantum increases represent a reasonable and balanced approach and are essential to retain top executive talent, align executive reward with market best practice, motivate high performance, and ultimately serve the long-term interests of our shareholders.

### Remuneration for 2026

#### Salary

The Committee approved a salary increase of 3.0% with effect from 1 January 2026 for the Chief Executive Officer and the Chief Financial Officer which was lower than the average awards of 3.6% to colleagues in Ireland and the UK.

#### Pension

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

#### Annual Bonus Scheme

As outlined above, the maximum annual bonus opportunity for the CEO in 2026 will be 180% of salary and 150% of salary for the CFO. In line with the approach in 2025, the 2026 Annual Bonus will be based on adjusted operating profit before property profit (70%) and free cash flow conversion (30%).

### Long Term Incentive Plan

LTIP awards for 2026 will be made at 250% of salary to the CEO and 220% of salary for the CFO. Awards will be based on four performance measures: Adjusted EPS pre-property profit for 2028 (35%); TSR relative to the FTSE 250 (excluding investment trusts, financial services, resources and energy) (25%); Average ROCE over the three years of the performance period (35%); and Scope 1 & 2 Greenhouse Gas (GHG) emissions reduction (5%).

We propose minor re-weightings of the performance measures from the 2025 award. Adjusted EPS pre-property profit and average ROCE will increase from 30% to 35%. Relative TSR will reduce from 30% to 25%.

The ESG measure has been refined to focus specifically on carbon reduction (with diversity, equity and inclusion measures removed) with a 5% weighting. This maintains a clear focus on externally verifiable and measurable objectives, reflecting a preference for robust, quantifiable targets over those, which were deemed more volatile and challenging to consistently measure within this framework. We will continue to focus on DEI initiatives and targets across the Group including external reporting under the FTSE Women Leaders Review and Parker Review.

Given the inherent challenges in identifying a suitably comparable peer group for TSR due to Grafton's unique cyclical environment and external market forces, the TSR peer group has been refined to exclude companies in investment trusts, financial services, resources and energy sectors.

The Committee has set a target range for adjusted EPS before property profit for 2028 of between 81.14p at threshold, 88.36p at target and 98.65p 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.

## Remuneration Committee Report continued

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% of the award will vest if the lower end of the adjusted EPS target range of 81.14p is achieved. Where adjusted EPS is between the threshold and target point in the range, between 25% and 50% of this part of the award will vest on a straight-line basis. Between the target and the maximum target in the range, between 50% and 100% of this part of the award will vest on a straight-line basis. The target adjusted EPS range for 2028 is equivalent to annual compound growth of 4.0% at threshold, 7.0% at target, and 11.0% at maximum applied to the 2025 base year adjusted EPS excluding property profit and using an underlying 19.5% tax rate which excludes a credit relating to updated estimates of amounts relating to prior years of 72.13p.

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, financial services, resources and energy sectors. In line with previous years, median performance against the peer group will result in threshold payout with performance above the 80<sup>th</sup> percentile resulting in full payout.

The Committee has set a target range of 10.0% to 11.5% for the three-year period from 2026 to 2028 for Average ROCE. The calculation of ROCE will follow that shown in the Alternative Performance Measures on page 192 which uses the opening and closing year-end balance sheets in the calculation of average capital employed.

The GHG emissions target will be aligned with the SBTi linear pathway to a 48.5% reduction by 2030, measured against a 2021 baseline. The target will be to reduce Scope 1 & 2 GHG emissions by 45.24% by 31 December 2028 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 2025.

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 is pleased with the high level of support received historically for its Annual Reports on Remuneration and for the three-yearly renewal of the Remuneration Policy.

The Committee has actively engaged with major shareholders and investor bodies concerning the proposed changes to the Remuneration Policy. Feedback received during consultations with major shareholders was generally favourable and contributed to refining the final proposals.

I am confident that the proposed policy is aligned with shareholders' interests and will continue to support the delivery of the Group's strategy and the creation of long-term sustainable value for shareholders. 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.

**Andrea Gisle Joosen**  
Chair of the Remuneration Committee

4 March 2026

## Remuneration Policy Report

This part of the Directors' Remuneration Report sets out the Remuneration Policy for the Company and has been prepared in accordance with Schedule 8 to the UK Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the Companies (Miscellaneous Reporting) Regulations 2018 (the 2018 regulations), the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 (the 2019 regulations) and the disclosure requirements set out in the Listing Rules of the UK Financial Conduct Authority. This report also complies with the European Union (Shareholders' Rights) Regulations 2020 introduced in Ireland in March 2020. The policy has been developed taking into account the principles of the 2024 UK Corporate Governance Code.

This policy will take effect from the 2026 AGM and is intended to apply until the 2029 AGM and covers the financial years 2026, 2027 and 2028.

### 2026 Remuneration Policy summary

Element	Proposed changes to policy
<b>Annual bonus</b>	<ul style="list-style-type: none"> <li>The maximum bonus opportunity under the policy will increase from 150% to 180% of salary.</li> <li>Executive Directors will be no longer required to allocate 30% of their annual bonus after statutory deductions for the purchase of shares in the Group once the share ownership guideline as outlined in the Policy is satisfied. The 30% allocation will continue to be mandatory until the guideline is fulfilled. This approach will apply to the 2025 annual bonus award.</li> </ul>
<b>Long Term Incentives</b>	<ul style="list-style-type: none"> <li>The maximum award opportunity under the policy will increase from 200% of base salary to 250% of base salary.</li> <li>Introduction of dividend equivalents in respect of LTIP awards to the extent that they vest.</li> </ul>
<b>All-employee share plans</b>	<ul style="list-style-type: none"> <li>The policy description has been revised to include the Grafton Group plc Employee Share Participation Scheme.</li> </ul>
<b>Chair and Non-Executive Director fees</b>	<ul style="list-style-type: none"> <li>The policy description has been revised to confirm that fees are subject to annual review and now incorporates the additional fee applicable to the Senior Independent Director position.</li> </ul>
<b>Malus and Clawback</b>	<ul style="list-style-type: none"> <li>Malus and Clawback period shortened from six years to three years.</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>Minor wording changes to improve operation, implementation, clarity and alignment with best practice.</li> </ul>

### Policy review process

<b>Jun</b>	<ul style="list-style-type: none"> <li>Comprehensive review of the current policy, including engagement with key stakeholders to identify key priorities.</li> <li>Benchmarking analysis performed against peer group companies and prevailing market trends.</li> <li>Assessment of regulatory developments and UK Corporate Governance Code updates.</li> </ul>
<b>Sep</b>	<ul style="list-style-type: none"> <li>New policy draft prepared for consideration and approval.</li> </ul>
<b>Dec</b>	<ul style="list-style-type: none"> <li>Committee approval of revised policy and approach to shareholder consultation.</li> </ul>
<b>Jan</b>	<ul style="list-style-type: none"> <li>Formal consultation process initiated with major shareholders.</li> </ul>
<b>Mar</b>	<ul style="list-style-type: none"> <li>Committee approval of revised policy in preparation for publication in 2025 Annual Report and Accounts.</li> </ul>
<b>May</b>	<ul style="list-style-type: none"> <li>Remuneration Policy presented at the AGM for shareholder approval.</li> </ul>

## Remuneration Policy Report continued

### Policy overview

The objective of the Remuneration Policy is to provide remuneration packages for each Executive Director that will:

- Attract, retain and motivate executives of high calibre;
- Ensure that executive management is provided with appropriate incentives to support the delivery of the strategy and encourage enhanced sustainable long-term performance;
- Ensure that the overall package for each Director is linked to the short and longer-term strategic objectives of the Group as well as being aligned with the Company purpose and values; and
- Have a significant proportion of the potential remuneration package paid in equity, which is designed to ensure that executives have a strong alignment with shareholders through high levels of executive share ownership both during and post-employment.

When setting the levels of short-term and long-term variable remuneration and the balance of equity and cash within the package, consideration is given to discouraging unnecessary risk-taking whilst ensuring that performance hurdles are suitably challenging.

In determining the Policy, the Remuneration Committee took into account all factors which it considered necessary, including market practice, the changing nature of the business and markets in which it operates, the performance of the Group, the experience, responsibility and track record of the individuals concerned and remuneration practices elsewhere in the Group.

### How the views of shareholders are taken into account

The Committee considered the guidelines issued by bodies representing institutional shareholders and feedback from shareholders on the Group's remuneration policies and practices. It also consulted with our largest shareholders and a number of the shareholder advisor bodies prior to finalising proposed changes to the current Remuneration Policy.

Feedback received during meetings with major shareholders was broadly positive and helped shape the final proposals. The Committee took account of the views expressed and considered refinements to certain aspects of the Policy in response to the consultation process.

When any significant changes are proposed to the Policy in the future, the Committee Chair will look to consult with major shareholders in advance and aim to offer a meeting to discuss proposed changes. The Committee will actively engage with shareholders and give serious consideration to their views including any feedback received prior to and during the Annual General Meeting.

Details of votes cast for and against the resolution to approve the prior year's Remuneration Report and any matters discussed with shareholders during the year are referred to in the Annual Report on Remuneration and in the Chair's Annual Statement.

### How the views of employees are taken into account

The Committee is provided with an overview of workforce remuneration each year and this was taken into consideration in deciding the pay of Executive Directors and senior management.

Although the Committee does not directly consult with employees on Directors' remuneration, the Committee does take into consideration the pay and employment conditions of all employees when setting the policy for Directors' remuneration. Salary increases are normally in-line with the general increase for the broader employee population in the Ireland and the UK and pension contributions for Executive Directors were aligned to the level available for the majority of the workforce in the UK. The Committee is also mindful of any changes to the pay and benefit conditions for employees more generally when considering the policy for directors' pay. When determining incentive outcomes for directors, including if discretion should be applied, the Committee will also consider workforce pay and broader incentive outcomes.

Finally, members of the Committee attended Colleague Forums during the year in the UK, and Ireland. Colleague Forums, made up of colleagues from each of our businesses, provide an opportunity for our people to engage with Non-Executive Directors and for their views, including any on remuneration, to be heard at management and Board level.

### 2026 Remuneration Policy for Directors

The following table summarises the key aspects of the Remuneration Policy for Executive Directors.

## Remuneration Policy Report continued

Element, purpose and link to strategy	Operation	Maximum opportunity/limit	Performance targets/comments
<b>Base salary</b>			
<b>To recruit, retain and reward executives of a suitable calibre for the roles and duties required</b>	<p>Salaries of Executive Directors are normally reviewed annually and any changes are normally made effective from 1 January (but may be reviewed and increased at other times).</p> <p>When conducting this review and the level of increase, the Committee considers a range of factors including:</p> <ul style="list-style-type: none"> <li>• The performance of the Group and the individual;</li> <li>• Market conditions;</li> <li>• The prevailing market rates for similar positions in UK and Irish companies of broadly comparable size and a number of industry specific peers;</li> <li>• The responsibilities and experience of each Executive Director;</li> <li>• The level of salary increases implemented across the Group; and</li> <li>• Other relevant factors.</li> </ul>	<p>There is no set maximum, however any increases are normally in-line with the general increase for the broader employee population.</p> <p>Individual adjustments in excess of this may be made at the discretion of the Committee for example:</p> <ul style="list-style-type: none"> <li>• To recognise an increase in the scale, scope or responsibility of a role;</li> <li>• A significant change in the size and/or scope of the business;</li> <li>• Development of an individual within the role;</li> <li>• Where there has been a significant change in market practice; and</li> <li>• Other exceptional circumstances.</li> </ul>	Not applicable.
<b>Benefits</b>			
<b>Provide market competitive benefits</b>	<p>Benefits may include company car, mobile telephone, life assurance, private medical cover and permanent health insurance.</p> <p>The Committee may introduce other benefits if it is considered appropriate to do so. Any reasonable business-related expenses may be reimbursed, including tax thereon.</p> <p>Where an Executive Director is required to relocate to perform their role, appropriate one-off or ongoing benefits may be provided (e.g. housing, schooling etc.).</p>	The value of other benefits is based on the cost to the Company and is not pre-determined.	Not applicable.
<b>Pension</b>			
<b>Provide market competitive benefits</b>	A company contribution to a money purchase pension scheme or provision of a cash allowance in lieu of pension or a combination of both.	Pension contributions for Executive Directors are aligned to the level available for the majority of the wider workforce in the UK.	Not applicable.

## Remuneration Policy Report continued

Element, purpose and link to strategy	Operation	Maximum opportunity/limit	Performance targets/comments
<b>Annual bonus</b>			
<p><b>To encourage and reward delivery of the Group's annual financial and strategic objectives</b></p>	<p>Bonus payments are determined by the Committee based on performance against the targets.</p> <p>Performance measures and targets are reviewed annually. The bonus is payable in cash.</p> <p>Executive Directors are required to apply 30% of their annual bonus, net of statutory deductions, towards the purchase of shares in the Group until they have met their share ownership guideline. Shares purchased under this requirement are normally subject to a holding period of two years.</p> <p>Clawback applies as set out in the notes to the policy table below.</p>	<p>The maximum award under the Annual Bonus Scheme which may be granted in respect of any financial year is 180% of basic salary.</p> <p>The Committee may, in its discretion, adjust annual bonus payments, if it considers that the outcome does not reflect the underlying financial or non-financial performance of the participant or the Group over the relevant period, or that such payout level is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set.</p> <p>When making this judgement the Committee may take into account such factors as it considers relevant.</p>	<p>The majority of the bonus will normally be based on the achievement of appropriate financial measures but may also include an element for non-financial measures including personal performance, ESG and strategic measures.</p> <p>The metrics chosen and their weightings will be set out in the Annual Report on Remuneration.</p> <p>For financial measures, a sliding scale is set by the Committee. No bonus is payable if performance is below a minimum threshold, up to 20% is payable for achieving threshold with full bonus payable for achieving the upper point on the scale.</p>
<b>Long Term Incentives (LTIP)</b>			
<p><b>To encourage and reward delivery of the Group's strategic objectives; to provide alignment with shareholders through the use of shares and to assist with retention</b></p>	<p>An Executive Director may be granted an award over shares which vest subject to the achievement of performance conditions.</p> <p>Dividends (or equivalents, including the value of reinvestment) may accrue in respect of share awards to the extent that they vest.</p> <p>Executive Directors are normally required to hold any vested shares (net of tax and other statutory obligations) for two years post-vesting.</p> <p>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 shareholding is met.</p> <p>Malus and clawback apply as set out in the notes to the table.</p>	<p>The maximum value of awards which may be granted in respect of any financial year is 250% of basic salary.</p> <p>The Committee may, in its discretion, adjust the LTIP vesting outcome, if it considers that the outcome does not reflect the underlying financial or non-financial performance of the participant or the Group over the relevant period, or that such payout level is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set.</p> <p>When making this judgement the Committee may take into account such factors as the Committee considers relevant.</p>	<p>LTIP awards vest subject to the achievement of performance targets normally measured over a three-year performance period.</p> <p>The Remuneration Committee sets the performance conditions each year which may include financial and non-financial or share price related metrics for each award taking account of the medium to long-term strategic objectives of the Group.</p> <p>Normally, 25% of a metric will vest if the lower target in the range is achieved. Where the outcome is between the threshold and maximum targets in the range, then between 25% and 100% of this part of the award will normally vest on a straight-line basis.</p> <p>The vesting of shares is also subject to the Committee being satisfied that the overall financial results have been satisfactory in the circumstances over the performance period.</p>

## Remuneration Policy Report continued

Element, purpose and link to strategy	Operation	Maximum opportunity/limit	Performance targets/comments
<b>All-employee share plans</b>			
<b>To encourage share ownership and align the interests of employees with shareholders</b>	<p>Executive Directors are entitled to participate in employee share schemes in operation during the period of the policy on the same basis as other colleagues.</p> <p>The Group currently operates the 2021 Approved SAYE Plan for UK colleagues and the Grafton Group plc Employee Share Participation Scheme for Grafton Group plc colleagues in Ireland.</p>	The limits are in line with the limits for other colleagues which are set by the UK/Ireland tax authorities.	Not applicable.
<b>Share ownership guidelines</b>			
<b>To increase the alignment of interests between Executive Directors and shareholders</b>	<p>Executive Directors are expected to build and maintain a holding of Company shares equal to at least 200% of base salary.</p> <p>LTIP awards made that are subject to the two-year holding period will be deemed to be part of an Executive Directors' shareholding.</p> <p>Executive Directors will normally be expected to maintain a minimum shareholding of 200% of salary (or actual shareholding if lower) for the two years after stepping down from the Board. The Committee retains discretion to waive this guideline in exceptional circumstances if it is not considered to be appropriate.</p>	Not applicable.	Not applicable.
<b>Chair and Non-Executive Director fees</b>			
<b>To attract and retain a high-calibre Chair and Non-Executive Directors by offering a market competitive fee level</b>	<p>The Committee is responsible for evaluating and determining the fees payable to the Chair.</p> <p>The Chair and CEO are responsible for evaluating and making recommendations to the Board on fees payable to the Non-Executive Directors within an aggregate limit approved from time to time by shareholders.</p> <p>The Chair is currently paid a single inclusive fee for the role.</p> <p>The policy is to pay Non-Executive Directors a basic fee for membership of the Board and additional fees to the Senior Independent Director and the Chairs of the Remuneration and Audit and Risk Committees to recognise the additional responsibilities and time commitment of these roles.</p> <p>Additional fees may be paid to reflect additional Board or Committee responsibilities or time commitments as appropriate.</p> <p>The level of fees paid to the Chair of the Board and all Non-Executive Directors recognises the time commitment and responsibilities of the role.</p> <p>The Chair and Non-Executive Directors may be reimbursed for travel and accommodation expenses (and any personal tax that may be due on those expenses).</p> <p>The Chair and Non-Executive Directors do not participate in any pension or incentive plans.</p> <p>Additional benefits may be introduced if considered appropriate.</p>	Fees are normally reviewed annually, taking account of any changes in responsibilities and set by reference to independently sourced market data to ensure that they remain in line with market practice.	Not applicable.

## Remuneration Policy Report continued

### Clawback and malus

#### Annual bonus

The Annual Bonus Scheme is subject to clawback for three years from the date of payment if:

- The Committee forms the view that the Company materially misstated its financial results for whatever reason and that such misstatement resulted either directly or indirectly in a bonus award vesting to a greater degree than would have been the case had that misstatement not been made;
- The Committee forms the view that in assessing the extent to which any performance condition and or any other condition imposed on any bonus award was based on an error, or on inaccurate or misleading information or assumptions and that such error, information or assumptions resulted either directly or indirectly in a bonus being made to a greater degree than would have been the case had that error not been made;
- The Group or any part of the Group in the reasonable opinion of the Committee, following consultation with the Audit and Risk Committee, suffered a material failure of risk management and where the Committee forms the view that the conduct of a Director contributed to the circumstances leading to such failure;
- A Director is found guilty or pleads guilty to a crime that is related to or damages the business or reputation of any member of the Group;
- There is reasonable evidence of fraud or material dishonesty by a Director that is related to or damages the business or reputation of any member of the Group; or
- A Director is in breach of any applicable restrictions on competition, solicitation or the use of confidential information.

These provisions are applicable to bonus awards granted under this Policy and, at the Committee's discretion, may also extend to bonus awards issued pursuant to previous policies.

### Long-term incentives

The Committee has the discretion, in circumstances in which the Committee considers such action is appropriate, to decide at any time prior to the vesting of an award that the Director to whom the award was issued shall be subject to forfeiture or reduction (including by way of imposition of additional conditions) of all or part of an award before it has vested.

The Committee also has the discretion to require the repayment of vested awards (within three years of the date of award vesting) in specified circumstances, including:

- where there is a material misstatement in the Company's financial results and that such misstatement resulted either directly or indirectly in an award vesting to a greater degree than would have been the case had that misstatement not been made;
- where in calculating the number of shares to which an award relates or in determining the performance conditions and/or any other condition imposed on the award or in assessing the extent to which any performance condition and/or any other condition imposed on the award was satisfied such calculation, determination or assessment was based on an error, or on inaccurate or misleading information or assumptions and that such error, information or assumptions resulted either directly or indirectly in that award vesting over a greater number of shares or to a greater degree than would have been the case had that error not been made;
- where it is determined that there has been a material failure of risk management;
- where the conduct of the relevant participant contributed to circumstances leading to an insolvency or corporate failure resulting in the value of the Company's shares being materially reduced;
- where the relevant participant is found guilty of or pleads guilty to a crime that is related to or damages the business or reputation of any member of the Company's group;

- there is reasonable evidence of fraud or material dishonesty by the relevant participant that is related to or damages the business or reputation; and
- breach of any applicable restrictions on competition, solicitation or the use of confidential information.

The LTIP is subject to malus provisions including but not limited to the material misstatement of financial results, a material failure of risk management, serious reputational damage or where a participant contributed to circumstances leading to the Group receiving a notification that it may become subject to any regulatory sanctions.

These provisions apply to LTIP awards that vest following the approval of this Policy.

### Annual bonus and LTIP discretions

The Committee will operate the Annual Bonus Scheme and LTIP according to their respective rules and in accordance with the Listing Rules and applicable tax rules. The Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of these plans. These include (but are not limited to) the following (albeit within the level of award restricted as set out in the policy table above):

- Who participates in the plan;
- The timing of grant of awards;
- The size of awards;
- The choice of performance measures and performance target conditions in respect of each annual award (including the setting of financial targets and the selection of a TSR comparator group);
- The determination of vesting, including discretion to override formulaic outcomes;
- Whether malus and/or clawback shall be applied to any award and, if so, to the extent to which they shall apply;
- Discretion relating to the measurement of performance in the event of a change of control or reconstruction;

- Determination of a good leaver status (in addition to other specified categories) for incentive plan purposes based on the rules of the plan;
- Adjustments required in certain circumstances (e.g., in the event of a demerger, special dividend or an alteration to the capital structure of the Company including a capitalisation of reserves or rights issue); and
- The ability to adjust existing performance conditions for exceptional events so that they can still fulfil their original purpose.

### Legacy arrangements

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above, where the terms of the payment were agreed: (i) before the Policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; or (ii) at a time when the relevant individual was not a director of the Company (or other persons to whom the Policy set out above applies) and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a director of the Company. For these purposes, 'payments' include the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' no later than at the time the award is granted.

## Remuneration Policy Report continued

### Differences in remuneration policy for Executive Directors compared to other employees

The Committee is made aware of pay structures across the Group when setting the remuneration policy for Executive Directors. The Committee considers the general basic salary increase for the broader employee population when determining the annual salary review for the Executive Directors and the pension is aligned with that offered to the majority of the workforce in the UK.

Overall, the remuneration policy for the Executive Directors is more heavily weighted towards variable pay than for other employees. This ensures that there is a clear link between value created for shareholders and remuneration received by Executive Directors and it recognises that Executive Directors should have the greatest accountability and responsibility for increasing shareholder value.

### Approach to recruitment and promotions

The Committee will as a general principle seek to offer a remuneration package to a new Executive Director which can secure the best individual for the role while seeking to pay no more than it believes is necessary to make the appointment.

The remuneration package for a new Director will normally be set in accordance with and subject to the limits set out in the Group's approved policy as set out earlier in this report, subject to such modifications as are set out below.

Salary levels for Executive Directors will be set in accordance with the Policy, taking into account the experience and calibre of the individual and his/her existing remuneration package.

Where it is appropriate to offer a lower salary initially, a series of increases to the desired salary positioning may be made over subsequent years subject to individual performance and development in the role. Benefits will generally be provided in line with the approved policy.

Where necessary the Committee may approve the provision of one-off or ongoing expatriate benefits (e.g. housing, schooling etc.) to facilitate recruitment and ensure that flexibility is retained for the Company to pay for legal fees and other costs incurred by the individual in relation to their appointment. The rate of pension contribution will be aligned to the level available for the majority of the wider workforce at the date of appointment.

The structure of the variable pay element will normally be in accordance with and subject to the limits set out in the Group's approved policy detailed above. Different performance measures may be set initially for the annual bonus in the year an Executive Director joins the Group taking into account the responsibilities of the individual and the point in the financial year that he or she joins the Board.

Subject to the rules of the scheme, an LTIP award may be awarded after joining the Group.

If it is necessary to buy-out incentive pay or benefit arrangements or other contractual terms (which would be forfeited on leaving the previous employer) in the case of an external appointment, this would be provided for taking into account the form (cash or shares), timing and expected value (i.e., likelihood of meeting any existing performance conditions) of the remuneration being forfeited. The general policy is that payment would generally be on a 'like-for-like' basis unless this is considered by the Committee not to be practical or appropriate.

Share awards may be used to the extent permitted under the Group's existing share plans and the Listing Rules where necessary.

In the case of an internal hire, any outstanding variable pay awarded in relation to the previous role will be allowed to pay out according to its terms of grant or adjusted as considered desirable to reflect the new role.

Fees for a new Chair or Non-Executive Director will be set in line with the approved policy.

### Service contracts and payments for loss of office

The Committee determines the contractual terms for new Executive Directors, subject to appropriate professional advice to ensure that these reflect best practice.

The Group's policy is that the period of notice for Executive Directors will not exceed 12 months. The employment contracts of the current CEO and the CFO may be terminated on six months' notice by either side. In the event of a Director's departure, the Group's policy on termination is as follows:

- The Group will pay any amounts it is required to make in accordance with or in settlement of a Director's statutory employment rights;
- The Group will seek to ensure that no more is paid than is warranted in each individual case;
- There is no entitlement to bonus paid following notice of termination unless expressly provided for in an Executive Director's employment contract, but the Group reserves the right to pay a bonus for service to the date of cessation of employment. Such bonus would normally be subject to the same performance conditions as the normal bonus and payable at the normal time but may be paid at cessation of employment if determined by the Committee. The Committee may determine that any requirement to defer bonus shall not be applied;
- The Committee also retains the discretion to meet any reasonable legal fees or outplacement costs or cost of a similar nature if deemed necessary; and
- Following service of notice to terminate employment, the Company may place the executive on garden leave. During this time, the executive will continue to receive salary and benefits (or a sum equivalent to) until the termination of employment. An executive would not normally be entitled to a bonus for any period of gardening leave.

A Director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, on the occurrence of certain events such as gross misconduct.

If the Group terminates employment in lieu of notice in other circumstances, compensation payable is as provided for in employment contracts which is as follows:

- Eric Born – basic salary together with pension and benefits due for any unexpired period.
- David Arnold – basic salary together with benefits and bonus which would have been payable during the notice period or any unexpired balance thereof. Any bonus payable is subject to performance conditions. Payments may be made in monthly instalments.

The Group may pay salary, benefits and pension only in lieu of notice for a new Director.

The treatment of unvested awards previously granted under the LTIP upon termination will be determined in accordance with the plan rules.

As a general rule, an LTIP award will lapse upon a participant giving or receiving notice of his/her cessation of employment. However, for certain good leaver reasons including death, ill health, injury, disability, redundancy, agreed retirement, their employing company or business being sold out of the Group, or any other reason at the Committee's discretion after taking into account the circumstances prevailing at the time, awards will normally vest on the normal vesting date subject to the satisfaction of performance conditions and, unless the Committee determines, otherwise pro-rating the award to reflect the reduced period of time between the commencement of the performance period and the Executive Director's cessation of employment as a proportion of the total performance period. Alternatively, the Committee can decide that the award will vest on the date of cessation, subject to the extent to which the performance conditions have been satisfied at the date of cessation and, unless the Committee determines otherwise, pro-rated to the date of cessation of employment.

## Remuneration Policy Report continued

### Non-Executive Directors

All Non-Executive Directors have letters of appointment with the Company for an initial period of three years, unless otherwise terminated earlier by and at the discretion of either party upon one month's written notice or otherwise in accordance with the Group's Articles of Association and subject to annual reappointment at the AGM.

The appointment letters for Non-Executive Directors provide that no compensation is payable on termination other than accrued fees and expenses.

### Remuneration scenarios for Executive Directors

The Group's normal policy results in a significant portion of remuneration received by Executive Directors being dependent on performance.

The chart below shows how the total pay opportunities for 2026 for Executive Directors vary under four performance scenarios – Minimum, In line with Expectation, Maximum and Maximum plus 50% share price growth.

### Assumptions

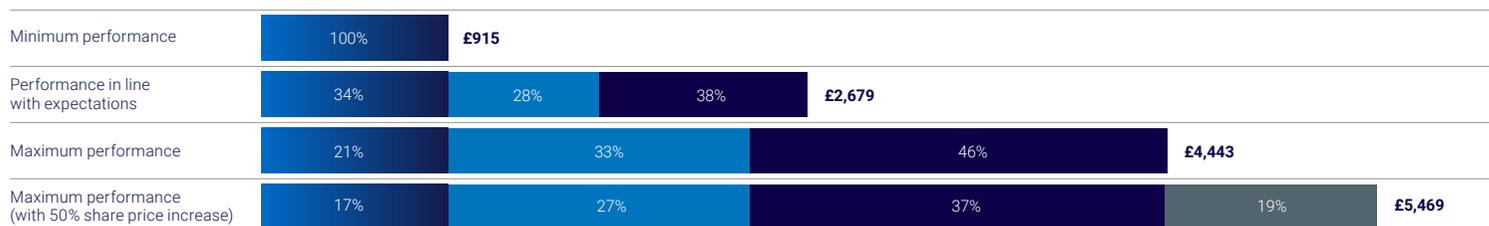
Minimum = fixed pay only (2026 salary, benefits and pension).

In line with expectation (which is not target) = 50% vesting of the annual bonus and LTIP awards.

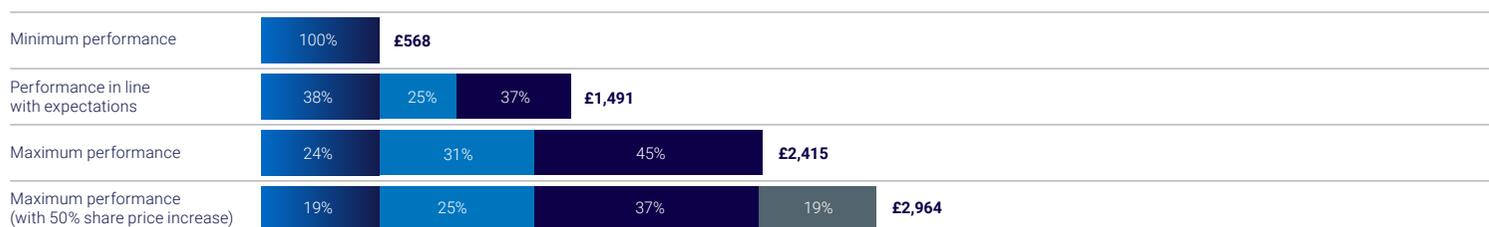
Maximum = 100% vesting of the annual bonus and LTIP awards.

Maximum plus 50% Share Price Growth = 100% vesting of the annual bonus and LTIP awards plus 50% share price growth.

### Chief Executive Officer – Eric Born (£'000)



### Chief Financial Officer – David Arnold (£'000)

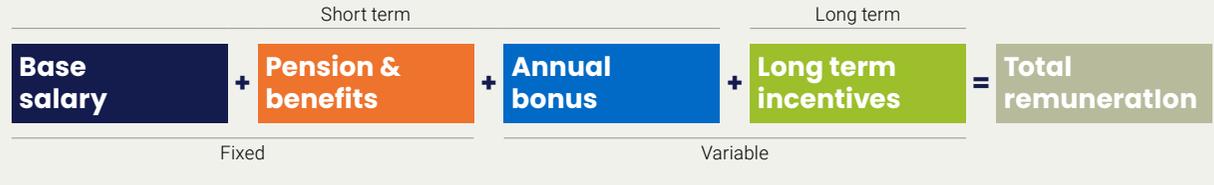


- Fixed
- Annual bonus
- Long-term incentive awards
- Share price growth

# Remuneration at a glance

## 2025 remuneration overview

### Remuneration structure



### Total remuneration in 2025

- Base salary
- Pension & benefits
- Annual bonus
- Long term incentives

Single total figure

### Chief Executive Officer



### Chief Financial Officer



### Variable remuneration outcomes in 2025 (CEO and CFO)

#### Annual bonus 2025

- Operating profit
- Free cash flow



#### Long term Incentives

- Adjusted EPS pre-property profit
- Relative TSR



### Share ownership



# Annual Report on Remuneration

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.

## Membership of the Remuneration Committee

The Committee currently comprises Ms. Andrea Gisle Joosen, Chair, Dr. Rosheen McGuckian, Ms. Avis Darzins, Mr. Mark Robson and Mr. David Dillon 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. Ian Tyler, Chair, attended meetings of the Committee during 2025 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, was Secretary to the Committee during the year. 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 remuneration policy for 2025 and other remuneration matters including the new remuneration policy. Fees for these services, charged on a time and materials basis, totalled £163,700.

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 2025

- Initial consideration of 2025 Annual Bonus Scheme including structure, measures and targets;
- Initial consideration of 2025 LTIP performance conditions, measures and targets;
- Considered feedback from shareholders regarding implementation of Remuneration Policy in 2025; and
- Annual review of Committee's performance.

### March 2025

- Determined Annual Bonus Scheme payments for 2024;
- Determined the extent of vesting of the LTIP awards granted in April 2022;
- Agreed the quantum of 2025 LTIP awards to be granted to Executive Directors, and the GMT including the Company Secretary;
- Agreed the performance conditions measure and targets for the 2025 LTIP awards for Group Management Team (GMT) including the Company Secretary;
- Agreed the 2025 Bonus Scheme structure, measures and targets;
- Reviewed the CEO Pay Ratio with the wider workforce;
- Considered and approved the Report of the Remuneration Committee on Directors' Remuneration; and
- Reviewed and agreed good leaver recommendations in line with LTIP rules.

### April 2025

- Grant of awards under SAYE Scheme to UK colleagues.

### May 2025

- Update on shareholder voting and feedback on AGM resolution on Annual Report on Remuneration; and
- Considered and agreed process for Remuneration Policy review.

### September 2025

- Considered Policy Review matters.

### October 2025

- Determined the extent of vesting of the LTIP awards granted in November 2022 to the CEO;
- Reviewed and agreed good leaver recommendations in line with LTIP rules;
- Considered an update from Deloitte on latest executive remuneration trends and corporate governance developments;
- Considered a management proposal on changes to Executive Remuneration;
- Considered Policy review matters;
- Reviewed share allocation and dilution limits;
- Reviewed Executive Directors' shareholdings against Policy; and
- Reviewed and agreed the Committee proposed work schedule for 2026.

### December 2025

- Considered Policy review matters and agreed approach to shareholder consultation;
- Considered an update on pay across the Group's workforce;
- Determined 2026 salary increases for Executive Directors and the GMT including the Company Secretary;
- Reviewed and approved a remuneration Proposal for GMT members;
- Considered level of potential Bonus Awards for 2025;
- Considered level of potential vesting of 2023 LTIP awards in 2026;
- Approved a proposal relating to pension contribution rates for businesses in Ireland;
- Approved proposed changes of Remuneration Committee Terms of Reference; and
- Approved 2026 fee increase for Non-Executive Chair.

# 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 2025 and the prior year.

	Salary/Fees (a)		Bonus (b)		Pension (c)		Other benefits (d)		Long Term Incentive Plan (e)		Total	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<b>Executive Directors</b>												
E. Born	797	770	784	741	72	69	21	25	467	44	2,141	1,649
D. Arnold	485	468	477	376	44	42	24	22	249	82	1,279	990
	<b>1,282</b>	<b>1,238</b>	<b>1,261</b>	<b>1,117</b>	<b>116</b>	<b>111</b>	<b>45</b>	<b>47</b>	<b>716</b>	<b>126</b>	<b>3,420</b>	<b>2,639</b>
<b>Non-Executive Directors</b>												
I. Tyler <sup>(i)</sup>	250	175	–	–	–	–	–	–	–	–	250	175
R. McGuckian <sup>(ii)</sup>	69	61	–	–	–	–	–	–	–	–	69	61
A. Darzins	66	61	–	–	–	–	–	–	–	–	66	61
M. Robson	80	68	–	–	–	–	–	–	–	–	80	68
D. Dillon <sup>(iii)</sup>	43	–	–	–	–	–	–	–	–	–	43	–
A. Gisle Joosen <sup>(iv)</sup>	38	–	–	–	–	–	–	–	–	–	38	–
<b>Retired Non-Executive Directors<sup>(v)</sup></b>												
S. Murray	72	71	–	–	–	–	–	–	–	–	72	71
V. Crowley	54	61	–	–	–	–	–	–	–	–	54	61
M. Roney	–	81	–	–	–	–	–	–	–	–	–	81
P. Hampden Smith	–	24	–	–	–	–	–	–	–	–	–	24
	<b>672</b>	<b>602</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>672</b>	<b>602</b>
<b>Total Remuneration</b>	<b>1,954</b>	<b>1,840</b>	<b>1,261</b>	<b>1,117</b>	<b>116</b>	<b>111</b>	<b>45</b>	<b>47</b>	<b>716</b>	<b>126</b>	<b>4,092</b>	<b>3,241</b>

(i) Mr. I. Tyler was appointed to the Board on 1 March 2024.

(ii) Dr. R. McGuckian was appointed Senior Independent Director with effect from 22 October 2025 and was entitled to the Senior Independent Director fee from that date.

(iii) Mr. D. Dillon was appointed to the Board on 12 May 2025.

(iv) Ms. A. Gisle Joosen was appointed to the Board on 1 July 2025 and succeeded Mrs. S. Murray as Chair of the Remuneration Committee on 2 September 2025.

(v) Mrs. S. Murray and Mr. V. Crowley stepped down from the Board on 21 October 2025. Mr. M. Roney and Mr. P. Hampden Smith stepped down from the Board on 2 May 2024.

### 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 local currency. Additional fees are payable to the Senior Independent Director and each of the Chairs of the Audit and Risk Committee and the Remuneration Committee. Details of fees paid during 2025 are shown on page 102.

(b) This is the amount of bonus earned in respect of the financial year. The amount payable in respect of 2025 will be paid at the end of March 2026.

(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 or a car allowance.

(e) For the year ended 31 December 2025, this is the value of LTIP awards that will vest in April 2026. The vesting of these awards was subject to performance conditions over the period from 1 January 2023 to 31 December 2025. The value of the awards that will vest is based on the average share price of £9.30 for the three months to 31 December 2025. This represents an increase of £0.43 or 4.8% from the share price of £8.87 at the date of grant. For the year ended 31 December 2024, this is the value of LTIP awards that vested in April/November 2025 which has been updated from that disclosed last year to reflect the share prices of £8.622 and £9.3455 on the dates of vesting. The amounts disclosed in the 2024 report were £46,000 in respect of Mr. E. Born and £94,000 in respect of Mr. D. Arnold.

Comparative figures included in the tables above and on page 102 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) above. 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 £667,000 (2024: £941,000).

# Annual Report on Remuneration continued

The following table sets out the total remuneration for Executive Directors split between fixed and variable pay for the year ending 31 December 2025 and the prior year. Fixed pay includes salary, fees, pension and other benefits. Variable pay includes bonus and LTIP. The remuneration of Non-Executive Directors is all fixed pay.

	Total fixed pay		Total variable pay		Total	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<b>Executive Directors</b>						
E. Born	890	864	1,251	785	2,141	1,649
D. Arnold	553	532	726	458	1,279	990
	<b>1,443</b>	<b>1,396</b>	<b>1,977</b>	<b>1,243</b>	<b>3,420</b>	<b>2,639</b>

## Fixed pay in 2025

### Salaries

Having taken account of both external market developments and internal Group considerations, the Committee approved in December 2024 a basic salary increase of 3.5% 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% to colleagues across the Group.

	Salary/fees		
	2025 £'000	2024 £'000	Change
E. Born	797	770	3.5%
D. Arnold	485	468	3.5%

### Non-Executive Directors' fees

In December 2024, following a benchmark review of Non-Executive Director fees, to ensure remuneration remained competitive and aligned with companies of similar size and complexity, the Committee approved increases to the basic Non-Executive Director fee and additional fee for Chairs of the Audit and Risk Committee and the Remuneration Committee, effective from 1 January 2025. A supplemental fee for the Senior Independent Director role was introduced from 1 January 2025. The fee paid to Mr. Ian Tyler, Non-Executive Chair, for 2025 was unchanged from 2024.

	2025 £'000/€'000	2024 £'000/€'000	Change
Chair's fee	£250	£250	-
Non-Executive Director basic fee	£66/€78	£61/€73	7.4%
<b>Additional fees</b>			
Senior Independent Director	£11/€13	-	-
Audit and Risk Committee Chair	£14/€17	£10/€12	42.6%
Remuneration Committee Chair	£14/€17	£10/€12	42.6%

## Benefits

	Health and medical insurance £'000	Provision of a company car/ car allowance £'000	Total 2025 taxable benefits £'000	Total 2024 taxable benefits £'000
E. Born	11	10	21	25
D. Arnold	7	17	24	22

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

## 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.

	2025 Base salary £'000	% of salary	2025 Pension contribution £'000	2024 Pension contribution £'000
E. Born	797	9.0%	72	69
D. Arnold	485	9.0%	44	42

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

# Annual Report on Remuneration continued

## Pay for performance

### Annual bonus

The maximum bonus opportunity for Mr. Born and Mr. Arnold was 150% of salary respectively. The bonus was based on two financial measures.

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

	Percentage of basic salary		
	Operating profit	Free cash flow	Maximum bonus payable
E. Born	105%	45%	150%
D. Arnold	105%	45%	150%

Financial targets were set at the beginning of the year by reference to the Group's budget for 2025. The actual targets and performance against those targets are set out in the table below for 2025:

	Threshold (20% payable)	Target (50% payable)	Stretch (100% payable)	Actual	% of Maximum payable
Operating profit (£'000)*	£164,262	£177,580	£190,899	£181,697	65.5%
Free cash flow**	80.00%	85.00%	100.00%	89.75%	65.8%

\* Adjusted constant currency operating profit, before property profit which decreased operating profit as reported by £2,613,000.

\*\* Based on free cash flow excluding the impact of property related proceeds, associated gains or losses, and any related taxes.

The operating profit performance condition was based on a sliding scale from 92.5% to 107.5% of the Group's budget for 2025. No bonus was payable if performance was below a minimum threshold of 92.5% of target. The bonus opportunity increased on a straight-line basis up to 100% of the bonus opportunity on achieving 107.5% of target. The free cash flow performance condition was based on a sliding scale from 80% to 100% of budgeted free cash flow with 20% payable at threshold, 50% payable at the budgeted free cash flow of 85% and the full bonus payable at 100%.

The Committee considered the extent to which these targets were achieved and agreed a payment of 98.4% of salary, out of a maximum bonus opportunity of 150% of salary for Mr. Born and Mr. Arnold. These bonuses equate to 65.6% 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

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 2025

The performance conditions for LTIP awards made to Executive Directors in March 2023 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 between median and 80th percentile, 60.2% 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 2025. The Adjusted EPS outcome was calculated based on the number of shares in issue as at the end of 31 December 2022. On this basis, adjusted EPS for 2025 was 63.7 pence, excluding property profit. As this was below the threshold of 89.7 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 89.7p	0%
Threshold	Median	25%	89.7p	25%
Between threshold and stretch	Median - 80 <sup>th</sup> percentile	25% - 100%	89.7p - 101.6p	25% - 100%
Stretch or above	Above 80 <sup>th</sup> percentile	100%	Above 101.6p	100%
Actual achieved	Ranked 52 <sup>nd</sup>	60.2%	63.7p	0%

Based on the above, 30.1% of the total awards granted to the Chief Financial Officer and Chief Executive Officer will vest in April 2026. 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 2023 awards that will vest in April 2026:

Director	Number of shares granted	% of award vesting	Number of shares vesting	Value of shares vesting <sup>1</sup>
E. Born	166,855	30.1%	50,223	£467,074
D. Arnold	88,839	30.1%	26,740	£248,682

<sup>1</sup> As these shares do not vest until after 1 April 2026, a deemed share price is used to calculate the value of the vesting. This is taken as the three-month average to 31 December 2025 being £9.30.

### LTIP awards granted during the year ended 31 December 2025

The following awards were made during the year ended 31 December 2025:

Director	Date of grant	Number of shares granted	% of base salary	Share price at grant date	Value of award at grant date
E. Born	19 March 2025	182,765	200%	£8.7165	£1,593,071
D. Arnold	19 March 2025	111,212	200%	£8.7165	£969,379

The 2025 awards to Mr. Born and Mr. Arnold are subject to the achievement of the following performance conditions:

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

# Annual Report on Remuneration continued

## 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 - 80 <sup>th</sup> percentile	25%-100%	-	-	10.0%-11.0%	25%-100%
Stretch or above	Above 80 <sup>th</sup> percentile	100%	Above 93.6p	100%	11.0%	100%

The TSR comparator group consists of the constituents of the London Stock Exchange's FTSE 250 Index excluding investment trusts.

EPS performance will be assessed on adjusted EPS for the final year of the performance period, including the impact of acquisitions and share buybacks.

## 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%-21.00%	25% - 100%	40.76% - 42.87%	25% - 100%
Stretch or above	Above 21.00%	100%	Above 42.87%	100%

The gender diversity target is 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 carbon reduction target is aligned with the SBTi linear pathway to a 48.5% reduction in Greenhouse Gas (GHG) emissions by 2030, measured against a 2021 baseline. The target for the 2025 LTIP award is to reduce Scope 1 & 2 GHG emissions by 42.87% by 31 December 2027 against the 2021 base year.

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.

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 Director's shareholding, for the purposes of monitoring the shareholding guidelines. The vesting period and the holding period will be five years in total. Clawback provisions 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 2026

#### Salaries

The 2023 Remuneration Policy 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 3.0% with effect from 1 January 2026 for the CEO and the CFO which was lower than the average awards of 3.6% to colleagues in Ireland and the UK. The following salaries will apply from 1 January 2025:

Director	2026 Base salary £'000	2025 Base salary £'000	% Increase
E. Born	820	797	3.0%
D. Arnold	499	485	3.0%

#### Chair and Non-Executive Directors' fees

The Chair and Non-Executive Directors' fees are paid in local currency and reviewed annually. The current fee structure for the Chair and Non-Executive Directors is shown below.

Director	2026 £'000/€'000	2025 £'000/€'000	% Increase
Chair's fee	£258	£250	3.0%
Non-Executive Director basic fee	£68/€80	£66/€78	3.0%
Additional fees			
Senior Independent Director	£11/€13	£11/€13	3.0%
Audit and Risk Committee Chair	£14/€17	£14/€17	3.0%
Remuneration Committee Chair	£14/€17	£14/€17	3.0%

A fee increase of 3.0% applied effective 1 January 2026 to the fees payable to the Chair and Non-Executive Directors. This adjustment aligns with the salary increases granted to the CEO and CFO and was lower than the average awards of 3.6% to colleagues in Ireland and the UK.

# 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% of salary with effect from 1 January 2026 which are aligned to the contribution rate available for the majority of the wider UK workforce.

## Annual bonus

As set out in the Report of the Committee on pages 87 to 90, the maximum bonus opportunity for the Chief Executive Officer for 2026 has been increased to 180% of salary. The maximum bonus opportunity for the Chief Financial Officer for 2026 will remain at 150% of salary.

The 2026 annual bonus will continue to be based on adjusted operating profit pre-property profit (70%) and free cash flow conversion (30%). The Committee believes these metrics remain the most appropriate measures to incentivise strong annual financial performance and disciplined cash management. These measures are directly aligned with the Group's key operational priorities and provide clear, objective targets that drive value creation for shareholders while supporting the execution of the Group's strategic objectives.

The measures and weightings for 2026 are shown in the table below.

CEO Bonus based on	% of salary 2025	% of salary 2024	CFO Bonus based on	% of salary 2025	% of salary 2024
Operating profit	126.0	105.0	Operating profit	105.0	105.0
Free cash flow conversion	54.0	45.0	Free cash flow conversion	45.0	45.0
	180.0	150.0		150.0	150.0

The targets are commercially sensitive and therefore will be disclosed in the 2026 Annual Report.

In line with the 2026 Policy, Executive Directors are required to apply 30% of any annual bonus earned after statutory deductions for the purchase of shares in the Group until the share ownership guideline as outlined in the Policy is met. Clawback provisions apply.

## Long-term incentives

As detailed in the Report of the Committee on pages 87 to 90, LTIP awards for 2026 will be made at 250% of salary to the CEO and at 220% of salary to the CFO. The increased potential LTIP award is designed to motivate executives to achieve stretching targets, ensuring strong alignment with the shareholder outcomes over the long term. The approach to performance condition target setting for the LTIP has been revised to reflect the enhanced award opportunity.

Vesting will be based on four performance conditions:

Performance condition	Weighting
Relative TSR	25.0%
Adjusted EPS pre-property profit	35.0%
Average ROCE	35.0%
Carbon reduction	5.0%

The performance conditions have been subject to modest reweighting from the 2025 award. The weightings for Adjusted EPS before property profit and average ROCE have been increased from 30% to

35% each, reflecting their significance as key performance indicators that are largely within management's influence and central to the delivery of strategy. Relative TSR has been reduced from 30% to 25% to allow for greater emphasis on core financial KPIs. The inclusion of TSR maintains alignment with shareholder interests and recognises the importance of measuring strategic success through share price growth.

The ESG measure has been revised to focus exclusively on carbon reduction, with a 5% weighting. This adjustment reinforces our commitment to carbon reduction as a key component of our strategy and long-term business resilience, while ensuring all objectives remain externally verifiable and measurable. We will continue to focus on DEI initiatives and targets across the Group including external reporting under the FTSE Women Leaders Review and Parker Review.

## 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. As noted in the Chair's letter, the comparator group has been further refined to remove the financial services, resources and energy sectors that are subject to significantly different market factors to the Group.

Consistent with prior years, achieving median performance relative to the peer group will result in a threshold payout with performance exceeding the 80<sup>th</sup> percentile resulting in a full payout.

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

The Committee agreed that for the LTIP award in 2026, EPS targets will be based on forecast organic growth plus potential growth achievable through acquisitions or share 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 aligns with the methodology adopted by the Committee when setting the targets for the LTIP award in 2025.

The Committee has set a target range for Adjusted EPS before property profit for 2028 of between 81.14p at threshold, 88.36p at target and 98.65p 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% of the award will vest if the lower end of the adjusted EPS target range of 81.14p is achieved. Where adjusted EPS is between the threshold and target point in the range, between 25% and 50% 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% and 100% of this part of the award will vest on a straight-line basis. The target adjusted EPS range for 2028 is equivalent to annual compound growth of 4.0% at threshold, 7.0% at target, and 11.0% at maximum applied to the 2025 base year adjusted EPS excluding property profit and using an underlying 19.5% tax rate which excludes a credit relating to updated estimates of amounts relating to prior years of 72.13p.

## Average ROCE

The Committee has set a target range of 10.0% to 11.5% for the three-year period from 2026 to 2028 for Average ROCE. The calculation of ROCE will follow that shown in the Alternative Performance Measures on page 192 which uses the opening and closing year-end balance sheets in the calculation of average capital employed.

## Annual Report on Remuneration continued

### GHG emissions reduction

The ESG measure has been refined to focus specifically on carbon targets with a 5% weighting. This maintains a clear focus on externally verifiable and measurable objectives.

The carbon reduction target will be aligned with the SBTi linear pathway to a 48.5% reduction of GHG emissions by 2030, measured against a 2021 baseline. The target will be to reduce Scope 1 & 2 GHG emissions by 45.24% by 31 December 2028 against the 2021 base year.

The amount of the award is determined on a straight-line basis as set out in the table adjacent.

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

	25% TSR relative to a peer group		35% Adjusted EPS		35% Average ROCE	
	Ranking	% of element vesting	Performance	% of element vesting	Performance	% of element vesting
Below threshold	Below median	0%	Below 81.14p	0%	Below 10.0%	0%
Threshold	Median	25%	81.14p	25%	10.0%	25%
Between threshold and target	–	–	81.14p-88.36p	25%-50%	–	–
Between target and stretch	–	–	88.36p-98.65p	50%-100%	–	–
Between threshold and stretch	Median-80 <sup>th</sup> percentile	25% -100%	–	–	10.0%-11.5%	25%-100%
Stretch or above	Above 80 <sup>th</sup> percentile	100%	Above 98.65p	100%	11.5%	100%

### ESG target

	5% GHG emissions reduction	
	Performance	% of element vesting
Below threshold	Below 41.57%	0%
Threshold	41.57%	25%
Between threshold and stretch	41.57%-45.24%	25%-100%
Stretch or above	Above 45.24%	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 2025 financial year compared with the prior year.

	2025** £'000	2024 £000	% Change
Dividends payable	<b>72,484*</b>	72,743	(0.4)
Share buybacks	<b>56,612</b>	80,923	(30.0)
Employee remuneration costs	<b>420,801</b>	365,952	15.0

\* Based on shares in issue as at 26 February 2026.

\*\* Includes full impact of Salvador Escoda for 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. David Dillon and Ms. Andrea Gisle Joosen were appointed to the Board on 12 May 2025 and 1 July 2025 respectively.

	2025 % change			2024 % change			2023 % change			2022 % change			2021 % change			2020 % change		
	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus
E. Born	3.5	(15.7)	5.8	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	3.5	10.2	27.0	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	–	–
R. McGuckian <sup>(i)</sup>	7.4	–	–	–	–	–	–	–	–	3.1	–	–	5.3	–	–	n/a	–	–
A. Darzins	7.4	–	–	–	–	–	–	–	–	n/a	–	–	n/a	–	–	n/a	–	–
M. Robson	12.2	–	–	–	–	–	n/a	–	–	n/a	–	–	n/a	–	–	n/a	–	–
D. Dillon	n/a	–	–	n/a	–	–	n/a	–	–	n/a	–	–	n/a	–	–	n/a	–	–
A. Gisle Joosen	n/a	–	–	n/a	–	–	n/a	–	–	n/a	–	–	n/a	–	–	n/a	–	–
Retired directors <sup>(ii)</sup>																		
S. Murray <sup>(iii)</sup>	27.7	–	–	–	–	–	–	–	–	19.6	–	–	5.3	–	–	(4.5)	–	–
V. Crowley	7.4	–	–	–	–	–	–	–	–	3.1	–	–	5.3	–	–	(4.5)	–	–
M. Roney	–	–	–	–	–	–	–	–	–	3.1	–	–	5.3	–	–	(4.5)	–	–
P. Hampden Smith	–	–	–	–	–	–	–	–	–	19.6	–	–	5.3	–	–	(4.5)	–	–
Average employee																		
Salary, benefits and bonus (£) <sup>(iv)</sup>	4.65*			5.2			4.4			4.0			10.4			(7.3)		

(i) Dr. McGuckian was appointed Senior Independent Director with effect from 22 October 2025 and was entitled to the Senior Independent Director fee of €13,000 per annum from that date.

(ii) Mrs. Murray and Mr. Crowley stepped down from the Board on 21 October 2025. Mr. Roney and Mr. Hampden Smith stepped down from the Board on 2 May 2024.

(iii) Ms. Murray's fee increase was 12.2% excluding the Senior Independent Director fee of £11,000 per annum which was introduced from 1 January 2025.

(iv) Based on the average number of persons employed during the year.

\* The weighted average salary increase, excluding adjustments for the national minimum wage, for the general workforce in Ireland and the United Kingdom.

## Annual Report on Remuneration continued

### CEO pay ratio to the workforce

The table below shows the ratio of the CEO's total remuneration for 2025 and the lower, median and upper quartile full-time equivalent remuneration of the Group's UK employees. The pay ratios for 2024, 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 2025. The total number of UK colleagues included in the 2025 pay ratio analysis was 3,905. The analysis included colleagues employed at 31 December 2025.

	Method	25 <sup>th</sup> percentile pay ratio	50 <sup>th</sup> percentile pay ratio	75 <sup>th</sup> 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	66:1	58:1	47:1
2025	Option A	81:1	72:1	59:1

Financial year	Method	25 <sup>th</sup> percentile pay ratio		50 <sup>th</sup> percentile pay ratio		75 <sup>th</sup> percentile pay ratio	
		Total pay and benefits	Total salary	Total pay and benefits	Total salary	Total pay and benefits	Total salary
2025	Option A	£26,538	£25,350	£29,875	£28,560	£36,114	£33,698

For the purpose of calculating the pay ratio, the CEO's remuneration is based on the single figure for 2025 of £2,140,226 which includes all remuneration (salary, pension, benefits and LTIP). Details of colleague bonus payments in respect of 2025 is based on bonuses paid in 2025. 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 2025. 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 2024 has been recalculated to be based on colleague bonuses paid in respect of 2024 such that it is on a like-for-like basis to the CEO's single figure calculation.

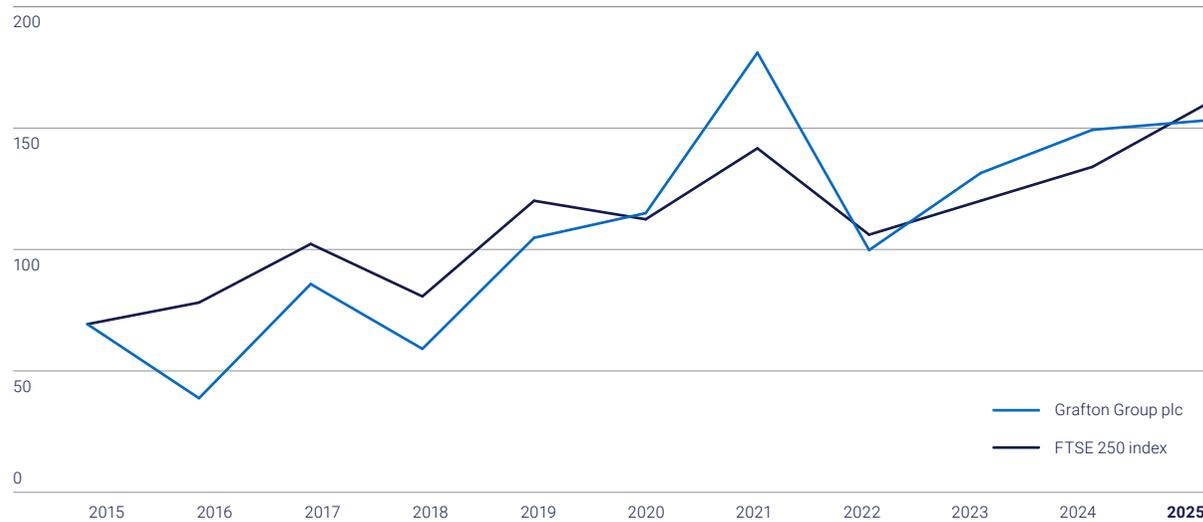
# Annual Report on Remuneration continued

## Total shareholder return

The graph below compares the TSR performance of Grafton Group plc, assuming dividends are reinvested, with the TSR performance of the FTSE 250 over the period 31 December 2015 to 31 December 2025.

This graph shows the value, by 31 December 2025, of £100 invested in Grafton Group plc on 31 December 2015, 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.

### Performance graph and single total figure of remuneration



## Single total figure of remuneration

The table below shows the total remuneration figure for the position of CEO over the ten years to 2025.

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
CEO single total figure of remuneration (£'000)	1,692	1,689	2,211	1,852	1,322	2,876	791*	1,019	1,649	<b>2,141</b>
Annual bonus payout relative to maximum	60%	100%	93%	19%	0%	100%	n/a	16%	64%	<b>66%</b>
LTIP vesting	50%	26%	72%	95%	30%	100%	n/a	n/a	13%	<b>30%</b>

\* 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.

# Annual Report on Remuneration continued

## Statement of shareholder voting

The 2024 Annual Report on Remuneration received the following votes from shareholders at the 2025 AGM:

	Total number of votes	% of votes cast
For	114,547,566	99.36
Against	734,972	0.64
Total	115,282,538	100

The number of votes withheld for the Annual Report on Remuneration was 37,101.

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.

## Directors' and Secretary's interests

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

Director	31 December 2025 Grafton Shares*	31 December 2024 Grafton Shares	Unvested LTIP awards**	Unvested SAYE options***
I. Tyler	1,180	–	–	–
E. Born	31,739	14,330	506,954	2,462
D. Arnold	157,500	144,000	283,821	2,462
R. McGuckian	5,380	5,380	–	–
A. Darzins	2,406	2,406	–	–
M. Robson	2,500	2,500	–	–
D. Dillon	5,000	–	–	–
A. Gisle Joosen	–	–	–	–
Secretary				
S. Lannigan	6,317	5,064	25,550	–

\* At 31 December 2025 a Grafton Share 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 2023, 2024 and 2025.

\*\*\* Mr. Born and Mr. Arnold each held options to purchase 1,156 shares at the agreed price at the end of the three year period ending on 1 June 2027 and options to purchase 1,306 shares at the agreed price at the end of the three year period ending on 1 June 2028.

The closing price of a Grafton Share on 31 December 2025 was 936.0p (31 December 2024: 959.70p) and the price range during the year was between 1,034.2p and 795.50p (2024: 886.5p and 1,087.0p). There have been no changes in the interests of the Directors and Secretary between 31 December 2025 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% 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% of their annual bonus after statutory deductions for the purchase of shares in the Group until this share ownership requirement is fulfilled.

There is normally a two-year holding period for shares received from LTIP awards that vest. Executive Directors will normally be expected to maintain a minimum shareholding of 200% of salary (or actual shareholding if lower) for the two years after stepping down from the Board, unless the Committee decides otherwise.

Mr. Born held shares at the year end valued at 0.37 times his salary which reflects his relatively recent appointment as a Director. Mr. Arnold held shares at the year end valued at 3.04 times his salary. This is based on the closing price of a Grafton Share on 31 December 2025 of 936.0p.

LTIP awards over 4,656 shares granted in November 2022 vested in December 2025 in favour of Mr. Born. Upon vesting, Mr. Born instructed the Company's share plan administrators to sell 2,200 of these shares immediately to cover tax liabilities and broker commissions, retaining the remaining 2,456 Grafton shares. Mr. Born purchased a total of 14,953 shares during the year, of which 1,253 were acquired through the Grafton Group plc Employee Share Participation Scheme.

During the year, Mr. Arnold purchased 2,867 Grafton shares and received an additional 9,499 shares upon the vesting of the 2022 LTIP.

# Annual Report on Remuneration continued

## Directors' and Secretary's interests under the Grafton Group plc 2021 Long Term Incentive Plan

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

	Grant date	Share value applied to award	01-Jan-25	Granted	Lapsed	Shares received	31-Dec-25	Performance period	Vesting date***
<b>E. Born</b>	29 Nov 2022	£9.9325	37,251	–	(32,595)	(4,656)*	–	1 Jan 22-31 Dec 24	29 Nov 2025
	31 March 2023	£8.87	166,855	–	–	–	166,855	1 Jan 23-31 Dec 25	1 April 2026
	20 March 2024	£9.783	157,334	–	–	–	157,334	1 Jan 24-31 Dec 26	21 March 2027
	19 March 2025	£8.7165	–	182,765	–	–	182,765	1 Jan 25-31 Dec 27	19 March 2028
				<b>361,440</b>	<b>182,765</b>	<b>(32,595)</b>	<b>(4,656)</b>	<b>506,954</b>	
<b>D. Arnold</b>	1 April 2022	£9.9325	75,992	–	(66,493)	(9,499)**	–	1 Jan 22-31 Dec 24	1 April 2025
	31 March 2023	£8.87	88,839	–	–	–	88,839	1 Jan 23-31 Dec 25	1 April 2026
	20 March 2024	£9.783	83,770	–	–	–	83,770	1 Jan 24-31 Dec 26	21 March 2027
	19 March 2025	£8.7165	–	111,212	–	–	111,212	1 Jan 25-31 Dec 27	19 March 2028
				<b>248,601</b>	<b>111,212</b>	<b>(66,493)</b>	<b>(9,499)</b>	<b>283,821</b>	
<b>S. Lannigan</b>	1 April 2022	£9.9325	2,270	–	(2,270)	–	–	1 Jan 22-31 Dec 24	1 April 2025
	31 March 2023	£8.87	2,741	–	–	–	2,741	1 Jan 23-31 Dec 25	1 April 2026
	20 March 2024	£9.783	2,556	–	–	–	2,556	1 Jan 24-31 Dec 26	21 March 2027
	27 Nov 2024	£9.3535	4,802	–	–	–	4,802	1 Jan 24-31 Dec 26	28 Nov 2027
	19 March 2025	£8.7165	–	15,451	–	–	15,451	1 Jan 25-31 Dec 27	19 March 2028
			<b>12,369</b>	<b>15,451</b>	<b>(2,270)</b>	<b>–</b>	<b>25,550</b>		

\* The market price at the date of vesting was £9.3455.

\*\* The market price at the date of vesting was £8.622.

\*\*\* 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 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.

### Andrea Gisle Joosen

Chair of the Remuneration Committee

4 March 2026

# Report of the Directors

The Directors present their report to the shareholders together with the audited financial statements for the year ended 31 December 2025.

## Group results

Group revenue increased by 10.4% to £2.52bn from £2.28bn in 2024. Statutory operating profit (before the exceptional profit on disposal) was £166.7m (2024: £152.6m). Adjusted operating profit of £190.2m was up 7.1% from £177.5m last year.

Net finance expense was £9.7m (2024: net finance income of £0.1m). The net finance expense incorporates an interest charge of £15.2m (2024: £15.0m) on lease liabilities recognised under IFRS 16.

The income tax expense of £28.6m (2024: £30.5m) is equivalent to an effective tax rate (before the exceptional profit on disposal) of 18.2% of profit before tax (2024: 20.0%). The rate after including the exceptional profit on disposal is lower at 17.3% (2024: 20.0%).

Basic earnings per share was 70.3 pence (2024: 60.9 pence). Adjusted earnings per share was 75.4 pence (2024: 71.8 pence).

The Group and Company financial statements for the year ended 31 December 2025 are set out in detail on pages 115 to 190 and are deemed to be incorporated in this part of the Report of the Directors together with the Supplementary Information on pages 191 to 198.

## Dividends

A final dividend for 2024 of 26.50 pence per ordinary share was paid on 15 May 2025 to shareholders on the register of members at the close of business on 22 April 2025.

An interim dividend for 2025 of 10.75 pence per ordinary share was paid on 10 October 2025 to shareholders on the register of members at the close of business on 12 September 2025.

A final dividend for 2025 of 27.00 pence per ordinary share is proposed for approval by shareholders at the AGM on 15 May 2026 and, if approved, will be paid on 21 May 2026 to shareholders on the register of members at the

close of business on 24 April 2026, the record date. The ex-dividend date is 23 April 2026.

## 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 42 which includes a review of operations and the financial performance of the Group for 2025, the outlook for 2026 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 33 to 38 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 retired and being eligible offered themselves for re-election at the 2025 Annual General Meeting (AGM). 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 2026 Annual General Meeting and offer themselves for election/re-election.

## Share capital

As at 31 December 2025, 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 155.

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

The AGM of the Company will be held at the Irish Management Institute (IMI) Sandyford Road, Dublin, D16 X8C3, Ireland at 10.30am on Friday 15 May 2026. The Notice of Meeting for the 2026 AGM will be made available on the Group's website, [www.graftonplc.com](http://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 2025 together with the reports of the Directors and the Auditors.

## Final dividend

Shareholders are being asked to declare a final dividend of 27.00 pence per Ordinary Share for the year ended 31 December 2025 payable on 21 May 2026 to the holders of Ordinary Shares on the register of members at close of business on 24 April 2026.

## Election/Re-election of Directors

To elect/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 87 to 90 and 99 to 111, to a non-binding advisory vote.

## 2026 Remuneration Policy

In line with best practice, the Board is proposing to submit a new Remuneration Policy which is set out on pages 91 to 98 to a non-binding advisory vote. It is the Company's intention that this policy will apply until the 2029 AGM unless the Remuneration Committee seeks approval from shareholders to adopt a new policy at an earlier date.

# Report of the Directors continued

## 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 2025 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% of the then average market price of the shares.

## Authority to reissue 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 reissued are 120% and 95% respectively of the average market price of a share calculated over the five business days immediately preceding the date of such reissue.

The authorities which will be sought at the forthcoming AGM to allot relevant securities, disapply pre-emption rights, purchase the Company's Units and reissue treasury shares will, if granted, expire on the earlier of the date of the Annual General Meeting in 2027 or 15 months after the passing of these resolutions.

## Amendment of the Company's Long Term Incentive Plan

Shareholders are being asked to approve an amendment to the Rules of the Grafton Group plc 2021 Long Term Incentive Plan to increase the limit on an individual award from 200% of a person's base salary to 250% of a person's base salary, in line with the proposal in the Remuneration Policy. It is also proposed that the Rules be updated to remove the 5% dilution limit in line with market practice.

## 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 2025 and 26 February 2026:

Name	31 December 2025		26 February 2026	
	Holding	%	Holding	%
Mr. Michael Chadwick	21,776,410	11.38	21,776,410	11.38
GLG Partners LP	11,544,495	6.03	11,527,269	6.02
Blackrock, Inc.	11,178,215	5.84	11,542,523	6.03
Dimensional Fund Advisors LP	10,381,584	5.43	10,381,584	5.43
Vanguard Group, Inc.	9,816,265	5.13	9,822,549	5.13
The Capital Group Companies, Inc.	7,650,223	4.00	7,650,223	4.00
abdrn plc	6,003,930	3.14	5,737,811	3.00
JPMorgan Asset Management (UK) Limited	5,681,867	2.97	5,681,867	2.97

Apart from these holdings, the Company has not been notified at 26 February 2026 or at 31 December 2025 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 110.

## 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](http://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 71 to 80 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.

# Report of the Directors continued

## 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 33 to 38 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	43 to 70
	Key performance indicators	18
Social and employee matters	Sustainability Statement – Social disclosures	59 to 66
	Stakeholder engagement	19 and 20
	Note 11 to the Group Financial Statements	147
	Note 6 to the Group Financial Statements	144 and 145
Diversity	Sustainability Statement – Social disclosures	59 to 66
	Key performance indicators	18
	Nomination Committee Report	84 to 86
Human rights	Sustainability Statement – Social disclosures	59 to 66
Anti-bribery and corruption	Sustainability Statement – Governance disclosures	67 and 68
	Audit and Risk Committee Report	81 to 83
Business model	Business model	9
Non-financial KPIs	Key performance indicators	18
	Sustainability statement – Environmental disclosures	50 to 58
Principal risks	Risk management	33 to 38
Financial instruments	Note 21 to the Group Financial Statements	160 to 166

## Subsidiaries

The Group's principal operating subsidiary undertakings are set out on page 185.

## Political contributions

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

## Events after the balance sheet date

There have been no material events subsequent to 31 December 2025 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

4 March 2026

**David Arnold**  
Director