

BARRATT DEVELOPMENTS PLC

2023 LTPP – PERFORMANCE TARGETS

In December 2023, Barratt Developments PLC (the ‘Company’) granted an award under its Long-Term Performance Plan (‘2023 LTPP’). At the time of grant, the Remuneration Committee agreed to set the non-financial targets but defer the setting of the financial targets (absolute EPS and underlying ROCE) for the 2023 LTPP due to continued market uncertainty. The Company at that time, announced that it would determine the financial targets as soon as possible and no later than the end of March 2024.

However, in February 2024, prior to setting the financial targets, the Company announced its proposed combination with Redrow plc (the ‘Combination’). Consequently, the setting of the financial targets was further delayed, in part due to the Remuneration Committee seeking advice on, and considering, the implications of setting standalone targets for the Company given that the 2023 LTPP would not vest until after completion of the Combination.

At its meeting in June 2024, considering the advice received, the Remuneration Committee agreed the following financial targets for the 2023 LTPP (the non-financial targets (TSR and GHG Emissions), as published in the FY23 Annual Report and Accounts on pages 157 and 158, are included for completeness):

Performance Measure ¹	Reason Selected	Weighting (of Total Award)	Below Threshold (0% Vesting)	Threshold (25% Vesting)	Maximum (100% Vesting)
Absolute Adjusted EPS ² for financial year ending 30 June 2026 ³	To ensure efficient and effective management of our business and align interests with those of shareholders.	15%	Below 38p	38p	42p
Underlying ROCE for the financial year ending 30 June 2026 ⁴	To ensure efficient and effective management of our business and align interests with those of shareholders.	40%	Below 11%	11%	13%
TSR against 50+/50-comparator group	To ensure that the comparator group remains current and relevant whilst factoring in the continued movement in the Company’s market capitalisation.	15%	Below median	Median	Upper Quartile
TSR against a house builder index	To ensure rewards are linked to outperformance of our peers.	15%	Below index average of peer group	Index average of peer group	Index average +8% per annum
Reduction of GHG Emissions	To ensure we focus on reducing our emissions by meeting our science-based target of a 29% reduction in absolute scope 1 and 2 greenhouse gas emissions.	15%	29% reduction	33% reduction	38% reduction

- For the absolute adjusted EPS and underlying ROCE performance targets (as well as TSR), vesting will be on a straight-line basis between threshold and maximum. For the Reduction of GHG Emissions, vesting is on a straight-line basis between below threshold and threshold and between threshold and maximum.
- Absolute EPS and underlying ROCE targets will be based on current corporation tax rates.
- Absolute EPS is calculated by dividing the adjusted profit after tax for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during FY26, excluding those held by the Employee Benefit Trust which are treated as cancelled.
- Underlying ROCE is calculated as earnings before amortisation, interest, tax, operating charges relating to the defined benefit pension scheme and adjusted items, divided by average net assets adjusted for goodwill, intangibles and land payables, tax, cash, loans and borrowings, retirement benefit assets/obligations, derivative financial instruments and legacy property provisions.

The Remuneration Committee expects that each of these performance targets will be subject to necessary adjustments following completion of the Combination.

For completeness, LTPP awards to Executive Directors, members of the Executive Committee and the Regional Managing Directors are subject to a two-year post-vesting holding period. All LTPP awards are subject to an overriding Remuneration Committee discretion, as set out in the Policy table on page 146 of the FY23 annual report. The Remuneration Committee retains discretion to adjust the number of shares vesting from the 2023 LTPP award to mitigate against any potential windfall gains. The 2023 LTPP will also be subject to the malus and clawback provisions summarised on pages 148 and 149 of the FY23 annual report.

Date: 5 August 2024